QUEBECOR

NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS
AND
MANAGEMENT PROXY CIRCULAR
2013

QUEBECOR INC.
Wednesday, May 8, 2013 at 9:30 a.m.
612 Saint-Jacques Street – Montréal, Québec

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2013

Date:	**Wednesday, May 8, 2013**
Time:	**9:30 a.m.**
Place:	**Quebecor Building** **612 Saint-Jacques Street** **Montréal, Québec, Canada**

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

- receive the consolidated financial statements of the Corporation for the year ended December 31, 2012 and the External Auditor's report thereon;
- elect Class A Directors and Class B Directors;
- renew the mandate of the External Auditor;
- review the shareholder proposals, as set out in Schedule A of the Management Proxy Circular; and
- transact such other business as may properly be brought before the meeting or any adjournment thereof.

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

Shareholders registered at the close of business on March 11, 2013 are entitled to receive notice of the meeting. If you are unable to attend the meeting, you may vote by proxy, telephone or over the Internet. Instructions on how to proceed to vote are described on the proxy form or on the voting instruction form. To be valid, proxies must be received by the Corporation's transfer agent, Computershare Investor Services Inc., 100 University Avenue, 9th floor, Toronto, Ontario, Canada, M5J 2Y1, no later than May 6, 2013 at 5:00 p.m.

BY ORDER OF THE BOARD OF DIRECTORS,

C. Tremblay

Claudine Tremblay
Vice-President and Secretary

Montréal, Québec
March 28, 2013

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I. GENERAL INFORMATION

SOLICITATION OF PROXIES

This Management Proxy Circular (the "**Circular**") is provided in connection with the solicitation of proxies by Management of Quebecor Inc. (the "**Corporation**") for use at the Annual Meeting of shareholders of the Corporation to be held on Wednesday, May 8, 2013 (the "**Meeting**") at the time and place and for the purposes mentioned in the Notice of Meeting and at any and all adjournments thereof.

Except as otherwise indicated, the information contained herein is given as at **March 12, 2013**. All dollar amounts appearing in this Circular are in Canadian dollars.

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

RECORD DATE

The holders of Class A Multiple Voting Shares (the "**Class A Shares**") and the holders of Class B Subordinate Voting Shares (the "**Class B Shares** ") whose name appears on the list of shareholders prepared at the close of business on March 11, 2013 (the "**Record Date**") will be entitled to receive notice of the meeting and to vote at the Meeting and any adjournment thereof if present or represented by proxy thereat.

If a shareholder transfers all or part of his Class A Shares or Class B Shares after the Record Date, the transferee of those shares is entitled to vote those shares at the Meeting and at any adjournment thereof if he produces properly endorsed share certificates for such shares or if he otherwise establishes that he owns the shares and if he requires, not later than ten days before the Meeting, that his name be included on the list of shareholders entitled to vote at the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The shares of the Corporation conferring the right to vote at the Meeting are the Class A Shares and the Class B Shares. Each Class A Share carries the right to ten votes and each Class B Share carries the right to one vote.

The Class B Shares are "restricted securities" (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights to those attached to the Class A Shares. The Class A Shares are convertible at any time into an equal number of Class B Shares. In the aggregate, all of the voting rights associated with the Class B Shares represented, as of March 12, 2013, 17.9% of the voting rights attached to all of the issued and outstanding voting securities.

As of March 12, 2013, there were 19,576,486 Class A Shares and 42,753,596 Class B Shares outstanding.

To the knowledge of the directors and executive officers of the Corporation, and according to public information available, the only persons or companies which, as at March 12, 2013, beneficially owned or exercised control or direction over more than 10% of the shares of any class of voting shares of the Corporation were Pierre Karl Péladeau, Beutel, Goodman & Co. Ltd. ("**Beutel**") and Letko, Brosseau & Associates Inc. ("**Letko**").

Name	Number of Class A Shares held	% of Class A Shares held	Number of Class B Shares held	% of Class B Shares held	% of voting rights attached to outstanding Class A and B Shares
Pierre Karl Péladeau	17,468,464	89.23	207,260	0.48	73.32
Beutel	-	-	9,590,203	22.43	4.02
Letko	-	-	4,451,309	10.41	1.87

RIGHTS IN THE EVENT OF A TAKE-OVER BID

The Articles of the Corporation provide that in the event a take-over bid regarding Class A Shares is made to their holders without being made concurrently and under the same terms to holders of Class B Shares, the Class B Shares will be converted into Class A Shares on a one-for-one basis for the sole purpose of allowing the holders of Class B Shares to accept the offer. This right is subject to certain conditions provided in the Articles of the Corporation including the acceptance of the offer by the principal shareholder.

VOTING OF SHARES

A. Registered shareholders

A shareholder is a registered shareholder if his name appears on his share certificate.

A registered shareholder can vote his shares in one of the following ways :

- in person at the Meeting;
- by proxy;
- by telephone or on the Internet.

<u>Voting in person at the Meeting</u>

The registered shareholder who intends to be present at the Meeting and who wishes to vote in person should not complete or return the form of proxy. His vote will be taken at the Meeting. The registered shareholder should present himself to a representative of Computershare Investor Services Inc. ("**Computershare**") at the registration table before entering the Meeting.

<u>Voting by proxy</u>

Whether or not he attends the Meeting, the registered shareholder may appoint another person to attend the Meeting and to vote his shares on his behalf as proxyholder.

A shareholder may choose anyone to be his proxyholder. The person he chooses does not have to be a shareholder of the Corporation. The shareholder should simply insert the person's name in the blank space provided on the form of proxy. The shareholder should make sure that this person is attending the Meeting and is aware that he or she has been appointed to vote his shares. If a name is not inserted in the blank space, then one of the individuals named on the form, being Françoise Bertrand, or Pierre Karl Péladeau or the Right Honourable Brian Mulroney, each of whom being a director of the Corporation, will be appointed to act as proxyholder.

The appointed proxyholder is authorized to vote and act on behalf of a shareholder at the Meeting, including any adjournment thereof. The shareholder should indicate on the form of proxy how he wants his shares to be voted. Alternatively, he can let his proxyholder decide for him. If the proxyholder does not attend the Meeting and vote in person, the shares will not be voted. Please refer to section *"C. Vote by proxyholders"* for additional details.

Revocation of a proxy

A registered shareholder who has given a proxy may revoke it at any time prior to its use, by instrument in writing executed by the shareholder or by his attorney duly authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Such instrument should either be delivered at the Corporate Secretariat of the Corporation, 612 Saint-Jacques Street, 18th floor, Montréal, Québec, Canada, H3C 4M8, at any time up to and including the last business day preceding the Meeting or any adjournment thereof, or deposited with the Chair of such Meeting on the day of the Meeting or any adjournment thereof.

Voting by telephone or on the Internet

A registered shareholder who wishes to vote by telephone or on the Internet should follow the instructions appearing of his form of proxy.

B. Non-registered shareholders (or beneficial shareholders)

A shareholder is a non-registered shareholder (or a beneficial shareholder) if a bank, trust company, securities broker or other financial institution holds shares for him (his nominee). If shares appear in an account statement sent by a broker to the shareholder, such shares are most likely not registered in the name of the shareholder, but rather in the name of a broker or a representative of that broker. As a result, the non-registered shareholder must ensure that his voting instructions are communicated to the appropriate person before the Meeting or any adjournment thereof. Without specific instructions, brokers and their agents or nominees are prohibited from voting their clients' shares.

A shareholder who is not sure whether he is a registered or non-registered shareholder should contact Computershare, the Corporation's transfer agent, at 1-800-564-6253 (toll free in Canada and the United States) or at 514-982-7555 (in the Montréal area or from outside Canada and the United States).

Applicable securities laws and regulations, including *Regulation 54-101 Respecting Communication with Beneficial Owners of Securities of a Reporting Issuer*, require nominees of non-registered shareholders to seek their voting instructions in advance of the Meeting. Brokers and other intermediaries have their own procedures for sending materials and their own guidelines for the return of documents. Non-registered shareholders should follow these instructions to the letter if the voting rights attached to their shares are to be cast at the Meeting. Most brokers now delegate the responsibility of obtaining their clients' instructions to a third party. Non-registered shareholders who receive a voting instruction form from this third party may not use such form to vote directly at the Meeting as the voting instruction form must be returned to this third party in advance of the Meeting in order to have their shares voted or to appoint an alternative representative to attend the Meeting in person to vote such shares.

A non-registered shareholder may vote shares that are held by its nominee in one of the manners described below:

- in person at the Meeting;
- by proxy (voting instruction form);
- by telephone or on the Internet.

Voting in person at the Meeting

A non-registered shareholder who wishes to vote his shares in person at the Meeting must insert its own name in the space provided on the request for voting instruction in order to appoint himself as proxyholder and follow the nominee's instructions regarding signature and return of documents. The non-registered shareholder should not otherwise complete the form sent to him as his votes will be taken and counted at the Meeting. A non-registered shareholder who appoints himself as proxyholder should present himself at the Meeting to a representative of Computershare.

Voting by proxy (voting instruction form)

Whether or not he attends the Meeting, the non-registered shareholder may appoint another person to attend the Meeting and to vote his shares on his behalf as proxyholder.

A shareholder may choose anyone to be his proxyholder. The person he chooses does not have to be a shareholder of the Corporation. The shareholder should simply insert the person's name in the blank space provided on the voting instruction form. The shareholder should make sure that this person is attending the Meeting and is aware that he or she has been appointed to vote his shares. If a name is not inserted in the blank space, then one of the individuals named on the form, being Françoise Bertrand, or Pierre Karl Péladeau or the Right Honourable Brian Mulroney, each of whom being a director of the Corporation, will be appointed to act as proxyholder.

The appointed proxyholder is authorized to vote and act on behalf of a shareholder at the Meeting, including any adjournment thereof. The non-registered shareholder should indicate on the voting instruction form how he wants his shares to be voted. Alternatively, he can let his proxyholder decide for him. If the proxyholder does not attend the Meeting and vote in person, the shares will not be voted. Please refer to section *"C. Vote by proxyholders"* for additional details.

Revocation of a proxy

A non-registered shareholder who has given a proxy may revoke it by contacting his nominee in respect of such proxy and complying with any applicable requirements imposed by such nominee. The nominee may not be able to revoke a proxy if it receives insufficient notice of revocation.

Voting by telephone or on the Internet

A non-registered shareholder who wishes to vote by telephone or on the Internet should follow the instructions appearing on the voting instruction form.

C. Vote by proxyholders

The persons named in the enclosed form of proxy, or voting instruction form, will vote the shares in respect of which they are appointed on any ballot in accordance with the instructions of the shareholder appointing them, and in compliance with the applicable laws and regulations. **Unless otherwise indicated, the voting rights pertaining to the shares represented by a form of proxy or voting instruction form will be voted: i) FOR the election as a director of each person listed in this Circular; ii) FOR the appointment of Ernst & Young LLP ("Ernst & Young") as external auditor of the Corporation; and iii) AGAINST each of the shareholders' proposals described in Annex A.**

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

D. Date and time limits

The date and time limits to have a duly completed and signed form of proxy or voting instruction form received by the Corporation's transfer agent, Computershare, 100 University Avenue, 9th floor, Toronto, Ontario, Canada, M5J 2Y1, or to vote using the telephone or over the Internet, have been fixed at 5:00 p.m. on May 6, 2013, or, if the Meeting is postponed, no later than 5:00 p.m. two business days prior to the day fixed for the postponed Meeting.

II. BUSINESS OF THE MEETING

The resolutions submitted to a vote at the Meeting must be approved by a majority of the votes cast at the Meeting, in person or by proxy, by the holders of Class A Shares and Class B Shares, voting as a single class, except for the election of directors for which two separate votes will be taken. In accordance with the by-laws of the Corporation, voting will be conducted by a show of hand unless an open voice or a ballot is demanded.

