QUEBECOR

ANNUAL INFORMATION FORM

FINANCIAL YEAR ENDED DECEMBER 31, 2013

MARCH 31, 2014

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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, 2013. 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"
Nurun Inc.	"Nurun“
Quebecor Media Inc.	"Quebecor Media"
Quebecor Media Printing Inc.	"Quebecor Media Printing"
Quebecor Media Network Inc.	"Quebecor Media Network"
Sogides Group Inc.	"Sogides"
Sun Media Corporation	"Sun Media"
TVA Group Inc.	"TVA Group"
Videotron Ltd.	"Videotron"

ITEM 1 — THE CORPORATION

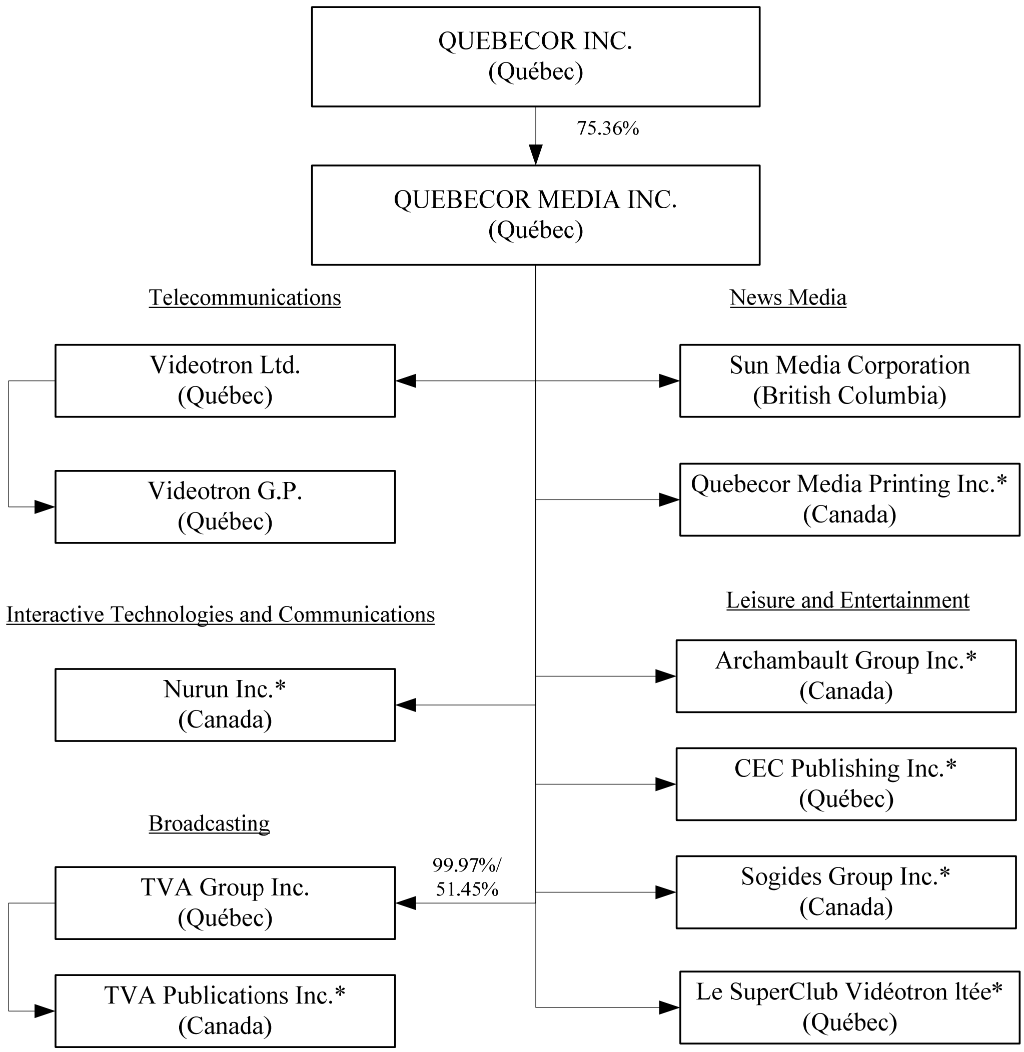
Quebecor was incorporated in accordance with the laws of Québec on January 8, 1965 and is governed by the *Business Corporations Act* (Québec).

The Corporation operates in the following Media industry segments through its subsidiary Quebecor Media: Telecommunications, News Media, Broadcasting, Leisure and Entertainment, and Interactive Technologies and Communications. The Corporation has operations in North America, Europe and Asia.

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 December 31, 2013 by industry segment, jurisdiction of incorporation or continuation, and, if not wholly-owned, the percentage of voting rights it holds 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, 2013 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, 2013. 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, 2013. 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; production and distribution of print media products; broadcasting; retailing, publishing and distribution of books, magazines, DVDs, Blu-ray discs and video games; music recording, production, distribution and streaming; production of shows and events, new media services, video game development, out of home advertising, a Quebec Major Junior Hockey League ("**QMJHL**") team and sporting and cultural events management. Through its subsidiaries, 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 five 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,	
	2013	2012
	(in millions of dollars)	
Revenues by Operating Segment		
Telecommunications	**$ 2,711.8**	$ 2,597.8
News Media	**784.2**	875.5
Broadcasting	**458.9**	457.6
Leisure and Entertainment	**298.9**	311.6
Interactive Technologies and Communications	**139.2**	145.5
Head Office and Inter-segments	**(115.8)**	(139.1)
	$ 4,277.2	$ 4,248.9

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, 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 4G 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-size 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.

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

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 access, digital television, cable 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. 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 some portions of the network up to 200 Mbps. As of December 31, 2013, Videotron had 1,418,388 cable Internet access customers, representing 77.7% of its basic customers and 51.7% 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 55.5% as of December 31, 2013.

- *Digital Television*. Videotron has installed headend equipment through an optical fibre 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 our television packages include 52 basic television channels, audio services providing CD-quality music, 21 AM/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, 2013, Videotron had 1,531,361 customers for its digital television service, representing 83.9% of its total basic customers and 55.8% 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, 2013, Videotron had 1,286,070 subscribers to its cable telephony service, representing a penetration rate of 70.5% of its basic cable subscribers and 46.9% of its homes passed.

- *Video-On-Demand*. Video-on-demand service enables digital cable customers to rent content from a library of movies, documentaries and other programming through their digital set-top box, Internet access or mobile phone respectively through illico web 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 web or illico mobile. 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 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). 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, 2013, Videotron had 293,720 customers for its analog television service, representing 16.1% 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 (4G). As of December 31, 2013, most households and businesses on its cable footprint had access to its advanced mobile services. Prior to launching its HSPA+ network, Videotron had been offering mobile wireless telephony services as a Mobile Virtual Network Operator (“**MVNO**”) since 2006. As of December 31, 2013, there were 503,331 lines activated on its mobile telephony services, representing a year-over-year increase of 100,695 lines (25.0%).

Under an arrangement with Industry Canada, Videotron launched fixed wireless Internet access in selected rural areas of the Province of Québec in December 2011. 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 underserved municipalities across the Province of Québec.

Also, as per the outcome of an agreement with Rogers Communications Partnership (“**Rogers**”) for the cooperation and collaboration in the build-out and operation of a shared LTE wireless network in the Province of Québec and the Ottawa region (the “**Rogers LTE Agreement”)**, Videotron signed a 20-year agreement with Rogers to bring LTE to even more customers in the Province of Québec and the Ottawa region. Under this agreement, Videotron will be in a position to build out and operate a shared LTE wireless network. This shared network will deliver an optimal user experience for consumers and businesses. It will also deliver capital and operating savings, allowing Videotron to reinvest in its customers and networks. Videotron and Rogers will maintain their business independence throughout this agreement, including their product and service portfolios, billing systems and customer data.

In the auction of mobile frequencies in the 700MHz band (the “**2014 Auction**”), 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 persons. 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 2014 Auction 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.

2.1.2.3 Business Telecommunications Services

Videotron Business Solutions is a premier full-service telecommunications provider, including mobile services. It serves small-, medium- and large-size businesses, as well as telecommunications carriers. In recent years, it has significantly grown its customer base and has become an important player in the business telecommunications segment in the Province of Québec. Videotron serves customers with dedicated sales and customer service teams with solid expertise in business services. Products and services for small- and medium-sized businesses are supported by its coaxial technology, 4G network, and solid expertise in business services and customized solutions designed to meet larger businesses and carriers' needs are offered. There is a wide range of products available, including high speed Internet access, WIFI connectivity, television, telephony, mobile services and solutions, private network connectivity and audio and video transmission.

