QUEBECOR

ANNUAL INFORMATION FORM

FINANCIAL YEAR ENDED DECEMBER 31, 2014

MARCH 31, 2015

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INTRODUCTORY NOTE

In this annual information form, unless the context otherwise requires, the terms, "**Quebecor**" and the "**Corporation**" refer to Quebecor Inc. on a consolidated basis, including its subsidiaries and divisions. Unless otherwise indicated (i) all references to "dollars" and "$" refer to Canadian dollars, and (ii) the information presented in this annual information form is given as at December 31, 2014. In addition, the table below lists a number of defined terms that are used throughout this annual information form to refer to various companies within the Quebecor Group.

Entity	Defined Term
Archambault Group Inc.	"Archambault Group"
CEC Publishing Inc.	"CEC Publishing"
Le SuperClub Vidéotron Ltée	"Le SuperClub Vidéotron"
Quebecor Media Inc.	"Quebecor Media"
Quebecor Media Network Inc.	"Quebecor Media Network"
Quebecor Media Printing Inc.	"Quebecor Media Printing"
Sogides Group Inc.	"Sogides"
Sun Media Corporation	"Sun Media"
TVA Group Inc.	"TVA Group"
Videotron Ltd.	"Videotron"

ITEM 1 — THE CORPORATION

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

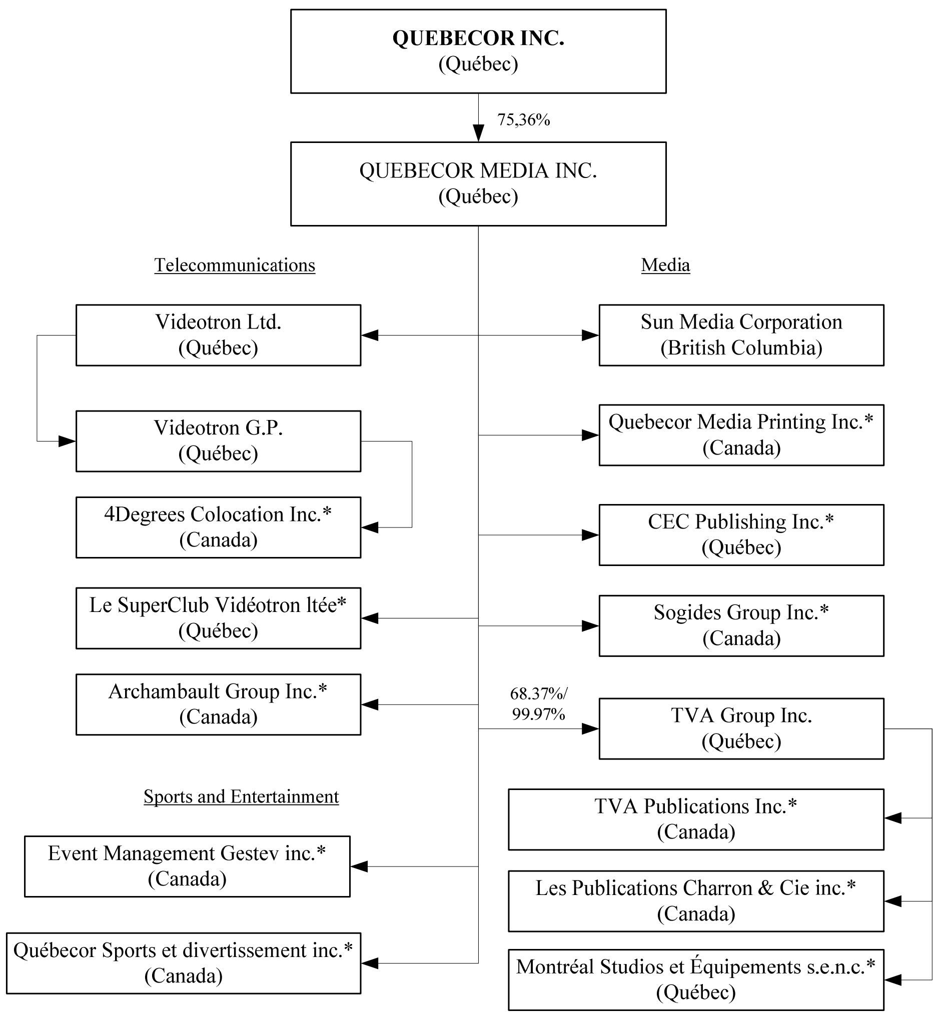
The Corporation is a holding company with a 75.4% interest in Quebecor Media, one of Canada's largest media groups. Quebecor Media's subsidiaries operate in the following business segments: Telecommunications, Media, and Sports and Entertainment.

During the third quarter of 2014, Quebecor changed its organizational structure and its operations are now managed through the following three segments: Telecommunications, Media, and Sports and Entertainment. The reorganization consisted in (a) the creation of the new Media segment, which includes all activities of the previous "News Media" and "Broadcasting" segments, as well as the book publishing and distribution activities previously included in the "Leisure and Entertainment" segment, (b) the creation of the new Sports and Entertainment segment, which includes all operating, production, distribution and management activities of the previous "Leisure and Entertainment" segment relating to music, entertainment, sports and the future Québec City Amphitheatre (the "**Arena**"), and (c) the transfer of the retail businesses from the previous "Leisure and Entertainment" segment to the Telecommunications segment. Accordingly, prior period figures in the segmented information presented in this annual information form have been reclassified to reflect these changes.

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

1.1 THE SUBSIDIARIES

The following organizational chart shows Quebecor's principal subsidiaries as at March 20, 2015 by industry segment, jurisdiction of incorporation or continuation, and, if not wholly-owned, the percentage of equity owned and voting rights held directly or indirectly. Certain subsidiaries whose total assets did not represent more than 10% of its consolidated assets or whose sales and operating revenues did not represent more than 10% of its consolidated sales and operating revenues as at December 31, 2014 have been omitted. The subsidiaries that have been omitted represented, as a group, less than 20% of its consolidated assets and less than 20% of its consolidated sales and operating revenues as at December 31, 2014. The subsidiaries identified with an asterisk (*) each represent 10% or less of its consolidated assets and 10% or less of its consolidated sales and adjusted operating revenues as at December 31, 2014. They have been included to give a better understanding of Quebecor's overall corporate structure.



ITEM 2 — THE BUSINESS

Through its Quebecor Media subsidiary, Quebecor is a leading Canadian media corporation engaged in cable and mobile telecommunications, newspaper publishing and distribution, Internet portals and specialized websites, broadcasting, studio, soundstage and equipment leasing, post-production, visual effects and 3D animation, retailing, publishing and distribution of books and magazines, rental and distribution of video games and game consoles, music recording, production, distribution, music streaming services, production of shows and events, video game development, out of home advertising, two Quebec Major Junior Hockey League ("**QMJHL**") teams and sporting and cultural events management. Through its Videotron subsidiary, Quebecor Media is a premier cable and mobile communications service provider. Quebecor Media holds leading positions in the creation, promotion and distribution of news, entertainment and Internet-related services that are designed to appeal to audiences in every demographic category. Quebecor Media is pursuing a convergence strategy to capture synergies among all its media properties.

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

	Years ended December 31,	
	2014	2013
	(in millions of dollars)	
<u>Revenues by Operating Segment</u>		
Telecommunications	**$ 2,965.0**	$ 2,860.5
Media	**807.7**	828.3
Sports and Entertainment	**60.9**	70.2
Head Office and Inter-segments	**(117.5)**	(111.5)
	$ 3,716.1	$ 3,647.5

2.1 TELECOMMUNICATIONS

2.1.1 Business Overview

Through Videotron, the Corporation is the largest cable operator in the Province of Québec and the third largest in Canada, in each case based on the number of cable customers, as well as an Internet service provider and a provider of cable and mobile telephony services in the Province of Québec. Videotron's cable network covers approximately 79% of the Province of Québec's approximately 3.5 million residential and commercial premises. The deployment of its Long Term Evolution ("**LTE**") network and its enhanced offering of mobile communication services for residential and business customers allow Videotron to consolidate its position as a provider of integrated telecommunication services.

Videotron Business Solutions is a premier full-service telecommunications provider serving small-, medium- and large-sized businesses, as well as telecommunications carriers. In recent years, this business segment has significantly grown its customer base and has become an important player in the business telecommunication segment in the Province of Québec. Products and services include Internet, television telephony, mobile services and business solutions products such as hosting, private network connectivity, WIFI, audio and video transmission. Through 4Degrees Colocation, Videotron operates a data centre in Québec City which is one of the few data centres in the Province of Québec to be Tier III certified by the Uptime Institute, an international standard that recognizes maximum reliability and operational sustainability.

Quebecor Media is also engaged in retail and rental of DVDs, Blu-ray discs and console game through Le SuperClub Videotron and its franchise network.

The retail sector also includes Archambault Group, one of the largest chains of music and book stores in the Province of Québec with 15 retail locations, consisting of 14 Archambault megastores and one Paragraph bookstore. Archambault Group also offers a variety of games, toys and other gift ideas.

Through Quebecor Media, Quebecor owned, as at December 31, 2014, all of the equity and voting interests in Videotron.

2.1.2 Products and Services

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

2.1.2.1 Cable Services

Advanced Cable-Based Products and Services

Videotron's cable's large bandwidth is a key factor in the successful delivery of advanced products and services. Several emerging technologies and increasing Internet usage by its customers have presented Videotron with significant opportunities to expand its sources of revenue. Videotron currently offers a variety of advanced products and services, including cable Internet (Hybrid Fibre) access, digital television, residential telephony and selected interactive services. In 2012, Videotron launched illico TV new generation, offering a new interface with entirely redesigned ergonomics for fluid, intuitive navigation, as well as additional value-added features. As of December 31, 2014, 65.8% of Videotron's digital customers were using illico TV new generation. In 2014, Videotron introduced on the market the very latest in technology: illico X8. This high-tech terminal has a processor four times more powerful than the previous generation, thus allowing the customers to program up to eight simultaneous recordings and keep up to 230 hours of high definition ("**HD**") recording. Videotron intends to continue to develop and deploy additional value-added services to further broaden its service offering.

- *Cable Internet Access*. Leveraging its advanced cable infrastructure, Videotron offers cable Internet access to its customers primarily via cable modems. It provides this service at download speeds of up to 60 Mbps and in nearly half of the network up to 200 Mbps. As of December 31, 2014, Videotron had 1,537,532 cable Internet access customers, representing 86.3% of its basic customers and 55.4% of its total homes passed. Based on internal estimates, Videotron is the largest provider of Internet access services in the areas it serves with an estimated market share of 54.4% as of December 31, 2014.

- *Digital Television*. Videotron has installed headend equipment through an hybrid optical fibre and coax network capable of delivering digitally encoded transmissions to a two-way digital- set-top box in the customer's home and premises. This digital connection provides significant advantages. In particular, it increases channel capacity, which allows Videotron to increase both programming and service offerings while providing increased flexibility in packaging its services and a high definition quality. All of Videotron's television packages include 52 basic television channels, audio services providing digital-quality music, 21 FM radio channels and an interactive programming guide. Its extended digital television offering allows customers to customize their choices with the ability to choose between custom or pre-assembled packages with a selection of more than 300 additional channels, including U.S. super-stations and other special entertainment programs. This also offers customers significant programming flexibility including the option of French-language only, English-language only or a combination of French-and English-language programming, as well as many foreign-language channels. As of December 31, 2014, Videotron had 1,561,692 customers for its digital television service, representing 87.6% of its total basic customers and 56.2% of its total homes passed.

- *Cable Telephony*. Videotron offers cable telephony service using VoIP technology. It offers discounts to its customers who subscribe to more than one of its services. As of December 31, 2014, Videotron had 1,349,010 subscribers to its cable telephony service, representing a penetration rate of 75.7% of its basic cable subscribers and 48.6% of its homes passed.

- *Video-On-Demand*. Video-on-demand service enables digital cable customers to rent content from a library of movies, documentaries and other programming through their digital set-top box, computer, tablet or mobile phone respectively through illico Digital TV, illico.tv, its illico tablet app and illico mobile. Videotron's digital cable customers are able to rent their video-on-demand selections for a period of up to 24 hours, which they are then able to watch at their convenience with full stop, rewind, fast forward, pause and replay functionality during their rental period. In addition, customers can now resume viewing on-demand programming that was paused on either the television, illico.tv, the illico tablet app, or illico mobile. Moreover, Videotron also launched a new application for iPad in 2014. This application features a customizable, intuitive interface that brings up selections of content based on the customer's individual settings and enhances the experience by suggesting personalized themed content. This iPad application smartly and swiftly highlights any content available from the entire illico catalog, including video-on-demand titles, live television broadcasts or recorded shows, and allows the customer to transfer it directly and seamlessly from their iPad to their television. Videotron sometimes groups movies, events or TV programs available on video-on-demand and offers them, when available, for a period of seven days. It also offers a substantial amount of video-on-demand content free of charge to its digital cable customers, comprised predominantly of previously aired television programs and youth-oriented programming. In March of 2013, Videotron introduced *Club illico* (formerly *Club Unlimited)*, a flat-fee plan offering a rich and varied selection of unlimited, on-demand content (movies, television shows, children's shows, documentaries, comedy performances and concerts). *Club illico* began in late 2013 co-producing television series and offering them in their first broadcast window, prior to their linear broadcast. On December 31, 2014, the *Club illico* service had already reached 177,700 subscribers. In addition, Videotron offers pay television channels on a subscription basis that permits its customers to access and watch most of the movies available on the linear pay TV channels these customers subscribe to.

- *Pay-Per-View (Indigo)*. *Indigo* is a group of pay-per-view channels that allows Videotron's digital customers to order live events and movies based on a pre-determined schedule.

Traditional Cable Television Services

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

As of December 31, 2014, Videotron had 220,550 customers for its analog television service, representing 12.4% of its total basic customers.

2.1.2.2 Mobile Services

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

Under an arrangement with Industry Canada, Videotron offers fixed wireless Internet access in selected rural areas of the Province of Québec. Powered by Videotron's HSPA+ network, this service allows thousands of households and businesses that had no access to high speed cable Internet to benefit from a reliable and professionally installed high speed Internet. As a result, Videotron extended its residential and business Internet footprint to dozens of previously underserved municipalities across the Province of Québec.

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

In April 2014, Videotron added Apple's mobile devices, including the iPhone, to its extensive line-up of mobile hardware, thus enabling Videotron to reach a significantly untapped segment of its addressable market, in particular the young mobile users. Subsequently, Videotron launched new illico applications for iPhone (4, 5C, 5S, 6) and iPad.

In the 700MHz auction held in 2014, Videotron acquired a package of seven spectrum licenses consisting of a single paired 5+5 MHz spectrum block in the upper 700 MHz band over a geographic territory which encompasses the provinces of Québec, Ontario (excluding the region of Northern Ontario), Alberta and British Columbia, for a total covered population of more than 28 million. The 700 MHz band presents certain superior propagation characteristics and benefits from well-developed LTE equipment and device ecosystems in North America. Ownership of the licenses acquired during the auction held in 2014 enhances Videotron's ability to maintain a leading edge, high capacity wireless network in Québec and in the Ottawa region, and provides Videotron with a number of options to maximize the value of its investment in the rest of Ontario, Alberta and British Columbia. As of December 31, 2014, most households and businesses on its cable footprint had access to its advanced mobile services. As of December 31, 2014, there were 632,766 lines activated on its mobile network, representing a year-over-year increase of 128,452 lines (25.5%).

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

2.1.2.3 Business Telecommunications Services

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

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

2.1.3 Customer Statistics Summary

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

	As of December 31,				
	2014	**2013**	**2012**	**2011**	**2010**
Homes passed[(1)]	**2,777,264**	2,742,476	2,701,242	2,657,315	2,612,406
Cable Television					
Basic customers[(2)]	**1,782,242**	1,825,081	1,854,981	1,861,477	1,811,570
Penetration[(3)]	**64.2%**	66.5%	68.7%	70.1%	69.3%
Digital customers	**1,561,692**	1,531,361	1,484,589	1,400,814	1,219,599
Penetration[(4)]	**87,6%**	83.9%	80.0%	75.3%	67.3%
Cable Internet					
Cable Internet customers	**1,537,532**	1,505,992	1,443,992	1,359,600	1,268,083
Penetration[(3)]	**55.4%**	54.9%	53,5%	51.2%	48.5%
Telephony Services					
Cable telephony lines	**1,349,010**	1,348,520	1,316,327	1,245,893	1,145,063
Penetration[(3)]	**48.6%**	49.2%	48.7%	46.9%	43.8%
Mobile telephony lines	**632,766**	504,314	403,804	290,742	136,111

(1) "Homes passed" means the number of residential premises, such as single dwelling units or multiple dwelling units, and commercial premises passed by its cable television distribution network in a given cable system service area in which the programming services are offered.

(2) Basic customers are customers who receive basic cable service in either the analog or digital mode.

(3) Represents customers as a percentage of total homes passed.

(4) Represents customers for the digital service as a percentage of basic cable customers.