FINANCIAL STATEMENTS AND EXTERNAL AUDITOR'S REPORT

The consolidated financial statements and the External Auditor's report thereon, for the financial year ended December 31, 2012, have been sent to all shareholders who have requested them and are available on the Corporation's Website at www.quebecor.com and under the Corporation's SEDAR profile at www.sedar.com. A presentation will also be made to the shareholders at the Meeting, but no vote is required thereon.

ELECTION OF DIRECTORS

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**"). Both classes of directors shall serve the same term of office and shall be equal in all respects. The term of office of each director elected will expire upon the election of his or her successor, unless he or she resigns from office or his or her office becomes vacant by death, removal or other cause.

On March 13, 2013, Mr. Pierre Parent, a director since 2003 and a member of the Corporation's Audit Committee and Compensation Committee, resigned from the Corporation's Board of Directors for personal reasons. As a result of this change, the Corporate Governance and Nominating Committee decided to review the composition of the Board of Directors and determined that it would be better to increase the size of the Board of Directors to nine members and to add two new members with an expertise complementary to that of existing members in order to better address the wide range of challenges and opportunities that the Corporation will be facing.

The Board of Directors has therefore set to nine the number of directors. The persons named in the section entitled "III. Board of Directors – Selection of candidates to the Board of Directors" will be presented for election at the Meeting. All of the nominees proposed for election as directors are currently directors of the Corporation, except for A. Michel Lavigne and Normand Provost. It is not contemplated that any of the nominees will be unable, or for any reason will become unwilling, to serve as a director but should that occur prior to the election, the persons named in the form of proxy or voting instruction form reserve the right to vote for another nominee in their discretion, unless the shareholder has specified that his shares be withheld from voting on the election of directors.

Except where authority to vote on the election of directors is withheld, the persons named in the accompanying form of proxy or voting instruction form will vote "**FOR**" the election of each of the nine nominees.

APPOINTMENT OF THE EXTERNAL AUDITOR

At the Meeting, the shareholders will be called upon to renew the appointment of the External Auditor to hold office until the next annual meeting of shareholders.

Except where authority to vote on the appointment of the External Auditor is withheld, the individuals named in the form of proxy, or voting instruction form, will vote "**FOR**" the appointment of Ernst & Young as the External Auditor of the Corporation. Ernst & Young has been acting as the External Auditor of the Corporation since June 26, 2008.

The Corporation incorporates herein by reference the information pertaining to the fees paid to Ernst & Young with respect to the two most recently completed financial years contained in the Annual Information Form for the year ended December 31, 2012. The Annual Information Form may be viewed under the Corporation's SEDAR profile at www.sedar.com and on the Corporation's Website at www.quebecor.com.

SHAREHOLDER PROPOSALS

At the Meeting, the shareholders will be asked to consider the shareholder proposals appearing in Annex A of this Circular.

Unless otherwise instructed, the persons named in the form of proxy or voting instruction form will vote "**AGAINST**" each of the proposals.

OTHER BUSINESS

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

III. BOARD OF DIRECTORS

SELECTION OF CANDIDATES TO THE BOARD OF DIRECTORS

As part of its mandate, the Corporate Governance and Nominating Committee must annually review the diversity of experience of board members in relation to the needs of the Corporation and must make the appropriate recommendations.

When a position on the Board is vacant, the Corporate Governance and Nominating Committee identifies potential candidates using the skills matrix that was prepared to identify the areas of expertise and skills required for the Board's needs. The Chair of the Corporate Governance and Nominating Committee then informs the Vice-Chair of the Board of its determinations and recommends a list of potential candidates to the Chair of the Board.The Chair of the Board and the Chair of the Corporate Governance and Nominating Committee meet with the Chief Executive Officer to discuss the above mentioned list and to select the most appropriate candidate.The Chair of the Board, or the Chief Executive Officer, meets with the candidate to confirm such candidate's interest and willingness to serve on the Corporation's Board.The Chair of the Board recommends the candidate to the Board of Directors.

The Corporate Governance and Nominating Committee assists the Board of Directors and its Chair in selecting committee members. The Corporate Governance and Nominating Committee has not considered it necessary to impose an age limit policy applicable to its directors.

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

Chair:	Pierre Laurin
Members:	Françoise Bertrand
	Sylvie Lalande

The Corporation has not adopted a majority voting policy which provides that a director who fails to receive a majority of votes in support of his election must resign. Indeed, the Corporation has witnessed certain proxy advisory firms using that mechanism to threaten corporation with an abstention from voting instruction for the election of directors if the corporation did not agree to certain requested changes that had no relationship to the personal and professional qualities of those directors. The Corporation believes that this practice is not acceptable and, for this reason, believes it is not appropriate for the time being to put in place a majority voting policy. Furthermore, the Corporation prefers to deal with situations where a director does not receive the vote of a majority of the shareholders in support of his or her appointment on a case by case basis. Finally, the Corporation will await the implementation of new regulatory initiatives on this subject to determine the exact extent of its new obligations.

IDENTITY OF THE CANDIDATES FOR ELECTION

Each of the nominees named hereinbelow has held the principal occupation indicated opposite his or her name for more than five years, except as otherwise indicated, or as disclosed in previous management proxy circulars of the Corporation.

The information on securities held was provided to the Corporation by each of the nominees. The number of shares, deferred stock units and the value of said units are given as of December 31, 2012. All eligible directors sitting on the Board of Directors of the Corporation in 2012 reached the target level of deferred stock units since at least 50% of their annual compensation was paid in the form of units.

CLASS A DIRECTORS

Françoise Bertrand

Independent
Director since 2003
Age: 64
Town of Mount-Royal
Québec (Canada)

Committees of the Board:
Chair of the Compensation Committee
Member of the Corporate Governance and Nominating Committee

Françoise Bertrand is Chair of the Board of Directors of the Corporation and President and Chief Executive Officer of the Fédération des chambres de commerce du Québec.

Prior to taking on the role of President and Chief Executive Officer of the Fédération des chambres de commerce du Québec, Françoise Bertrand gained prominence as President of the Canadian Radio-Television and Telecommunications Commission (CRTC) and as President and Chief Executive Officer of the Société de radio-télévision du Québec (Radio-Québec). She also served as Dean, Resource Management, at the Université du Québec (UQAM) in Montréal. She is a member of numerous charitable organizations and is an active participant in a number of associations. Ms. Bertrand attended the Directors Education Program provided by McGill University, and certified by the Institute of Corporate Directors.

Ownership of securities of the Corporation and its subsidiaries:

Class B Shares:	350
Value of Class B Shares:	$13,535
Deferred Stock Units:	15,427
Value of Deferred Stock Units:	$596,562

Other reporting issuers' directorship:

She is not a member of the Board of Directors of any other reporting issuers.

Jean La Couture
FCPA, FCA

Independent
Director since 2003
Age: 66
Montréal
Québec (Canada)

Committee of the Board:
Chair of the Audit Committee

Jean La Couture is President of Huis Clos ltée, a corporation he created in 1995, which specializes in management and mediation as well as in civil and commercial negotiations.

Jean La Couture is a Fellow of the Ordre des comptables professionnels agréés du Québec. He headed Le Groupe Mallette (an accounting firm) before becoming, from 1990 to 1994, President and Chief Executive Officer of The Guarantee Company of North America. Mr. La Couture is also President of the "Regroupement des assureurs de personnes à charte du Québec", a Quebec association of life insurers, and Chairman of the Board of the Institute of Corporate Directors, Quebec Chapter. He is also Chairman of the Board and Chairman of the Audit Committee and member of the Human Ressources Committee of Groupe Pomerleau (construction industry). Mr. La Couture is also director and Chairman of the Risk Management Committee of Caisse de dépot et placement du Québec, as well as director and Chairman of the Audit Committee of Quebecor Media Inc. and Videotron Ltd.

Ownership of securities of the Corporation and its subsidiaries:

Class B Shares:	3,000
Value of Class B Shares:	$116,010
Deferred Stock Units:	11,578
Value of Deferred Stock Units:	$447,721

Other reporting issuers' directorship:

Innergex Renewable Energy Inc.
- Chairman of the Board
- Chairman of the Nominating Committee
- Member of the Human Resources Committee
- Member of the Audit Committee
- Member of the Corporate Governance Committee

Sylvie Lalande

Independant
Director since 2011
Age: 62
Lachute
Québec (Canada)

Committee of the Board:
Member of the Corporate Governance and Nominating Committee

Sylvie Lalande is a corporate director.

She held several senior positions in the media, marketing, communication marketing and company communications sectors. Until October 2001, she was the Chief Communications Officer of Bell Canada. From 1994 to 1997, she was President and Chief Executive Officer of UBI Consortium, a consortium formed to develop and manage interactive and transactional communication services. From 1987 to 1994, she occupied several senior positions at Group TVA Inc. and at Le Groupe Vidéotron ltée. Ms. Lalande began her career in the radio industry, after which she founded her own consultation firm. In 2006, Ms. Lalande earned a university certificate in corporate governance from the Collège des administrateurs de sociétés.

Ownership of securities of the Corporation and its subsidiaries:

Class B Shares:	1,000
Value of Class B Shares:	$38,670
Class B shares of TVA Group Inc.:	1,550
Value of TVA Group Inc.'s class B shares :	$13,160
Deferred Stock Units:	3,697
Value of Deferred Stock Units:	$142,963

Other reporting issuers' directorship:

GLV Inc.
- Chair of the Corporate Governance and Human Resources Committee and lead director

TVA Group Inc.
- Member of the Compensation Committee

Pierre Laurin

Independent
Director since 1991
Age: 73
Nuns' Island, Verdun
Québec (Canada)

Committees of the Board:
Chair of the Corporate Governance and Nominating Committee
Member of the Audit Committee
Member of the Compensation Committee

Pierre Laurin is Chairman of the Board of Atrium Innovations Inc., a manufacturer and marketer of products for the health care nutrition industry.

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

Ownership of securities of the Corporation and its subsidiaries:

Deferred Stock Units:	11,155
Value of Deferred Stock Units:	$431,364

Other reporting issuers' directorship:

Atrium Innovations Inc.
Chairman of the Board

The Right Honourable Brian Mulroney, P.C., C.C., LL.D.

Non-independent
Director since 1999
Age: 74
Westmount
Québec (Canada)

Committee of the Board:
None

The Right Honourable Brian Mulroney is Vice Chairman of the Board of Directors of the Corporation and Senior Partner of the law firm Norton Rose Canada.

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

Ownership of securities of the Corporation and its subsidiaries:

Class A Shares:	1,000
Value of Class A Shares:	$38,730
Deferred Stock Units:	28,851
Value of Deferred Stock Units:	$1,115,668

Other reporting issuers' directorship:

Barrick Gold Corporation (Toronto)
The Blackstone Group L.P. (New York)
Member of the Audit Committee
Member of the Conflicts Committee
Wyndham Worldwide Corporation (New Jersey)
Chairman of the Compensation Committee
Member of the Corporate Governance Committee
Tuckamore Capital Management Inc.

Pierre Karl Péladeau

Non-independent
Director since 1992
Age: 51
Outremont
Québec (Canada)

Committee of the Board:
None

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

Pierre Karl Péladeau joined the Corporation as Assistant to the President in 1985. Since then, he has occupied various positions in the Quebecor group of companies. He was appointed President and Chief Executive Officer of the Corporation in April 1999. In 1998, he spearheaded the acquisition of Sun Media Corporation and in 2000, he was responsible for the acquisition of Groupe Vidéotron. He was also President and Chief Executive Officer of Videotron Ltd. from July 2001 until June 2003, and President and Chief Executive Officer of Quebecor Media Inc. from August 2000 to March 2004. From March 2004 to May 2006, he held the position of President and Chief Executive Officer of Quebecor World Inc., in addition to his other functions and returned to Quebecor Media Inc. in May 2006 as Vice-Chairman of the Board and Chief Executive Officer, and as President and Chief Executive Officer since August 1, 2008. He is also President and Chief Executive Officer of Sun Media Corporation since November 7, 2008. Pierre Karl Péladeau sits on the board of numerous Quebecor group of companies and is active in many charitable and cultural organizations. Mr. Péladeau is also involved in the entrepreneurial community and is Chairman of the Board of the Fondation de l'entrepreneurship.