2.1.3 Customer Statistics Summary

The following table summarizes the customer statistics for Videotron's analog and digital cable and advanced products and services:

	As of December 31,				
	2013	**2012**	**2011**	**2010**	**2009**
Homes passed(1)	**2,742,476**	2,701,242	2,657,315	2,612,406	2,575,315
Cable					
Basic customers(2)	**1,825,081**	1,854,981	1,861,477	1,811,570	1,777,025
Penetration(3)	**66.5%**	68.7%	70.1%	69.3%	69.0%
Digital customers	**1,531,361**	1,484,589	1,400,814	1,219,599	1,084,100
Penetration(4)	**83.9%**	80.0%	75.3%	67.3%	61.0%
Internet Over Wireless					
Internet over wireless customers	**7,192**	7,129	5,644	2,319	-
Cable Internet Access					
Cable modem customers	**1,418,338**	1,387,657	1,332,551	1,252,104	1,170,570
Penetration(3)	**51.7%**	51.4%	50.1%	47.9%	45.5%
Telephony Services					
Cable telephony customers	**1,286,070**	1,264,862	1,205,272	1,114,294	1,014,038
Penetration(3)	**46.9%**	46.8%	45.4%	42.7%	39.4%
Mobile telephony lines	**503,331**	402,636	290,578	136,111	82,813

(1) "Homes passed" means the number of residential premises, such as single dwelling units or multiple dwelling units, and commercial premises passed by the 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, 2012, the most recent date for which data is available, there were approximately 8.7 million cable television customers in Canada. For the twelve months ended August 31, 2012 (the most recent data available), total industry revenue was estimated to be over $11.5 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 and U.S. cable television industries.

	Twelve Months Ended August 31,					
	2012	2011	2010	2009	2008	CAGR[1]
	(Dollars in billions, and basic cable customers in millions)					
Canada						
Industry Revenue[2]...........	$11.5	$10.9	$10.1	$9.2	$8.2	7.0%
Basic Cable Customers[2]	8.7	8.5	8.3	8.1	7.9	1.95%
	2012	**2011**	**2010**	**2009**	**2008**	**CAGR[3]**
	(US Dollars in billions, and homes passed, and basic cable customers in millions)					
U.S.						
Industry Revenue..............	n/a	US$97.6	US$93.7	US$90.2	US$86.3	n/a
Homes Passed[4]...............	131.2	130.3	129.3	125.7	124.2	1.10%
Basic Cable Customers	56.8	58.0	59.8	62.6	63.7	-2.27%
Basic Penetration..............	43.7%	44.4%	45.5%	49.8%	51.3%	—

*Source of Canadian data: Canadian Radio-television and Telecommunications Commission ("**CRTC**").*
Source of U.S. data: NCTA, A.C. Nielsen Media Research and SNL Kagan.

(1) Compounded Canadian annual growth rate from 2008 through 2012.

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

(3) Compounded U.S. annual growth rate from 2008 through 2012.

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

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, 2012 (the most recent data available), the Province of Québec had a penetration rate under the Canadian average (66.8% vs 78.4% according to the CRTC). As of September 30, 2013, incumbents were still dominant in the industry in Canada, with market share of approximately 90% 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, 2013, there were more than 27 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, 2013, the average monthly invoice on recurring subscription fees per customer was $102.95 and approximately 80% of its customers were bundling two services or more. A one-time installation fee, which may be waived in part during certain promotional periods, is charged to new customers. Monthly fees for rented equipment, such as set-top boxes, 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, 2013, Videotron's cable systems consisted of 31,088 km of fibre optic cable and 45,956 km of coaxial cable, passing approximately 2.7 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 over-the-air links, coaxial links or 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 excellent 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. Its TGV200 is 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 network is scheduled to be completed by 2017.

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 99.7% 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 the network will be required.

2.1.6.2 Mobile Telephony

During 2013, Videotron continued its HSPA+ network expansion and densification plan throughout the Province of Québec and over the Greater Ottawa Area. As of December 31, 2013, its network reached approximately 89% of the population of the Province of Québec, allowing the vast majority of its potential clients to have access to advanced mobile services from Videotron. The majority of its towers and antennas are linked through its fibre optic network using a multiple label switching - or MPLS - protocol, and its network was built and designed to support important customer growth in coming years.

With the introduction of a new technology called Dual-Carrier technology in August 2011, Videotron's HSPA+ mobile communication network (4G) allows data transmission speeds up to 42 Mbps.

Videotron's strategy in the coming years is to build on its position as a telecommunication leader with its 4G mobile services and to keep the technology at the cutting edge as it continues to evolve rapidly and new market standards, such as Long Term Evolution-Advanced ("**LTE A**"), are appearing. The Rogers LTE Agreement provides and allows Rogers and Videotron to deploy radio network equipment independently while benefiting from a common network. Spectrum contribution by each of Rogers and Videotron will allow them to exploit the LTE technology and to provide their subscribers with high throughput data connections. Videotron expects to continue to expand its offer of handset devices in 2014.

2.1.7 Marketing and Customer Care

Videotron's long term marketing objective is to increase its cash flow through deeper market penetration of its services, develop new services, and continue revenue 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 our services – cable, Internet, telephony, content and mobile – to maintain and increase our 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;

- 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 improves 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, media advertising, e-marketing and direct mail solicitation.

Maximizing customer satisfaction is a key element of its 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.

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 TVA Group.

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.

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 4G networks, are now offering wireless and fixed wireless Internet services and its VoIP telephony service is also competing with Internet-based solutions.

- *Providers of Other Entertainment.* Cable systems face competition from alternative methods of distributing and receiving television signals and from other sources of entertainment such as live sporting events, movie theatres and home video products, including digital recorders, OTT content providers, such as Netflix, 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 Unlimited*, 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 fixed-line 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 video-on-demand 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 started the deployment of LTE networks and this technology is deemed to become an industry standard. As per the Rogers LTE Agreement, Videotron is currently deploying its LTE network and plans to launch its LTE network in 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 multi-channel multipoint distribution systems, or MDS. 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 DBS 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 telephone companies, including both the incumbent telephone service provider in the Province of Québec, which used to control a significant portion of the telephony market in the Province of Québec, and the other VoIP telephony service providers and mobile wireless telephone 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 Ownership

Through Quebecor Media, Quebecor owned, as at December 31, 2013, all of the equity and voting interests in Videotron.

2.2 NEWS MEDIA

2.2.1 Business Overview

The newspaper publishing operation, which Quebecor Media conducts through its Sun Media operating subsidiary, is the second largest newspaper publisher in Canada based on total paid and unpaid circulation, according to management estimates. In addition, with a 28.8% average market share, its newspaper publishing operations are the largest newspaper publisher in Canada in terms of weekly average circulation for Canadian daily paid newspapers, according to statistics published in Newspapers Canada’s “Daily Circulation Report 2012” (the “**Newspapers Canada Circulation Data**”). As of December 31, 2013, its News Media segment published 36 paid-circulation dailies, three free commuter dailies and 141 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. As of December 31, 2013, the combined weekly circulation of its News Media segment paid and unpaid newspapers was approximately 10.5 million copies, according to internal statistics.

On December 5, 2013, Quebecor Media announced that Sun Media had sold 74 Québec weeklies to Transcontinental Interactive inc., a subsidiary of Transcontinental inc., for a cash consideration of $75.0 million (the “**TC Transaction**”). The TC Transaction is subject to approval by the Competition Bureau, the applicable regulatory authority. While the TC Transaction is under review and pending the approval from the regulatory authorities, Sun Media will continue publishing the weeklies. The numbers and percentages presented in this annual information form in connection with Sun Media's operations as of December 31, 2013 and comparative years reflect the sale of the 74 Québec weeklies pursuant to the TC Transaction notwithstanding the pending approval from the Competition Bureau for 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, 2013 and comparative years.

In the second quarter of 2011, all of the internet portals that were formally owned by Canoe Inc. were transferred to Sun Media (other than Réseau Contact and Jobboom which were transferred to Videotron and subsequently sold to a third party), including the *Canoe Network*, which logs over 9.6 million unique visitors per month in Canada, including more than 5.1 million in the Province of Québec, and ranks as the number one general news destination in Canada (according to ComScore Media Metrix figures for December 2013).

The News Media segment is also engaged in the distribution of newspapers, magazines, inserts and flyers; commercial printing and related services to third-parties through its national network of printing and production facilities.

Quebecor Media continues the development of its News Media segment in order to broaden its revenue streams. In this regard, the QMI Agency established two newsrooms in Montréal and Toronto, creating multiplatform teams for event coverage, and centralizing photo coverage across Canada. Since July 1, 2010, the QMI Agency has been the main supplier of general Canadian news content to its media properties.

2.2.2 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, 2013, Quebecor Media's News Media segment's combined average weekly circulation (paid and unpaid) was approximately 10.5 million copies, according to internal statistics. In addition, according to Newspapers Canada Circulation Data, Sun Media's 28.8% 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 95 paid circulation daily newspapers, numerous paid non-daily publications and free-distribution daily and non-daily publications. Of the 95 paid circulation daily newspapers, 23 have average daily circulation in excess of 50,000 copies. These include 17 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, 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. As a result of these changes in the market, competition in the newspaper industry now 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 and distribution over wireless devices) to consumers and advertisers. 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.

2.2.3 Advertising and Circulation

Advertising revenue is the largest source of revenue for Quebecor Media's News Media operations, representing 61.1% of its newspaper operations' total revenues in 2013. 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 classified, retail and national advertising. Classified advertising is made up of four principal sectors: automotive, private party, recruitment and real estate, which appear in the classified section of its newspapers. Retail advertising is display advertising principally placed by local businesses and organizations. 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. These newspapers publish advertising supplements with specialized themes such as agriculture, tourism, home improvement and gardening to encourage advertisers to purchase additional lineage in these special editions.