2.1.4 Industry Overview

2.1.4.1 Cable Television Industry

Industry Data

Cable television has been available in Canada for more than 50 years and is a well-developed market. As of August 31, 2013, the most recent date for which data is available, there were approximately 8.8 million cable television customers in Canada. For the twelve months ended August 31, 2013 (the most recent data available), total industry revenue was estimated to be over $12.3 billion and is expected to grow in the future based on the fact that Canadian cable operators have aggressively upgraded their networks and broadened their offerings of products and services.

The following table summarizes the most recent available annual key statistics for the Canadian cable television industry.

	Twelve Months Ended August 31,					
	2013	2012	2011	2010	2009	CAGR[1]
	(Dollars in billions, and basic cable customers in millions)					
Canada						
Industry Revenue[2]................	$12.3	$11.5	$10.9	$10.1	$9.2	6.0%
Basic Cable Customers[2]	8.8	8.7	8.5	8.3	8.1	1.7%

*Source of Canadian data: Canadian Radio-television and Telecommunications Commission ("**CRTC**").*

(1) Compounded Canadian annual growth rate from 2009 through 2013.

(2) Including Internet protocol television ("**IPTV**").

2.1.4.2 Mobile Telephony Industry

In terms of wireless penetration rate (i.e., the number of active SIM cards and/or connected lines versus total population, expressed as a percentage), the Canadian mobile telephony market is relatively under-developed.

As of December 31, 2013 (the most recent data available), the Province of Québec had a penetration rate under the Canadian average (66.6% vs 79.1% according to the CRTC). As of September 30, 2014, incumbents were still dominant in the industry in Canada, with market share of approximately 91% in the Province of Québec, according to the CRTC.

With an increasing number of regional operators competing on price, coverage, handset offers and technological reliability, the Canadian wireless industry is highly competitive. With the deployment of advanced wireless networks throughout the country and the increasing penetration rate among younger customers, the demand for technologically advanced bandwidth-hungry devices (smartphones, tablets, etc.) is increasing rapidly. As of September 30, 2014, there were more than 28.5 million subscribers in Canada.

2.1.5 Pricing of Products and Services

Videotron's revenues are derived from the monthly fees its customers pay for cable television, Internet and telephony and mobile services. The rates it charges vary based on the market served and the level of service selected. Rates are usually adjusted annually. Videotron also offers discounts to its customers who subscribe to more than one of its services, when compared to the sum of the prices of the individual services provided to these customers. As of December 31, 2014, the average monthly invoice on recurring subscription fees per residential customer was $109.22 (representing a 6% year-over-year increase) and approximately 81% of its customers were bundling two services or more. A one-time installation fee, which may be waived in part during certain promotional periods, is charged to new customers. In 2014, Videotron introduced the possibility for customers to get the complete optimization of their Wi-Fi signal, including the installation of up to two Wi-Fi optimizers, if necessary. Monthly fees for rented equipment, such as set-top boxes or Wi-Fi routers, are also charged to customers.

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

2.1.6 Network Technology

2.1.6.1 Cable

As of December 31, 2014, Videotron's cable systems consisted of 32,930 km of fibre optic cable and 45,992 km of coaxial cable, covering approximately 2.8 million homes and serving approximately 2.2 million customers. Its network is the largest broadband network in the Province of Québec covering approximately 79% of households and, according to its estimates, more than 77% of the businesses located in the major metropolitan areas of the Province of Québec. Its extensive network supports direct connectivity with networks in Ontario, the Maritimes and the United States.

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

Videotron has adopted the hybrid fibre coaxial ("**HFC**") network architecture as the standard for its ongoing system upgrades. HFC network architecture combines the use of both fibre optic and coaxial cables. Fibre optic cable has good broadband frequency characteristics, noise immunity and physical durability and can carry hundreds of video and data channels over extended distances. Coaxial cable is less expensive and requires greater signal amplification in order to obtain the desired transmission levels for delivering channels. In most systems, Videotron delivers its signals via fibre optic cable from the headend to a group of optical nodes and then via coax to the homes passed served by the nodes. Traditionally, Videotron's system design provided for cells of approximately 500 homes each to be served by fibre optic cable. To allow for this configuration, secondary headends were put into operation in the Greater Montréal Area, in the Greater Québec City Area and in the Greater Gatineau City Area.

Remote secondary headends must also be connected with fibre optic links. From the secondary headends to the homes, the customer services are provided through the transmission of a radiofrequency ("**RF**") signal which contains both downstream and upstream information (two-way). The loop structure of the two-way HFC networks brings reliability through redundancy, the cell size improves flexibility and capacity, while the reduced number of amplifiers separating the home from the headend improves signal quality and reliability. The HFC network design provided Videotron with significant flexibility to offer customized programming to individual cells of approximately 500 homes, which is critical to its advanced services, such as video-on-demand, Switched Digital Video Broadcast and the continued expansion of its interactive services.

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

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

Videotron's strategy of maintaining a leadership position in respect of the suite of products and services that it offers and launching new products and services requires investments in its network to support growth in its customer base and increases in bandwidth requirements. Approximately 99.85% of its network in the Province of Québec has been upgraded to a bandwidth of 750 MHz or greater. Also, in light of the greater availability of HDTV programming, the ever increasing speed of Internet access and increasing demand for its cable telephony service, further investment in its network will be required.

2.1.6.2 Mobile Telephony

As of December 31, 2014, its shared network reached approximately 90% of the population of the Province of Québec and the Greater Ottawa Area, allowing the vast majority of its potential clients to have access to the latest mobile services. The vast majority of its towers and transmission equipment being linked through its fibre optic network using a multiple label switching - or MPLS - protocol, its network is designed to support important customer growth in coming years as well as rapidly evolving mobile technologies.

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

During 2014, Videotron maintained its HSPA+ network throughout the Province of Québec and over the Greater Ottawa Area.

2.1.7 Marketing and Customer Services

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

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

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

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

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

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

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

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

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

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

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

Maximizing customer satisfaction is a key element of Videotron's business strategy. In support of its commitment to customer satisfaction, Videotron is now offering the service of dedicated, knowledgeable and well-trained technical experts which it calls its "PROS", the primary mission of which is to support its customers by helping them get the most out of what Videotron has to offer. Through personalized demonstration sessions, the PROS provide customers with continued customer service after subscription has been made. Videotron continues to provide a 24-hour customer service hotline seven days a week across most of its systems, in addition to its web-based customer service capabilities. All of its customer service representatives and technical support staff are trained to assist customers with all of its products and services, which in turn allows its customers to be served more efficiently and seamlessly. Videotron's customer care representatives continue to receive extensive training to perfect their product knowledge and skills, which contributes to retention of customers and higher levels of customer service. Videotron utilizes surveys, focus groups and other research tools to assist in its marketing efforts and anticipate customer needs. To increase customer loyalty, Videotron is also starting to leverage strategic partnerships to offer exclusive promotions, privileges and contests which contribute in expanding its value proposition to its customers.

2.1.8 Programming

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

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

2.1.9 Competition

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

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

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

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

- *Internet Video Streaming*. The continuous technology improvement of the Internet combined with higher download speeds contributes to the emergence of alternative technologies such as IPTV digital content (movies, television shows and other video programming) offered on various Internet streaming platforms. While having a positive impact on the demand for its Internet services, this model could adversely impact the demand for Videotron's cable television services.

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

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

- *Mobile Telephony Services*. With its mobile network, Videotron competes against a mix of participants, some of them being active in some or all the products it offers, while others only offer mobile telephony services in its market. The Canadian incumbents have deployed their LTE networks and this technology is deemed to become an industry standard. Videotron launched its LTE network on September 10, 2014.

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

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

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

- *Telephony Service.* Videotron's cable telephony service competes against other telephony service providers, including the incumbent telephone service provider in most of the Province of Québec, which used to control a significant portion of the telephony market in the Province of Québec, VoIP telephony service providers and mobile telephony service providers.

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

2.1.10 Retail Sector

Archambault Group is one of the largest chains of music and book stores in the Province of Québec with 15 retail locations, consisting of 14 Archambault megastores and one Paragraph bookstore. Archambault Group also offers a variety of games, toys and other gift ideas. Archambault Group's products are also distributed through its website *archambault.ca*. Archambault Group also operates music and books downloading services with per-item fees.

Through Le SuperClub Vidéotron, Quebecor Media is the franchisor of the largest chain of video and video game rental stores in the Province of Québec and among the largest of such chains in Canada. It had a total of 157 retail locations as of December 31, 2014. With the majority of these retail locations also offering Quebecor Media's suite of telecommunication services and products, Le SuperClub Vidéotron is both a showcase and a valuable and cost-effective distribution network for Videotron's growing array of advanced products and services, such as cable Internet access, digital television and cable and mobile telephony.

2.1.10.1 Competition

Retailing of CDs, books, DVDs and Blu-ray discs is carried on by two classes of retailers. On the one hand, specialized retailers offering a wide range of products and professional service to their customers. These retailers control an important part of the market. On the other hand, big box retailers offering customers a selection of the most popular CDs, books, DVDs and Blu-ray discs along with various other products. As a specialized retailer, Archambault Group is constantly adjusting its marketing strategy to face competition from other specialized retailers and big box stores.

2.2 MEDIA

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

Quebecor Media owns 100% of the voting and equity interests of Sun Media, Quebecor Media Network, Quebecor Media Printing, CEC Publishing and Sogides. Quebecor Media also owns a 68.37% of the equity interest and controls 99.97% of the voting power in TVA Group.

2.2.1 Broadcasting

Through TVA Group, a subsidiary of Quebecor Media, the Corporation operates the largest French-language private television network in North America. TVA Group is the sole owner of six of the ten television stations composing Le Réseau TVA ("**TVA Network**") and a portfolio of specialty channels, namely LCN, TVA Sports, TVA Sports 2, TVA Sports 3, addik^{TV}, Argent, Prise 2, Yoopa, CASA and MOI&cie. TVA Group also holds interests in two other affiliates and the Évasion specialty channel. TVA Group's TVA Accès Inc. subsidiary is engaged in commercial production and its TVA Films division is engaged in the distribution of films and television programs.

According to data published by Numeris (which is based on a measurement methodology using audiometry), TVA Group had a 31.9% market share of French-speaking viewers in the Province of Québec for the period from January 1, 2014 through November 30, 2014 and, according to the Canadian TVB Report for the period from December 31, 2013 through November 30, 2014, its share of the Province of Québec's French-language broadcast television advertising market was 40.1%.

For the period from January 1, 2014 through December 31, 2014, TVA Group aired 17 of the 30 most popular TV programs in the Province of Québec, including *La Voix* and *L'Été indien*. In addition, for the same period in 2013, the TVA Network had also 17 of the top 30 French-language prime time television shows in the Province of Québec, according to Numeris data. Since May 1999, the TVA Network, which consists of ten stations, has been included in the basic channel line-up of most cable and satellite providers across Canada, enabling TVA Group to reach a significant portion of the French-speaking population of Canada outside the Province of Québec.

Until February 13, 2015, the Media segment also operated the English-language news and opinion specialty channel Sun News, which discontinued its operations on that date. The Media segment's operating results presented in this annual information form include Sun News' financial data.

In December 2014, TVA Group acquired substantially all of the assets of A.R. Global Vision Ltd., which assets are used in carrying on a business operating a high end spectrum of services for the film and television industries including complete studio services, soundstage and equipment leasing services, post-production, visual effects and 3D animation, production and management of assets for distribution and broadcast through films, television, Internet and mobile networks, providing for a one-stop shop for the film and television industry (the "**Studios, Equipment and Post-Production Business**").

The Studios, Equipment and Post-Production Business includes soundstage and equipment leasing services, post-production services, expertise in visual effects services and proprietary online transaction and distribution platforms for video-on-demand and digital cinema and, in addition, property rights on technologies being used for digital image restoration and for 2D conversion into 3D stereoscopic images. The software of the Studios, Equipment and Post-Production Business, GeneSys™, uses advanced algorithms for 2D to 3D contents conversion for the large screen and television.

As part of its assets, the Studios, Equipment and Post-Production Business includes movie and television studios of approximately 225,000 square feet in Montréal and St-Hubert, Québec, which have cutting-edge equipment, including Canada's largest and most up-to-date pool of cameras, lighting and specialized equipment.

A description of the Broadcasting segment as carried on by TVA Group is set forth in its annual information form dated March 6, 2015, and relevant excerpts of such description are reproduced at Schedule A to this annual information form.

2.2.1.1 Competition

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

The Broadcasting segment in Québec has to deal with a very competitive environment due to the multiplication of specialty services and the increase in sales of air time by them. Moreover, publicly owned stations benefit from strong financial support from governments, while also maintaining access to the advertising market and funding available for Canadian programming and for Local Programming Improvement Fund ("**LPIF**") (until September 1st, 2014). In addition to the larger number of television channels, viewers are increasingly solicited by the Internet and its peripheral services that may attract their interest. The negative impact that the new media has on the Broadcasting segment is increasingly affecting traditional advertising revenues.

The quality of its programming, the great popularity of its shows, the reputation for its news and information services and the use of new broadcasting platforms are all factors that help the Corporation maintain its audience ratings and its significant share of the advertising market. For the year 2014, TVA Network remained in the lead with its 22.7 market shares, being more than the aggregate market shares of its two main conventional competitors. In addition, it broadcast 17 of the 30 best-watched shows in Québec in 2014.

2.2.2 Magazine Publishing

TVA Publications Inc. ("**TVA Publications**") and Les Publications Charron & Cie Inc. (« **Publications Charron** ») also publish more than 50 French-language magazines in various fields such as arts, entertainment, television, fashion and decoration. They also market digital products associated with the different magazine brands. Together, TVA Publications and Publications Charron magazines hold 54% of cumulative monthly Québec French-language readership, according to data compiled by the PMB (Print Measurement Bureau **-** Fall 2014). TVA Publications is the leading magazine publisher in the Province of Québec and TVA Group's objective is to leverage its focus on entertainment across its television and Internet programming.

In addition, subject to and upon closing of a transaction whereby it acquired from Transcontinental Inc. a company and participations in companies that publish 15 magazines for cash consideration of $55.5 million (the "**Transcontinental Transaction**"), TVA Group will add to its portfolio the 11 following titles: Coup de pouce, Canadian Living, Véro Magazine, Décormag, Style at Home, Fleurs Plantes Jardins, Canadian Gardening, Québec Vert, The Hockey News, MaisonNeuves.com, Condo Maison Direct, along with the recettes.qc.ca, Quoi manger, and On the Table websites. The Corporation will also hold an effective 51% share in Les Publications Transcontinental-Hearst Inc., publisher of Elle Canada and Elle Québec magazines, in partnership with Hearst Group, which holds a 49% share. As well, TVA Group and Bayard Group will each hold a 50% share in Publications Senior Inc., publisher of Le Bel Âge and Good Times magazines. The Transcontinental Transaction was authorized by the Competition Bureau on March 2, 2015. The closing of this transaction is expected to take place within the next few weeks.

A description of Magazine Publishing segment as carried on by TVA Group is set forth in its annual information form dated March 6, 2015, and relevant excerpts of such description are reproduced at Schedule A to this annual information form.

2.2.2.1 Competition

Despite strong competition, TVA Group and its subsidiaries remains Canada's largest publisher of French-language magazines according to data compiled as of June 30, 2014 by the Alliance for Audited Media ("**AAM**"). Across Canada, its monthlies are read by 3.1 million readers each month and its weeklies have more than 1.1 million readers each week, according to data compiled by the PMB in fall 2014. According to the same 2014 data, two of its most popular magazines reach regularly more than one million readers on a monthly basis; the magazine 7 Jours, which covers Québec cultural events, is read by 1.2 million readers per month and TVA Group's most recent acquisition, the magazine La Semaine, is read by one million single readers on a monthly basis. According to AAM June 2014 data, TVA Group and its subsidiaries, with all of its magazines, holds 85.9% of the French-language newsstand magazine market. It has also obtained 48.8% of all French-language magazine subscriptions and newsstand sales.

2.2.3 Book Distribution and Publishing

Quebecor Media is also involved in book publishing and distribution through academic publisher CEC Publishing, 18 general literature publishers under the Sogides umbrella, and Messageries A.D.P. Inc. ("**Messageries ADP**"). Through Sogides and the academic publisher CEC Publishing, Quebecor Media is involved in French-language book publishing and it forms one of the Province of Québec's largest book publishing groups. In 2014, Quebecor Media published or reissued a total of 675 titles in paper format and 427 titles in digital format.

Through Messageries ADP, its book distribution corporation, Quebecor Media is the exclusive distributor for 195 Québec and European French-language publishers. It distributes French-language books to approximately 3,300 retail outlets in Canada. In addition, Messageries ADP distributes approximately 14,500 digital books.

2.2.3.1 Competition

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

2.2.4 Newspaper Publishing

As of December 31, 2014, its Media segment published 35 paid-circulation dailies, three free commuter dailies and 140 community weekly newspapers, magazines, buyers' guides, farm publications and other specialty publications. Its publications have an established presence on the Internet and offer classified and local advertising, as well as other services for local advertisers and readers.