Ownership of securities of the Corporation and its subsidiaries:

Class A Shares*:	17,468,464
Value of Class A Shares:	$676,553,611
Class B Shares*:	207,260
Value of Class B Shares:	$8,014,744
Deferred Stock Units:	6,475
Value of Deferred Stock Units:	$250,388

Other reporting issuers' directorship:

TVA Group Inc.
Vice Chairman of the Board

* Pierre Karl Péladeau and Les Placements Péladeau inc., a corporation controlled by Pierre Karl Péladeau, hold directly and indirectly these Class A Shares and Class B Shares.

CLASS B DIRECTORS

A. Michel Lavigne
FCPA, FCA

Independent
Age: 62
Laval
Québec (Canada)

Committee of the Board:

None

A. Michel Lavigne is a corporate director.

He was, until May 2005, President and Chief Executive Officer of Raymond Chabot Grant Thornton in Montréal, as well as Chairman of the Board of Grant Thornton Canada. He has also been a member of the Board of Governors of Grant Thornton International. Mr. Lavigne is a Fellow Chartered Accountant of the Ordre des comptables professionnels agréés du Québec and a member of the Canadian Institute of Chartered Accountants since 1973.

Mr. Lavigne is also a director and a member of the Audit and Compensation Committees of Quebecor Media Inc. as well as a director and member of the Pension and Audit Committees of Canada Post Corporation. He is also a director and Chairman of the Board of Teraxion Inc. He was until recently a director and Chairman of the Audit Committee of Caisse de dépot et placement du Québec.

Ownership of securities of the Corporation and its subsidiaries:

Class B Shares of TVA Group Inc.:	2,000
Value of Class B Shares of TVA Group Inc.:	$16,980

Other reporting issuers' directorship:

TVA Group Inc.
- Member of the Audit Committee

Primary Energy Recycling Corporation
- Chairman of the Board
- Member of the Audit Committee

Geneviève Marcon

Independent
Director since 2012
Age: 44
Lac Beauport
Québec (Canada)

Committee of the Board:

None

Geneviève Marcon is President of GM Développement inc., a company operating in the real-estate sector as owner, developer and manager of properties.

Ms. Marcon is associated with the revitalization of the Saint-Roch neighbourhood in Québec City, where she conducted several restoration and construction projects for the transformation of this neglected neighbourhood into an attractive urban center. Ms. Marcon, who has a background in industrial relations from Laval University, has also made her mark in the retail business sector. Convinced of her vision for the development of Saint-Roch, she opened the Benjo store in 1995 which has since become a benchmark in the toy sector. Ms. Marcon is a member of the Board of Directors of Quebec International, a regional economic development agency.

Recognized for her involvement in the community, Geneviève Marcon is active in several social and cultural organizations.

Ownership of securities of the Corporation and its subsidiaries:

Deferred Stock Units:	1,202
Value of Deferred Stock Units:	$46,481

Other reporting issuers' directorship:

She is not a member of the Board of Directors of any other reporting issuers.

Normand Provost

Independent
Age: 58
Brossard
Québec (Canada)

Committee of the Board:

None

Normand Provost is Executive Vice-President, Equity of the Caisse de dépôt et placement du Québec, one of the largest institutional fund managers in Canada and North America since October 2003. *

Since September 2009, backed by his extensive knowledge of the Québec business community, Mr. Provost has assumed the leadership of all of the Caisse's initiatives in Québec. Mr. Provost joined the Caisse in 1980 and has held several positions within the institution, ranging from Advisor and Investment Manager, specializing in midsize businesses, to President of the subsidiary CDP Capital – Americas, from 1995 to 2003. In addition to his responsibilities in the investment sector, Mr. Provost served as Chief Operating Officer from April 2009 to March 2012.

Normand Provost is a member of the Caisse's Executive Committee.

Ownership of securities of the Corporation and its subsidiaries: –

Other reporting issuers' directorship:

He is not a member of the Board of Directors of any other reporting issuers.

* On October 11, 2012, the Corporation purchased 10,175,653 common shares of QMI held by the Caisse and QMI repurchased 20,351,307 common shares of its capital held by the Caisse. Please refer to the Material Change Report filed by the Corporation on SEDAR on October 3, 2012.

Skills matrix - nominees for election to the Board of Directors

The following table shows some of the current expertise considered as part of the matrix developed by the Corporate Governance and Nominating Committee and identifies the expertise and skills of each nominee for election to the Board of Directors.

SKILLS MATRIX	Entrepreneurship	Communication / Marketing	Experience as a Board Member	Corporate Governance	Finance / Accounting / Risk Management	Legal	Regulatory and Public Affairs	Compensation / Labor Relations / Human Resources	Artistic and Cultural Sectors	Television	Telecommunications	Newspapers	Retail Business	Events Management
Francoise Bertrand		√	√	√			√	√	√	√	√			√
Jean La Couture	√		√	√	√									
Sylvie Lalande		√	√	√			√	√	√	√	√			√
Pierre Laurin	√		√	√	√			√			√			
A. Michel Lavigne	√		√	√	√			√					√	
Geneviève Marcon	√	√			√				√				√	√
Brian Mulroney		√	√		√	√	√	√				√		
Pierre Karl Péladeau	√	√	√	√	√	√	√	√	√	√	√	√	√	
Normand Provost	√		√		√			√						

Board interlocks

The Board does not limit the number of its directors who sit on the same board of another public company but reviews interlocking board memberships and believesdisclosing them is important.

The following table sets out interlocking board memberships of other reporting issuers of the Corporation's directors.

Corporation	Director	Committee membership
TVA Group Inc.	Sylvie Lalande	Compensation Committee
	A. Michel Lavigne	Audit Committee
	Pierre Karl Péladeau	None

Attendance at Board of Directors and committee meetings

The following table sets forth the attendance of directors at meetings of the Board of Directors and of its committees held during the financial year ended December 31, 2012.

Directors	Board of Directors and Committees	Attendance at Meetings
Françoise Bertrand [1]	Board of Directors Compensation Committee Corporate Governance and Nominating Committee	9/9 2/2 2/2
Jean-Marc Eustache [2]	Board of Directors	1/1
Jean La Couture	Board of Directors Audit Committee	9/9 7/7
Sylvie Lalande [3]	Board of Directors Corporate Governance and Nominating Committee	9/9 2/2
Pierre Laurin	Board of Directors Audit Committee Corporate Governance and Nominating Committee Compensation Committee	9/9 7/7 2/2 2/2
Geneviève Marcon [4-5]	Board of Directors	7/7
The Right Honourable Brian Mulroney	Board of Directors	9/9
Pierre Parent	Board of Directors Audit Committee Compensation Committee	9/9 7/7 2/2
Pierre Karl Péladeau	Board of Directors	9/9
Overall Rate of Attendance	**Board of Directors Meetings** **Committee Meetings**	**100 %** **100 %**

1. Françoise Bertrand attended, as a guest, two meetings of the Audit Committee.
2. Jean-Marc Eustache resigned as a director on January 17, 2012.
3. Sylvie Lalande attended, as a guest, one meeting of the Compensation Committee.
4. Since her appointment on May 9, 2012.
5. Geneviève Marcon attended, as a guest, one meeting of the Audit Committee and one meeting of the Compensation Committee.

COMPENSATION OF DIRECTORS

All directors who are not employees of the Corporation received, during the financial year ended December 31, 2012, the following compensation:

Annual Base Compensation	($)
Chair of the Board of Directors [1]	310,000
Directors [2]	55,000
Chair of the Audit Committee	10,000
Chair of other committees	8,000
Members of the Audit Committee (except Chair)	4,000
Members of other committees (except Chairs)	3,000
Attendance fees (per meeting)	**($)**
Board of Directors meetings	2,000
Audit Committee meetings	3,000
Other committee meetings	2,000

1. The Chair of the Board does not receive additional compensation for acting as director or for acting as Chair or member of a committee. Also, no attendance fees are paid for attending Board of committee meetings.
2. 50% of which must be received in the form of deferred stock units.

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

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

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

Under the DSUP, all of the units credited to the director are redeemed by the Corporation at the director's request and the value thereof paid upon the director ceasing to serve as a director of the Corporation. The redemption of such units must occur no later than December 15 of the first calendar year commencing after the year in which the participant ceased to qualify as a DSUP participant. During the past fiscal year, 16,925 units were redeemed following the departure of Mr. Jean-Marc Eustache. For purposes of the redemption of units, the value of a unit corresponds to the market value of a Class B Share on the redemption date, being the closing price of Class B Shares on the Toronto Stock Exchange on the last trading day preceding such date.

The following tables set forth the details of the annual compensation and attendance fees paid to the directors for the year 2012, as well as a summary of the compensation distribution.

Directors Compensation Table

Name	Compensation					Share-based Awards		All Other Compen-sation ($)	Total Compens-ation Paid ($)
	Annual Compen-sation ($)	Attendance fees ($)	Compens-ation Chair of Committee ($)	Compens-ation Committee Members ($)	Total Compens-ation ($)	Awards under DSUP ($)	Dividends Paid in the Form of Units ($)		
Françoise Bertrand	310,000	—	—	—	310,000 [1]	—	2,593	—	**312,593**
Jean-Marc Eustache	2,569	2,000	—	—	4,569	—	—	—	**4,569**
Jean La Couture	27,500	39,000	10,000	—	76,500 [2]	27,500	2,196	93,000 [3]	**199,196**
Sylvie Lalande	27,500	22,000	—	3,000	52,500 [4]	27,500	487	45,000 [5]	**125,487**
Pierre Laurin	27,500	47,000	8,000	7,000	89,500	27,500	2,138	—	**119,138**
Geneviève Marcon	17,754	14,000	—	—	31,754 [6]	17,754	52	—	**49,560**
Brian Mulroney	27,500	18,000	—	—	45,500 [7]	27,500	5,520	166,000 [8]	**244,520**
Pierre Parent	27,500	43,000	—	7,000	77,500	27,500	6,023	—	**111,023**
TOTAL	**467,823**	**185,000**	**18,000**	**17,000**	**687,823**	**155,254**	**19,009**	**304,000**	**1,166,086**

1. From this amount, Ms. Bertrand elected to receive $155,000 in DSUP.
2. From this amount, Mr. La Couture elected to receive $7,650 in DSUP.
3. Compensation received for acting as director of QMI and Videotron.
4. Ms. Lalande elected to receive the total amount in DSUP.
5. Compensation received for acting as director of TVA.
6. From this amount, Ms. Marcon elected to receive $25,403 in DSUP.
7. Mr. Mulroney elected to receive the total amount in DSUP.
8. From this amount, $66,000 were received for acting as director of QMI and $100,000 were received for acting as consultant.

Name	Compensation Distribution	
	Cash ($)	Units ($)
Françoise Bertrand	155,000	157,593
Jean-Marc Eustache	4,569	—
Jean La Couture	161,850	37,346
Sylvie Lalande	45,000	80,487
Pierre Laurin	89,500	29,638
Geneviève Marcon	6,351	43,209
Brian Mulroney	166,000	78,520
Pierre Parent	77,500	33,523
Total	**705,770**	**460,316**

Share-based awards

The following table sets forth for each director all deferred stock unit awards outstanding as at December 31, 2012. No stock options of the Corporation and its subsidiaries were held by directors at that date (other than those who are also officers of the Corporation).

Directors	Share-based Awards		
	Number of DSU that have not vested (#)	Market or payout value of DSU that have not vested [(1)] ($)	Market or payout value of vested DSU not paid out or distributed ($)
Françoise Bertrand	15,427	596,562	—
Jean-Marc Eustache	—	—	—
Jean La Couture	11,578	447,721	—
Sylvie Lalande	3,697	142,963	—
Pierre Laurin	11,155	431,364	—
Brian Mulroney	1,202	46,481	—
Jean Neveu	28,851	1,115,668	—
Pierre Parent	30,648	1,185,158	—
Pierre Karl Péladeau [(2)]	6,475	250,388	—

(1) The value of the DSU is based on the closing price of the Class B Shares of the Corporation on the Toronto Stock Exchange on December 31, 2012 which was at $38.67 per share. According to the DSUP, the units are vested only after the director ceases to be a member of the Board of Directors.