Quebecor Media believes its advertising revenues are diversified not only by category (classified, retail and national), but also by customer and geography. For the year ended December 31, 2013, its top ten national advertisers accounted for approximately 13.4% of the total advertising revenue and approximately 8.2% of the total revenue of its News Media segment. In addition, because it sells advertising in numerous regional markets in Canada, the impact of a decline in any one market can be offset by strength in other markets.

Circulation sales are its newspaper operations' second-largest source of revenue and represented 20.0% of total revenues of its News Media segment in 2013. 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. Quebecor Media's strategy is to increase circulation revenue by adding newspaper boxes and point-of-sale locations, as well as expanding home delivery. In order to increase readership, it targets editorial content to identified groups through the introduction of niche products, and in recent years it has launched e-editions of a number of its newspapers.

Digital revenues represented 4.8% of total revenues for its News Media segment in 2013. 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. Its News Media segment 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 News Media operations. To this end, in 2012, the News Media segment completed an overhaul and re-launch of its paid urban daily and community websites to improve the look and feel of its publication websites while at the same time standardizing their format and design. The strategy is to increase its digital revenues by improving the user's overall experience by offering rich and visually-appealing content, including photo galleries and video clips, as well as improved navigation and functionalities, which in turn should increase traffic to its websites and provide advertisers with compelling media platforms on which to reach their target audience.

Throughout 2013, 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.

2.2.4 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.

Through its wholly-owned subsidiary, Quebecor Media Printing, Quebecor Media operates two state-of-the-art printing facilities located in Islington, Ontario, and Mirabel, Québec. *24 Hours* in Toronto, the *Toronto Sun*, and a number of Ontario community publications are printed in Islington, Ontario. *Le Journal de Montréal, Ottawa Sun* and *24 Heures* (Montréal) are printed in Mirabel, Québec.

2.2.4.1 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.

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 2013, on a combined weekly basis, the eight paid daily newspapers in Sun Media's Urban Daily Group had a circulation of approximately 5.0 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 2012 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 2012 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:

	2012 Average Readership			**Market Position by Readership(1)**
Newspaper	**Saturday**	**Sunday**	**Mon-Fri**	
Le Journal de Montréal	513,000	373,000	532,000	1st
Le Journal de Québec	174,000	119,000	162,000	1st
Toronto Sun	511,000	608,000	574,000	2nd
London Free Press	142,000	n/a	153,000	1st
Ottawa Sun	107,000	89,000	123,000	2nd
Winnipeg Sun	83,000	70,000	108,000	2nd
Edmonton Sun	108,000	124,000	137,000	2nd
Calgary Sun	116,000	120,000	141,000	2nd
Total Average Readership	**1,754,000**	**1,503,000**	**1,930,000**	

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

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 its free daily commuter publications:

	Year ended December 31,		
Free Daily Commuter Publications	**2013**	**2012**	**2011**
24 Hours - Toronto	**237,100**	247,100	238,600
24 Heures - Montréal	**160,500**	159,100	153,200
24 Hours - Vancouver	**115,000**	118,100	123,100

Source: Internal Statistics

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 rate of development of opportunities in, and competition from, these digital media services, including those related to the Internet, is increasing. Through internal development programs, joint initiatives among Quebecor Media and its subsidiaries, and acquisitions, its efforts to explore new opportunities in news, information and communications businesses have expanded and will continue to do so. For instance, in order to leverage synergies and convergence among its subsidiaries, Quebecor Media has launched e-editions of a number of Sun Media's newspapers, it has transferred the printing of several of its publications to two state-of-the-art facilities owned by Quebecor Media Printing (its wholly-owned subsidiary) and its News Media business is sharing editorial content with QMI Agency. In addition, with the creation of Quebecor Media Sales, Quebecor Media has integrated its advertising assets to offer its clients global, integrated and multiplatform advertising and marketing solutions. In 2012, the Corporation completed an overhaul and re-launch of its Urban Daily and Community publication websites to improve the look and feel of its publication websites while at the same time standardizing their format and design.

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.

2.2.4.2 The Community Newspaper Group

Sun Media's Community Newspaper Group consists of 28 paid daily community newspapers, 107 community weekly newspapers and shopping guides, and 33 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, 2013 was approximately 1.5 million free copies and approximately 1.4 million paid copies, according to internal statistics. On December 5, 2013, Quebecor Media announced the closing of the TC Transaction. The TC Transaction is subject to approval by the Competition Bureau, the applicable regulatory authority. While the TC Transaction is under review and pending the approval from the regulatory authorities, Sun Media will continue publishing the weekly publications.

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, 2013:

Newspaper [(1)]	**Location**	**Average daily paid circulation**
The Standard	St. Catharines, Ontario	24,300
The Kingston Whig-Standard	Kingston, Ontario	18,300
Niagara Falls Review	Niagara Falls, Ontario	14,300
The Expositor	Brantford, Ontario	14,200
The Tribune	Welland, Ontario	12,000
The Sault Star	Sault Ste Marie, Ontario	11,500
The Sudbury Star	Sudbury, Ontario	11,200
The Peterborough Examiner	Peterborough, Ontario	11,200
The Sun Times	Owen Sound, Ontario	10,900
The Observer	Sarnia, Ontario	10,800
North Bay Nugget	North Bay, Ontario	9,700
Cornwall Standard Freeholder	Cornwall, Ontario	8,700
The Intelligencer	Belleville, Ontario	7,900
The Recorder & Times	Brockville, Ontario	6,900
Beacon Herald	Stratford, Ontario	6,600
The Chatham Daily News	Chatham, Ontario	6,300
The Daily Press	Timmins, Ontario	5,800
Packet & Times	Orillia, Ontario	4,200
Simcoe Reformer	Simcoe, Ontario	4,100
The Barrie Examiner	Barrie, Ontario	4,000
Sentinel-Review	Woodstock, Ontario	3,700
The Daily Observer	Pembroke, Ontario	3,600
Daily Herald Tribune	Grande Prairie, Alberta	3,600
St. Thomas Time-Journal	St. Thomas, Ontario	3,400
Northumberland Today	Northumberland, Ontario	3,300
Kenora Daily Miner & News	Kenora, Ontario	1,800
Fort McMurray Today	Fort McMurray, Alberta	1,600
Portage Daily Graphic	Portage La Prairie, Manitoba	800
Total Average Daily Paid Circulation		**224,700**

Source: Internal Statistics

(1) The listed newspapers are published at least five days per week, except for the Kenora Daily Miner & News, Portage Daily Graphic and North Bay Nugget, which are published four days per week.

The number of community publications presented on a regional basis is as follows:

Province[(1)]	Number of Publications
Ontario	118
Alberta	37
Manitoba	10
Saskatchewan	3
Total Publications	**168**

Source: Internal Statistics

(1) The number of community publications presented in this table do not present any community publication in Québec, reflecting the sale of the 74 Québec weeklies pursuant to the TC Transaction notwithstanding the pending approval from the Competition Bureau for the TC Transaction.

Sun Media's community newspaper publications generally offer news, sports and special features, with an emphasis on local information. The Corporation believes that these newspapers cultivate reader loyalty and create franchise value by emphasizing local news, thereby differentiating themselves from national newspapers.

Competition

Several of the Community Newspaper Group's publications maintain the number one position in the markets that they serve. 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. Historically, the Community Newspaper Group's publications have been a consistent source of cash flow, derived primarily from advertising revenue.

2.2.5 Other Operations

2.2.5.1 Commercial Printing

Quebecor Media's national network of production and printing facilities enables it to provide printing services for web press (coldset and heatset) and sheetfed products, and graphic design for print and electronic media. Web presses utilize rolls of newsprint, whereas sheetfed presses use individual sheets of paper. Heatset web presses, which involve a more complex process than coldset web presses, are generally associated with printing on glossy paper. These operations provide commercial printing services for both Sun Media's internal printing needs and for third parties. Sun Media's printing facilities include nine printing facilities for its urban and community daily publications and six other printing facilities operated by the Sun Media's Community Newspaper Group in four provinces. Through its wholly-owned subsidiary Quebecor Media Printing, Quebecor Media operates two state-of-the-art printing facilities located in Islington, Ontario, and Mirabel, Québec.

Quebecor Media also offers third-party commercial printing services, which provide it 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.

2.2.5.2 Distribution Network

Quebecor Media Network distributes dailies, weeklies, magazines and print media and reaches approximately 200,000 households and 13,000 retail outlets through its operations in the Province of Québec.

2.2.5.3 Television

SUN News was launched in April 2011 and offers comprehensive coverage of the events that impact Canadian society and the country's political and economic life. SUN News General Partnership is a partnership owned by Sun Media (51%) and TVA Group (49%).

2.2.5.4 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 News Media segment operates the following portals and destination sites:

- *Canoe Network* (*canoe.ca*), a bilingual portal with more than 260 million page views in December 2013, according to internal statistics;

- 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, through which visitors can view more than 125,000 classified ads, reaching potential purchasers across the country by integrating more than 170 dailies and community newspapers;

- *YourLifeMoments.ca*, Sun Media's premier site for announcing, celebrating, sharing all of life's special moments. *YourLifeMoments.ca* publishes an average of 2,000 announcements every week from over 170 dailies and community newspapers and is the leader in Canada in this niche market; 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.