On October 6, 2014, Quebecor Media announced the sale of 175 English-language newspapers and publications to Postmedia Network Canada Corporation for cash consideration of $316.0 million, which transaction includes the Sun chain of dailies, namely the Ottawa Sun, Toronto Sun, Winnipeg Sun, Edmonton Sun and Calgary Sun, as well as The London Free Press, the 24 Hours dailies in Toronto and Vancouver, and community dailies and weeklies, buyers' guides and specialty publications as well as the *Canoe* portal's English-Canadian operations and eight printing plants, including the Islington (Ontario) plant (the "**Postmedia Transaction"**). Its French-language newspapers and publications, including *Le Journal de Montréal, Le Journal de Québec* and the *24 Heures* (Montréal) are not included in the Postmedia Transaction. On March 25, 2015, the Postmedia Transaction was approved by the Competition Bureau. The closing of this transaction is expected to take place within the coming weeks. In the meantime, Quebecor Media will continue publishing the 175 newspapers and publications sold as part of the Postmedia Transaction. Thereby, the numbers and percentages presented in this annual information form in connection with Sun Media's operations as of December 31, 2014 and comparative years do not reflect the sale of the 175 newspapers and publications sold as part of the Postmedia Transaction. However, the businesses sold pursuant to the Postmedia Transaction are considered as discontinued operations in the Corporation audited consolidated financial statements for the year ended December 31, 2014 and comparative years.

On June 1, 2014, Quebecor Media closed the sale of 74 Québec weeklies to Transcontinental Interactive Inc., a subsidiary of Transcontinental Inc., for a cash consideration of $75 million (the "**TC Transaction**"). The numbers and percentages presented in this annual information form in connection with Sun Media's operations as of December 31, 2014 and comparative years reflect the sale of the 74 Québec weeklies pursuant to the TC Transaction. The newspapers sold pursuant to the TC Transaction are considered as discontinued operations in the Corporation audited consolidated financial statements for the year ended December 31, 2014 and comparative years.

2.2.5 Canadian Newspaper Publishing Industry Overview

Newspaper publishing is the oldest segment of the advertising based media industry in Canada. The industry is mature and is dominated by a small number of major newspaper publishers largely segmented in different markets and geographic areas. As of December 31, 2014, Quebecor Media's newspapers publishing activities combined average weekly circulation (paid and unpaid) was approximately 9.1 million copies, according to internal statistics. In addition, according to Newspapers Canada Circulation Data, Sun Media's 28.7% market share of weekly average circulation for Canadian daily paid newspapers makes its newspaper publishing operations the largest newspaper publisher in Canada in terms of weekly average circulation.

According to the Newspapers Canada Circulation Data, there are approximately 93 paid circulation daily newspapers, numerous paid non-daily publications and free-distribution daily and non-daily publications. Of the 93 paid circulation daily newspapers, 18 have average daily circulation in excess of 50,000 copies. These include 12 English-language metropolitan newspapers, four French language daily newspapers and two national daily newspapers. In addition to daily newspapers, both paid and unpaid non-daily newspapers are distributed nationally and locally across Canada. Newspaper publishers may also produce and distribute niche publications that target specific readers with customized editorial content and advertising. The newspaper market consists primarily of two segments, broadsheet and tabloid newspapers, which vary in format. With the exception of the broadsheet the London Free Press, all of Sun Media's urban paid daily newspapers are tabloids.

Newspaper publishers derive revenue primarily from the sale of retail, classified, national and insert advertising, and to a lesser extent through paid subscriptions and single copy sales of newspapers. The mature nature of the Canadian newspaper industry has resulted in limited growth, if any, for traditional newspaper publishers, for many years, and the newspaper industry is now undergoing fundamental changes. As a result, the newspaper industry is facing challenges to retain its revenues and circulation/readership, as advertisers and readers become increasingly fragmented in the increasingly populated media landscape.

2.2.6 Advertising and Circulation

Advertising revenue is the largest source of revenue for Quebecor Media's newspaper operations, representing 63.2% of its newspaper operations' total revenues in 2014. Advertising rates are based upon the size of the market in which each newspaper operates, circulation, readership, demographic composition of the market and the availability of alternative advertising media. Quebecor Media's strategy is to maximize advertising revenue by providing advertisers with a range of pricing and marketing alternatives to better enable them to reach their target audience. Its newspapers offer a variety of advertising alternatives, including full-run advertisements in regular sections of the newspaper targeted to different readers (including automotive, real estate and travel), geographically targeted inserts, special interest pullout sections and advertising supplements.

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

In the smaller community papers, substantially all of the advertising revenues are derived from local retailers and classified advertisers.

Circulation sales are its newspaper operations' second-largest source of revenue and represented 20.4% of total revenues of its newspaper operations in 2014. In the large urban markets, the paid daily newspapers are available through newspaper boxes and retail outlets Monday through Sunday, except the London Free Press, which does not publish a Sunday edition. Quebecor Media offers daily home delivery in each of its newspaper markets. It derives its circulation revenues from single copy sales and subscription sales.

Digital revenues represented 4.2% of total revenues for its newspaper operations in 2014. Digital revenues are generated from advertising on its websites, digital subscriptions to the e-editions of its newspapers and more recently through paywalls launched in its urban daily newspaper websites. Through its newspaper operation, it operates over 150 websites, which include publication websites to complement each of its urban and community paid daily newspaper publications. Revenues from digital products represent a potential growth opportunity for its newspaper operations.

Throughout 2014, Sun Media announced and implemented restructuring initiatives, including head count reductions to further streamline and optimize the segment's operations to focus on its core competencies.

2.2.7 Newspaper Operations

Quebecor Media operates its newspaper business through its Sun Media subsidiary in urban and community markets principally through two groups of products:

- the Urban Daily Group; and
- the Community Newspaper Group.

A majority of Sun Media's newspapers in the Community Newspaper Group are clustered around its eight paid urban dailies in the Urban Daily Group. Sun Media has strategically established its community newspapers near regional printing facilities in suburban and rural markets across Canada. This geographic clustering enables the Corporation to realize operating efficiencies and economic synergies through sharing of management, production, printing, and distribution functions.

2.2.7.1 The Urban Daily Group

Sun Media's Urban Daily Group is comprised of eight paid daily newspapers, three free daily commuter publications and one free weekly publication.

Sun Media is number one in the Province of Québec for daily paid and unpaid newspapers with a weekly circulation of 3.8 million newspapers.

Paid daily newspapers

Sun Media's paid daily newspapers are published seven days a week and are all tabloids with the exception of the broadsheet the London Free Press which is also not published on Sundays. These are mass circulation newspapers that provide succinct and complete news coverage with an emphasis on local news, sports and entertainment. The tabloid format makes extensive use of color, photographs and graphics. Each newspaper contains inserts that feature subjects of interest such as fashion, lifestyle and special sections.

For the year 2014, on a combined weekly basis, the eight paid daily newspapers in Sun Media's Urban Daily Group had a circulation of approximately 4.1 million copies, according to internal statistics. These newspapers hold either the number one or number two position among non-national paid dailies in each of their respective markets in terms of weekly readership.

Paid circulation is defined as average sales of a newspaper per issue. Readership (as opposed to paid circulation) is an estimate of the number of people who read or looked into an average issue of a newspaper and is measured by an independent survey conducted by NADbank® Inc. According to the 2013 NADbank® study (the "**NADbank® Study**"), the most recent available survey, readership estimates are based upon the number of people responding to the Newspaper Audience Databank survey circulated by NADbank® Inc. who report having read or looked into one or more issues of a given newspaper during a given period equal to the publication interval of the newspaper.

The following table lists Sun Media's paid daily newspapers and their respective readership in 2013 as well as their market position versus other paid daily newspapers by weekly readership during that period, based on information provided in the NADbank® Study:

	2013 Average Readership			**Market Position by Readership**[1]
Newspaper	**Saturday**	**Sunday**	**Mon-Fri**	
Le Journal de Montréal	601,700	389,100	566,500	1st
Le Journal de Québec	176,500	127,600	176,800	1st
Toronto Sun	414,600	452,000	451,100	2nd
London Free Press	143,500	n/a	135,500	1st
Ottawa Sun	90,900	77,500	92,900	2nd
Winnipeg Sun	79,200	63,000	95,500	2nd
Edmonton Sun	115,700	135,700	131,100	2nd
Calgary Sun	134,700	136,600	122,900	2nd
Total Average Readership	**1,756,800**	**1,381,500**	**1,772,300**	

(1) Based on paid weekly readership of non-national newspapers data published by the NADbank® Study.

The following table lists Sun Media's paid daily newspapers and their respective average daily paid circulation in 2014:

	2014 Average Paid Circulation		
Newspaper	**Saturday**	**Sunday**	**Mon-Fri**
Le Journal de Montréal	212,900	199,100	201,500
Le Journal de Québec	104,900	96,800	97,300
Toronto Sun	110,500	139,900	120,200
London Free Press	71,800	n/a	67,700
Ottawa Sun	28,600	30,000	33,100
Winnipeg Sun	17,500	18,500	16,700
Edmonton Sun	32,800	44,600	34,800
Calgary Sun	38,300	48,600	36,400
Total Average Paid Circulation	**617,300**	**577,500**	**607,700**

Source: Internal Statistics

Free daily newspapers

Sun Media publishes free daily commuter publications in three urban markets: Toronto, Montréal and Vancouver. The editorial content of these free daily commuter publications concentrates on the greater metropolitan area of each of these cities, respectively.

The following table reflects the average weekday circulation of Sun Media's free daily commuter publications for 2014:

	2014 Average Daily Circulation
Free Daily Commuter Publications	**Mon-Fri**
24 Hours — Toronto	187,100
24 Heures — Montréal	137,200
24 Hours — Vancouver	112,600
Total Average Daily Circulation	**436,900**

Source: Internal Statistics

2.2.7.1.1 Competition

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

The Corporation believes that the high cost associated with starting a major daily newspaper operation represents a barrier to entry to potential new competitors of Sun Media's Urban Daily Group.

2.2.7.2 The Community Newspaper Group

Sun Media's Community Newspaper Group consists of 27 paid daily community newspapers and 140 community weekly newspapers, shopping guides, agricultural and other specialty publications. The total average weekly circulation of the publications in Sun Media's Community Newspaper Group for the year ended December 31, 2014 was approximately 1.6 million free copies and approximately 1.2 million paid copies, according to internal statistics. Its community newspaper publications offer news, sports and special features, with an emphasis on local information.

The table below sets forth the average daily paid circulation and geographic location of the daily newspapers published by Sun Media's Community Newspaper Group for the year ended December 31, 2014:

Newspaper (1)	**Location**	**Average Daily Paid Circulation**
The Kingston Whig-Standard	Kingston, Ontario	16,700
The Standard	St. Catherines, Ontario	13,900
The Expositor	Brantford, Ontario	12,800
The Peterborough Examiner	Peterborough, Ontario	10,100
The Sun Times	Owen Sound, Ontario	10,000
The Sault Star	Sault Ste Marie, Ontario	9,900
The Sudbury Star	Sudbury, Ontario	9,400
The Observer	Sarnia, Ontario	9,300
North Bay Nugget	North Bay, Ontario	8,400
Niagara Falls Review	Niagara Falls, Ontario	8,200
Cornwall Standard Freeholder	Cornwall, Ontario	7,600
The Tribune	Welland, Ontario	7,600
The Intelligencer	Belleville, Ontario	7,100
The Recorder & Times	Brockville, Ontario	6,000
Beacon Herald	Stratford, Ontario	6,000
The Chatham Daily News	Chatham, Ontario	5,500
The Daily Press	Timmins, Ontario	4,800
Packet & Times	Orillia, Ontario	3,800
The Barrie Examiner	Barrie, Ontario	3,700
Simcoe Reformer	Simcoe, Ontario	3,600
Daily Herald Tribune	Grande Prairie, Alberta	3,400
Sentinel Review	Woodstock, Ontario	3,200
The Daily Observer	Pembroke, Ontario	3,000
St. Thomas Times-Journal	St. Thomas, Ontario	3,000
Northumberland Today	Northumberland, Ontario	2,800
Kenora Daily Miner & News	Kenora, Ontario	1,500
Fort McMurray Today	Fort McMurray, Alberta	1,400
Total Average Daily Paid Circulation......		**182,700**

Source: Internal Statistics

(1) The listed newspapers are published at least five days per week, except for the Kenora Daily Miner & News, which is published four days per week.

As at December 31, 2014, Sun Media's community newspaper operations included 115 publications in Ontario and 38 in Alberta.

2.2.7.2.1 Competition

Sun Media's community publications are generally located in small towns and are typically the only daily or weekly newspapers of general circulation published in their respective communities, although some face competition from daily or weekly publications published in nearby locations and circulated in the markets where it publishes its daily or weekly publications.

2.2.7.3 Internet/Portals

The *Canoe Network* includes information and service sites for the general public. As such, it is one of the most popular Internet destinations in Canada, in both the English- and French-speaking markets, and a key vehicle for Internet users and advertisers alike. Advertising revenues constitute a large portion of the *Canoe Network'*s annual revenues.

Media Properties

The Media segment, excluding TVA Group and its subsidiaries, operates the following portals and destination sites:

- *Canoe Network* (*canoe.ca*), a bilingual portal which logs over 10.3 million unique visitors per month in Canada, including more than 5.5 million in the Province of Québec (according to ComScore Media Metrix figures for December 2014);

- Sun Media dedicated websites for its corresponding weekly and daily newspapers (such as www.*torontosun.com*, www.*edmontonsun.com*, www.*journaldequebec.com* and www.*journaldemontreal.com*), which provide local and national news; and

- *Canoe.tv*, the first Canadian web broadcaster with unique content commissioned by *Canoe.tv* in addition to video content from traditional sources including Quebecor Media, the Sun Media network of newspapers and various external partners.

E-commerce Properties

The following e-commerce properties are included under the *Canoe Network* umbrella:

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

- Its local classified sites attached to its large urban newspaper brands;

- *YourLifeMoments.ca*, Sun Media's premier site for announcing, celebrating, sharing all of life's special moments; and

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

2.2.8 Distribution Network

Quebecor Media Network distributes dailies, weeklies, magazines and print media and reaches approximately 225,000 households and 12,375 retail outlets through its operations in the Province of Québec.

2.2.9 Commercial Printing

Sun Media's owns printing facilities, including eight printing facilities for its urban and community publications which are located in five provinces. Through Quebecor Media's wholly-owned subsidiary Quebecor Media Printing, it operates two printing facilities located in Islington, Ontario, and Mirabel, Québec. The *24 Hours* in Toronto, the *Toronto Sun* and a number of Ontario community publications are printed in Islington, Ontario. *Le Journal de Montréal*, the *Ottawa Sun* and the *24 Heures* (Montréal) are printed in Mirabel, Québec. Eight of Sun Media's printing facilities, including the Islington (Ontario) facility, are in the process of being sold as part of the Postmedia Transaction.

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

2.2.10 Seasonality and Cyclicality

Canadian newspaper publishing companies operating results tend to follow a recurring seasonal pattern with higher advertising revenue in the spring and in the fall. Accordingly, the second and fourth fiscal quarters are typically the strongest quarters, with the fourth quarter generally being the strongest. Due to the seasonal retail decline and generally poor weather, the first quarter has historically been its weakest quarter.

Quebecor Media's newspaper business is cyclical in nature. Its operating results are sensitive to prevailing local, regional and national economic conditions because of its dependence on advertising sales for a substantial portion of its revenue. Expenditures by advertisers tend to be cyclical, reflecting overall economic conditions, as well as budgeting and buying patterns and priorities. In addition, a substantial portion of its advertising revenue is derived from retail and automotive advertisers, who have historically been sensitive to general economic cycles, and Quebecor Media's operating results have in the past been materially adversely affected by extended downturns in the Canadian retail and automotive sectors. Similarly, since a substantial portion of its advertising revenue is derived from local advertisers, its operating results in individual markets could be adversely affected by local or regional economic downturns.

2.2.11 Raw Materials

Newsprint, which is the basic raw material used to publish newspapers, has historically been and may continue to be subject to significant price volatility. Changes in the price of newsprint could significantly affect its earnings, and volatile or increased newsprint costs have had, and may in the future have, a material adverse effect on its results of operations and its financial condition. Quebecor Media manages the effects of newsprint price increases through a combination of, among other things, waste management, technology improvements, web width reduction, inventory management, and by controlling the mix of editorial versus advertising content.

In order to obtain more favourable pricing, Quebecor Media sources substantially all of its newsprint from a single newsprint producer (its "**Newsprint Supplier**"). Pursuant to the terms of its agreement with its Newsprint Supplier, it obtains newsprint at a discount to market prices, receive additional volume rebates for purchases above certain thresholds, and benefit from a ceiling on the unit cost of newsprint.

2.2.12 Other Operations

Quebecor Media is involved in out-of-home-advertising through the installation, maintenance and management of out-of-home advertisement, including on transit and bus shelters. In relation thereto, it entered into a 10-year agreement with *Société de transport de Lévis*, a 20-year agreement with *Société de transport de Laval*, and a 20-year agreement with *Société de transport de Montréal* (STM). Also, through QMI Agency, It provides content to external customers as well as to certain of its subsidiaries and divisions and, through QMI Sales, it offers integrated, diversified and complete advertising services to its clients.