(2) Since March 2004, Pierre Karl Péladeau no longer receives DSUs for acting as a director of the Corporation. Only dividends are paid to him.

As at December 31, 2012, the directors held a total value of $4,216,305 in DSUs of the Corporation.

Additional disclosure relating to directors

From April 2, 2008 to May 20, 2008, Françoise Bertrand, Jean La Couture, The Right Honourable Brian Mulroney and Pierre Karl Péladeau were subject to a cease trade order on the securities of the Corporation imposed by the *Autorité des marchés financiers* in the context of the late filing of the Corporation's 2007 annual financial statements and related management's discussion and analysis.

Finally, Jean La Couture, The Right Honourable Brian Mulroney and Pierre Karl Péladeau were directors and/or officers of Quebecor World Inc., a corporation that filed for and obtained protection under the *Companies' Creditors Arrangement Act* (Canada) on January 21, 2008.

IV. STATEMENT OF CORPORATE GOVERNANCE PRACTICES

INDEPENDENCE OF DIRECTORS

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

Directors	Independent	Non independent
Françoise Bertrand	Françoise Bertrand is considered independent because she has no direct or indirect material relationship with the Corporation. The position of Chair of the Board of Directors is considered as a part-time function.	
Jean La Couture	Jean La Couture is considered independent because he has no direct or indirect material relationship with the Corporation.	
Sylvie Lalande	Sylvie Lalande is considered independent because she has no direct or indirect material relationship with the Corporation.	
Pierre Laurin	Pierre Laurin is considered independent because he has no direct or indirect material relationship with the Corporation.	
A. Michel Lavigne	A. Michel Lavigne is considered independent because he has no direct or indirect material relationship with the Corporation.	
Geneviève Marcon	Geneviève Marcon is considered independent because she has no direct or indirect material relationship with the Corporation.	
The Right Honourable Brian Mulroney		The Right Honourable Brian Mulroney is not independent because he is a senior partner of the law firm Norton Rose Canada, principal legal counsel to the Corporation and its subsidiaries. In addition, he receives consulting fees (please refer to the "Directors Compensation Table" of this Circular).
Pierre Karl Péladeau		Pierre Karl Péladeau is not independent because he is an executive officer of the Corporation and Quebecor Media Inc.
Normand Provost	Normand Provost is considered independent because he has no direct or indirect material relationship with the Corporation.	

The Chair of the Board is appointed each year from among the members of the Board of Directors. The Board of Directors is of the opinion that maintaining separate Chair and Chief Executive Officer positions allows the Board to function independently of management.

<u>In camera sessions</u>

After each meeting of the Board of Directors and of its committees, a meeting of the independent directors is held, at which members of management are not in attendance. These meetings encourage free and open discussions among the independent directors.

BOARD OF DIRECTORS MANDATE

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

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

A copy of the Board Mandate is annexed hereto as Schedule "**B"**. A copy of the Board Mandate is also available on the Corporation's Website at www.quebecor.com.

POSITION DESCRIPTIONS

Chair of the Board and Chair of Committee

The Board of Directors has adopted position descriptions for the Chair of the Board, the Vice-Chair of the Board and the Chair of each Board committee.

The Chair of the Board of Directors is responsible for the efficient operation of the Board of Directors. She ensures that the Board of Directors fully executes its mandate and that the directors clearly understand and respect the boundaries between the responsibilities of the Board of Directors and the responsibilities of Management. The Vice-Chair of the Board performs all the functions of the Chair of the Board during her absence or inability to act. He assists the Chair of the Board in her functions.

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

Position descriptions (chair mandates) are available on the Corporation's Website at www.quebecor.com.

President and Chief Executive Officer

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

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

ORIENTATION AND CONTINUING EDUCATION

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

Senior management members regularly make presentations to the Board of Directors regarding the Corporation's principal business lines. For this purpose, the Corporation organizes education sessions to present the major trends related to its main activities. Thus, in 2012, all directors attended the presentations that were made on the following topics:

- ➢ Summary of major trends observed at the “Consumer Electronic Show 2012”
- ➢ Evolution of digital contents in the newspapers industry
- ➢ Business strategy in telecommunications

In addition, all directors attended the 2-day sessions where the strategic plans of the Corporation and its subsidiaries have been presented as well as the main orientations for 2013-2015.

Moreover, the Corporate Governance and Nominating Committee evaluated the various means that would allow the directors to always remain well informed about the Corporation’s regulatory obligations as well as the latest trends with regards to corporate governance and offered all interested directors the possibility of attending training sessions organized by specialized firms on topics of interest so as to help the directors fully perform their duties. For 2012, the following training sessions were offered to the directors:

- ✓ Employee equity and profit participation: A model to follow?
- ✓ When to bow out? Looking at the key trends and best practices in term duration and Board member replacement procedures
- ✓ Governance – Value creation
- ✓ Tell me something that I don’t know
- ✓ The role of the Board in succession planning
- ✓ What must discerning directors learn from the U.S. Elections
- ✓ Risk management
- ✓ Portraits of directors: the Best and Worst

In between Board meetings, directors are provided with analyst reports, relevant media reports and other documentation to keep them informed of any changes within the Corporation, the industry or the regulatory environment.

ETHICAL BUSINESS CONDUCT

The Corporation and its subsidiaries adopted a Code of Ethics to encourage and promote a culture of ethical business conduct within the Corporation. The Code of Ethics may be consulted under the Corporation’s SEDAR profile at www.sedar.com. The Code is also available on the Corporation’s Website at www.quebecor.com. The Corporate Governance and Nominating Committee reviews and approves all amendments made to the Code of Ethics.

The Code of Ethics is given to all of the Corporation’s employees and such employees undertake in writing to abide by the Code. The Code of Ethics is communicated annually. Every four years, the non-unionized employees must sign again the declaration concerning the Code, except if a substantital review of the Code has been made during this period, in which case, all employees will receive a new copy of the Code and a new declaration will be requested from the non-unionized employees.

Furthermore, the Vice-President, Internal Audit reports to the Audit Committee on all departures from the Code of Ethics reported to him through the line of ethic and the steps taken by the Corporation to correct them. The Chairman of the Audit Committee informs the Board of Directors thereof at each regular meeting of the Board. The Vice-President, Internal Audit also reports annually to the Corporate Governance and Nominating Committee.

Neither the Board of Directors nor the Corporate Governance and Nominating Committee has allowed departures from the Code of Ethics by a director or executive officer over the past twelve months or during any part of the year 2012. Accordingly, no material change report was needed or filed.

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

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

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

Finally, the *Communications Policy* ensures that disclosure to the investing public regarding the Corporation is made in a timely manner, in keeping with the facts, accurately and widely, in accordance with the applicable statutory and regulatory requirements.

Trading and hedging restrictions

Moreover, although the Board of Directors has not adopted a policy prohibiting insiders from buying financial instruments or derivatives to protect against fluctuations in the price of the Corporation's shares which they hold, the Corporation is not aware of any insider who has concluded transactions of this kind.

COMMITTEES OF THE BOARD OF DIRECTORS

Corporate Governance and Nominating Committee

In addition to the responsibilities and powers described under section "Selection of candidates to the Board of Directors" of this Circular, the Corporate Governance and Nominating Committee is also responsible for assisting the Board in developing and monitoring the Corporation's corporate governance practices. The Committee presents to the Board of Directors, on a regular basis, its recommendations for improving the Corporation's corporate governance practices.

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

Compensation Committee

Please refer to section entitled "Compensation of Executive Officers – Compensation Committee" of this Circular which gives details on the composition of the committee and its mandate.

A copy of the Compensation Committee's mandate is available on the Corporation's Website at www.quebecor.com

Audit Committee

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

In 2012, the Audit Committee was composed exclusively of independent directors, namely:

Chair:	Jean La Couture
Members:	Pierre Laurin
	Pierre Parent

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

The Corporation hereby incorporates by reference the additional information on its Audit Committee set out in its Annual Information Form for the fiscal year ended December 31, 2012. The Annual Information Form is available under the Corporation's SEDAR profile at www.sedar.com and on the Corporation's Website at www.quebecor.com.

ASSESSMENT

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

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

V. COMPENSATION OF EXECUTIVE OFFICERS

COMPENSATION COMMITTEE

Composition of the Compensation Committee

The Compensation Committee is comprised of three independent directors. In 2012, the members of the Compensation Committee were: Françoise Bertrand, Pierre Parent and Pierre Laurin. On the basis of their professional background, education and involvement on a Board of Directors, all members are sufficiently experienced in matters relating to compensation.

Ms. Bertrand, chair of the Compensation Committee, has extensive experience in the field of compensation of senior executives and has the required skills to guide the Compensation Committee in its review of compensation practices. In fact, she has been called on throughout her career to manage and supervise all aspects of compensation having held various senior management positions within leading organizations, including that of Dean of Resource Management at the Université du Québec à Montréal, President and Chief Executive Officer of the Société de radio-télévision du Québec (Radio-Québec), chair of the Canadian Radio-television Telecommunications Commission (CRTC) and, since 2003, President and Chief Executive Officer of the Fédération des chambres de commerce du Québec. In addition, Ms. Bertrand has completed the director development program which includes a detailed component relating to the appointment, evaluation, compensation and succession planning of management teams.

For his part, Mr. Parent has managed businesses for over 40 years as President and Chief Executive Officer and oversees the management of compensation programs for such businesses, including performance evaluation and establishment of the compensation structure. In addition, he has acquired notable management experience throughout his career. As for Mr. Laurin, he was a teacher of business policy at HEC Montreal in addition to leading this institution for several years. For more than 10 years, Mr. Laurin has been Chairman of the Board of Directors of Atrium Innovations to which its compensation committee reports.

At the meeting, Françoise Bertrand, chair of the Compensation Committee, will be available to answer questions relating to compensation.

Mandate of the Compensation Committee

Among the Compensation Committee's responsibilities, the following are included:

a) Ensure that appropriate processes are in place with regards to succession planning for the position of Chief Executive Officer and other senior management positions;

b) Recommend to the Board of Directors the appointment of senior management of the Corporation and approve the terms and conditions of their hiring or termination;

c) In collaboration with the Compensation Committee of Quebecor Media Inc. ("**QMI**"), annually review the objectives that the Chief Executive Officer is expected to reach, evaluate him in light of those objectives and other factors deemed relevant by the Compensation Committee, report annually to the Board of Directors on the results of their evaluation and recommend the Chief Executive Officer's total compensation and overall objectives to the Board of Directors;

d) In collaboration with the Compensation Committee of QMI, review the performance assessment of the Chief Financial Officer and recommend his overall compensation to the Board of Directors;

e) Determine grants of stock options under the Corporation's stock option plan and make appropriate recommendations to the Board of Directors;

f) Ensure that the Corporation has a competitive compensation structure so as to attract, motivate and retain qualified individuals that the Corporation requires to meet its business objectives.

g) Ensure that the policies and compensation programs in place do not encourage executives to take excessive risks or make profitable short-term decisions that could undermine the long-term viability of the Corporation.

The Compensation Committee carries out its mandate within the parameters of compensation policies implemented by the Corporation which provide a framework for the overall compensation structure described in the next section.

The mandate of the Compensation Committee may be viewed under the "Corporate Governance" section, under the "Investor Centre" heading of the Corporation's Website at www.quebecor.com.