In the second quarter of 2011, all of the internet portals that were formerly owned by Canoe Inc. (other than Réseau Contact and Jobboom which were transferred to Videotron and subsequently sold to a third party) were transferred to Sun Media, including the *Canoe Network*, which logs over 9.6 million unique visitors per month in Canada, including more than 5.1 million in the Province of Québec, and ranks as the number one general news destination in Canada (according to ComScore Media Metrix figures for December 2013).

2.2.6 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.

2.2.7 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. During 2013, the total newsprint consumption of Quebecor Media's newspaper operations was approximately 123,900 metric tonnes. Newsprint represents its single largest raw material expense and one of its most significant operating costs. Newsprint expense represented approximately 8.7% ($59.8 million) of its News Media segment's operating expenses for the year ended December 31, 2013. 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.

2.2.8 Ownership

Through Quebecor Media, Quebecor owned, as at December 31, 2013, all of the equity and voting interests in Sun Media.

2.3 BROADCASTING

Through TVA Group, a subsidiary of Quebecor Media, the Corporation operates the largest private French-language television network in North America as well as eight specialty services. Through TVA Group, the Corporation holds a minority interest in the specialty channel Evasion.

As well, TVA Group holds a 49% interest in the English-langage news and opinion specialty channel, SUN News, through SUN News General Partnership, in partnership with Sun Media which holds 51%. SUN News is part of the Broadcasting segment. According to data published by the BBM People Meters (which is based on a measurement methodology using audimetry), it had a 31.6% market share of French-speaking viewers in the Province of Québec for the period from January 1, 2013 through December 31, 2013 and according to the Canadian TVB Report for the period from January 1, 2013 through December 31, 2013, its share of the Province of Québec's French-language broadcast television advertising market was 40.1%.

A description of the Broadcasting Segment as carried on by TVA Group is set forth in its annual information form dated February 28, 2014, and relevant excerpts of such description are reproduced at Schedule A to this annual information form.

2.3.1 Ownership

Through its subsidiary Quebecor Media, Quebecor owned, as at December 31, 2013, 51.45% of the equity and 99.97% of the voting interests in TVA Group.

2.4 LEISURE AND ENTERTAINMENT

2.4.1 Business Overview

Quebecor Media's activities in the Leisure and Entertainment segment consist primarily of retail sales of CDs, books, DVDs, Blu-ray discs, musical instruments, games and toys, video games, gift ideas and magazines through the chain of stores operated by Archambault Group and the *archambault.ca* e-commerce site. They also include online sales of downloadable music and e-books; distribution of CDs and videos (Distribution Select); the ZIK music streaming service; distribution of music to Internet download services (Select Digital); music recording and video production (Musicor); recording of live concerts, production of concert videos and television commercials (Les Productions Select TV inc.), and concert promotion (Musicor Spectacles). Archambault Group is a fully integrated Canadian music corporation, a producer offering a complete range of media solutions and an increasingly active player in the concerts and cultural events industry.

The Leisure and Entertainment segment is also engaged in academic publishing through CEC Publishing Inc., general literature through 18 publishing houses, and physical and digital distribution through Messageries A.D.P. inc. ("Messageries A.D.P."), the exclusive distributor for approximately 200 Québec and European French-language publishers. The general literature publishing houses and Messageries A.D.P. are operated under the Sogides umbrella.

The Leisure and Entertainment segment is also engaged in retail and rental of DVDs, Blu-ray discs and console games through the Le SuperClub Vidéotron subsidiary and its franchise network. The segment also includes the QMJHL hockey team Armada de Blainville-Boisbriand, Québec video game developer BlooBuzz Studios Inc., established in February 2012, and e-book solutions provider Readbooks SAS. Finally, since May 2013, it includes the activities of Event Management Gestev Inc. ("**Gestev**"), a Québec City sports and cultural events manager.

2.4.2 Cultural Products Production, Distribution and Retailing

Archambault Group is one of the largest chains of music and book stores in the Province of Québec with 16 retail locations, consisting of 15 Archambault megastores and one bookstore, the 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 and offers streaming music service through *zik.ca*.

Archambault Group, through Select, is also one of the largest independent music distributors in Canada with 21% of the Province of Québec market and 61% of the Province of Québec French market. Select has a catalogue of over 7,400 different CDs, LPs or other audio formats and 1,627 DVDs, VHS or other video formats, a large number of which are from French-speaking artists. In addition, Archambault Group, through Select Digital, is a digital aggregator of downloadable products with a selection of approximately 135,000 songs available through 196 retailers worldwide.

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 180 retail locations as of December 31, 2013. With the majority of these retail locations offering Videotron'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.

2.4.3 Book Publishing and Distribution

Through Sogides (which is comprised of 18 publishing houses: six in Librex Group Inc, *namely Éditions Libre Expression, Éditions Internationales Alain Stanké, Éditions Logiques, Éditions du Trécarré,* Éditions *Publistar* and *Les Éditions Québec-Livres*, six in Groupe Homme, namely *Les Éditions de l'Homme, Le Jour Éditeur, Utilis, Les Presses Libres, Petit Homme* and *La Griffe,* four in Le Groupe Ville-Marie Littérature inc., namely *Les Éditions de l'Hexagone, VLB Éditeur, Typo* and *Les Éditions de la Bagnole* and two in Charron Éditeur inc., namely *Éditions La Semaine* and *Recto/Verso, éditeur*) and the academic publisher CEC Publishing, Quebecor Media is involved in French-language book publishing and forms one of the Province of Québec's largest book publishing groups. In 2013, Sogides and CEC Publishing published or reissued a total of 728 titles in paper format and 419 titles in digital format.

Through Messageries A.D.P., a book distribution company, Quebecor Media is the exclusive distributor for 200 Québec and European French-language publishers. Messageries A.D.P. distribute French-language books to approximately 3,000 retail outlets in Canada. In addition, Messageries A.D.P. distributes approximately 9,000 digital books.

2.4.4 Competition

Cultural Product Production, Distribution and Retailing

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.

The music industry is mainly controlled by three major players (Universal Music, Warner Music and, Sony Music) with 82% 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.

Book Publishing and Distribution

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.

2.4.5 Ownership

Through Quebecor Media, Quebecor owned, as at December 31, 2013, all of the equity and voting interests in Archambault Group, CEC Publishing and Sogides.

2.5 INTERACTIVE TECHNOLOGIES AND COMMUNICATIONS

2.5.1 Business Overview

Through Nurun, Quebecor Media provides interactive communication and technology services in North America, Europe and China. Nurun helps companies and other organizations develop innovative interactive products, including interface design, technical platform implementation, which includes e-commerce, online marketing programs, client relationships and social media strategy. Nurun's clients include organizations and multinational corporations such as L'Oréal, Groupe Danone, Jean Coutu Group, Tag Heuer, Videotron, Home Depot, Google, Sony, McDonald's, Walmart Canada, Pirelli, Sky Italy, BBVA and the Government of Québec.

2.5.2 Competition

Although the interactive communications and technologies industry is marked by significant concentration and consolidation, there are still a large number of players in the international, national, and regional markets. Nurun's competitors may be communications and marketing or advertising agencies that also provide interactive solutions, products and services including mobile and tablets in interactive marketing and on-line customer relationship management, technology consulting firms or traditional systems integrators offering certain e-business solutions development services (e-commerce, on-line customer relationship management and interactive marketing) or graphic communications companies that occasionally specialize in interactive communication program design (Web sites, advertising campaigns), and finally, new kind of companies called Design Thinking companies.

These competitors vary in technological knowledge, number of employees and financial resources, but they are all subject to the same market factors when providing interactive communications and technology services and solutions: innovation and creativity, effective methodology, reliability and performance of solutions, skills and experience, availability and productivity of personnel, and production cost. Based on its experience, the Corporation believes that Nurun competes favorably with respect to these factors.

2.5.3 Ownership

Through its subsidiary Quebecor Media, Quebecor owned, as at December 31, 2013, all of the equity and voting interests in Nurun.

2.6 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 it 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.

2.7 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.

2.8 EMPLOYEES

At December 31, 2013, the Corporation had approximately 15,110 employees on a consolidated basis. At December 31, 2012 and 2011, it had approximately 16,865 and 16,950 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, 2013.

Operating Segments	Approximate number of employees	Approximate number of employees under collective agreements	Number of collective agreements
Telecommunications	6,350	3,920	5
News Media	4,240	1,445	69
Broadcasting	1,480	880	13
Leisure and Entertainment	1,505	480	9
Interactive Technologies and Communications	1,075	–	–
Corporate(1)	460	–	–
Total	**15,110**	**6,725**	**96**

(1) Includes Quebecor Media Sales, QMI Agency ,QMI Content and QMI Digital.

At December 31, 2013, approximately 45% of its employees were represented by collective bargaining agreements. Through its subsidiaries, the Corporation is currently a party to 96 collective bargaining agreements.

Videotron is party to five collective bargaining agreements, representing approximately 3,920 unionized employees. Negotiations regarding one of the most important collective bargaining agreements, covering unionized employees in the Montréal region are currently in progress. 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. One other collective bargaining agreement, covering approximately 70 employees of its subsidiary, SETTE inc., will expire on December 31, 2015.

Sun Media is party to 67 collective bargaining agreements, representing approximately 1,275 unionized employees. 16 collective bargaining agreements have expired, representing approximately 410 unionized employees, or 32% of its unionized workforce. Negotiations regarding these collective bargaining agreements are either in progress or will be undertaken in 2014. Of the other collective bargaining agreements, nine will expire in 2014, representing approximately 140 employees or 10% of its unionized workforce and the others to expire on various dates through December 2019.