2.3 SPORTS AND ENTERTAINMENT

Quebecor Media's activities in the Sports and Entertainment segment consist primarily of show distribution, sporting and cultural events management, music production, distribution and streaming, the operation of two QMJHL teams, video game development (through Bloobuzz Studios Inc. ("**Bloobuzz**")) and the operation and management of the future Québec City Arena.

Quebecor Media owns 100% of the issued and outstanding capital stock of Event Management Gestev inc. ("**Gestev**"), Québecor Sports et Divertissements Inc. (which owns the *Remparts de Québec*) and Archambault Group.

2.3.1 Québec City Arena

The construction of the Québec City Arena has begun in September 2012 and is scheduled to be completed in July 2015, with a currently expected public opening in September 2015. The Arena will have approximately 18,400 seats and will host the *Remparts de Québec* as well as a variety of events and shows by local and international artists. Through a 25 year agreement entered into with Québec City, Quebecor Media will have usage and naming rights for the Arena until 2040. In anticipation of the opening of the Arena, Quebecor Media has entered into a strategic partnership for the operation of the Arena with Live Nation Entertainment, including two of its main divisions, namely Live Nation Concerts, the global market leader in concert production, and the Ticketmaster ticketing service, which operates in the Province of Québec under the name ''Admission''. Quebecor Media has also entered into a strategic partnership with Levy Restaurants, with an emphasis on building a world class culinary experience in the Arena through a local food and beverage program.

2.3.2 QMJHL Hockey Teams

Quebecor Media owns two QMJHL franchises, namely *L'Armada de Blainville-Boisbriand*, and the *Remparts de Québec*. As part of the transaction relating to the acquisition of the *Remparts de Québec*, Quebecor Media also obtained rights to organize the women's professional tennis tournament (namely, the "*Coupe Banque Nationale")* as well as the 2015 Memorial Cup, which will be hosted by the *Remparts de Québec*.

2.3.3 Events Production and Management

Through Gestev, a sports and cultural events manager, Quebecor Media produces numerous high-profile events such as the Red Bull Crashed Ice extreme race, the Vélirium (International Mountain Bike Festival and World Cup), the Transat Québec Saint-Malo sailing race, Sprint Québec (FIS Cross-Country World Cup), and the Snowboard Jamboree (including the FIS Snowboard World Championships).

2.3.4 Music Distribution

Through certain divisions and a subsidiary of Archambault Group, Quebecor Media distributes CDs, DVDs, Blu-ray discs, online music by way of file transfer and offers services in the following areas: music streaming, music recording, video production, recording of live concerts, production of live-event video shows, television advertising, music shows and concerts.

Archambault Group is one of the largest independent music distributors in Canada with 21% of the Province of Québec market and 54% of the Province of Québec French market. Archambault Group has a catalogue of over 7,800 different CDs, LPs or other audio formats and over 1,500 DVDs, VHS or other video formats, a large number of which are from French-speaking artists. In addition, Archambault Group is a digital aggregator of downloadable products with a selection of approximately 101,000 songs available through 196 retailers worldwide.

2.3.5 Competition

The new arena in Québec City scheduled to open in September 2015 and managed by the Sports and Entertainment segment, will be in competition with the Bell Centre and Evenko. Even though at times their offering will be complementary, in other instances they will be competing for the same entertainment dollar. During the summer months, another significant competitor is the *Festival d'été de Québec* as it proposes interesting shows at low cost.

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

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

The music industry is mainly controlled by three major players (Universal Music, Warner Music and, Sony Music) with 81% of the Canadian market share, which combine production and distribution activities. However, the Québec market is unique due to the fact that the majority of its population is French-speaking and consequently, it has its own star system.

2.4 INTELLECTUAL PROPERTY

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

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

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

2.5 INSURANCE

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

2.6 EMPLOYEES

At December 31, 2014, the Corporation had approximately 13,835 employees on a consolidated basis. At December 31, 2013 and 2012, it had approximately 15,110 and 16,865 employees on a consolidated basis, respectively. A number of its employees work part-time. The following table sets forth certain information relating to the Corporation's employees in each of its operating segments as of December 31, 2014.

Operations	Approximate total number of employees	Approximate number of employees under collective agreements	Number of collective agreements
Telecommunications	**7,090**	**4,145**	**13**
Videotron.......................	6,190	3,695	4
Other	900	450	9
Media...	**6,260**	**2,135**	**64**
Sun Media	2,285	930	44
TVA Group	2,275	860	13
Other	1,700	345	7
Sports and Entertainment	**220**	**-**	**-**
Corporate[1].....................................	**265**	**-**	**-**
Total	**13,835**	**6,280**	**77**

(5) Includes QMI Digital, QMI Content and Bloobuzz.

At December 31, 2014, approximately 45% of its employees were represented by collective bargaining agreements. Through its subsidiaries, the Corporation is currently a party to 77 collective bargaining agreements.

- Videotron is party to four collective bargaining agreements, representing approximately 3,695 unionized employees. Negotiations regarding one of the most important collective bargaining agreement, covering unionized employees in the Montréal region have recently been completed on March 22, 2015 with the renewal of the collective bargaining agreement until 2018. There are also three collective bargaining agreements covering unionized employees in the Saguenay, Gatineau and Québec regions, with terms running through December 31, 2019, August 31, 2015 and December 31, 2018 respectively.

  The retail segment of Archambault Group is now party to eight collective bargaining agreements representing approximately 380 unionized employees. Negotiations are still in progress for the Berri store and negotiations will be undertaken in 2015 for the Place des Arts store as well as for the Customer Contact Center. Of the other collective bargaining agreements, one will expire on April 1, 2015.

One other collective bargaining agreement covering approximately 70 employees of SETTE inc., a subsidiary of Videotron, will expire by the end of the year on December 31, 2015.

- Sun Media is party to 44 collective bargaining agreements, representing approximately 930 unionized employees. Of the other collective bargaining agreements, three have expired by the end of 2014, representing approximately 55 employees, and three others will expire in 2015 representing approximately 30 employees. The others will expire on various dates through December 2019.

- TVA Group is party to 13 collective bargaining agreements, representing approximately 860 unionized employees. Of this number, eight collective bargaining agreements, representing approximately 180 unionized employees or 21% of its unionized workforce, have expired in 2014. Negotiations regarding these collective bargaining agreements are in progress or will be undertaken in 2015. Two collective bargaining agreements representing approximately 40 unionized employees will expire in 2015. The other collective bargaining agreements will expire on various dates through December 2018.

- Of the other seven collective bargaining agreements, representing approximately 345 unionized employees, one collective bargaining agreement representing approximately 30 unionized employees is expired and three others will expire in 2015. Negotiations regarding these collective bargaining agreements will be undertaken in 2015. The other collective bargaining agreements will expire between February 2016 and December 2017.

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

The Corporation can neither predict the outcome of current or future negotiations relating to labour disputes, if any, union representation or renewal of collective bargaining agreements, nor guarantee that it will not experience further work stoppages, strikes or other forms of labour protests pending the outcome of any current or future negotiations. If its unionized workers engage in a strike or any other form of work stoppage, the Corporation could experience a significant disruption to its operations, damage to its property and/or interruption to its services, which could adversely affect its business, assets, financial position, results of operations and reputation. Even if the Corporation does not experience strikes or other forms of labour protests, the outcome of labour negotiations could adversely affect its business and results of operations. Such could be the case if current or future labour negotiations or contracts were to further restrict its ability to maximize the efficiency of its operations. In addition, its ability to make short-term adjustments to control compensation and benefits costs is limited by the terms of its collective bargaining agreements.

2.7 ENVIRONMENT

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

Compliance with these laws has not had, and management does not expect it to have, a material effect upon its capital expenditures, net income or competitive position. Environmental laws and regulations and the interpretation of such laws and regulations, however, have changed rapidly in recent years and may continue to do so in the future. The Corporation has monitored the changes closely and has modified its practices where necessary or appropriate. For example, Québec's regulation on the recovery and reclamation of products by enterprises officially came into force on July 13, 2011. This regulation requires certain subsidiaries of Quebecor Media, specifically Videotron, to implement a recycling program or to become member of a program from an organization accredited by Recyc-Québec. Recovery rates are stipulated for different categories of products commercialized by companies to which this regulation applies. Starting in 2020, penalties will be imposed upon those companies that have failed to achieve the recovery targets between 2015 and 2020 as set forth in the regulation and will vary as a function of the amount of products commercialized and the actual recovery rates of the company, with potential penalties reaching up to $600,000 annually and with fines for non-compliance ranging between $5,000 and $250,000.

The Corporation's past and current properties, as well as areas surrounding those properties, particularly those in areas of long-term industrial use, may have had historic uses, or may have current uses, in the case of surrounding properties, which may affect its properties and require further study or remedial measures. As part of its Studios, Equipment and Post-Production Business, Quebecor Media owns certain studios and vacant lots, some of which are located on a former landfill, with the presence of gas emitting waste.

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

ITEM 3 — HIGHLIGHTS

The three-year highlight information for the Corporation's Broadcasting segment carried on by TVA Group is contained in its annual information form dated March 6, 2015, the relevant excerpts of which are reproduced at Schedule A to this annual information form.

3.1 RECENT DEVELOPMENTS

On March 25, 2015, the Competition Bureau approved the sale of Sun Media's English-language operations pursuant to the Postmedia Transaction. The closing of this transaction is expected to take place within the next few weeks.

On March 20, 2015, TVA Group announced the closing of its rights offering in each of the provinces of Canada pursuant to a short form prospectus dated February 4, 2015, in which all holders of TVA's outstanding Class A common shares and Class B non-voting shares ("**Class B Non-Voting Shares**"), subject to applicable law, received rights to subscribe for Class B Non-Voting Shares on an equitable and proportional basis (the "**TVA Rights Offering**") for aggregate gross proceeds of approximately $110.0 million. In accordance with a standby commitment agreement entered into with TVA Group on January 16, 2015, TVA Group paid to Quebecor Media a standby commitment fee of $1.1 million, representing 1% of the aggregate gross proceeds of the TVA Rights Offering. In connection with the TVA Rights Offering, Quebecor Media subscribed for 17,300,259 additional Class B Non-Voting Shares of TVA Group.

On March 11, 2015, Videotron announced that it had issued a notice of redemption for all of its outstanding 6⅜% Senior Notes due December 15, 2015. The redemption is anticipated to be completed on April 10, 2015.

On March 11, 2015, Videotron announced the acquisition of 4Degrees Colocation inc. and its data centre, the largest in Québec City, for a cash consideration of $31.5 million, which may increase to $35.5 million if certain criteria are satisfied. The acquisition will enable Videotron to meet its business customers' growing technological and hosting needs.

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

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

On February 3, 2015, Quebecor Media announced a strategic partnership for the operation of the Arena with Live Nation Entertainment, including two of its main divisions, namely Live Nation Concerts, the global market leader in concert production, and the Ticketmaster ticketing service, which operates in the Province of Québec under the name ''Admission''. At the same date, Quebecor Media has also entered into a strategic partnership with Levy Restaurants, which will provide food service management at the Arena.

3.2 HIGHLIGHTS FOR 2014

3.2.1 Quebecor

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

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

3.2.2 Quebecor Media

On September 2, 2014, Quebecor Media announced the closing of a transaction whereby it sold Nurun Inc. to Publicis Groupe for cash consideration of $125.0 million.

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

On July 31, 2014, Quebecor Media announced the creation of its Media Group, a new segment dedicated to entertainment and news media which includes the operations of TVA Group, Sun Media, QMI Agency, Quebecor Media Out-of-Home, Quebecor Media Sales, Quebecor Media Network, Quebecor Media Printing, Sogides, CEC Publishing and Readbooks S.A.S.

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

On April 25, 2014, Quebecor Media completed the redemption and early repayment of all of its outstanding 7.75% Senior Notes in the aggregate principal amount of US$380.0 million, issued on October 5, 2007 and maturing on March 15, 2016, and settled the related hedges.

3.2.3 Telecommunications

On September 10, 2014, Videotron launched its LTE mobile network, which reaches nearly 90% of the population of the Province of Québec and supports speed of up to 150 mbps.

On August 27, 2014, Videotron launched the new X8 multi-room HD recorder, designed to deliver the best entertainment experience on the market. With a 2 terabytes storage capacity and state-of-the-art functionalities, the X8 multi-room HD recorder can record up to eight television shows simultaneously.

On April 9, 2014, Videotron issued US$600.0 million aggregate principal amount of 5.375% Senior Notes maturing on June 15, 2024, for net proceeds of $654.5 million, net of financing fees of $7.8 million. Strong demand enabled Videotron to upsize the offering with favorable pricing, which clearly demonstrates the strength of its business and credit profile. Videotron fully hedged the exchange risk on the new Senior Notes by means of cross-currency interest rate swaps. It also converted the fixed interest rate on a US$158.6 million tranche of its Senior Notes to a floating rate.

Videotron used the proceeds from the April 9, 2014 issuance of Senior Notes to prepay and withdraw, on April 24, 2014, US$260 million principal amount of its outstanding 9.125% Senior Notes, issued on March 5, 2009 and maturing on April 15, 2018, to repay drawings under its revolving credit facility, to pay transaction fees and expenses, and for general corporate purposes.

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

On March 28, 2014, Apple products were added to the extensive selection of mobile devices Videotron offers its customers. Subsequently, Videotron launched new illico apps for iPhone (4, 5C, 5S, 6) and iPad. The free apps, featuring customizable, intuitive user interfaces, make thousands of hours of French- and English-language programming from some 50 television channels available to subscribers to Videotron's cable television service.

3.2.4 Media

On December 30, 2014, TVA Group closed the acquisition of substantially all of the assets of A.R. Global Vision Ltd. and its subsidiary ("Global Vision"), a Canadian provider of film- and television-related services, for a cash consideration of $116.1 million, subject to certain adjustments. Global Vision offers studio, soundstage and equipment leasing and post-production services. Its properties include the Mel's *La Cité du cinéma* studios in Montréal and the Melrose studio in Saint-Hubert, which are used for both local and foreign film and television productions.

On November 17, 2014, TVA Group reached an agreement with Transcontinental to acquire 15 magazines for a cash consideration of $55.5 million. Upon closing, TVA Group will become sole owner of 11 of the acquired titles: *Coup de pouce*, Canadian Living, *Véro Magazine, Décormag*, Style at Home, *Fleurs Plantes Jardins*, Canadian Gardening, *Québec Vert*, The Hockey News, *MaisonNeuves.com, Condo Maison Direct* and the *recettes.qc.ca*, *Quoi manger* and On the table websites. TVA Group will also hold a 51% effective interest in Les Publications

Transcontinental-Hearst inc., which operates the magazines *Elle Canada* and *Elle Québec*. As well, TVA Group will hold 50% of the shares of Publications Senior inc., which publishes *Le Bel Âge* and Good Times magazines. The transaction was authorized by the Competition Bureau on March 2, 2015 and is expected to close within the next few weeks.

On November 3, 2014, TVA Group modified the terms and conditions of its bank credit facilities to increase the size of its revolving credit facility from $100.0 million to $150.0 million; to extend their term by two years until February 24, 2019; and to replace the existing $75.0 million term loan maturing on December 11, 2014 by a new term loan of an equivalent amount maturing on November 3, 2019. TVA Group also amended some terms and conditions to increase its financial flexibility. Accordingly, TVA Group granted a security on all of its movable assets and an immovable hypothec on its head office building.

During the September 1 to December 7, 2014 period, TVA Group and its specialty channels had a total television audience market share of 33.2% in Québec, compared with 31.6% during the previous year (source: Numeris, Fall 2014). TVA Network held its status as the market leader with a 23.9% market share, more than its main over-the-air rivals combined. Due in part to the success of TVA Sports, TVA Group's specialty channels passed the 10-million-subscriber mark in the fall of 2014.

On October 8, 2014, TVA Sports drew an average audience of 925,000 television viewers and a 25.5% market share for the Montréal Canadiens' season opener. Since TVA Sports began carrying National Hockey League ("**NHL**") hockey, its subscriber base has swelled to 2.0 million. As previously reported, on July 1, 2014, TVA Sports became the NHL's official French-language broadcaster for the next 12 years. During the 2014-2015 season, TVA Sports will broadcast more than 275 NHL games, among them all Canadiens Saturday night games and all playoff games, including Canadiens games and the Stanley Cup final.