Succession Plan

Annually, the Compensation Committee reviews and analyzes the succession plan prepared by the Corporation's management. This succession plan is established by each subsidiary. However, in order to ensure a high-quality succession plan for the Corporation's senior management positions, the Corporation looks to its entire talent pool to identify the best candidates. The annual succession planning process includes three components: senior management succession, positions deemed critical and promising candidates. The Compensation Committee conducts an annual follow-up on the succession plan for management positions for each major subsidiary. During this process, those positions deemed critical, the individuals occupying them and their potential successors are also analysed in greater depth. Promising candidates, regardless of their current level, are also reviewed to ensure that an appropriate development plan is in place for them.

Succession planning is reviewed on an annual basis in relation to these three aspects, ensuring that a strong plan is in place and that the Corporation is retaining its top talent. Succession planning is implemented in the same manner for all subsidiaries and all levels, to ensure sound talent management.

Compensation consultants

Towers Watson is providing advice on executive compensation for several years concerning primarily the evaluation of the compensation of certain key management executives in the market. The specific market is established with their help reflecting individual conditions of each senior executive position.

At the end of 2011, their services were retained to validate the compensation of certain executives vis-à-vis the market.

Almost all of the mandates entrusted to them have been at the request of the Compensation Committee. On very rare occasions, the Corporation has used the services of Towers Watson without specific request being made.

The fees paid to Towers Watson during the last two fiscal years were as follows:

Kind of Fees	2012	2011
Executive Compensation – Related Fees	$30,000	$20,500
Other Fees	$ —	$ —

COMPENSATION ANALYSIS

Compensation principles

The Corporation and its subsidiaries want to attract and retain key talent to carry out its business mission. They believe that performance and competencies are fundamental factors for the salary progression of their employees and the determination of their overall compensation.

To that end, they have implemented a compensation policy which provides for a global compensation structure that ensures:

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

In concordance with the aggregate compensation package, the compensation policy and practices target the objectives described below.

Objectives of compensation plans

An employee's overall remuneration goes beyond the base salary paid. It includes a series of components forming a compensation package, all aspects of which must be taken into account, for both the employee and the Corporation. Compensation for the President and Chief Executive Officer, the Chief Financial Officer and the other three most highly compensated executives in the Corporation who held their positions as at December 31, 2012 (collectively, the "**Named Executive Officers**") may consist of one or more of the following components from which the objective of compensation differs from one another:

	Components	Reasons
Direct Compensation	Base salary	• Attract, retain, motivate and provide financial security.
	Short-term Incentive (bonus)	• Align executive initiatives with strategic objectives and business priorities. • Assign accountability to senior executives for the achievement of financial and strategic objectives.
	Mid-term Incentive (retention program with respect to certain senior executives)	• Create a link between compensation and the implementation of key elements of the strategic plans pertaining to certain subsidiaries.
	Long-term Incentive (Stock Option Plan)	• Render the executive accountable for the achievement of financial objectives year after year. • Attach executive initiatives with the Corporation's long-term strategic objectives which also correspond to the interests of shareholders. • Provide an additional retention tool and compensate for the absence of a supplementary retirement plan.

	Components	Reasons
Indirect Compensation	Benefits (including pension)	• Promote employee health and well-being (financial and physical). • Provide financial security and offer competitive benefits.
	Perquisites	• Attract and retain talent. • Offer competitive benefits.

Direct compensation (base salary; short, medium and long-term incentives) is established by taking into account the reference market, the positioning desired by the Corporation and its capacity to pay. Towers Watson participated in the determination of the selection criteria in order to establish comparison groups, thus creating sound and personalized reference markets which were approved by the Chair of the Compensation Committees of the Corporation and of QMI.

The Compensation Committee considers that the criteria used to establish reference groups allows for a good overview of senior executive compensation in companies that are operating in comparable sectors and that have a similar capital structure to that of the Corporation. The Compensation Committee will review the composition of reference groups as the need arises.

The reference group for the President and Chief Executive Officer (the "**President**") is composed of the following companies:

Companies	Criteria			
	Sector of similar activity to that or the Corporation or its subsidiaries (1)	Major companies based in Québec	Canadian companies with earnings between $3 and $6 billion	Multiple Voting Shares
Alimentation Couche-Tard Inc.		√		√
Astral Media Inc.	√	√		√
Bell Canada	√			
Bell Media	√			
Blackberry	√			
Bombardier Inc.		√		√
Canadian National Railway Company		√		
Canadian Tire Corporation, Limited				√
CGI Group Inc.		√	√	√
Cogeco Inc.	√			√
Corus Entertainment Inc.	√			√
Finning International Inc.			√	
Metro Inc.		√		√
MTS Allstream	√			
Rogers Communications Inc.	√			
RONA Inc.		√	√	
Saputo Inc.		√	√	
Shaw Communications Inc.	√		√	√
SNC-Lavalin Group Inc.		√		
TELUS Corporation	√			
The Jean Coutu Group (PJC) Inc.		√		√
Thomson Reuters Corporation	√			

Companies	Criteria			
	Sector of similar activity to that or the Corporation or its subsidiaries [(1)]	Major companies based in Québec	Canadian companies with earnings between $3 and $6 billion	Multiple Voting Shares
Torstar Corporation	√			√
Transat A.T Inc.		√	√	
Transcontinental Inc.	√	√		√

(1) Cable distribution, television, newspapers, retail and/or distribution and the Internet

The reference groups for the position of President of Videotron Ltd. ("**Videotron**") and of President of TVA Group Inc. ("**TVA**") are composed of the following companies:

Videotron
Canada
Aliant / Bell Aliant Inc.
Astral Media Inc.
Bell Canada
Bell Media
Cogeco Inc.
Corus Entertainment Inc.
Lions Gate Entertainment Corp.
MTS Allstream
Rogers Communications Inc.
Shaw Communications Inc.
TELUS Corporation
United States
Cablevision Systems
CenturyLink Inc.
Comcast Cable Communications
Cox Enterprises
Level3 Communications
MetroPCS Communications
Sprint Nextel
Time Warner Cable
United States Cellular

TVA
Canada
Astral Media Inc.
Bell Aliant
Bell Media
Cogeco Inc.
Corus Entertainment Inc.
Glacier Media Inc.
Lions Gate Entertainment Corp.
Rogers Broadcasting
Score Media Inc.
Shaw Communications Inc.
Torstar Corporation

In consideration of revenues generated by Videotron being within the 25th percentile (the bottom quartile) of the US reference group, it was decided to compare the position of president of Videotron to that of presidents of subsidiaries / groups / divisions within the US organizations.

For the Chief Financial Officer of the Corporation, the reference market consists of Canadian companies against which the compensation comparison is performed using a regression analysis that estimates the amount of competitive compensation based on the size of the Corporation relative to that of other members of the reference group.

For the President, Consumer Services, Videotron, the reference market is the general telecommunications market.

Objectives of the compensation elements

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

For short-term incentive plans, although the financial objective based on operating income[1] (to which certain adjustments have been made) is still a major component in the calculation of the various incentive plans, some target organizational objectives have been integrated in order to reward the implementation of specific strategies. Whether in terms of protecting our market share while creating new content, establishing multiplatform structures (i.e., for the broadcasting of content in multiple media), strict cost control and continuous improvement of customer service, these elements are all criteria that enable the Corporation to create solid foundations for the mid-term strategic plan. The objectives are reviewed annually to ensure alignment with new business imperatives.

Mid-term incentive plans were designed to create a direct relationship between compensation paid to executive officers and the achievement of objectives over a three-year period. These objectives are specific and based on the business plan of the group for which the incentive plan was created.

Long-term compensation in the form of stock options allows the Corporation to reach several objectives over a longer period of time. The first objective of this compensation component is to provide an incentive for the participants to take the proper actions, sometimes difficult in the short term, so that the Corporation can carry out its business plan and build for the long term. The second objective of this compensation component is to align the interests of the senior executives with those of the shareholders. In order to demonstrate to certain senior executives the importance the Corporation ascribes to their performance and contribution and to provide an incentive for them to stay with the Corporation for the long term, grants may cover a horizon of more than one year.

Compensation components

The total compensation package offered to senior executives for 2012 has been set in accordance with a "pay-for-performance" philosophy which reflects individual performance, the performance of the business units and that of the enterprise as a whole. It favors:

- Alignment of compensation with the interests of the shareholders to maximize their equity over the long term;
- Promotion of and remuneration for the attainment or overachievement of organizational and financial objectives;
- Offering a competitive compensation package to retain and motivate talent.

The various compensation components are described below:

Components	Description	Eligibility
Base salary	• Annual cash base compensation commensurate with skills, the level of responsibilities and the determined reference market.	All employees

Short-Term Incentive	• Bonus plan with targets ranging from 7.5% to 100% of base salary.
	• Bonus objectives based on the following components:
	  • Operating income (25% to 100%)
	  • Strategic objectives (25% to 75%)
	• In order for the bonus to be paid, the financial criterion must be achieved at the level set at the beginning of the year.
	• If the objectives are exceeded, bonus may be increased up to a maximum varying between 1.5x and 2x of target.
		Professionals and senior positions

[1] Operating income is a financial measure that is not consistent with IFRS. For the definition of this measure and its reconciliation with the financial measure established in accordance with IFRS in the Corporation's financial statements, please refer to management's discussion and analysis for the year ended December 31, 2012, which is available on our Website and on the SEDAR Website at www.sedar.com.

Components	Description	Eligibility
Mid-Term Incentive	• Bonus plan based on a 3-year cycle and payable at the end of the cycle only if all criteria have been achieved. • Bonus represents a percentage of base salary and varies from 20% to 200% depending on the relative position level within the organization and its strategic impact. • Bonus paid under the Mid-term incentive plans are capped and cannot be increased even if the objectives are surpassed. • Videotron's objectives: Realization of operating income, reduction of operating costs and increase of free cash flows. • TVA's objectives: Achievement of objectives set out in the strategic plan related to market share and the launch of new specialty channels. • Corporation's objectives: Increase in share price and maintain or improve the debt / operating income ratio.	Selected senior executives
Long-Term Incentive	• Stock Option Plan. • Attributed on a % of base salary, calculated based on Black & Scholes value. • The compensation value varies from 40% to 150%, depending on the position occupied within the organization and the impact of the individual's contribution on the financial results and the implementation of the strategy. For details concerning these plans, including horizons and vesting periods, please refer to the section of this Circular entitled « Equity Compensation Plans ».	Management and executives
Benefits	• Flexible benefits. • Complete annual medical exams for executives.	All employees
Pension	• Pension plan may differ among subsidiaries.	Majority of employees
Perquisites	• Company car or allocation.	Management and executives

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

No policy prevents the Board of Directors from awarding compensation even if the performance objective has not been reached or from increasing or decreasing an award or payment. In 2012, the Board of Directors did not exercise this discretionary prerogative in relation to a Named Executive Officer.

Risk assessment in establishing the elements of compensation

To remain competitive and to encourage the Named Executive Officers to achieve growth expected by shareholders, it is required that the Corporation be exposed to some level of risk-taking. However, the Compensation Committee ensures that the policies and compensation programs in place do not encourage executives to take excessive risks. The mandate of the Compensation Committee has been amended in 2012 to add this new responsibility. It is therefore important that the objectives of senior executives do not encourage them to make profitable short-term decisions that could undermine the long-term viability of the Corporation.

Firstly, short-term incentive plans applicable to the Corporation and its subsidiaries are capped at a maximum.

Secondly, in order to ensure that senior executives act in the best interests of the Corporation in the long-term, the Compensation Committee ensures that a portion of compensation be based on long-term goals. This translates in the granting of stock options of the Corporation and of its subsidiaries. This aspect of compensation depends on the price of the Corporation's shares within an organized market, the TSX, or an assessment by an independent third party. In addition, stock options are subject to vesting periods restricting the exercise of such options. Although several senior executives did not receive compensation in the form of medium and long-term incentives in 2012 (as described in the "Elements of Compensation" section), these executives are included in the assessment cycle and will receive compensation in the following years based on the achievement of their respective objectives.