TVA Group is party to 13 collective bargaining agreements, representing approximately 880 unionized employees. Of this number, three collective bargaining agreements, representing approximately 660 unionized employees or approximately 75% of its unionized workforce, have expired. On February 16, 2014, TVA Group and the union representing its employees reached an agreement in principle concerning one of the collective agreements that expired on December 31, 2013, covering 68% of the company's unionized permanent employees. This agreement was ratified at a general meeting held on February 26, 2014. Eight collective bargaining agreements representing approximately 180 unionized employees or less than 20% of its unionized workforce will expire in 2014. The other collective bargaining agreements will expire in 2015.

Of the other 11 collective bargaining agreements, representing approximately 650 unionized employees, one collective bargaining agreement representing approximately 30 unionized employees is expired and a group representing approximately 30 employees has received approval for a new collective agreement in December 2013. Negotiations regarding these collective bargaining agreements will be undertaken in 2014. The other collective bargaining agreements will expire between April 2015 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.

2.9 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 2015, penalties will be imposed upon those companies which fail to achieve the recovery targets 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 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. 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 February 28, 2014, the relevant excerpts of which are reproduced at Schedule A to this annual information form.

3.1 RECENT DEVELOPMENTS

On March 14, 2014, Videotron announced that, as of March 28, 2014, its offering of handsets available to customers will include the Apple iPhone 5s and 5c®.

On March 12, 2014, Françoise Bertrand was appointed Chairperson of the Board of Directors of Quebecor Media and of Videotron in replacement of Pierre Karl Péladeau, and the Right Honourable Brian Mulroney was appointed Vice Chairman of the Board of Quebecor Media. In addition, Robert Dépatie, the current President and Chief Executive Officer of Quebecor Media, was appointed director of Quebecor, Quebecor Media, TVA Group, Videotron and Sun Media. Also, on March 10, 2014, Sylvie Lalande was appointed Chairperson of the Board of TVA Group, in replacement of Pierre Karl Péladeau.

On March 9, 2014, Quebecor announced that, following his decision to run for public office in the provincial elections, Pierre Karl Péladeau resigned as Chairman and member of the Boards of Directors of Quebecor Media, TVA Group, Videotron and Sun Media and as Vice Chairman and member of the Board of Quebecor. If Mr. Péladeau is elected to the Quebec's National Assembly on April 7, 2014, the date of the upcoming provincial election, then, to the extent required by the applicable law and regulation, Mr. Péladeau is expected to place his financial interests in the Corporation in a mandate agency or other structure in accordance with applicable law and regulation. Effective March 9, 2014, Mr. Péladeau no longer takes part in any decision respecting Quebecor's strategic management.

On February 19, 2014, Industry Canada announced that Videotron was the winner of seven spectrum licenses in the recently concluded auction of mobile frequencies in the 700 MHz band. These licenses consist of a single paired 5+5 MHz frequency block in the upper 700 MHz band over a geographic territory which encompasses the provinces of Quebec, Ontario (excluding the region of Northern Ontario), Alberta and British Columbia, for a total covered population of more than 28 million persons or 80% of Canada's population. The aggregate purchase price for the seven licenses acquired by Videotron under the 2014 Auction is $233.3 million.

3.2 HIGHLIGHTS FOR 2013

3.2.1 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.

On May 8, 2013, Robert Dépatie, President and Chief Executive Officer of Videotron since 2003, took the reins from Pierre Karl Péladeau as President and Chief Executive Officer of Quebecor and of Quebecor Media. Pierre Karl Péladeau was then appointed Chairman of the Board of Quebecor Media and of TVA Group replacing Serge Gouin, who retired, and he was also then appointed Vice Chairman of the Board of Quebecor. Manon Brouillette was named President and Chief Operating Officer of Videotron.

3.2.2 Quebecor Media

On August 30, 2013, Quebecor Media redeemed US$265.0 million in aggregate principal amount of its outstanding 7¾% 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.

On July 8, 2013, Aldo Giampaolo was appointed President and Chief Executive Officer of Quebecor Media Entertainment & Sports Group. Mr. Giampaolo has extensive expertise in the management of large-scale events and major venues for sporting and cultural events

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 acquisitions 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.

3.2.3 Telecommunications

On June 17, 2013, Videotron announced the closing of the offering and sale of 5⅝% 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 9⅛% 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 will maintain their business independence, including product and service portfolios, billing systems and customer data. As part of the Rogers LTE Agreement, Rogers and Videotron will 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, subject to regulatory approvals, beginning January 1, 2014, for an aggregate consideration of $180.0 million.

3.2.4 News Media Segment

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.

On December 5, 2013, Quebecor Media announced the TC Transaction, 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. The TC Transaction is subject to approval by the Competition Bureau.

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 is estimated at $9.0 million. The initiatives are expected to yield total annual savings of approximately $67.0 million. Sun Media intends to continue making investments and expanding its value-added content offerings on print and digital platforms.

3.2.5 Leisure and Entertainment Segment

In July 2013, Sogides Group has acquired Charron Éditeur inc., a book publisher founded on May 26, 2005, known essentially under the name *Éditions La Semaine*.

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*, *Sprint Québec* (FISCross-Country World Cup) and the latest *Snowboard Jamboree.*

3.2.6 Interactive Technologies and Communications

The Interactive Technologies and Communications segment had no highlights to report for the fiscal year ended December 31, 2013.

3.3 HIGHLIGHTS FOR 2012

3.3.1 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.

3.3.2 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.

3.3.3 Telecommunications

As of December 31, 2012, Videotron's mobile telephony service was available to more than 7 million people across the Province of Québec and in Eastern Ontario. During 2012, Videotron has activated 112,058 net new lines on its new advanced mobile network at a pace of approximately 9,338 net new lines per month, bringing its total mobile customer base to 402,636 activated lines.

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.

3.3.4 News Media Segment

Effective February 3, 2012, Sun Media repaid the $37.6 million balance on its term loan facility and terminated its syndicated credit agreement, and its term loan credit facility. Sun Media's liabilities no longer include any long-term debt.

3.3.5 Leisure and Entertainment Segment

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.

3.3.6 Interactive Technologies and Communications

Nurun developed new applications for *Le Journal de Montréal*, *Le Journal de Québec* and 216 community newspapers owned by Sun Media across Canada. These applications were all launched in 2012. In the United States, Sony gave to Nurun's subsidiary the mandate to rethink its worldwide presence on digital supports.

3.4 HIGHLIGHTS FOR 2011

3.4.1 Quebecor

The terms of the exchangeable debentures, Series 2001 and Series Abitibi, were amended in February and June 2011 respectively to reduce the interest rate from 1.50% to 0.10% on the notional principal amount of the debentures. Other related conditions have not changed and remain applicable. In September 2011, the Corporation redeemed exchangeable debentures, Series 2001, in the notional principal amount of $135.0 million for nil consideration.

In February 2011, Quebecor amended the indenture dated February 23, 2001 governing the bonds issued by the Corporation, which are exchangeable for subordinate voting shares of Quebecor World Inc. As a result of the amendment, the applicable interest rate has been changed from 1.5% to 0.10% per year. All other terms of the indenture remained unchanged.

3.4.2 Quebecor Media

On June 22, 2011, Quebecor Media has announced the acquisition of a QMJHL franchise which has been renamed L'Armada de Blainville-Boisbriand.

In March 2011, Quebecor Media completed another step in its development plan by reaching an agreement with Québec City granting Quebecor Media management and naming rights for a 25-year period to the new multipurpose amphitheatre to be built in Québec City. These rights represent a major asset to Quebecor Media that will allow the Corporation to pursue initiatives to leverage growth and convergence opportunities and to cross-promote its brands, programs and other content. Pursuant to a short form agreement that was completed by separate and detailed agreements in September 2011, and further to the announcement in March 2012 by Quebecor Media and Québec City of finalization of the functional and technical program for the multipurpose arena to be built, Quebecor Media will implement its business plan for the management of this multipurpose arena.

On January 5, 2011, Quebecor Media issued $325.0 million aggregate principal amount of its 7⅜% Senior Notes due 2021 for net proceeds of $319.9 million (net of fees payable to the underwriters and the expenses of the offering). Quebecor Media used the net proceeds to effect a contribution of $288.0 million (the "**QMI Contribution**") to Sun Media and for general corporate purposes. On February 15, 2011, Sun Media used the proceeds of the QMI Contribution to redeem all of its outstanding 7⅝% Senior Notes due 2013 in the aggregate principal amount of US$205.0 million, and to finance the settlement and termination of related hedging contracts.

3.4.3 Telecommunications

On July 5, 2011, Videotron issued $300.0 million aggregate principal amount of its 6 ⅞ % Senior Notes due 2021 for net proceeds of $294.8 million (net of fees payable to the underwriters and the expenses of the offering). Videotron used the net proceeds to redeem and retire US$255.0 million in aggregate principal amount of Videotron's issued and outstanding 6 ⅞ % senior notes due 2014.

3.4.4 News Media Segment

On January 1, 2011, as part of a corporate reorganization of the News Media segment, Osprey Media Publishing Inc. was wound up and its operations were integrated into Sun Media.