On October 6, 2014, Quebecor Media announced the sale of 175 English-language newspapers and publications to Postmedia Network Canada Corporation for cash consideration of $316.0 million, which transaction includes the Sun chain of dailies, namely the Ottawa Sun, Toronto Sun, Winnipeg Sun, Edmonton Sun and Calgary Sun, as well as The London Free Press, the 24 Hours dailies in Toronto and Vancouver, and community dailies and weeklies, buyers' guides and specialty publications as well as the Canoe portal's English-Canadian operations and eight printing plants, including the Islington (Ontario) plant. Quebecor Media's French-language newspapers and publications, including *Le Journal de Montréal*, *Le Journal de Québec* and the *24 Heures* (Montréal), are not included in the Postmedia Transaction. The Postmedia Transaction was approved by the Competition Bureau on March 25, 2015 and is expected to close within the next few weeks

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

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

3.2.5 Sports and Entertainment

On November 27, 2014, Quebecor Media acquired a QMJHL franchise, the *Remparts de Québec*. The team plans to move into the Québec City Arena in September 2015

3.3 HIGHLIGHTS FOR 2013

3.3.1 Quebecor

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

3.3.2 Quebecor Media

On August 30, 2013, Quebecor Media redeemed US$265.0 million in aggregate principal amount of its outstanding $7\frac{3}{4}\%$ Senior Notes issued on January 17, 2006 and due in March 2016, and settled the related hedging contracts.

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

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

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

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

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

3.3.3 Telecommunications

On June 17, 2013, Videotron announced the closing of the offering and sale of $5\frac{5}{8}\%$ Senior Notes, maturing on June 15, 2025, in the aggregate principal amount of $400.0 million for net proceeds of $394.8 million (net of financing expenses). The proceeds of this offering were used on July 2, 2013 to finance the early redemption and withdrawal of US$380.0 million aggregate principal amount of Videotron's outstanding $9\frac{1}{8}\%$ Senior Notes, issued on April 15, 2008 and maturing in April 2018 and to settle the related hedging contracts.

In June 2013, Videotron amended its $575.0 million secured revolving credit facility to extend the maturity date to July 2018 and to amend some of the terms and conditions of the facility.

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

3.3.4 Media

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

In 2013, Sun Media announced a number of restructuring initiatives to secure its news properties' long-term positioning on all distribution platforms, including digital. These initiatives entailed the elimination of 560 positions, the closing of 8 publications and 3 free urban newspapers – the *24 Hours* papers in Ottawa, Calgary and Edmonton – along with a series of efforts to enhance operational efficiencies. The total cost of these measures was estimated at $9.0 million.

In July 2013, TVA Group announced the acquisition of Les Publications Charron & Cie inc., publisher of *La Semaine* magazine, and of Charron Éditeur inc., which was subsequently transferred to Sogides, a subsidiary in the Media segment.

3.3.5 Sports and Entertainment

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

3.4 HIGHLIGHTS FOR 2012

3.4.1 Quebecor

On October 11, 2012, Quebecor purchased 10,175,653 common shares of Quebecor Media held by CDP Capital d'Amérique Investissements Inc. ("**CDP**"). To evidence the obligation of the Corporation to pay the purchase price of such shares, the Corporation issued to CDP $500.0 million aggregate principal amount of subordinated debentures, bearing interest at 4.125% and maturing in 2018, which are convertible into Class B Subordinate Voting Shares of Quebecor (the "**QI Transaction**"). The Corporation filed a Business Acquisition Report (Form 51-102F4) with SEDAR with respect to this acquisition. The Business Acquisition Report can be viewed on Quebecor's profile at www.sedar.com.

Quebecor amended its $150.0 million revolving credit facility to extend the maturity from November 2014 to November 2015.

3.4.2 Quebecor Media

On December 17, 2012, Quebecor Media prepaid the outstanding balance of its term loan "B" for a cash consideration of $153.9 million.

On October 11, 2012, Quebecor Media repurchased 20,351,307 of its common shares held by CDP for an aggregate purchase price of $1.0 billion, paid in cash (the "**CDP Transaction**"). Following the QI Transaction and CDP Transaction, the participation of Quebecor in Quebecor Media has growned from 54.7% to 75.4%.

On October 11, 2012, Quebecor Media issued US$850.0 million aggregate principal amount of its 5 ¾% Senior Notes due 2023 for net proceeds of $820.7 million (net of financing expenses) and $500.0 million aggregate principal amount of its 6 ⅝% Senior Notes due 2023 for net proceeds of $493.8 million (net of financing expenses). Quebecor Media used the proceeds of these offerings to finance: (i) the repurchase for cancellation from CDP of 20,351,307 of its common shares for an aggregate purchase price of $1.0 billion, (ii) the redemption and retirement of US$320.0 million aggregate principal amount of its issued and outstanding 7 ¾% Senior Notes due 2016 issued in 2007 and (iii) for the payment of related transaction fees and expenses.

On June 21, 2012, following an invitation to tender, Quebecor Media was selected to install, maintain and manage the advertising on Société de transport de Montréal (STM) bus shelters for the next 20 years.

3.4.3 Telecommunications

On March 14, 2012, Videotron issued US$800.0 million aggregate principal amount of its 5% Senior Notes due 2022 for net proceeds of $787.6 million (net of financing expenses). Videotron used the proceeds to repurchase and retire all US$395.0 million aggregate principal amount of its outstanding 6⅞% Senior Notes due 2014, to fully repay the borrowings under its revolving credit facility, to pay related fees and expenses and the remainder for general corporate purposes.

3.4.4 Media

The Media segment had no highlights to report for the fiscal year ended December 31, 2012

3.4.5 Sports and Entertainment

Archambault Group launched Zik in April 2012, the first Canadian streaming music service. A bilingual service offered in French or English, at the user's option, Zik offers millions of songs, the widest repertoire of French-speaking streaming music, accessible at anytime and from everywhere on the web, a mobile phone or a tablet.

ITEM 4 — DIRECTORS AND OFFICERS

4.1 DIRECTORS

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

The Corporate Governance and Nominating Committee has reviewed the mandate of the board of directors on December 3, 2014 and recommended that the board of directors approve minor changes to such mandate. The proposed amendments were approved by the board of directors on January 16, 2015. The mandate of the Corporation's board of directors is attached as Schedule B to this annual information form.

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

The board of directors of Quebecor consists of eight directors. The term of office of each director expires upon the election of his or her successor unless he or she resigns from office or his or her office becomes vacant by death, removal or other cause. The following table sets forth, as at March 20, 2015, the names, place of residence and principal occupation of the directors and the year in which they were first appointed or elected director, as well as the board committees on which each director sits.

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

CLASS A DIRECTORS

Name and place of residence	Principal Occupation[1]	Director Since
Jean La Couture, FCPA, FCA[4], [5], [6] Montréal, Québec, Canada	President, Huis Clos Ltée (Management and mediation firm)	2003
Sylvie Lalande[2], [3] Lachute, Québec, Canada	Corporate Director Chair of the Board, TVA Group Inc.	2011
Pierre Laurin[2], [3], [6] Verdun, Québec, Canada	Corporate Director Vice Chairman of the Board and Lead Director, Quebecor Inc. and Quebecor Media Inc.	1991
Geneviève Marcon[2] Lac-Beauport, Québec, Canada	President of GM Developpement inc. (Real Estate Development and Management)	2012
The Right Honourable Brian Mulroney, P.C., C.C., LL.D.[5], [6] Westmount, Québec, Canada	Senior Partner, Norton Rose Fulbright Canada LLP (Law firm) Chairman of the Board, Quebecor Inc. and Quebecor Media Inc.	1999
Robert Paré, LL.D Westmount, Québec, Canada	Senior Partner, Fasken Martineau DuMoulin LLP (Law firm)	2014

CLASS B DIRECTORS		
Name and place of residence	**Principal Occupation**(1)	**Director Since**
A. Michel Lavigne, FCPA, FCA(3), (4) Laval, Québec, Canada	Corporate Director	2013
Normand Provost(4) Brossard, Québec Canada	Assistant to the President of La Caisse de dépôt et placement du Québec (Institutional Fund Managers)	2013

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(1) Except as stated below, each of the aforementioned directors has, during the past five years, carried on his or her current principal occupation or held other management positions with the same or other associated companies or firms, including affiliates and predecessors, indicated opposite his or her name.

(2) Member of the Corporate Governance and Nominating Committee.

(3) Member of the Human Resources and Compensation Committee.

(4) Member of the Audit Committee.

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

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

4.2 EXECUTIVE OFFICERS

The following table provides the names of each of the Corporation's executive officers, its place of residence and his or her position in the Corporation as at March 20, 2015.

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

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

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

As of March 20, 2015, to the knowledge of the Corporation and according to the information received, its directors and officers, as a group, beneficially owned or exercised control or direction over 2,000 of its Class A Shares (as defined after) (or 0.005% of the Class A Shares) and 35,620 of its Class B Shares (as defined after) (or 0,042% of the Class B Shares).

ITEM 5 — AUDIT COMMITTEE

5.1 MANDATE OF THE AUDIT COMMITTEE

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

The mandate of its Audit Committee was reviewed by its board of directors on March 10, 2015. The mandate of the Audit Committee is attached as Schedule C to this annual information form.

5.2 COMPOSITION OF THE AUDIT COMMITTEE

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

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

5.3 RELEVANT EDUCATION AND EXPERIENCE

Member	Relevant Education and Experience
Jean La Couture (Chair)	Mr. La Couture is a Fellow Chartered Professional Accountant of the *Ordre des comptables professionnels agréés du Québec*. He headed Le Groupe Mallette (an accounting firm) from 1981 to 1989 before becoming President and Chief Executive Officer of The Guarantee Company of North America from 1990 to 1994. In 1995, he created Huis Clos ltée, which specializes in management and mediation as well as in civil and commercial negotiations. He serves as a member of the board of directors and audit committee of a number of public corporations.
A. Michel Lavigne	Mr. Lavigne is a Fellow Chartered Professional Accountant of the *Ordre des comptables professionnels agréés du Québec* and a member of the Canadian Institute of Chartered Accountants since 1973. Until May 2005, Mr. Lavigne was President and Chief Executive Officer of Raymond Chabot Grant Thornton in Montreal (an accounting firm). He was also a member of the Governor Counsel of Grant Thornton International. He is currently director and Chair of the Pension Committee and a member of the Audit Committee of Canada Post, as well as director and Chairman of the Board of Teraxion Inc. He was, until recently, director and Chair of the Audit Committee of *Caisse de dépôt et placement du Québec*.

Member	Relevant Education and Experience
Normand Provost	Mr. Provost is Assistant to the President of the *Caisse de dépôt et placement du Québec* (the "**Caisse**"), one on the largest institutional fund managers in Canada and North America. Since September 2009, backed by his extensive knowledge of the Québec business community, Mr. Provost has assumed the leadership of all of the Caisse's initiatives in Québec. Mr. Provost joined the Caisse in 1980 and has held several positions within the institution, ranging from Advisor and Investment Manager, specializing in midsize businesses, to President of the subsidiary CDP Capital – Americas, from 1995 to 2003. From October 2003 to May 2014, he has served as Executive Vice-President, Equity of the Caisse. In addition to his responsibilities in the investment sector, Mr. Provost served as Chief Operating Officer of the Caisse from April 2009 to March 2012. Mr. Provost is director and member of the Audit Committee of Quebecor Media and of Videotron. In addition, he sits on the Supervisory Board and to the Compensation and Human Resources Committee of Groupe Kéolis S.A.S. Since March 2015, Mr. Provost also sits on the Board of Directors and on the Investment Committee of Desjardins Financial Security.

5.4 RELIANCE ON CERTAIN EXEMPTIONS

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

5.5 PRE-APPROVAL POLICY

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

Once the list of audit and non-audit services has been pre-approved by the Audit Committee, the Chief Financial Officer of the Corporation may hire the auditor for specific tasks or engagements that comply with the conditions previously approved by the Audit Committee. The Audit Committee has delegated pre-approval authority to the Chairman of the Audit Committee for services to be provided by the external auditor that do not exceed $250,000. For services in excess of $250,000, and that have not been pre-approved, they must be approved by the Audit Committee. As required by this policy, a report must be presented to the Audit Committee each quarter.

For fiscal year 2014, the total amount of all non-audit services that have not been pre-approved does not represent more than 5% of the total amount of the fees paid to the external auditor.

5.6 EXTERNAL AUDITOR SERVICE FEES

The following table sets forth the fees paid to Ernst & Young LLP ("**Ernst & Young**"), the Corporation's external auditor, for the services rendered during the fiscal year 2014 and 2013.

	2014	**2013**
Audit fees [(1)]	$ 2,926,907	$ 3,589,309
Audit-related fees [(2)]	722,819	585,064
Tax fees [(3)]	43,994	91,913
All other fees [(4)]	4,492	817
Total fees	**$ 3,698,212**	**$ 4,267,103**

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

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

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

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

ITEM 6 — LEGAL PROCEEDINGS

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

ITEM 7 — RISK FACTORS

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

The Corporation describes the principal risk factors relating to its operations and businesses in its *Management's Discussion and Analysis for the year ended December 31, 2014* under the heading "Risks and Uncertainties", which was filed with the Canadian Securities Administrators on March 11, 2015, which section is incorporated by reference into this annual information form, and which may be viewed under its profile on SEDAR at www.sedar.com.

ITEM 8 — DESCRIPTION OF CAPITAL STRUCTURE

8.1 CAPITAL STRUCTURE

Quebecor’s authorized share capital was modified by a certificate of amendment dated September 4, 1986 re-designating the Common Shares as Class A Multiple Voting Shares (the “Class A Shares”) carrying ten votes per share and creating Class B Subordinate Voting Shares (the “Class B Shares”) carrying one vote per share. Its Class B Shares are “restricted securities” (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights to those attached to the Class A Shares. In the aggregate, all of the voting rights attached to the Class B Shares represented, as at March 20, 2015, 17,73% of the total voting rights attached to all of its issued and outstanding voting securities.

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

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

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

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

8.2 AUTHORIZED SHARE CAPITAL

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

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

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

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

8.3 ISSUED AND OUTSTANDING SHARE CAPITAL

As at March 20, 2015, a total 38,954,472 Class A Shares and 83,921,992 Class B Shares were issued and outstanding.

8.4 DIVIDENDS

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

For the years ended December 31, 2012, 2013 and 2014, Quebecor declared and paid quarterly dividends in the annual aggregate amount of $0.10 per share on its Class A Shares and Class B Shares.

8.5 MARKET FOR SECURITIES

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

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

CLASS A SHARES				
2014	***Closing Price ($)***	***High ($)***	***Low ($)***	***Trading volume (#)***
January	23.69	27.10	23.68	19,896
February	24,49	25.79	23.00	48,906
March	26.91	26.91	24.58	13,480
April	26.05	26.97	25.81	8,479
May	26.33	27.52	25.32	9,105
June	25.94	27.50	25.64	8,935
July	26.12	26.52	25.52	3,251
August	27.62	27.62	25.81	19,368
September	28.02	28.56	27.48	9,375
October	28.67	28.77	26.70	12,585
November	30.70	30.70	28.78	10,552
December	31.50	32.99	30.95	4,779

CLASS B SHARES				
2014	***Closing Price ($)***	***High ($)***	***Low ($)***	***Trading volume (#)***
January	23.72	27.25	23.50	7,491,450
February	24.55	25.93	23.29	10,630,934
March	27.00	27.00	24.05	7,682,069
April	25.85	27.25	25.79	6,926,621
May	26.24	26.94	25.25	10,631,805
June	25.82	27.71	25.62	8,612,096
July	26.46	26.75	25.56	7,976,302
August	27.74	27.87	25.74	4,378,699
September	28.14	28.84	27.00	6,374,793
October	28.93	28.99	26.60	7,702,203
November	31.00	31.07	28.56	4,147,670
December	31.94	32.81	30.76	3,575,147

ITEM 9 — INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For purposes of this Item, reference is made to the section entitled "Related Party Transactions" in Quebecor's Management's Discussion and Analysis for the year ended December 31, 2014, which is incorporated by reference into this annual information form.

Quebecor's Management's Discussion and Analysis for the year ended December 31, 2014 may be found on its website at www.quebecor.com and under its profile on SEDAR at www.sedar.com.

ITEM 10 — MATERIAL CONTRACTS

10.1 SHAREHOLDERS' AGREEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

On June 19, 2014, the shareholders of Quebecor Media, acting by written resolution, fixed the size of the Board of Directors to eight directors and established that Quebecor would be entitled to nominate six directors and Capital CDPQ would be entitled to nominate two directors.

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

10.2 OTHER MATERIAL CONTRACTS

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

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

10.2.1 Material Contracts of Quebecor

Quebecor is party to the following material contracts entered into outside the ordinary course of business that remain in effect, as described below:

Share Purchase Agreement dated as of October 2, 2012 between Caisse de dépôt et placement du Québec, CDP, Quebecor Media and Quebecor

On October 2, 2012, Caisse de dépôt et placement du Québec, CDP, Quebecor Media and Quebecor entered into a Share Purchase Agreement (the "**Share Purchase Agreement**"), whereby Quebecor purchased 10,175,653 common shares of Quebecor Media held by CDP. To evidence the obligation of the Corporation to pay the purchase price of such shares, the Corporation issued to CDP $500.0 million aggregate principal amount of subordinated debentures, bearing interest at 4.125% and maturing in 2018, which are convertible into Class B Shares of Quebecor and Quebecor Media repurchased 20,351,307 of its common shares held by CDP for an aggregate purchase price of $1.0 billion, paid in cash.