The Corporate Governance and Nominating Committee has considered the principle to adopt a clawback policy should a restatement of part or all of the financial statements of the Corporation becomes necessary as a result of gross negligence or fraud by a senior executive. Based on this analysis, the Committee has decided not to retain this principle for the time being and, consequently, not to recommend it to the Board of Directors.

Compensation of the President

Compensation for the President's position was evaluated jointly by the Corporation's Compensation Committee and that of QMI. In addition, at the end of 2011, Towers Watson has updated its compensation analysis in accordance with the objectives described in the section entitled "Objectives of the Compensation Elements".

Pursuant to the terms of the bonus plan in force for 2012 and the level of attainment of his objectives, the President was awarded a bonus representing 126% of the target bonus, the maximum attainable being 200%. The objectives are both financial and organizational. Financial objectives make up 67% of the objectives and are related to the attainment of the budgeted operating income which is higher than the previous year. Despite the difficult economic climate that prevailed in 2012, particularly within the printed media sector, operating income of QMI reached $1.4 billion, which represents 100.07% of the budgeted operating income. The remaining 33% of the objectives are based on organizational objectives related to milestones in the implementation of the three-year strategic plan (including the execution of the technological change plan of Sun Media Corporation, improving the financial situation of unprofitable subsidiaries and pursuing the development of a succession plan for key positions).

The Corporation's Compensation Committee and that of QMI consider that the payment of the 2012 bonus, which was established on a performance-based compensation philosophy, demonstrates that the bonus objectives were clearly aligned with the Corporation's performance.

With respect to the positioning of the President's overall target compensation, it is important to note that a large portion, nearly 80%, represents at-risk compensation. His long term compensation is divided into two parts: i) a portion equivalent to 200% of his base salary tied to a mid-term bonus plan payable only at the end of the 3-year cycle if all objectives have been reached; and ii) a portion equivalent to 110% of his base salary awarded in the form of stock options of the Corporation based on a theoretical value. Approximately 60% of his remuneration is at risk, that is, not represented by a cash payment and may even be equal to zero.

Method for determining compensation for the year 2012

The compensation for the Named Executive Officers is established by QMI's Compensation Committee, except, as stated above, for the President and for the Chief Financial Officer of the Corporation whose compensation is established together with the Compensation Committee of the Corporation and approved by the Board of Directors of the Corporation. The Compensation for the President of TVA is established by TVA's Compensation Committee and approved by TVA's Board of Directors.

The various elements of compensation are described hereafter:

	Pierre Karl Péladeau	Jean-François Pruneau	Robert Dépatie	Pierre Dion	Manon Brouillette
Base salary	50th percentile		75th percentile (Canadian market) due to strong competition in this sector.	50th percentile	
Short-Term Incentive	**Market positioning**				
	50th percentile		75th percentile (Canadian market)	50th percentile	
	Target bonus (% of base salary)				
	100%	50%	100%	80%	40%
	Objectives				
	67% on reaching budgeted operating income of QMI (reached at 100.1% for a multiplying factor of 101.5%). 33% on reaching key objectives which are related to the implementation of the 3-year strategic plan: execution of the technological change plan of Sun Media Corporation, improve the financial situation of unprofitable subsidiaries and pursue the development of a succession plan for key positions (reached at 175%).	75% on reaching budgeted operating income of QMI (reached at 100.1% for a multiplying factor of 101%). 25% on objectives which are related to: (i) the implementation of processes aimed to optimize corporate and capital structures; and (ii) his strategic involvement in the negotiation of acquisitions, divestitures and partnership projects (reached at 160%).	100% on reaching budgeted operating income of Videotron (reached at 104.4%, for a multiplying factor of 145%).	100% on reaching budgeted operating income of TVA (reached at 98.9%, for a multiplying factor of 89%).	65% on reaching budgeted operating income of Videotron (reached at 104.4% for a multiplying factor of 160%). 35% on objectives which are related on reaching revenues for different products and customer satisfaction (reached at 100%).
	Bonus paid (% of target bonus)				
	126%	116%	145%	89%	139%

Mid-Term Incentive					
	% of base salary				
	200%	n/a	200%	40%	70%
	Objectives				
	Increase in share price calculated at the beginning and at the end of the 3-year cycle. Maintain or improve the debt/operating income ratio calculated at the beginning and at the end of the 3-year cycle.		Achievement of cumulative strategic plan objectives over a 3-year period. ➢ 40% on objectives established on operating income of Videotron. ➢ 40% on reduction of operating costs. ➢ 20% on increase in free cash flows. The objectives were reached for 2012 and represent a cumulative achievement of 3 out of 3 years.	Market share and launch of new specialty channels.	Achievement of cumulative strategtic plan objectives over a 3-year period. ➢ 40% on objectives established on operating income of Videotron. ➢ 40% on reduction of operating costs. ➢ 20% on increase in free cash flows. The objectives were reached for 2012 and represent a cumulative achievement of 3 out of 3 years.
	Payment				
	End of cycle (first cycle ending on December 31, 2012) only if all criteria are reached. The objectives giving rise to a bonus payment for 2012 were considered as being reached: - The debt EBITDA ratio is below the 3.5 target. - The share price of the Corporation has increased from $26.92 at December 31, 2009 to $38.45 at December 31, 2012 (prices calculated in accordance with the plan).		Payment for first year of the cycle after the 3-year cycle. The bonus is payable over a 3-year period at the end of the 3-year cycle if cumulative objectives for the entire cycle are achieved. The objectives giving rise to a bonus payment for 2012 were considered as being reached.	The objectives giving rise to a bonus payment for 2012 were considered as being reached. The 3-year cycle is fully payable.	Payment for first year of the cycle after the 3-year cycle. The bonus is payable over a 3-year period at the end of the 3-year cycle if cumulative objectives for the entire cycle are achieved. The objectives giving rise to a bonus payment for 2012 were considered as being reached.

Long-Term Incentive	**Market positioning**				
	75th percentile (combined mid-term and long-term incentives).	Adjusted such that direct compensation represents the 75th percentile.	75th percentile (Canadian market) and American market analysis.	Adjusted such that direct compensation represents the 75th percentile.	Adjusted such that direct compensation represents the 75th percentile.
	Grant				
	Established at 110% of base salary. Annual grant of stock options of the Corporation. During the year 2012, 98,893 stock options of the Corporation were granted, at an exercise price of $36.863 and are subject to vesting periods.	20,000 options of QMI were granted at an exercise price of $51.888, representing a compensation value estimated at 70% of base salary.	No options granted in 2012. Options with a 4-year horizon were granted in 2009.	No options granted in 2012. Options with a 3-year horizon were granted in 2010.	No options granted in 2012.

Potential payment in the event of termination

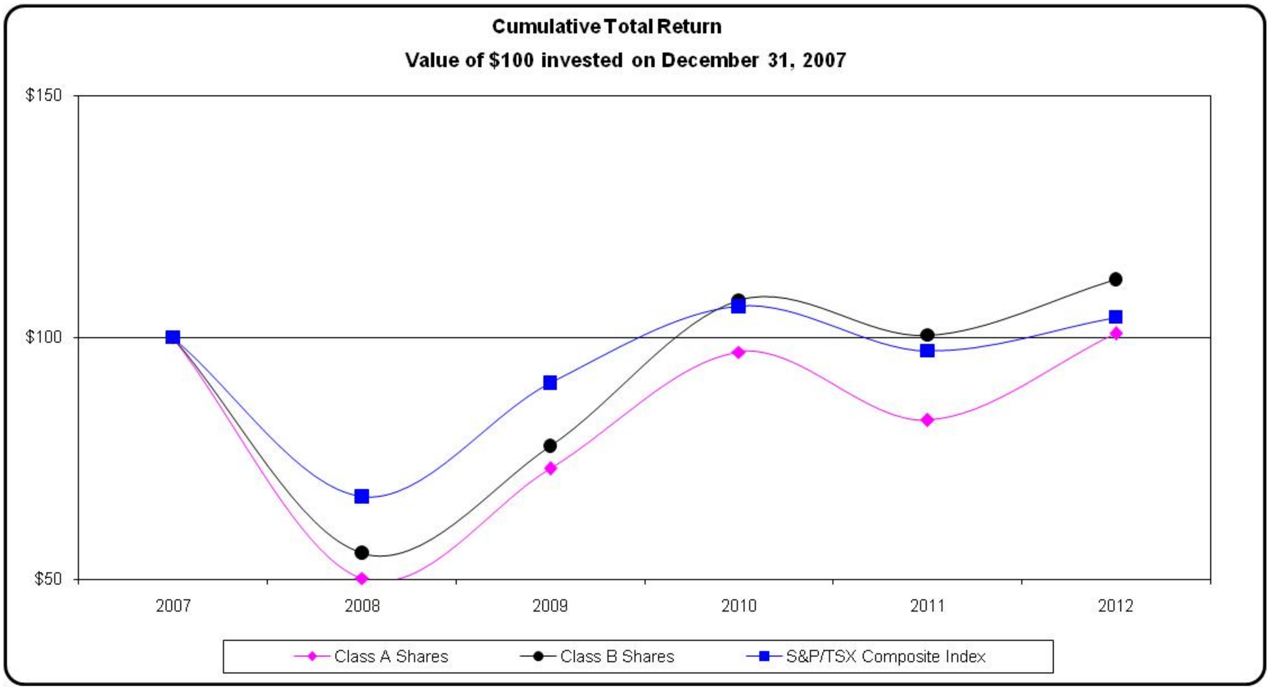
The Corporation has entered into employment agreements with some of its Named Executive Officers. Each agreement is individually formulated and no single policy applies to everyone. However, as a result of the Corporation's usual practices, the termination provisions of those contracts are somewhat similar. The potential costs in the event of termination without cause, as indicated in the following table, are tied to non-solicitation and non-compete agreements up to 24 months depending on the position.

Name	Agreement	Potential # of Months of severance	Severance Value
Pierre Karl Péladeau	None.	—	—
Jean-François Pruneau	None.	—	—
Robert Dépatie	Termination by Videotron, except for cause.	24 months of base salary.	$2,000,000
Pierre Dion	Termination by TVA, except for cause or substantial reduction in responsibilities.	18 months of base salary.	$832,680
Manon Brouillette	Termination by Videotron, except for cause.	15 months of base salary.	$500,000

Performance graph

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

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



	2007	2008	2009	2010	2011	2012
Class A Shares	$100	$50	$73	$97	$83	$101
Class B Shares	$100	$55	$77	$108	$100	$112
S&P/TSX Composite Index	$100	$67	$90	$106	$97	$104

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

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

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

Equity Compensation Plans

Stock Option Plan of the Corporation

The Corporation has a stock option plan for the officers, senior employees and key employees of the Corporation and of its subsidiaries (the "**Plan**") which entitles them to benefit from the appreciation in value of the Corporation's Class B Shares. The Plan provides for the grant of options for the purchase of a maximum of 6,500,000 Class B Shares, being 10.4% of the issued and outstanding Class A and Class B Shares as at December 31, 2012. As of this date, 6,040,152 Class B Shares, being 9.7% of the outstanding Class A and Class B Shares are still reserved under the Plan with the Toronto Stock Exchange.

The Board of Directors, on the recommendation of the Compensation Committee, administers the Plan, designates the recipients of options and determines the date of vesting of each option, the exercise price of each option, the expiry date and any other question relating thereto, in each case in accordance with applicable securities legislation. The number of options so granted is based on individual merit, on the positioning to the market, and on the optionee's level of responsibility. The Board of Directors ratifies the recommendations made by management or makes modifications it deems appropriate. Previous grants are taken into account and market conditions are analyzed.

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

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

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

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

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

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

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

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

During the fiscal year ended December 31, 2012, options granting the right to acquire 98,893 shares were granted, being 0.16% of the issued Class A and Class B Shares, and 137,460 shares have been issued upon the exercise of stock options. As of the date hereof, 361,632 options were outstanding, being 0.6% of the issued and outstanding Class A and Class B Shares.

The following table gives information with regards to the Corporation's equity compensation plan as of December 31, 2012.