3.4.5 Leisure and Entertainment Segment

In 2011, Archambault Group made significant efforts to take advantage of the digital age by improving its transactional website *archambault.ca*. Following the integration of *jelis.ca*'s site, more than 30,000 titles are available to customers with an offer which is mostly constituted of French books.

3.4.6 Interactive Technologies and Communications

In the third quarter of 2011, Nurun completed the acquisition of Odopod, a digital agency in San Francisco, California, that has expertise in brand promotion and interactive product development.

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 9, 2013 and recommended that the board of directors approves minor changes to such mandate. The proposed amendments were approved by the board of directors on March 12, 2014. 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 nine directors. The term of office of each director expires upon the election of his or her successor unless he or she resigns from office or his or her office becomes vacant by death, removal or other cause. The following table sets forth, as at March 21, 2014, 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**
Françoise Bertrand(2), (3) Town of Mount-Royal, Québec, Canada	President and Chief Executive Officer, Fédération des chambres de commerce du Québec Chairperson of the Board, Quebecor Inc. and Quebecor Media Inc.	2003
Robert Dépatie Rosemère, Québec, Canada	President and Chief Executive Officer, Quebecor Inc. and Quebecor Media inc. and Chief Executive Officer, Videotron Ltd.	2014
Jean La Couture, FCPA, FCA(4), (5) Montréal, Québec, Canada	President, Huis Clos Ltée (Management and mediation firm)	2003
Sylvie Lalande(2) Lachute, Québec, Canada	Corporate Director Chairperson of the Board, TVA Group Inc.	2011
Pierre Laurin(2), (3), (4) Nuns' Island, Verdun, Québec, Canada	Corporate Director	1991
The Right Honourable Brian Mulroney, P.C., C.C., LL.D.(5) Westmount, Québec, Canada	Senior Partner, Norton Rose Fulbright Canada LLP (Law firm) Vice Chairman of the Board, Quebecor Inc. and Quebecor Media Inc.	1999

CLASS B DIRECTORS		
Name and place of residence	**Principal Occupation(1)**	**Director Since**
A. Michel Lavigne (3)(4) Laval, Québec, Canada	Corporate Director	2013
Geneviève Marcon Lac-Beauport, Québec, Canada	President of GM Developpement inc. (Real Estate Development and Management)	2012
Normand Provost Brossard, Québec Canada	Executive Vice President, Private Equity of La Caisse de dépôt et placement du Québec (Institutional Fund Managers)	2013

Between April 2, 2008 and May 20, 2008, 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.

(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 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.

4.2 SENIOR OFFICERS

The following table shows the names of Quebecor senior officers appointed by the Board of Directors, their place of residence and their position within the Corporation as at March 21, 2014.

Name and place of residence	Position within the Corporation
Françoise Bertrand Town of Mount-Royal, Québec, Canada	Chairperson of the Board*
The Right Honourable Brian Mulroney Westmount, Québec, Canada	Vice Chairman of the Board*
Robert Dépatie Rosemère, Québec, Canada	President and Chief Executive Officer
Jean-François Pruneau Repentigny, Québec, Canada	Senior Vice President and Chief Financial Officer
Chloé Poirier Nuns' Island, Verdun, Québec, Canada	Vice President and Treasurer
Denis Sabourin Kirkland, Québec, Canada	Vice President and Corporate Controller
Claudine Tremblay Montréal, Québec, Canada	Vice President and Secretary

Name and place of residence	Position within the Corporation
Dominique Fortin Boucherville, Québec, Canada	Assistant Secretary

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* Ms. Bertrand serves as Chairperson of the Board of Quebecor. This position is being held on a part-time basis. She is not considered to be a member of the management team. Mr. Brian Mulroney serves as Vice Chairman of the Board 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 for Dominique Fortin who was, from October 2009 to April 2012, Director, Legal Affairs and Assistant Secretary at Transat A.T. Inc. and, prior to that date, was practicing business law in private practice.

As of March 21, 2014, 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 14,380 of its Class B Shares (as defined after) (or 0.017% 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 12, 2014. 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 (Chairman), Pierre Laurin and A. Michel Lavigne.

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 (Chairman)	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.

Member	Relevant Education and Experience
Pierre Laurin	For a major art of his career, Pierre Laurin headed HEC Montreal (previously known as l'École des Hautes Études Commerciales), after which he assumed the position of Vice President, Planning and Administration, at Aluminium Company of Canada, and then that of founding President of SOCCRENT, a venture capital corporation, and thereafter he became President of Merrill Lynch, Québec. Mr. Laurin was Chairman of the Board of Atrium Innovations Inc. from its beginning in 2000 until it was privatised in 2014. He also serves on a number of boards of directors. Mr. Laurin holds an MBA from HEC Montreal and a Ph.D. in business administration from Harvard Business School.
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 member of the Pension Committee and 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 Chairman of the Audit Committee of *Caisse de dépôt et placement du Québec*.

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 2013, 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 2013 and 2012.

	2013	**2012**
Audit fees [1]	$ 3,589,309	$ 3,189,133
Audit-related fees [2]	585,064	245,103
Tax fees [3]	91,913	74,685
All other fees [4]	817	84,783
Total fees	**$ 4,267,103**	**$ 3,593,704**

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(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, 2013* under the heading "Risks and Uncertainties", which was filed with the Canadian Securities Administrators on March 13, 2014, 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 21, 2014, 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

On August 14, 2013, a stock split on the Corporation's outstanding Class A and Class B shares on a two-for-one basis was performed. Accordingly, all references to the number of shares outstanding and per share amounts of Quebecor in this Annual Information Form have been retrospectively restated to reflect the impact of the stock split.

As at March 21, 2014, a total 39,003,872 Class A Shares and 84,042,592 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, 2011, 2012 and 2013, Quebecor declared and paid quarterly dividends in the annual aggregate amount of $0.10 per share (after giving effect to the stock split) 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				
2013	***Closing Price ($)***	***High ($)***	***Low ($)***	***Trading volume (#)***
January	21.07	21.37	18.88	25,974
February	22.05	22.21	21.24	26,666
March	21.60	23.02	21.36	35,218
April	23.48	23.61	21.53	17,816
May	23.40	23.53	22.06	19,042
June	24.11	24.11	22.45	20,086
July	23.75	24.42	23.45	9,296
August*	23.00	24.91	22.26	10,921
September	24.48	24.99	23.03	10,238
October	25.62	25.74	24.02	9,766
November	26.80	26.82	25.34	10,224
December	26.50	27.18	25.90	10,903

CLASS B SHARES				
2013	***Closing Price ($)***	***High ($)***	***Low ($)***	***Trading volume (#)***
January	21.02	21.44	18.85	7,300,392
February	22.11	22.40	21.00	4,866,764
March	21.53	23.14	21.39	5,463,950
April	23.45	23.75	20.13	5,400,452
May	23.14	23.61	21.81	8,087,840
June	23.29	23.93	22.39	5,467,412
July	23.58	24.55	23.32	4,542,416
August	22.57	23.85	22.22	3,751,851
September	24.43	24.75	23.00	2,633,363
October	25.78	25.96	23.96	2,505,504
November	26.40	26.96	25.20	3,334,129
December	26.44	27.40	25.82	4,748,180

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, 2013, which is incorporated by reference into this annual information form.

Quebecor's Management's Discussion and Analysis for the year ended December 31, 2013 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.

Following the decrease of CDP shareholding as a result of the October 2012 CDP Transaction, the shareholders of Quebecor Media, acting by written resolution, increased the size of the Board of Directors from eight to nine directors and established that Quebecor would be entitled to nominate seven 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 $38.50 per share (that is, a maximum number of 12,987,013 Quebecor Class B shares corresponding to a ratio of $500.0 million to the floor price), and a ceiling price of $48.125 per share (that is, a minimum number of 10,389,610 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 notes are unsecured and mature on January 15, 2023. Interest on these notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These notes are not guaranteed by its subsidiaries. These 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 our bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding notes may declare all the notes to be due and payable immediately. The 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 notes are unsecured and mature on January 15, 2023. Interest on these notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These notes are not guaranteed by its subsidiaries. These 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 notes may declare all the 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 notes are unsecured and mature on January 15, 2021. Interest on these notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These notes are not guaranteed by its subsidiaries. These 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 notes declare all the notes to be due and payable immediately. The 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 notes are unsecured and mature on March 15, 2016. Interest on these notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These notes are not guaranteed by Quebecor Media's subsidiaries. These notes are redeemable, at Quebecor Media's option, under certain circumstances and at the redemption prices set forth in this indenture. On November 2, 2012, Quebecor Media redeemed and retired US$320,000,000 million aggregate principal amount of Quebecor Media's outstanding 7 ¾% Senior Notes due 2016. 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 notes may declare all the notes to be due and payable immediately. These 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.

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 notes were unsecured and mature on March 15, 2016. On August 30, 2013, Quebecor Media redeemed and retired the entire remaining principal amount outstanding of these 7 ¾% Senior Notes issued on January 17, 2006. Interest on these notes was payable in cash semi-annually in arrears on June 15 and December 15 of each year. These notes were not guaranteed by Quebecor Media's subsidiaries. These 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 notes may declare all the notes to be due and payable immediately. These 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.