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

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

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

- Interest is payable semi-annually in cash, in Quebecor Class B Shares or with the proceeds from the sale of Quebecor Class B shares;
- At maturity, the Convertible Debentures will be payable in cash by Quebecor at the outstanding principal amount, plus accrued and unpaid interest, subject to redemption, conversion, purchase or prior repayment;
- One day prior to maturity, Quebecor may redeem the outstanding Convertible Debentures by issuing that number of Quebecor Class B shares obtained by dividing the outstanding principal amount by the then current market price of a Quebecor Class B share, subject to a floor price of $19.25 per share (that is, a maximum number of 25,974,026 Quebecor Class B shares corresponding to a ratio of $500.0 million to the floor price), and a ceiling price of $24.062 per share (that is, a minimum number of 20,779,220 Quebecor Class B shares corresponding to a ratio of $500.0 million to the ceiling price);

- At any time one day prior to maturity, Quebecor may redeem or convert, in whole or in part, the outstanding Convertible Debentures, subject to the terms of the Indenture;
- The Convertible Debentures will be convertible, at all times prior to the maturity date, into Quebecor Class B shares by the holder in accordance with the terms of the Indenture; and
- In all cases, Quebecor has the option to pay an amount in cash equal to the market value of the shares that would otherwise have been issued, being the product of (i) the number of Quebecor Class B shares, and (ii) the then current market price of a Quebecor Class B share.

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

Registration Rights Agreement dated October 11, 2012 between Quebecor, Caisse de dépôt et placement du Québec and CDP

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

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

10.2.2 Material Contracts of Quebecor Media

Quebecor Media is party to the following material contracts entered into outside the ordinary course of business that remain in effect, as described below:

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

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

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

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

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

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

Registration Rights Agreement dated October 11, 2012 between Quebecor Media, Caisse de dépôt et placement du Québec and CDP

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

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

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

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

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

Indenture relating to US$700,000,000 7 ¾% Senior Notes due March 15, 2016, dated as of October 5, 2007, by and between Quebecor Media and U.S. Bank National Association, as trustee.

On October 5, 2007, Quebecor Media issued US$700,000,000 aggregate principal amount of its 7 ¾% Senior Notes due March 15, 2016 pursuant to an Indenture, dated as of October 5, 2007, by and between Quebecor Media and U.S. Bank National Association, as trustee. These senior notes are unsecured and mature on March 15, 2016. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are not guaranteed by Quebecor Media's subsidiaries. These senior notes are redeemable, at Quebecor Media's option, under certain circumstances and at the redemption prices set forth in this indenture. The indenture contains customary restrictive covenants with respect to Quebecor Media and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than Quebecor Media's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. These senior notes were issued under a different indenture from, and do not form a single series and are not fungible with Quebecor Media's 7 ¾% Senior Notes due 2016 which Quebecor Media issued in 2006, as described below. On November 2, 2012, Quebecor Media redeemed and retired US$320,000,000 million aggregate principal amount of its outstanding 7 ¾% Senior Notes due 2016. On April 25, 2014, Quebecor Media redeemed and retired the entire remaining principal amount outstanding of its 7 ¾% Senior Notes issued on October 5, 2007.

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

Indenture relating to US$525,000,000 7 ¾% Senior Notes due March 15, 2016, dated as of January 17, 2006, by and between Quebecor Media and U.S. Bank National Association, as trustee.

On January 17, 2006, Quebecor Media issued US$525,000,000 aggregate principal amount of its 7 ¾% Senior Notes due March 15, 2016 pursuant to an Indenture, dated as of January 17, 2006, by and between Quebecor Media and U.S. Bank National Association, as trustee. These senior notes were unsecured and mature on March 15, 2016. Interest on these senior notes was payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes were not guaranteed by Quebecor Media's subsidiaries. These senior notes are redeemable, at Quebecor Media's option, under certain circumstances and at the redemption prices set forth in this indenture. The indenture contained customary restrictive covenants with respect to Quebecor Media and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than Quebecor Media's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. These senior notes were issued under a different indenture from, and did not form a single series and were not fungible with Quebecor Media's outstanding 7 ¾% Senior Notes due 2016 which Quebecor Media issued in 2007, as described in the previous paragraph. On August 30, 2013, Quebecor Media redeemed and retired the entire remaining principal amount outstanding of its 7 ¾% Senior Notes issued on January 17, 2006.

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

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

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

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

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

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

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

10.2.3 Material Contracts of Videotron

Videotron is party to the following material contracts entered into outside the ordinary course of business that remain in effect, as described below:

Indenture relating to US$715,000,000 of Videotron's 9 ⅛% Senior Notes due April 15, 2018, dated as of April 15, 2008, as supplemented by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee.

On April 15, 2008, Videotron issued US$455,000,000 aggregate principal amount of its 9 ⅛% Senior Notes due April 15, 2018, pursuant to an Indenture, dated as of April 15, 2008, by and among Videotron, the guarantors' party thereto, and Wells Fargo Bank, National Association, as trustee. On March 5, 2009, Videotron issued an additional US$260,000,000 in aggregate principal amount of these 9 ⅛% Senior Notes due 2018. These senior notes, which form a single series and class, are unsecured and mature on April 15, 2018. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the redemption prices set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. On July 2, 2013, Videotron redeemed and retired US$380,000,000 aggregate principal amount of Videotron's outstanding 9 ⅛% Senior Notes due 2018. On April 24, 2014, Videotron redeemed and retired US$260,000,000 aggregate principal amount of Videotron's outstanding 9 ⅛% Senior Notes due 2018

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

Indenture relating to $300,000,000 of Videotron's 7 ⅛% Senior Notes due January 15, 2020, dated as of January 13, 2010, as supplemented, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee.

On January 13, 2010, Videotron issued $300,000,000 aggregate principal amount of its 7 ⅛% Senior Notes due January 15, 2020, pursuant to an Indenture, dated as of January 13, 2010, by and among Videotron, the guarantors' party thereto, and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on January 15, 2020. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the redemption prices set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture were not and will not be registered under the Securities Act or under the laws of any other jurisdiction.

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

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

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

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

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

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

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

Indenture relating to CAN$400,000,000 of Videotron's 5⅝% Senior Notes due June 15, 2025, dated as of June 17, 2013, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee.

On June 17, 2013, Videotron issued CAN$400,000,000 aggregate principal amount of its 5⅝% Senior Notes due June 15 2025, pursuant to an Indenture, dated as of June 17, 2013 by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on June 15, 2025. Interest on these senior notes is payable in cash semi-annually in arrears on April 15 and October 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

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

Indenture relating to US$600,000,000 of Videotron's 5⅜% Senior Notes due June 15, 2024, dated as of April 9, 2014, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee.

On April 9, 2014, Videotron issued US$600,000,000 aggregate principal amount of its 5⅜% Senior Notes due June 15, 2024, pursuant to an Indenture, dated as of April 9, 2014, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee. These senior notes are unsecured and mature on June 15, 2024. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the make-whole redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

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

Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011 by and among Videotron, as borrower, the guarantors party thereto, the financial institutions party thereto from time to time, as lenders, and Royal Bank of Canada, as administrative agent, as amended on June 14, 2013.

Videotron's $650,000,000 senior secured credit facilities provide for a $575,000,000 secured revolving credit facility that matures on July 19, 2018 and a $75,000,000 secured export financing facility providing for a term loan that matures on June 15, 2018. The proceeds of the revolving credit facility can be used for general corporate purposes including, without limitation, to issue letters of credit and to pay dividends to Quebecor Media subject to certain conditions. The proceeds of the term loan were used for payments and/or reimbursement of payments of export equipment and local services in relation to Videotron's contracts for mobile infrastructure equipment with an affiliate of Nokia Corporation and also for the financing of the Finnvera guarantee fee (Finnvera plc being a specialized financing company owned by the State of Finland which is providing an export buyer credit guarantee in favor of the lenders under the export financing facility covering political and commercial risks).

Advances under Videotron's revolving credit facility bear interest at the Canadian prime rate, the US prime rate (solely under the swingline commitment) or the bankers' acceptance rate plus, in each instance, an applicable margin determined by the Leverage Ratio (as defined in Videotron's credit agreement) of the Relevant Group (as defined in such credit agreement). The applicable margin for Canadian prime rate advances and U.S. prime rate advances ranges from 0.325% when this ratio is less than 1.5x, to 1.625% when this ratio is greater than or equal to 4.5x. The applicable margin for bankers' acceptance advances or letters of credit fees ranges from 1.325% when this ratio is less than 1.5x, to 2.625% when this ratio is greater than or equal to 4.5x. Videotron has also agreed to pay specified commitment fees. Advances under Videotron's export financing facility bear interest at the bankers' acceptance rate plus a margin at a rate of 0.875%.

The revolving credit facility will be repayable in full on July 19, 2018. Drawdowns under the export financing facility are repayable by way of seventeen equal and consecutive semi-annual payments that commenced on June 15, 2010.

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

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

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

10.2.4 Material Contracts of Sun Media

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

Sun Media's purchase agreement with Postmedia Network Canada Corporation relates to the sale of 175 English-language newspapers and publications by Sun Media to Postmedia Network Canada Corporation for cash consideration of $316.0 million.

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

ITEM 11 — INTERESTS OF EXPERTS

Ernst & Young is the public accounting firm that prepared the auditors' report with respect to Quebecor's consolidated annual financial statements for the year ended December 31, 2014. Ernst & Young has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the *Ordre des comptables professionnels agréés du Québec*. These rules are equivalent or similar to Rules of Professional Conduct applicable in the other provinces of Canada.

ITEM 12 — TRANSFER AGENT AND REGISTRAR

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

ITEM 13 — FORWARD-LOOKING STATEMENTS

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

- Quebecor Media's ability to successfully continue developing its network and facilities-based mobile offering;
- general economic, financial or market conditions and variations in the businesses of Quebecor Media's local, regional or national newspaper and broadcasting advertisers;
- the intensity of competitive activity in the industries in which Quebecor operates;
- fragmentation of the media landscape;
- new technologies that might change consumer behaviour with respect to Quebecor Media's product suites;
- unanticipated higher capital spending required for developing its network or to address the continued development of competitive alternative technologies, or the inability to obtain additional capital to continue the development of Quebecor's business;
- Quebecor's ability to implement its business and operating strategies successfully and to manage its growth and expansion;
- Quebecor Media's ability to successfully restructure its newspaper operations to optimize their efficiency in the context of the changing newspaper industry;
- disruptions to the network through which Quebecor Media provides its digital cable television, Internet access and telephony services, and its ability to protect such services from piracy;
- labour disputes or strikes;
- changes in Quebecor Media's ability to obtain services and equipment critical to its operations;
- changes in laws and regulations, or in their interpretations, which could result, among other things, in the loss (or reduction in value) of Quebecor Media's licences or markets or in an increase in competition, compliance costs or capital expenditures;
- Quebecor's substantial indebtedness, the tightening of credit markets, and the restrictions on its business imposed by the terms of its debt; and
- interest rate fluctuations that could affect Quebecor's interest payment requirements on long-term debt.

The forward-looking statements in this document are made to provide investors and the public with a better understanding of the Corporation's circumstances and are based on assumptions it believes to be reasonable as of the day on which they are made. Investors and others are cautioned that the foregoing list of factors that may affect future results is not exhaustive and that undue reliance should not be placed on any forward-looking statements. For more information on the risks, uncertainties and assumptions that could cause the Corporation's actual results to differ from current expectations please refer to the "Risks and Uncertainties" section of the Management Discussion and Analysis, which was filed with the Canadian securities regulatory authorities on March 11, 2015, which section is incorporated by reference into this annual information form.

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

ITEM 14 — ADDITIONAL INFORMATION

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

Other information, including information on the remuneration and indebtedness of directors and officers, the principal holders of Quebecor's securities, securities authorized for issuance under equity compensation plans, where applicable, is contained in its management proxy circular prepared in connection with its annual meeting of shareholders held on June 19, 2014. Updated information in that respect will be contained in the next management proxy circular prepared in connections with the annual meeting of shareholders to be held in 2015 and that will be filed in accordance with applicable regulations. Other financial information is included in the comparative consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2014.

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

SCHEDULE A

INFORMATION ON THE BROADCASTING SEGMENT CONTAINED IN TVA GROUP INC.'S ANNUAL INFORMATION FORM FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2014, DATED MARCH 6, 2015

INTRODUCTORY NOTE

In this Schedule A, unless the context otherwise requires, the terms "**Corporation**" and "**TVA**" refer to TVA Group Inc. and its subsidiaries and divisions. Unless otherwise indicated, the information presented in this Annual Information Form is given as at December 31, 2014. All dollar amounts appearing in this Annual Information Form are in Canadian dollars, except if another currency is specifically mentioned. In addition, the table below lists a number of defined terms that are used throughout this Annual Information Form to refer to various corporations within the TVA group or affiliates.

Entity	Defined term
Les Publications Charron & Cie inc.	"Publications Charron"
Montréal Studios et Équipements s.e.n.c.	"Montréal Studios"
Quebecor Inc.	"Quebecor"
Quebecor Media Inc.	"Quebecor Media"
TVA Publications Inc.	"TVA Publications"

ITEM 1 THE CORPORATION

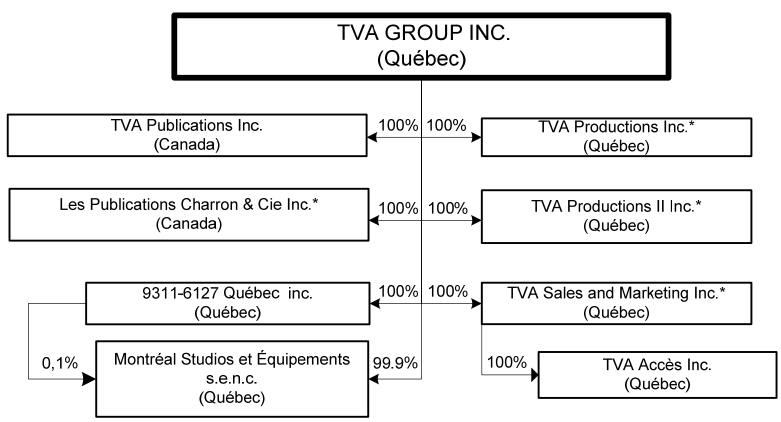
The Corporation was incorporated in accordance with the laws of Québec by letters patent dated March 29, 1960 under the name Télé-Métropole Corporation. On July 5, 1973, the corporate name Télé-Métropole Corporation was changed to Télé-Métropole inc. On February 17, 1998, the corporate name Télé-Métropole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

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

1.1. SUBSIDIARIES

The organizational chart below lists the Corporation's main subsidiaries at December 31, 2014 as well as their jurisdiction of incorporation and the percentage of voting rights held, directly or indirectly, by the Corporation. Some of the subsidiaries, whose total assets represented no more than 10% of the consolidated assets of the Corporation at December 31, 2014, and whose sales and operating revenues represented no more than 10% of its consolidated sales and consolidated operating revenues at that date, have been omitted. The omitted subsidiaries, taken as a whole, accounted for less than 20% of the consolidated assets and less than 20% of the consolidated sales and consolidated operating revenues of the Corporation at December 31, 2014.

Each subsidiary identified with an asterisk (*) represents 10% or less of the total consolidated assets and 10% or less of the consolidated sales and consolidated operating revenues of the Corporation at December 31, 2014. They have been included to better illustrate the overall structure of the Corporation.



ITEM 2 BUSINESS

During the third quarter of 2014, management changed the name of the Corporation's business segments to better reflect operational realities. The Television segment is now called Broadcasting & Production and the Publishing segment is now called Magazines. Management also made changes to the Corporation's management structure at the beginning of 2014. As a result of those changes, the custom publishing, commercial print production and premedia services previously provided by the TVA Studio division in the Magazines segment became part of the operations of TVA Accès Inc. in the Broadcasting & Production segment.

Broadcasting & Production

In the Broadcasting & Production segment, the Corporation creates, produces and broadcasts entertainment, information and public affairs programming, rental of studios and equipments and postproduction business and distributes audiovisual products and films, in addition to its commercial production. The Corporation operates North America's largest private French-language conventional television network, as well as nine specialty services. It also holds a minority interest in the Évasion specialty channel and held until February 13, 2015 a minority interest in the English-language specialty service SUN News Network ("**SUN News**").

The Broadcasting & Production segment includes the operations of TVA Network (including the subsidiaries and divisions TVA Productions Inc., TVA Sales and Marketing Inc., TVA Nouvelles and TVA Interactif), specialty services, the marketing of digital products associated with the various television brands, the commercial production and dubbing operations of TVA Accès Inc., the distribution of audiovisual products by its TVA Films division and the soundstage and equipment leasing and post-production services provided by Montréal Studios since December 30, 2014.