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity Compensation Plans Approved by Securityholders:			
Stock Option Plan of the Corporation	361,632 (or 0.84% of the number of Class B Shares issued and outstanding)	$37.28	5,678,520 (or 13.24% of the number of Class B Shares issued and outstanding)
Equity Compensation Plans Not Approved by Securityholders:	-	-	-

QMI Stock Option Plan

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

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

Under the QMI Plan, certain eligible officers and executives may be granted options to purchase common shares at a predetermined price and over a specific period of time. The Compensation Committee of QMI, composed of independent directors, is responsible for the administration of the QMI Plan and for designating eligible officers and executives. The QMI Plan is open to employees of QMI and its subsidiaries who occupy executive positions and who have the ability to influence the long-term performance of QMI. As such, eligible officers and executives have been assigned a level according to their position and areas of responsibility, the whole in line with market conditions for similar positions. The number of options which may be granted to eligible officers and executives is determined by the Compensation Committee of QMI in accordance with the level assigned to each executive and officer. The Compensation Committee of QMI ratifies the recommendations made by management or makes the modifications it deems appropriate (except for grants to the President and to the Chief Financial Officer which are approved by the Board). Previous grants are taken into account and market conditions are analyzed.

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

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

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

(i) equally over five years with the first 20% vesting on the first anniversary of the date of the grant;

(ii) equally over four years with the first 25% vesting on the second anniversary of the date of the grant;

(iii) equally over three years with the first 33 1/3% vesting on the third anniversary of the date of the grant.

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

TVA Stock Option Plan

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

The Compensation Committee of TVA administers the TVA Plan, designates the optionees and determines the expiry date and any other question relating thereto, in each case in accordance with applicable securities legislation. The number of options granted is based on individual merit and depends on the level of responsibility of the optionee. The Compensation Committee ratifies the recommendations made by management or makes the modifications it deems appropriate. Previous grants are taken into account and market conditions are analyzed.

The subscription price of each share under option may be no less than the closing price of a board lot of Class B shares on the Toronto Stock Exchange on the last trading day before the date of grant. In the absence of a closing price for a board lot of Class B shares on the Toronto Stock Exchange on that day, the subscription price may be no less than the average ask and bid prices of the Class B shares on the Toronto Stock Exchange on that day. At the time of exercising their options, optionees may decide (i) to subscribe for the Class B shares in respect of which the option is being exercised; or (ii) to receive from TVA a cash payment equal to the number of shares corresponding to the number of options exercised, multiplied by the difference between the market value and the subscription price of the shares underlying the option. The market value is defined by the average closing market price of the shares for the five trading days preceding the date on which the option was exercised. If an optionee decides to receive a cash payment from TVA upon the exercise of his option, then the number of underlying Class B shares covered by the option will once again become available under the TVA Plan.

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

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

(i) equally over five years with the first 20% vesting on the first anniversary of the date of the grant;

(ii) equally over four years with the first 25% vesting on the second anniversary of the date of the grant; or

(iii) equally over three years with the first 33⅓% vesting on the third anniversary of the date of the grant.

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

Summary Compensation Table

The following table shows certain selected compensation information for the President, the Chief Financial Officer and the three other most highly compensated executive officers of the Corporation during the financial year ended December 31, 2012 for their services rendered during the financial years ended December 31, 2012, 2011 and 2010.

Name and principal position	Year	Salary ($)	Option-based awards[1] ($)	Non-equity incentive plan compensation ($)		Pension value[2] ($)	All other compens-ation[3] ($)	Total compens-ation ($)
				Annual incentive plans	Long-term incentive plans			
Pierre Karl Péladeau President and Chief Executive Officer	2012	1,300,000	1,430,000 [4]	1,637,803	3,888,193 [5]	25,200	1,291 [6]	8,282,487
	2011	1,300,000	1,430,000 [4]	1,850,527	–	21,300	1,283 [6]	4,603,110
	2010	1,300,000	1,430,186 [4]	2,134,662	–	14,800	1,275 [6]	4,880,923
Jean-François Pruneau Chief Financial Officer	2012	375,000	276,000 [7]	216,998	–	15,500	–	883,498
	2011	336,923	–	178,347	–	11,700	–	526,970
	2010	293,323	1,368,900 [7]	192,347	–	6,900	–	1,861,470
Robert Dépatie President and Chief Executive Officer Videotron	2012	1,000,000	–	1,450,000	1,933,333	138,500	–	4,521,833
	2011	1,000,000	–	1,500,000	1,800,000	289,900	–	4,589,900
	2010	900,385	–	1,350,000	1,666,667	99,900	–	4,016,952
Pierre Dion President and Chief Executive Officer TVA	2012	555,120	–	395,245	634,048	120,000	–	1,704,413
	2011	539,033	–	691,200	–	139,200	–	1,369,433
	2010	489,229	1,368,900 [7]	470,400	–	98,100	–	2,426,629
Manon Brouillette President, Consumer Market Vidéotron	2012	400,000	–	222,400	237,693	21,800	–	881,893
	2011	318,685	–	311,607	202,767	17,300	–	850,359
	2010	300,000	–	216,000	180,096	12,100	–	708,196

1. The compensation value included herein represents the estimated value of the stock options granted as determined by using the Black & Scholes model (binomial in 2010) which is based on various assumptions.
2. Refer to the "Pension Benefits" section of this Circular for additional details.
3. Perquisites and other personal benefits which do not exceed the lesser of $50,000 or 10% of the annual salary are not disclosed.
4. Underlying securities: Class B Shares of the Corporation. The amount indicated represents the Black & Scholes value (binomial in 2010) of the options at the time of grant. For 2012, please refer to the "Black & Scholes Value" table for details concerning the calculation of values provided under the "Option-based awards" column of the above table.
5. The value paid is equivalent to the amount earned for the first cycle of the 3-year mid-term plan covering years 2010, 2011 and 2012 (please refer to the description p. 33).
6. Dividends paid on deferred stock units owned.
7. Underlying securities: common shares of QMI, which in certain cases were granted with a horizon: Jean-François Pruneau, 3-year horizon for 2010 and 1-year for 2012; Pierre Dion 3-year horizon.

The total compensation value includes the estimated value of the stock options granted as determined by using the Black & Scholes value (binomial in 2010) which is based on various assumptions as shown in the table below. It only represents an estimated value of the stock options granted and does not represent cash received by the Named Executive Officer. This amount is at risk and may even be equal to zero. Accordingly, the total compensation value does not represent the real cash compensation earned by the Named Executive Officer.

Black & Scholes Value

For purposes of properly illustrating the calculation of the Black & Scholes value of the options granted to the Named Executive Officers in 2012, the key assumptions and estimates that were used for each calculation are set out below. Information concerning the options granted in 2011 and 2010 can be found in our 2012 and 2011 proxy circulars.

Due to the use of the Black & Scholes model to determine the book value of stock options since the transition to IFRS, it was deemed appropriate by the Board of Directors and the Compensation Committee of the Corporation to use this model since 2011 to establish the compensation value of the stock options. The binomial model was used in 2010.

Date of grant	Exercise price ($)	Dividend yield (% / year)	Volatility (%)	Expected life (years)	Risk-free rate (%)	Black & Scholes Value ($)
March 23, 2012 [1]	36.863	0.52	36.62	6	1.983	14.46
June 22, 2012 [2]	51.888	1.56	31.67	5.5	1.564	13.80

1. Underlying securities: Class B Shares of the Corporation. Options vest as follows: 33⅓ after one year, 66⅔ after two years, and 100% after three years after the original grant.
2. Underlying securities: common shares of QMI. 1-year horizon. Options vest equally over five years with the first 20% vesting on the first anniversary of the date of the grant.

Note: In accordance with IFRS 2, *Share-Based Payment*, the liabilities related to these options are recorded in the Corporation's financial statements based on their fair value at the end of each financial reporting period using the Black & Scholes model. At the time of the grant, the fair value of these options is calculated by using the same model. As a result, the fair value at the time of grant for accounting purposes or for purposes of section 3.1 (5) of Form 51-102F6 are the same.

Outstanding option-based awards

The following table sets forth, for each Named Executive Officer, all outstanding awards of the Corporation, QMI or TVA and their value as at December 31, 2012.

Name	Number of securities underlying unexercised options (#)	Option exercise price [1] ($)	Option expiration date	Value of unexercised in-the-money options [2] ($)
Pierre Karl Péladeau	114,148 [3] 52,295 [3] 96,296 [3] 98,893 [3]	40.6649 34.7174 35.0895 36.8630	November 16, 2017 May 20, 2020 March 17, 2021 March 23, 2022	- 206,701 344,788 178,700
Jean-François Pruneau	4,000 [4] 67,500 [5] 20,000 [4]	35.8960 46.4830 51.8880	May 8, 2019 February 22, 2020 June 22, 2022	86,868 751,275 114,500
Robert Dépatie	200,000 [6]	35.9240	September 29, 2019	4,337,800
Pierre Dion	15,860 [5] 67,500 [5] 126,500 [7] 52,619 [7] 94,915 [8]	47.2870 46.4830 20.7500 21.3800 14.7500	November 1, 2017 February 22, 2020 September 8, 2014 March 30, 2015 November 5, 2017	163,770 751,275 - - -
Manon Brouillette	10,500 [5]	37.9090	March 2, 2019	206,892

1. The exercise price of an option of the Corporation is equal to the weighted average trading price of the Class B Shares on the Toronto Stock Exchange during the period of five trading days preceding the date of grant. The exercise price of the QMI options is the market value of the common shares at the time of grant, as determined by the external expert retained by QMI's Board of Directors on a quarterly basis. The exercise price of the TVA options may not be less than the closing price of a board lot of Class B shares on the Toronto Stock Exchange on the last trading day before the date of grant.
2. The value of unexercised in-the-money options of the Corporation and TVA is the difference between the option exercise price and the closing price of the underlying security on the Toronto Stock Exchange on December 31, 2012, or the difference between the option exercise price and the value of the common shares of QMI on December 31, 2012, as determined by the external expert retained by the QMI Board of Directors. **This amount has not been, and may never be, realized. The options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the aforesaid shares on the date of exercise.** On December 31, 2012, the closing price of the Class B Shares of the Corporation on the Toronto Stock Exchange was $38.67 per share, and the closing price of the Class B shares of TVA on the Toronto Stock Exchange was $8.49. For purposes of stock option grants, the external expert retained by QMI's Board of Directors has established the value of the shares of QMI, as of December 31, 2012, at $57.613 per share.
3. Options of the Corporation. Options vest as follows: 1/3 after one year, 2/3 after two years, and 100% after three years after the original grant.
4. QMI options. 1-year horizon. Options vest equally over five years with the first 20% vesting on the first anniversary of the date of grant.
5. QMI options. 3-year horizon. Options vest equally over four years with the first 25% vesting on the second anniversary of the date of grant.
6. QMI options that will vest on the fourth anniversary of the date of grant if the price of the QMI shares has increased by at least 15%, being $41.31.
7. TVA options granted prior to January 2006. Options vest equally over four years with the first 25% vesting on the second anniversary of the date of grant.
8. TVA options. 3-year horizon. Options vest equally over four years with the first 25% vesting on the second anniversary of the date of the grant.

Incentive plan awards – value vested or earned during the year

The following table sets forth, for each Named Executive Officer, the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date that occurred in 2012, and the bonus earned during the 2012 financial year.