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 our 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, the applicable margin ranges from 2.25% when our 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 notes, which form a single series and class, are unsecured and mature on April 15, 2018. Interest on these notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These 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 notes may declare all the 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.

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 7⅛% 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 notes are unsecured and mature on January 15, 2020. Interest on these notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These 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 notes may declare all the notes to be due and payable immediately. The 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 notes are unsecured and mature on July 15, 2021. Interest on these notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These 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 notes may declare all the notes to be due and payable immediately. The 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 notes are unsecured and mature on July 15, 2022. Interest on these notes is payable in cash semi-annually in arrears on January 15 and July 15 of each year. These notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These 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 notes may declare all of the 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 notes are unsecured and mature on June 15, 2025. Interest on these notes is payable in cash semi-annually in arrears on April 15 and October 15 of each year. These notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These 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 notes may declare all the notes to be due and payable immediately. The 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.

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.

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, 2013. 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 continue developing its network and related mobile services;
- 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 13, 2014, which section is incorporated by reference into this annual information form.

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

ITEM 14 — ADDITIONAL INFORMATION

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

Other information, including information on the remuneration and indebtedness of directors and officers, the principal holders of Quebecor's securities, securities authorized for issuance under equity compensation plans, where applicable, is contained in its management proxy circular prepared in connection with its annual meeting of shareholders held on May 8, 2013. 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 2014 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, 2013.

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, 2013, DATED FEBRUARY 28, 2014

INTRODUCTORY NOTE

In this Annual Information Form, 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, 2013. 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"
Quebecor Inc.	"Quebecor"
Quebecor Media Inc.	"Quebecor Media"
TVA Boutiques inc.	"TVA Boutiques"
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.

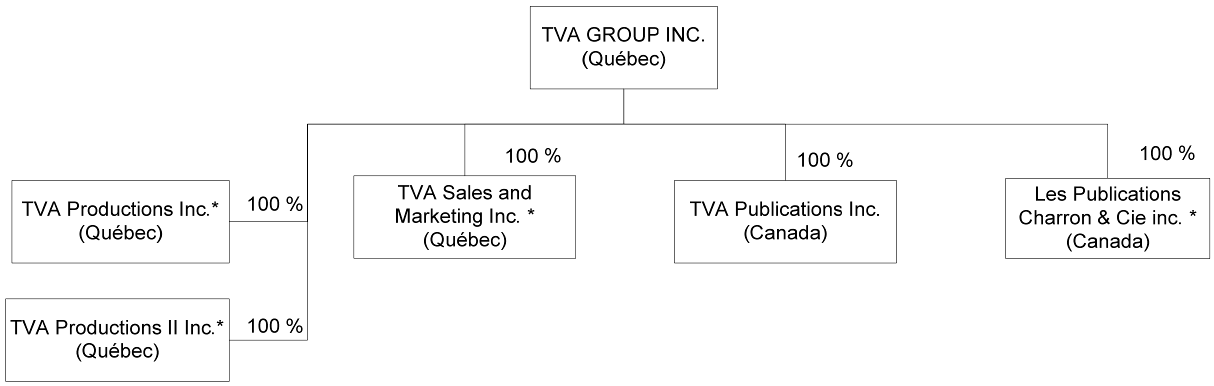
On February 17, 1998, the corporate name Télé-Métropole Inc. was changed to TVA Group Inc. The Corporation is governed by the Business Corporations Act (Québec).

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, 2013 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, 2013, 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, 2013.

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, 2013. They have been included to better illustrate the overall structure of the Corporation.



ITEM 2 BUSINESS

The business of the Corporation is divided into two business sectors: Television and Publishing.

Television

In the Television sector, the Corporation creates, produces and broadcasts entertainment, information and public affairs programming and distributes audiovisual products and films, in addition to its commercial production. The Corporation operates North America's largest private French-language conventional television network, as well as eight specialty services. It also holds a minority interest in the English-language specialty service SUN News Network ("**SUN News**") and in the Évasion specialty channel.

The Television sector includes the activities of TVA Network (including the subsidiaries and divisions TVA Productions Inc., TVA Productions II Inc., TVA Sales and Marketing Inc., TVA Accès Inc., TVA Nouvelles and TVA Interactif), specialty services, marketing of the digital products of the different televisual brands, as well as the audiovisual and film distribution operations of its division TVA Films.

Publishing

The Publishing sector, through TVA Publications and Publications Charron, commercializes more than 20 trademarks in more than 50 magazines and 11 Internet websites. Those trademarks specialize in show business and entertainment, television, fashion and beauty, teenagers, home decor 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 58.9% of cumulative monthly Québec French-language readership according to data compiled in fall 2013 by the Print Measurement Bureau ("**PMB**"). The activities of its division TVA Studio, which specializes in content development, commercial printed productions and premedia services, were transferred to TVA Accès Inc. of the Television sector at the end of the year and are incorporated in this sector since January 1, 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, 2013	Year ended December 31, 2012 (restated)
Television	$380,064	$389,856
Publishing	$67,909	$67,357
Intersegment items	($3,157)	($4,066)
TOTAL	**$444,816**	**$453,147**

2.1. TELEVISION

TVA owns and operates six of the ten stations that make up TVA Network: CFTM-TV (Montréal), which is the network's flagship station, and five regional television stations: CFCM-TV (Québec City), CHLT-TV (Sherbrooke), CHEM-TV (Trois-Rivières), CFER-TV (Rimouski-Matane-Sept-Îles) and CJPM-TV (Saguenay/Lac St-Jean) (the "**regional stations**"). In addition to these regional stations are four affiliated stations: CHOT-TV (Gatineau) and CFEM-TV (Rouyn), owned by RNC Media Inc., as well as CIMT-TV (Rivière-du-Loup) and CHAU-TV (Carleton), owned by Télé Inter-Rives Ltée, a private television station, (the "**affiliated stations**"). TVA holds a 45% interest in Télé Inter-Rives Ltée. The TVA Network signal reaches nearly the entire French-speaking audience in Québec, as well as the French-speaking communities in Ontario and New Brunswick, and a significant portion of francophone viewers in the rest of Canada. TVA also owns the specialty services LCN, addik^{tv}, Argent, prise 2, CASA, YOOPA, TVA Sports and MOI&cie in addition to holding stakes in the television channels SUN News and 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 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)), expired on August 31, 2013. Both agreements were renewed 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 broadcasts national news and general interest information. This channel has to offer newscasts updated at least every 120 minutes. *Denis Lévesque, Le Négociateur* and *Franchement Martineau* 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 own, 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. Sun Media Corporation and the Corporation hold a 51% and 49% interest respectively. Its Website is accessible at www.sunnewsnetwork.ca.

TVA SPORTS

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

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. TÉLÉ ACHAT

On August 1st, 2012, TVA Boutiques discontinued the operations of its home shopping cable channel "Télé-achat", which was broadcast by Videotron and Cogeco in Québec, while continuing the broadcast of the "Shopping TVA" program on TVA Network as well as its online shopping operations which have continued until August 31, 2013 (see section 2.1.5 TVA Boutiques).

2.1.5. TVA BOUTIQUES

Until August 31, 2013, TVA Boutiques operated among others under the trademark Shopping TVA and produced the same name home shopping show broadcast on TVA Network. Until August 31, 2013, TVA Boutiques managed all consumer product sales segments broadcast on both networks. On

August 31, 2013, TVA Boutiques ceased the broadcast of the Shopping TVA program on TVA Network as well as its online shopping operations.

2.1.6. TVA PRODUCTIONS INC.

TVA Productions Inc. produced close to 1,560 hours of original programming during the fiscal year ended December 31, 2013 including variety and magazine-style shows, galas, game shows and real-life series. TVA Productions' output is 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.

2.1.7. TVA FILMS

During the fiscal year ended December 31, 2013, TVA Films continued to carry out its distribution business in the home entertainment (DVD/Blu-ray), television and other digital platform divisions. TVA Films released its last Québec movie for theaters in 2013, being the movie "L'Autre Maison". 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.

2.1.8. QMI CONTENT

Since its creation in February 2013, QMI Content, a division of Quebecor Media, is dedicated to creating, developing, acquiring, broadcasting and exporting audiovisual content. It also acts as an agent for the account of the TVA and Videotron Ltd., a corporation under common control, in order to enable the Corporation to solicit suppliers and buy content as a group and to develop other markets for the marketing of existing content.

2.1.9. 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 for national advertisers and also by TVA local sales representatives to local advertisers.

A total of 65% of specialty channel revenues is derived from subscription charges paid by broadcasting distribution undertakings, while 35% is derived from advertising revenues.

Until the termination of its operation, the revenues of TVA Boutiques were generated from the sale of consumer products.

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.

2.1.10. 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 set by the Copyright Board of Canada (the "**Copyright Board**"). Tariffs set by the Copyright Board are generally applicable until a public process is held and a decision of the Copyright Board is rendered for their renewal. Renewed tariffs are often applicable retroactively.

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

Tariffs 2A and 17 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 and by the specialty services 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. The tariffs represent a percentage of the gross income of the stations and services. In January 1998, the Copyright Board reduced the applicable rate from 2.1% to 1.9%, and fixed a "modified blanket license", allowing television stations to "withdraw" from the standard blanket license regarding certain broadcasts.