Magazines

The Magazines segment, through TVA Publications and Publications Charron, commercializes more than 20 trademarks in more than 50 magazines and 12 Internet websites. Those trademarks specialize in show business and entertainment, television, fashion and beauty, teenagers, home décor, cooking and renovation, as well as services. In addition to its magazines, TVA commercializes several digital versions associated with its various trademarks. Altogether, the TVA magazines hold 54% of cumulative monthly Québec French-language readership according to data compiled by the Print Measurement Bureau in fall 2014.

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

REVENUES BY BUSINESS SECTOR (in thousands of dollars)

	Year ended December 31, 2014	Year ended December 31, 2013
Broadcasting & Production	$380,178	$386,009
Magazines	$62,614	$61,964
Intersegment items	($3,452)	($3,157)
TOTAL	**$439,340**	**$444,816**

2.1. BROADCASTING & PRODUCTION

TVA owns and operates six of the ten stations that make up TVA Network: CFTM-TV (Montréal), which is the network's flagship station, and five regional television stations: CFCM-TV (Québec City), CHLT-TV (Sherbrooke), CHEM-TV (Trois-Rivières), CFER-TV (Rimouski-Matane-Sept-Îles) and CJPM-TV (Saguenay/Lac St-Jean) (the "**regional stations**"). In addition to these regional stations are four affiliated stations: CHOT-TV (Gatineau) and CFEM-TV (Rouyn), owned by RNC Media Inc., as well as CIMT-TV (Rivière-du-Loup) and CHAU-TV (Carleton), owned by Télé Inter-Rives Ltée, a private television station, (the "**affiliated stations**"). TVA holds a 45% interest in Télé Inter-Rives Ltée. The TVA Network signal reaches nearly the entire French-speaking audience in Québec, as well as the French-speaking communities in Ontario and New Brunswick, and a significant portion of francophone viewers in the rest of Canada. TVA also owns the specialty services LCN, addik^{tv}, Argent, prise 2, CASA, YOOPA, TVA Sports, TVA Sports 2, TVA Sports 3 and MOI&cie in addition to holding stakes in the specialty channel Évasion.

2.1.1. TELEVISION BROADCASTING

CFTM-TV (MONTRÉAL)

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

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

REGIONAL STATIONS

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

AFFILIATED STATIONS

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

2.1.2. SPECIALTY SERVICES

ADDIK^TV^

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

ARGENT

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

CASA

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

ÉVASION

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

LE CANAL NOUVELLES (LCN)

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

MOI&CIE

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

PRISE 2

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

SUN NEWS

Sun Media Corporation and the Corporation owned until recently, through SUN News General Partnership, a national license for an English-language digital news and opinion specialty channel, SUN News. This channel was launched on April 18, 2011 and on February 13, 2015, Sun Media Corporation who holds a 51% interest while the Corporation holds a 49% interest, announced, effective immediately, the closing of the SUN News channel.

TVA SPORTS, TVA SPORTS 2 and TVA SPORTS 3

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

Since September 12, 2014, TVA Sports also offers under a multiplex signal TVA Sports 2, which operates under the same license as TVA Sports. This French-language specialty channel is entirely devoted to sports and its Website is the same as TVA Sports.

In addition, on February 26, 2015, TVA Sports 3 was launched. This specialty channel is entirely devoted to the presentation of all the games of the Stanley Cup© play-offs.

YOOPA

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

2.1.3. OTHER SPECIALITY SERVICES

On October 13, 2010, the Canadian Radio-television and Telecommunications Commission ("**CRTC**") granted the Corporation a new license to operate a French-language Category B specialty service. This service, which has not yet been launched, will offer programs relating to show business (Québec star system), entertainment and humour.

2.1.4. TVA PRODUCTIONS INC. AND TVA PRODUCTIONS II INC.

TVA Productions Inc. and TVA Productions II Inc. produced close to 1,546 hours of original programming during the fiscal year ended December 31, 2014 including variety and magazine-style shows, galas, game shows and real-life series. Those productions are produced for airing on the TVA Network, the specialty channels of the Corporation, its Websites as well as on video-on-demand, the Web and mobile network.

2.1.5. TVA FILMS

During the fiscal year ended December 31, 2014, TVA Films continued to carry out its distribution business in the home entertainment (DVD/Blu-ray), television and other digital platform divisions. As announced in 2012, the Corporation stopped distributing new Québec films to theaters, but continues to distribute audiovisual material for all other digital platforms, including the use of its catalog of titles and formats at the local, national and international levels.

2.1.6. SOUNDSTAGE AND EQUIPEMENT LEASING

The assets acquired pursuant to the acquisition of the assets of Vision Globale A.R. Ltée ("**Vision Globale**") are used for the purposes of operating a high end spectrum of services for the film and television industries, including soundstage and equipment leasing services, post-production, visual effects and 3D animation and management of assets for distribution through film, television, Internet and mobile networks, providing for a one-stop shop for the film and television industry.

2.1.7. SOURCES OF REVENUE

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

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

A total of 68% of specialty channel revenues is derived from subscription charges paid by broadcasting distribution undertakings, while 32% is derived from advertising revenues.

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

The Corporation's business sectors experience significant seasonality due to, among other factors, seasonal advertising patterns and influences on people's viewing, reading and listening habits. These advertising revenues are usually seasonal and are impacted by the cyclical nature and economic character of the industry and of the markets in which the advertisers operate. The Corporation's second and fourth quarters are customarily the most favourable periods for advertising revenues, especially for the Television segment. Because the Corporation depends on the sale of advertising for a significant portion of its revenue, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions.

2.1.8. LICENSES AND REGULATION

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

Ownership and Control of Canadian Broadcast Undertakings

The Governor in Council, through an Order-in-Council referred to as the Direction to the CRTC (*Ineligibility of Non-Canadians*), has directed the CRTC not to issue, amend or renew a broadcasting license to an applicant that is a non-Canadian. "Canadian", a defined term in the Direction, means, among other things, a citizen or a permanent resident of Canada, a Canadian government, a corporation without share capital of which a majority of the directors are appointed or designated by statute, regulation or specified governmental authorities, a qualified mutual insurance company, a qualified pension fund society, a qualified cooperative of which not less than 80% of the members are Canadians, or a qualified corporation. A qualified corporation is one incorporated or continued in Canada, of which the chief executive officer (or if there is no chief executive officer, the person performing functions similar to those performed by a chief executive officer) and not less than 80% of the directors are Canadians, and, in the case of a corporation having share capital, not less than 80% of the issued and outstanding voting shares and not less than 80% of the votes are beneficially owned and controlled, directly or indirectly, by Canadians.

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

Regulations made under the *Broadcasting Act* (Canada) require the prior approval of the CRTC for any transaction that directly or indirectly results in (i) a change in effective control of the licensee of a broadcasting distribution undertaking or a television programming undertaking (such as a conventional television station, network or pay or specialty undertaking service), (ii) a person or a person together with its associates acquiring control of 30% or more of the voting interests of a licensee or of a person who has, directly or indirectly, effective control of a licensee, or (iii) a person or a person together with its associates acquiring 50% or more of the issued common shares of the licensee or of a person who has direct or indirect effective control of a licensee. In addition, if any act, agreement or transaction results in a person or a person and its associates acquiring control of at least 20% but less than 30% of the voting interests of a licensee, or of a person who has, directly or indirectly, effective control of the licensee, the CRTC must be notified of the transaction. Similarly, if any act, agreement or transaction results in a person or a person together with its associates acquiring control of 40% or more but less than 50% of the voting interests of a licensee, or a person who has directly or indirectly effective control of the licensee, the CRTC must be notified.

Jurisdiction Over Canadian Broadcast Undertakings

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

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

Copyright Board Proceedings

Certain copyrights in radio, television, internet and pay audio content are administered collectively by copyright societies according to tariffs certified by the Copyright Board of Canada (the "**Copyright Board**"). Tariffs certified by the Copyright Board remain applicable on a provisional basis until the Copyright Board certifies the next tariff. The new tariffs thus certified are often applicable retroactively to the expiry date of the previous tariffs they replace and thereby may result in payment or retroactive reimbursement of royalties, depending on whether the royalty rate thus set is higher or lower than the rate of the provisional royalties thus paid.

Royalties for the Communication to the Public by Commercial Television and Specialty Services

Tariffs 2.A and 17 (formerly 17.A) of the Society of Composers, Authors and Music Publishers of Canada (**"SOCAN"**) require the payment of a royalty to SOCAN by the commercial television stations (Tariff 2.A) and by the specialty services (Tariff 17) in compensation for the right to communicate to the public by telecommunication in Canada the musical works forming part of SOCAN's repertoire and contained in the audiovisual works broadcast by these stations or services. Tariff 2.A requires the payment, as royalties, by the commercial television stations, of a percentage of their gross income, subject to the exceptions and special conditions of application of this tariff. Tariff 17 requires the payment, as royalties, by the specialty services, of a percentage of their gross income and of the affiliation payments they receive from the broadcasting undertakings transmitting their signals, the whole according to the definitions of the applicable regulations, subject to the exceptions and special conditions of application of the tariffs and sharing of the royalties resulting from Tariff 17 with the broadcasting undertakings transmitting the signal of these specialty services.

On January 31, 1998, the Copyright Board reduced the applicable rate under Tariff 2.A from 2.1% to 1.8%, and certified a "modified blanket license" retroactive to 1997, allowing television stations to "withdraw" from the standard blanket license regarding certain "cleared programs".

On February 17, 2001, the Copyright Board also reduced the rate applicable under Tariff 17 from 2.1% to 1.8%, retroactive to 1997, and also certified a "modified blanket license" allowing specialty services to "withdraw" from the standard blanket license regarding certain "cleared programs".

The rate of royalties payable to SOCAN under Tariff 2.A remained at 1.8% from 1997 to 2000, and then was increased to 1.9% by the Copyright Board effective from 2002, the level at which it was maintained until 2008. The rate of royalties payable to SOCAN under Tariff 17 also remained at 1.8% from 1997 to 2000, was reduced slightly to 1.78%, only for 2001, and then was increased to 1.9% effective from 2002 (the same rate as Tariff 2.A), the level at which it was also maintained until 2008.

SOCAN filed proposed Tariffs 2.A and 17 with the Copyright Board on an annual basis from March 20, 2008, to June 21, 2014, for each of the years 2009 to 2015. The proposed Tariffs 2.A and 17 thus filed by SOCAN for the years 2009 to 2012 propose the payment of royalties at a rate of 1.9% (the same as the rate applicable between 2002 and 2008 under these two tariffs) and propose an increase of the rate of these royalties to 2.1% for the years 2013 to 2015.

The proposed Tariffs 2.A and 17 filed by SOCAN for the years 2009 to 2015 have not yet been certified by the Copyright Board. A hearing initially scheduled for March 25, 2014, by the Copyright Board for holding a hearing regarding the certification of these two tariffs for the years 2009 to 2013 was cancelled on January 17, 2014, without setting a new date since that time to hold this hearing. However, the Copyright Board was informed of an agreement among SOCAN, the commercial television stations and the specialty services, with a view to maintaining the royalty rate under these two tariffs, for the 2009-2013 period, at the level of the 2002-2008 period, namely 1.9%. Since the Copyright Board is not bound by the agreements SOCAN may make with the users covered by its proposed tariffs, it must issue an order for their certification, which may or may not ratify the agreement made for the 2009-2013 period.

Until certification of the proposed Tariffs 2.A and 17 for the period from 2009 to 2015, the royalties payable (and paid) to SOCAN by the commercial television stations and the specialty services remain those applicable under Tariffs 2.A and 17, which expired in 2008, namely 1.9%, and are therefore subject to any upward or downward adjustment that may result from certification of the tariffs at a rate higher or lower than the provisional rate.

Webcasting of SOCAN's repertoire by commercial television stations or specialty services is governed by Tariff 22 D.1 (formerly 22.D), which provided, from 1996 to 2006, for payment of royalties at the same rates as those applicable during each relevant year under Tariff A.2 by commercial television stations (2.1% in 1996, 1.8% from 1997 to 2001, and 1.9% from 2002 to 2006), or under Tariff 17 by specialty services (2.1% in 1996, 1.8% from 1997 to 2000, 1.78% in 2001, and 1.9% from 2002 to 2006), calculated on a portion of their Internet revenues and subject to the exceptions and special conditions of application of this tariff.

On July 18, 2014, the Copyright Board certified Tariff 22 D.1 of SOCAN for the 2007- 2013 period by reducing the rate of the royalties covered by this tariff to 1.7% for the years 2007 to 2010, then increasing them to 1.9% for the years 2011 to 2013, calculating them, as applicable, on the amounts paid by the users of the service in question, when this service collects fees per program from its users, subject to a minimum of 1.3¢ per program communicated, on the amounts paid by the subscribers of the service in question, when this service offers subscriptions to its users (subject to a monthly minimum of 6.8¢, from 2007 to 2010, and 7.5¢, from 2011 to 2013, per subscriber to any trial subscription offered free of charge), or on a portion of the Internet revenues of any service collecting such income in the course of its communications of audiovisual works, the whole subject to the exceptions and special conditions of application of this tariff.

SOCAN also filed proposed Tariffs 22.D.1 with the Copyright Board for each of the years 2014 and 2015, proposing an increase in the royalty rate from 1.9% to 2.1%, but retaining the same minimum royalties as those stipulated in Tariff 22.D.1 certified for 2013. These proposed tariffs have not yet been certified by the Copyright Board and no order has been issued by the Copyright Board to date in relation to the hearings with a view to their certification. Until their certification, the royalties payable (and paid) to SOCAN by commercial television stations and specialty services remain those applicable in 2013 under Tariff 22.D.1, subject to any upward or downward adjustment that may result from the certification of tariffs at a rate higher or lower than the provisional rate of 1.9% applicable until the certification of Tariff 22 D.1 for those years.

Canadian Broadcast Programming (Off the Air and Thematic Television)

Programming of Canadian Content

CRTC regulations require licensees of television stations to maintain a specified percentage of Canadian content in their programming. Private television stations are required to devote no less than 55% of the broadcast year and no less than 50% of the evening broadcast period (6:00 p.m. to midnight) to the broadcast of Canadian content. Specialty or thematic television channels also have to maintain a specified percentage of Canadian content in their programming generally set forth in the conditions of their license.

Broadcasting License Fees

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

Renewal of TVA's licenses

Following the public hearing held by the CRTC with regards to the renewal of TVA's licenses (TVA Network and associated conventional television stations, along with several TVA specialty services), the CRTC published, on April 26, 2012, the Broadcasting Decision CRTC 2012-242 including, notably, the following determinations:

- The CRTC imposed a condition of licence to the effect that TVA shall, in each broadcast year, devote to the acquisition of or investment in Canadian programming at least 80% of the current broadcast year's programming expenditures of the network and all conventional television stations of TVA. Moreover, the CRTC did not consider it necessary to impose a condition of license with respect to either the broadcast of priority programs or to programs of national interest (PNI).

- The CRTC chose to continue to require for the local TVA station in Québec City that, of the 18 hours of local programming per broadcast week, 9 hours must focus specifically on the Québec region, including the 5 hours and 30 minutes of local newscasts (including two newscasts on weekends). The CRTC did not deem it necessary that the remaining 3 hours and 30 minutes be broadcast exclusively in the local Québec market and considered that they may be broadcast on the TVA Network.

- The CRTC chose to maintain the current Canadian programming expenditures (CPE) requirement for addik^{TV} at 40% of its revenues of the previous fiscal year.

The conditions of license came into force on September 1st, 2012 and will remain applicable until August 31, 2016.

Local Programming Improvement Fund

On July 18, 2012, the CRTC announced that the Local Programming Improvement Fund ("**LPIF**") would be phased out. More specifically, the CRTC reduced the contribution rate from 1.5% to 1% for the 2012-2013 broadcast year and to 0.5% for the 2013-2014 broadcast year, and eliminated the LPIF entirely on of September 1, 2014.

Regulatory Framework Governing Canadian News Services

On August 8, 2013, while denying the application for mandatory distribution of SUN News, the CRTC issued a call for comments on the terms and conditions of distribution of Canadian Category C national news specialty services: LCN, RDI, SUN News, CBC News and CTV News. On December 19, 2013, the CRTC set out its decision regarding the regulatory framework adopted for the distribution of these services. This framework is implemented via an order, includes a number of safeguards for these services and has the purpose of reducing the gap between Canadian news services and foreign news services that seem to benefit from better distribution conditions. The CRTC therefore ordered the licensees of broadcasting distribution undertakings to distribute all the Canadian Category C national news specialty services according to certain terms and conditions.

More specifically, the CRTC required broadcasting distribution undertakings to make Canadian Category C national news specialty services, CBC News, CTV News, LCN, RDI and SUN News, available to their subscribers as of March 19, 2014. The CRTC also set out the requirements relating to these services, including a requirement to include the programming services in the best available discretionary package consistent with their genre and programming; the option to subscribe to these services on a stand-alone basis when they are available in a discretionary package; and requirements for the filing of affiliation agreements, dispute resolution mechanisms and factors to be considered in the negotiation of wholesale rates for these services. These requirements became effective on May 20, 2014.

Since several broadcasting distribution undertakings did not seem to comply with the regulatory framework established by the CRTC, SUN News participated in a final offer arbitration process in order to settle the distribution tariffs of the service when it is distributed by Rogers Communications Partnership (**“Rogers”**) and by Telus Communications Company (**“Telus”**). On October 2, 2014, the CRTC announced its decisions concerning these arbitrations. In the context of the arbitration with Rogers, the CRTC rendered a decision in favour of Rogers by granting a lower increase than that requested by SUN News. In the context of the arbitration with Telus, the final offer by SUN News was accepted.

Tangible Benefits

On September 5, 2014, the CRTC published its new regulatory policy on tangible benefits and determining the value of the transaction in case of a change of effective control. Henceforth, the CRTC requires, *inter alia*, that at least 80% of tangible benefits relating to changes in the effective control of licensed television broadcasting undertakings be allocated to independent production funds, unless a compelling case is made that other measures could better meet the public interest. Of this amount, at least 60% shall be allocated to the Canada Media Fund and no more than 40% to the certified independent production funds (such as the Quebecor Fund), unless a compelling case is made that other measures could better meet the public interest. In addition, the CRTC changed its current method of calculating the value of the transaction so as to exclude working capital element not to be transferred upon closing and to include only the value of assumed leases for real property and transmission facilities calculated over five years. With regard to transactions involving a mix of television and other assets, the CRTC adopted a simplified method based on revenues to allocate the value between these assets.

Standard Clauses for Non-Disclosure Agreements

On October 31, 2013, the CRTC published two distinct policies regarding the standard clauses for non-disclosure agreements and the provisions governing the conduct of audits of subscriber information held by broadcasting distribution undertakings.

Thus, the CRTC decided to establish standard non-disclosure clauses and will require undertakings that negotiate or commit to distribution relationships to sign non-disclosure agreements containing these clauses in order to counter inappropriate use of information regarding the competition.

On September 12, 2014, the CRTC announced amendments to certain regulations requiring licensed broadcasting undertakings engaged in a distribution arrangement or entering into carriage negotiations to sign agreements that reproduce the non-disclosure clauses determined by the CRTC and contain their consent to abide by these provisions.

Provisions Governing the Conduct of Audits of Subscriber Information Held by Broadcasting Distribution Undertakings

The revised policy on audits of subscriber information clarifies the manner in which audits are conducted by programming undertakings to ensure a proper verification of the subscriber information held by broadcasting distribution undertakings. On September 12, 2014, the CRTC revised the provisions governing the conduct of audits of subscriber information held by broadcasting distribution undertakings with a view to providing programming services with added flexibility in their choice of auditor.

Review of the television regulatory framework

On April 24, 2014, the CRTC published a Broadcasting Notice of Consultation in which it launched a formal review of the television system drawing on the issues and priorities identified by Canadians in the previous phases, under an initiative launched by the CRTC, “Let’s Talk TV: A Conversation with Canadians”, to discuss the future of the television system in Canada. The interventions of the industry players were filed on June 25, 2014 and public hearings were held from September 8 to 19, 2014. The questions raised were grouped according to three public interest objectives: a Canadian television system that fosters choice and flexibility in selecting programming services, a Canadian television system that encourages the creation of compelling and diverse Canadian programming, and a Canadian television system that empowers Canadians to make informed choices and provides recourse mechanisms in the case of disputes. The most important issues discussed during this process were: the composition and the price of the basic service, "custom" and "pay-per-view" offerings, funding of Canadian programming, deregulation of genres and protection of Category A services, local programming and simultaneous substitution. The CRTC indicated in Broadcasting Information Bulletin CRTC 2014-461 that this proceeding could result in major changes to the broadcasting system, which will have an impact on current and future licensees, their licensing conditions and the regulations governing their activities. The CRTC's decision in this regard is expected in March 2015. For the time being, the Corporation cannot predict the outcome of this proceeding.

Emergency alert messages

On August 29, 2014, the CRTC published its regulatory policy governing the mandatory distribution of emergency alert messages and requiring that distributors, broadcasters and video-on-demand undertakings participate in Canada's National Public Alerting System and alert Canadians to imminent threats to life, no later than March 31, 2015. Alert messages include messages relating to events such as tornadoes, floods, forest fires, industrial disasters and tsunamis. A compliance report must be filed with the CRTC by April 30, 2015.

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

Stations and specialty services	Location	Expiry date	Decision number
TVA Network	Canada	August 31, 2016	CRTC 2012-242
CFTM-TV	Montréal	August 31, 2016	CRTC 2012-242
CHLT-TV	Sherbrooke	August 31, 2016	CRTC 2012-242
CHEM-TV	Trois-Rivières	August 31, 2016	CRTC 2012-242
CFCM-TV	Québec City	August 31, 2016	CRTC 2012-242
CJPM-TV	Saguenay/Lac St-Jean	August 31, 2016	CRTC 2012-242
CFER-TV	Rimouski	August 31, 2016	CRTC 2012-242
addik^{TV}	Canada	August 31, 2016	CRTC 2012-242
Argent	Canada	August 31, 2016	CRTC 2012-242
CASA	Canada	August 31, 2016	CRTC 2021-242
Le Canal Nouvelles (LCN)	Canada	August 31, 2016	CRTC 2012-242
MOI&cie	Canada	August 31, 2017	CRTC 2010-752

Stations and specialty services	Location	Expiry date	Decision number
prise 2	Canada	August 31, 2016	CRTC 2012-242
Star Système	Canada	August 31, 2017	CRTC 2010-753
TVA Sports	Canada	August 31, 2016	CRTC 2010-116
TVA Sports 2	Canada	August 31, 2016	CRTC 2010-116
TVA Sports 3	Canada	August 31, 2016	CRTC 2010-116
YOOPA	Canada	August 31, 2016	CRTC 2010-103

Note: The license for Évasion expires on August 31, 2017. As for CHAU-TV (Carleton), CIMT-TV (Rivière-du-Loup), CHOT-TV (Gatineau) and CFEM-TV (Rouyn), the licenses expire on August 31, 2016. Further to the closing of the SUN News channel on February 13, 2015, the license of the latter was returned to the CRTC.

2.1.9. COMPETITION, VIEWING AUDIENCES AND TELEVISION MARKET SHARE

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

The Broadcasting & Production segment in Québec has to deal with a very competitive environment due to the multiplication of specialty services and the increase in sales of air time by them. Moreover, publicly owned stations benefit from strong financial support from governments, while also maintaining access to the advertising market and funding available for Canadian programming and for LPIF (until September 1st, 2014). In addition to the larger number of television channels, viewers are increasingly solicited by the Internet and its peripheral services that may attract their interest. The negative impact that the new media has on the Broadcasting & Production segment is increasingly affecting traditional advertising revenues.

The quality of its programming, the great popularity of its shows, the reputation for its news and information services and the use of new broadcasting platforms are all factors that help the Corporation maintain its audience ratings and its significant share of the advertising market. For the year 2014, TVA Network remained in the lead with its 22.7 market shares, being more than the aggregate market shares of its two main conventional competitors. In addition, it broadcast 17 of the 30 best-watched shows in Québec in 2014.

2.2. MAGAZINES

2.2.1. TVA PUBLICATIONS AND PUBLICATIONS CHARRON

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

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

Women, Fashion, Beauty
- Clin d'oeil
- MOI&cie
- Le Lundi
- Femmes etc.

Decoration and cooking
- Chez soi
- Les Idées de ma maison
- Signé M
- Tellement Bon

Services
- Animal
- TV Hebdo
- FA

The Magazines segment also operates Websites in order to broadcast its trademarks and contents on different digital platforms. Thus, Websites such as www.7jours.ca, www.clindoeil.ca, www.moietcie.ca, www.chezsoimagazine.ca, www.ideesdemamaison.ca, www.tvhebdo.com, www.magazine-fa.ca, www.lelundi.ca, www.magazinecool.ca, www.lasemaine.ca, www.starsysteme.ca and www.renovationbricolage.ca are broadcasting daily content related to the editorial line of its corresponding trademarks. In the short term, TVA is looking to increase its trademarks' visibility on digital platforms to diversify its offer to readers and advertisers. As such, TVA offers e-Replica versions of 18 of its magazines on Windows, IOS and Androïd platforms. TVA also publishes interactive editions of "Clin d'oeil", "MOI&cie" and "Chez soi".

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

2.2.2. SOURCES OF REVENUE

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

2.2.3. COMPETITION

Despite strong competition, TVA remains Canada's largest publisher of French-language magazines according to data compiled as of June 30, 2014 by the Alliance for Audited Media ("**AAM**"). Across Canada, its monthlies are read by 3.1 million readers each month and its weeklies have more than 1.1 million readers each week, according to data compiled by the PMB in fall 2014. According to the same 2014 data, two of its most popular magazines reach regularly more than one million readers on a monthly basis; the magazine 7 Jours, which covers Québec cultural events, is read by 1.2 million readers per month and TVA's most recent acquisition, the magazine La Semaine, is read by one million single readers on a monthly basis. According to AAM June 2014 data, TVA, with all of its magazines, holds 85.9% of the French-language newsstand magazine market. It has also obtained 48.8% of all French-language magazine subscriptions and newsstand sales.

2.3. INTELLECTUAL PROPERTY

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

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

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

2.4. HUMAN RESOURCES AND LABOUR RELATIONS

At December 31, 2014, TVA had approximately 1,785 permanent employees including those of Montréal Studios, of which substantially all of the assets were acquired on December 30, 2014.

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

Broadcasting & Production:	1,578
Magazines:	207
TOTAL:	1,785

TVA's labour relations are governed by 13 collective agreements. At December 31, 2014, seven collective agreements had expired or expired at that date. The collective agreements that were expired on December 31, 2014 cover approximately 20% of TVA's unionized regular employees. Negotiations for the renewal of those agreements have started.

2.5. ENVIRONMENT

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

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

ITEM 3 HIGHLIGHTS

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

ACQUISITIONS

Acquisition of 15 magazines from Transcontinental Inc.

On November 17, 2014, the Corporation announced that it had reached an agreement with Transcontinental Inc. providing for the acquisition by the Corporation of 15 magazines, three Websites and the customized publication contracts for an aggregate consideration of approximately $55.5 million payable in cash. On March 2, 2015, the Corporation received the Competition Bureau approval regarding this acquisition. The closing of this transaction should take place in the next few weeks.

Subject to and upon closing of this transaction, the Corporation will add to its portfolio the 11 following titles: Coup de pouce, Canadian Living, Véro Magazine, Décormag, Style at Home, Fleurs Plantes Jardins, Canadian Gardening, Québec Vert, The Hockey News, MaisonNeuves.com, Condo Maison Direct, along with the recettes.qc.ca, Quoi manger, and On the Table websites. The Corporation will also hold an effective 51% share in Les Publications Transcontinental-Hearst Inc., publisher of Elle Canada and Elle Québec magazines, in partnership with Hearst Group, which holds a 49% share. As well, the Corporation and Bayard Group will each hold a 50% share in Publications Senior Inc., publisher of Le Bel Âge and Good Times magazines.

Acquisition of the assets of Vision Globale

On December 30, 2014, the Corporation announced that it had closed the acquisition of substantially all of the assets of Vision Globale after obtaining the approval of the Competition Bureau for the transaction. The assets acquired include Mel's movies and television studios in Montréal and Melrose in Saint-Hubert. Those facilities are used for both local and foreign film and television production, including American blockbusters. The aggregate consideration paid for this acquisition amounted to approximately $116 million. On January 16, 2015, the Corporation filed a Business Acquisition Report on SEDAR in relation with this acquisition. This report is available on the SEDAR Website under the Corporation's profile at www.sedar.com.

RECENT DEVELOPMENTS

On February 14, 2015, the Corporation announced it had filed a final short form prospectus with securities regulatory authorities in all provinces of Canada in connection with a proposed rights offering, in which all holders of TVA's outstanding Class A common shares, voting, participating, without par value (Class A Shares) and Class B shares, non-voting, participating, without par value (Class B Non-Voting Shares), will receive, subject to applicable law, rights to subscribe for Class B Non-Voting Shares, on an equitable and proportional basis, for aggregate gross proceeds of approximately $100 million (the "**Rights Offering**").

In connection with the Rights Offering, Quebecor Media has provided a standby commitment pursuant to which it will acquire all Class B Non-Voting shares not subscribed for under the Rights Offering, subject to certain conditions. TVA intends to use the proceeds from the Rights Offering to repay all or substantially all amounts outstanding (including accrued interests) under a $100 million bridge loan provided by Quebecor Media, which was drawn in full for the purpose of funding part of the purchase price for the Corporation's acquisition of substantially all of the assets of Vision Globale, and to pay all offering-related fees and expenses, including the standby commitment fee of 1% of the aggregate gross proceeds of the Rights Offering to Quebecor Media.

On February 13, 2015, Sun Media Corporation announced the closure of SUN News, a corporation in which TVA holds a 49% interest.

2014 HIGHLIGHTS

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

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

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

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

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

On July 30, 2014, Pierre Dion resigned as director and as President and Chief Executive Officer of the Corporation and Julie Tremblay was appointed President and Chief Executive Officer as well as director of the Corporation.

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

On November 3, 2014, the Corporation changed the terms and conditions of its bank credit facilities to increase the size of its revolving credit facilities from $100 million to $150 million, to extend their term by 2 years until February 24, 2019 and to replace the existing $75 million term loan maturing on December 11, 2014, by a new term loan of an equivalent amount maturing on November 3, 2019.

On November 17, 2014 the Corporation announced an agreement with Transcontinental Inc. to acquire 15 magazines for a cash consideration of $55.5 million. This transaction is however subject to Competition Bureau approval.

On December 30, 2014, the Corporation announced it had closed the acquisition of substantially all of the assets of Vision Globale after obtaining the Competition Bureau approval. The acquired assets include Mel's Cité du cinéma in Montréal and Saint-Hubert, which facilities are used for both local and foreign film and television production, including American blockbusters. The aggregate consideration paid for this acquisition amounted to approximately $116 million. On January 16, 2015, the Corporation filed a Business Acquisition Report on SEDAR in relation with this acquisition. This report is available on the SEDAR Website under the Corporation's profile at www.sedar.com. In connection with this transaction, Quebecor Media provided the Corporation with a $100 million bridge facility for the purpose of funding part of the purchase price of the assets of Vision Globale.

2013 HIGHLIGHTS

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

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

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

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

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

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

On December 19, 2013, the CRTC announced that cable and satellite distributors of television signals were required to offer all Category C national Canadian news services, such as « SUN News » and

« LCN », either in bundles or à la carte, by no later than May 20, 2014. On August 8, 2013, the CRTC rejected SUN News' application for mandatory carriage as part of basic service in Canada.

2012 HIGHLIGHTS

On February 24, 2012, the Corporation completed the renewal of its $100,000,000 revolving term loan for a five-year term on similar conditions, except that credit costs were renegotiated advantageously by the Corporation.

On March 1st, 2012, the Corporation announced that it had reached a significant agreement with Rogers Communications to offer the "SUN News" and "TVA Sports" services as well as the TVA Network content to its customers on Rogers Communications' video-on-demand, mobile and Web platforms.

During the second quarter of 2012, new carriage agreements for "LCN" were signed with a number of broadcast distribution undertakings. The agreements expand LCN's distribution and increase subscription revenues.

On May 31, 2012, the sale of the Corporation's interest in the specialty services "The Cave" and "Mystery TV" to Shaw Media Global Inc. closed.

On June 28, 2012, the CRCT approved the sale of a 2% interest in SUN News General Partnership to Sun Media Corporation. The transaction closed on June 30, 2012.

SCHEDULE B

QUEBECOR

MANDATE OF THE BOARD OF DIRECTORS

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

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

COMPOSITION AND QUORUM

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

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

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

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

RESPONSIBILITIES

The Board has the following responsibilities:

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

A. With respect to strategic planning

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

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

B. With respect to human resources and performance assessment

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

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

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

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

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

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

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

C. With respect to financial matters and internal controls

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

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

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

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

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

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

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

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

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

10. Approve the audit fees of the external auditor.

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

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

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

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

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

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

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

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

5. Review the size and composition of the Board and its committees based on qualifications, skills and personal qualities sought in Board members. Review annually the composition of Board committees and appoint chair of committees. Approve annually the mandates of Board committees upon recommendation of the Corporate Governance and Nominating Committee, as well as the description of functions that should be approved by the Board.

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

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

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

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

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

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

METHOD OF OPERATION

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

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

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

* * * * *

Approved by the Board of Directors on January 16, 2015.

SCHEDULE C

MANDATE OF
THE AUDIT COMMITTEE

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

COMPOSITION AND QUORUM

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

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

Because of the Committee's demanding role and responsibilities, the Corporate Governance and Nominating Committee reviews any invitation made to Committee members to join the audit committee of any other corporation.

RESPONSIBILITIES

The Committee has the following responsibilities:

A. With respect to financial reporting

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

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

3. Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

E. <u>With respect to QMI</u>

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

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

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

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

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

G. <u>With respect to the clawback policy</u>

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

<u>METHOD OF OPERATION</u>

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Approved by the Board of Directors on March 10, 2015