For the period from 2009 to 2013, SOCAN Tariffs 2A and 17 represent respectively 1.9% of the gross income of the relevant channels, according to the definitions of the applicable regulations, subject to the exceptions and special conditions of application of the Tariffs and to sharing of the fees related to Tariff 17 with the broadcasting distribution undertakings distributing the specialty channels.

Webcasting of SOCAN's repertoire is governed by Tariff 22 D 1, which represents 1.9% of the gross income coming from this platform, subject to the exceptions and special conditions of application of the Tariff.

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. 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. A licensee is required to devote not less than 55% of the broadcast year, and not less than 50% of the evening broadcast period (6:00 p.m. to midnight) to the broadcast of Canadian programs.

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, 2015.

Local Programming Improvement Fund

On July 18, 2012, the CRTC announced that the Local Programming Improvement Fund ("**LPIF**") would be phased out between now and August 31, 2014. 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 will eliminate the LPIF as 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 will become effective as of May 20, 2014.

Tangible Benefits

On October 21, 2013, the CRTC announced that it wished to undertake a review of the regulatory framework governing tangible benefits and the manner of determining the value of a transaction. Among other things, the CRTC seeks comments on its preliminary view that at least 80% of tangible benefits for television services should be allocated to specific third-party funds (80% to the Canada Media Fund and 20% to a certified independent production fund) and that the allocation of no more than 20% of tangible benefits should be left to the discretion of the purchaser. The interventions were filed on January 13, 2014 and the replies were filed on January 28, 2014. A decision should be issued by the CRTC in 2014.

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.

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.

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, 2015	CRTC 2012-242
CFTM-TV	Montréal	August 31, 2015	CRTC 2012-242
CHLT-TV	Sherbrooke	August 31, 2015	CRTC 2012-242
CHEM-TV	Trois-Rivières	August 31, 2015	CRTC 2012-242
CFCM-TV	Québec City	August 31, 2015	CRTC 2012-242
CJPM-TV	Saguenay/Lac St-Jean	August 31, 2015	CRTC 2012-242
CFER-TV	Rimouski	August 31, 2015	CRTC 2012-242
addik^TV	Canada	August 31, 2015	CRTC 2012-242
Argent	Canada	August 31, 2015	CRTC 2012-242
CASA	Canada	August 31, 2015	CRTC 2021-242
Le Canal Nouvelles (LCN)	Canada	August 31, 2015	CRTC 2012-242
MOI&cie	Canada	August 31, 2017	CRTC 2010-752
prise 2	Canada	August 31, 2015	CRTC 2012-242
Star Système	Canada	August 31, 2017	CRTC 2010-753
TVA Sports	Canada	August 31, 2016	CRTC 2010-116
YOOPA	Canada	August 31, 2016	CRTC 2010-103

Note: The licenses for SUN News and Évasion expire on August 31, 2015 and August 31, 2017 respectively. As for CHAU-TV (Carleton), CIMT-TV (Rivière-du-Loup), CHOT-TV (Gatineau) and CFEM-TV (Rouyn), the licenses expire on August 31, 2016.

2.1.11. COMPETITION, VIEWING AUDIENCES AND TELEVISION MARKET SHARE

The Television sector 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 Television sector 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. 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 Television sector 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 2013, TVA Network remained in the lead with its 23.5 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 2013.

2.2. PUBLISHING

2.2.1. TVA PUBLICATIONS AND PUBLICATIONS CHARRON

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

Entertainment

- 7 Jours
- DH
- Échos Vedettes
- Le Lundi
- Pool Pro
- Star Système
- TV Hebdo
- La Semaine

Decoration

- Chez soi
- Les Idées de ma maison
- Rénovation Bricolage
- Hors Série Décoration
- Votre Maison

Women, Fashion, Beauty

- Clin d'oeil
- Femme d'aujourd'hui (FA)
- MOI&cie
- Star Inc.

Teenagers

- Cool!

Services

- Magazine Animal
- Tout simplement
- Signé M

Through its division TVA Studio, TVA Publications is also active in the content development segment, the commercial printed productions and the premedia services. TVA Studio has received mandates from prestigious clients such as The Jean Coutu Group (PJC) Inc., Destination Centre-Ville, Videotron Ltd. and many others. The activities of TVA Studio have been transferred to TVA Accès inc. of the Television sector since January 1, 2014.

The Publishing sector 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 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, since fall 2012, TVA offers e-Replica versions of 15 of its magazines on Windows, IOS and Androïd platforms. TVA also publishes interactive editions of "Clin d'oeil" 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 Publishing sector 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, 2013 by the Alliance for Audited Media ("**AAM**"). Across Canada, its monthlies are read by 3.6 million readers each month and its weeklies have more than 2.5 million readers each week, according to data compiled by the PMB in fall 2013. According to the same 2013 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 1.6 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 2013 data, TVA, with all of its magazines, holds 86% of the French-language newsstand magazine market. It has also obtained 48.3% 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 provide for civil and criminal penalties in the event of any unauthorized use, broadcast or reproduction. 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, 2013, TVA had 1,170 permanent employees.

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

Television:	963
Publishing:	207
TOTAL:	1,170

TVA's labour relations are governed by 13 collective agreements. At December 31, 2013, three collective agreements had expired or expired at that date. The collective agreements that were expired on December 31, 2013 cover approximately 76% of TVA's unionized regular employees.

On February 16, 2014, the Corporation and the union representing its employees reached an agreement in principle concerning one of the collective agreements that expired on December 31, 2013, covering 68% of the Corporation's unionized permanent employees. This agreement in principle was ratified at a general meeting held on February 26, 2014.

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 Publishing sector, the management of the Corporation as well as the management of its subsidiaries believe that compliance with the environmental regulation 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:

2013 HIGHLIGHTS

On February 6, 2013, the creative and programming forces of the Corporation and Videotron Ltd. were brought together under one roof to form QMI Content, a new division of Quebecor Media dedicated to creating, developing, acquiring, broadcasting and exporting audiovisual content.

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 May 2, 2013, the TVA Sports service reached an agreement with CBC/Radio-Canada and became an official specialty service broadcaster of the 2014 Winter Olympics in Sochi.

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

On July 18, 2013, the Corporation acquired Publications Charron, publisher of *La Semaine* magazine, and Charron Éditeur Inc. for the amount of $7,500,000. The operations of Publication Charron were folded into the Corporation's Publishing 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 National Hockey League ("**NHL**") games as of the 2014-2015 season. Under the agreement, TVA Sports becomes 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 would be 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.

2011 HIGHLIGHTS

On March 17, 2011, the Corporation filed a normal course issuer bid to repurchase for cancellation between March 21, 2011 and March 20, 2012, up to 972,545 of the Corporation's Class B shares, representing approximately 5% of the number of Class B shares issued and outstanding. On August 8, 2011, the Board of Directors decided to suspend the payment of dividend, the Corporation has indicated that it does not expect to redeem shares under the normal course issuer bid during any period when the dividend will be suspended. During the fiscal year ended December 31, 2011, no Class B shares were repurchased for cancellation.

On April 18, 2011, the Corporation and Sun Media Corporation launched SUN News, a national English-language news and opinion digital specialty service. On October 31, 2011, the Corporation returned the SUN TV license to the CRTC.

On May 2, 2011, the Corporation launched “Mlle”, a digital specialty service, dedicated to style, beauty and the well-being of Québec women (renamed MOI&cie on February 1st, 2013).

On September 12, 2011, the Corporation launched “TVA Sports”, a digital specialty service devoted to every aspect of sports by focusing on professional sports of general interest.

On December 22, 2011, the Corporation announced an agreement through which it would sell its interests in the “Mystery TV” and “The Cave” specialty channels to its partner in these companies. Further to the CRTC’s approval, the proposed transaction was finalized on May 31st, 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 considers 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 Class A directors shall fill the vacancies for their category and the Class B directors shall fill the vacancies for their category.

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.

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

RESPONSIBILITIES

The Board has the following responsibilities:

A. With respect to strategic planning

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

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[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.

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 Chairman or Chairperson of the Board amongst the Corporation's directors.

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

3. Ensure that the 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 Compensation Committee, the compensation of the Chairperson of the Board, the Chief Executive Officer and of the Chief Financial Officer as well as the overall objectives the Chief Executive Officer must achieve.

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

6. Approve the directors' compensation.

7. Ensure that the 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. 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 of the Chairperson 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 committee chairpersons. Review 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 under 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 Chairperson’s report 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 Chairperson of the Board, in collaboration with the Chief Executive Officer and the Secretary, determines the agenda for each meeting of the Board. The agenda and the relevant documents are provided to directors sufficiently in advance.

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

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- Revised by the Board of Directors on March 13, 2013
- Revised by the Board of Directors on March 12, 2014

SCHEDULE C

QUEBECOR

MANDATE OF THE AUDIT COMMITTEE

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

COMPOSITION AND QUORUM

The Committee is composed of a minimum of three (3) 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 Chairman 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. With respect to internal auditing

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. With respect to the external auditor

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.

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 material non related party transactions and, annually, the inter-company sharing of management fees.

METHOD OF OPERATION

1. The Chairman 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 Chairman 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 Chairman 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 Chairman 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 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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- Revised by the Board of Directors on November 8, 2011.
- Revised by the Audit Committee on November 4, 2013 and by the Board of Directors on March 12, 2014.