Name	Option-based awards – Value vested during the year [1] ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Pierre Karl Péladeau	5,600,582 [2-3] 243,743 [4-5]	5,525,996 [6]
Jean-François Pruneau	153,904 [4-5]	216,998
Robert Dépatie	3,129,800 [4-5]	3,383,333 [7]
Pierre Dion	165,436 [3-4]	1,029,293 [8]
Manon Brouillette	215,403 [4-5]	460,093 [9]

1. The value vested is the difference between the market value of the underlying securities at the acquisition date and the exercise price of the options. The market value is defined as, (i) in the case of options of the Corporation, the weighted average trading price of the Class B Shares on the Toronto Stock Exchange during the period of five trading days preceding the date on which the option became vested; (ii) in the case of TVA options, the average closing market price of a board lot of Class B shares for the five trading days preceding the date on which the option became vested; and (iii) in the case of QMI's options, the fair value of the common shares on the vesting date, as determined by the external expert retained by QMI's Board of Directors.
2. Underlying securities: Class B Shares of the Corporation.
3. Part of those options has been exercised in 2012.
4. Underlying securities: common shares of QMI.
5. Those options have been exercised in 2012.
6. This amount is composed of $1,637,803 paid in accordance with the annual incentive plan and of $3,888,193 in accordance with the 2010-2012 mid-term incentive plan of the Corporation.
7. This amount is composed of $1,450,000 paid in accordance with the annual incentive plan and of $1,933,333 in accordance with the mid-term incentive plan of Videotron.
8. This amount is composed of $395,245 paid in accordance with the annual incentive plan and of $634,048 in accordance with the mid-term incentive plan of TVA.
9. This amount is composed of $222,400 paid in accordance with the annual incentive plan and of $237,693 in accordance with the mid-term incentive plan of Videotron.

Pension benefits

Certain subsidiaries of the Corporation maintain pension plans offered, among others, to its executive officers. The material provisions of these plans are as follows:

<table>
<tr><th>Provisions</th><th colspan="2">Basic pension plan</th><th>Supplemental executive retirement plans (“SERP”)</th></tr>
<tr><td>Subsidiaries</td><td>QMI [1-2], TVA [1-3]</td><td>Videotron [4]</td><td>TVA [5], Videotron [6]</td></tr>
<tr><td>Named Executive Officers</td><td>Pierre Karl Péladeau (QMI)
Jean-Francois Pruneau (QMI)
Pierre Dion (TVA)</td><td>Robert Dépatie
Manon Brouillette</td><td>Robert Dépatie
Pierre Dion</td></tr>
<tr><td>Participant contributions</td><td>None</td><td>5% of base salary not exceeding $6,742</td><td>None</td></tr>
<tr><td>Normal retirement age</td><td colspan="3">65</td></tr>
<tr><td rowspan="2">Retirement age without reduction in retirement pension</td><td>QMI: 61</td><td colspan="2" rowspan="2">65</td></tr>
<tr><td>TVA: 65</td></tr>
<tr><td rowspan="2">Reduction in the event of retirement before permitted age</td><td>QMI: 6% per year</td><td colspan="2" rowspan="2">Reduction of 3% per year for every year between 60 and 65 years old and 4% per year for every year between 55 and 60 years old.</td></tr>
<tr><td>TVA: Reduction of 3% per year for every year between 60 and 65 years old and 4% per year for every year between 55 and 60 years old.</td></tr>
<tr><td>Early retirement age</td><td colspan="3">55</td></tr>
<tr><td>Retirement pension calculation</td><td>• 2% of the average salary over the best five consecutive years of salary (including bonuses for executive officers of QMI) multiplied by the number of years of membership in the plan as executive.
• Subject to the maximum annuity prescribed by the Income Tax Act (Canada).</td><td>• 2% of the base salary for each year.
• Subject to the maximum annuity prescribed by the Income Tax Act (Canada).</td><td>• 2% of the average salary over the best five consecutive years of salary multiplied by the number of years of membership in the plan.
• Minus the annuity payable pursuant to the basic plan.</td></tr>
<tr><td>Coordination with public plans</td><td colspan="3">None</td></tr>
<tr><td rowspan="4">Type of retirement pension</td><td colspan="3">With eligible spouse at the time of retirement.</td></tr>
<tr><td>• Lifetime annuity to spouse equal to 60% of the annuity paid</td><td>• Lifetime annuity to spouse equal to 50% of the annuity paid</td><td>• Lifetime annuity to spouse equal to 60% of the annuity paid</td></tr>
<tr><td colspan="3">Without eligible spouse at the time of retirement.</td></tr>
<tr><td>• TVA: or after the death of the spouse, 20% of the annuity is payable to each dependent child, not exceeding 60%.</td><td>• 120 monthly payments guaranteed if no eligible spouse at the time of retirement.</td><td>• Vidéotron: 120 monthly payments guaranteed.
• TVA: or after the death of the spouse, 20% of the annuity is payable to each dependent child, not exceeding 60%.</td></tr>
<tr><td rowspan="2">Indexation</td><td rowspan="2">After retirement</td><td rowspan="2">Before retirement</td><td>Videotron: After retirement</td></tr>
<tr><td>TVA: None</td></tr>
</table>

1. The provisions described are applicable to certain executive officers including the Named Executive Officers.
2. The basic defined benefit plan of QMI is no longer available to new entrants since January 1st, 2009.
3. The basic retirement plan of executive officers of TVA is no longer available to new entrants since October 31, 2012.
4. The basic retirement plan of Videotron is no longer available to new entrants since May 1st, 2012.
5. The supplementary executive retirement plan of TVA is no longer available to new officers.
6. The supplementary executive retirement plan of Videotron is no longer available to new officers.

The following table sets forth information on QMI, Videotron and TVA's retirement plans, namely registered plans and SERP. In addition to annual benefits payable, the table shows the change in value of such benefits (obligation) year-to-date and year-end. Variations from one individual to another are due to the individual's age, salary and credited years of service in the basic plan and the SERP. As for Pierre Karl Péladeau, since January 1, 2008, he has ceased to cumulate future service credits in the SERP. Capitalized amounts as of December 31, 2007, will bear interest until his retirement, and such amount will be used to purchase a retirement benefit. Thus, the SERP contains no annuity credits and no estimate was prepared with regards to the annuity payable under this reserved account. Therefore, annual benefits payable at year-end and at age 65 only represent payable annuities under the base plan. Other persons shown in the table who have substantially higher age 65 annuities cumulate both a basic plan annuity and a SERP annuity until age 65.

These plans provide an annuity based on the salaries at the time of retirement (for the purpose of this table, payable benefits are based on salaries as at December 31, 2012).

Name	Number of years credited services (#)	Annual benefits payable ($)		Opening present value of defined benefit obligation [1] ($)	Compensa-tory change ($)	Non-compensa-tory change [1] ($)	Closing present value of defined benefit obligation [1] ($)
		At year end	At age 65				
Pierre Karl Péladeau [2-3]	13.7	36,100	72,700	6,180,000	25,200	343,100	6,548,300
Jean-François Pruneau	7.2	19,000	78,700	144,700	15,500	42,200	202,400
Robert Dépatie [4]	11.1	165,900	379,200	1,996,500	138,500	263,200	2,398,200
Pierre Dion	8.3	66,800	245,300	915,800	120,000	134,600	1,170,400
Manon Brouillette	8.5	22,400	76,000	219,900	21,800	41,300	283,000

1. Calculations are made based on an interest rate assumption of 4.75 % at the beginning of the year and of 4.40% at the end of the year.
2. For the purpose of annual benefits payable calculations, only payable benefits have been included. The payable benefits under the SERP represent an amount which bears interest until retirement and that will be used to purchase an annuity with an insurance company at that time and does not vary based on the number of years of service.
3. The number of years of membership in the SERP for Pierre Karl Péladeau is 6.3.
4. The number of credited years of service under the SERP for Robert Dépatie is 9.9.

VI. OTHER IMPORTANT INFORMATION

INDEBTEDNESS OF THE DIRECTORS AND OFFICERS

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

TRANSACTIONS WITH RELATED PARTIES

To the knowledge of the Corporation, except as set forth in note 29 of the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2012, no insider had an interest in a material transaction completed since the beginning of the most recently completed financial year of the Corporation or in a proposed transaction which had or was likely to have had a material effect on the Corporation or any of its subsidiaries.

During the financial year ended December 31, 2012, the Corporation and its subsidiaries did business, at competitive market rates, with various organizations within their group. The Corporation and its principal subsidiaries intend to continue to engage in similar transactions on terms which are generally no less favourable to the Corporation than would be available to it from unaffiliated third parties.

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

SHAREHOLDER PROPOSALS

Shareholders entitled to vote at the next annual meeting of shareholders and who want to submit a proposal in respect of any matter to be raised at such meeting must ensure that their proposal is received by the Corporation, to the attention of the Vice-President and Secretary, no later than December 28, 2013.

AVAILABILITY OF DOCUMENTS

Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed fiscal year ended December 31, 2012. Copies of the Corporation's latest annual information form, audited financial statements and management's discussion and analysis, may be obtained on request from the Corporate Secretariat of the Corporation, 612 Saint-Jacques Street, 18th floor, Montréal, Québec, Canada, H3C 4M8. All of these documents as well as additional information relating to the Corporation are available under the Corporation's SEDAR profile at www.sedar.com and on the Corporation's Website at www.quebecor.com.

APPROVAL

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

C. Tremblay

Claudine Tremblay
Vice-President and Secretary

Montréal, Québec
March 28, 2013

SCHEDULE A

SHAREHOLDER PROPOSALS

PROPOSALS FROM THE MOUVEMENT D'ÉDUCATION ET DE DÉFENSE DES ACTIONNAIRES (MÉDAC)

The Mouvement d'éducation et de défense des actionnaires (MÉDAC), located at 82 Sherbrooke Street West, Montréal, Québec H2X 1X3, has submitted five proposals for review by the shareholders at the annual meeting of the Corporation.

MÉDAC has been a shareholder of the Corporation since September 2005, holding 100 Class B shares. These proposals and MÉDAC's justifications for them are reproduced below, verbatim.

PROPOSAL NO. 1 – ALL STAKEHOLDERS SHOULD BE CONSIDERED IN THE BOARD OF DIRECTORS' DECISION-MAKING PROCESS

It is proposed that the Board of Directors revise its mandate to stipulate that its primary responsibility is to preserve and improve the Corporation's viability and ensure that the Corporation is managed in its highest interests, while respecting the shareholders and other stakeholders.

In August 2012, Rona's Board of Directors rejected the unsolicited bid from Lowe's, finding that it was not in the highest interests of its shareholders. Mr. Raymond Bachand, Québec's Minister of Finance at the time, had this to say:

> "Basically, in the long term this leads to economic destructuring. We're talking 90,000 jobs in Canada – almost 50,000 in Québec… *Lowe's* made a lot of promises in its offer, but in the short term it has only one duty, and that's to maximize profits."

This sparked a debate over the responsibility that Boards of Directors have towards all of an organization's stakeholders: employees, suppliers, customers, creditors, and the communities where it carries on business. Let us recall the Supreme Court of Canada's decision in BCE, which held that to satisfy and see to the interests of a company, the Board of Directors needs to take into account a wide range of interests, none of which are more important than the others. That is also the path toward improvement of the Business Corporations Act, which the current Minister of Finance, Nicolas Marceau, plans to propose in the coming months. However, the Board's mandate, as defined in the management proxy circular, "stipulates that the Board is responsible for overseeing the management of the Corporation's business and internal affairs, the goal being to increase its value for the shareholders."

Given that Quebecor Inc. has for decades been one of the Québec companies that typifies the dynamic entrepreneurial spirit of Québecers and, given its strategic importance to our economic environment, we propose to integrate consideration for all stakeholders into the Board's decision-making process. By so doing, Quebecor Inc. could demonstrate its own vision of a company's role in our society, which should be to consider the economic, social and environmental aspects when planning its activities and in its relations with all of its partners.

The Board of Directors of Quebecor recommends to its shareholders and their proxyholders to VOTE AGAINST this proposal.

The Corporation's directors have an obligation to exercise their duties and functions within the limits established by its governing Act, the Business Corporations Act *(Québec).*

Section 119 of the said Act describes the duties imposed on the directors of a corporation as follows:

*"**119.** Subject to this division, the directors are bound by the same obligations as are imposed by the Civil Code on any director of a legal person.*

*Consequently, in the exercise of their functions, the directors are duty-bound toward the corporation to act with prudence and diligence, honesty and loyalty **and in the interest of the corporation**.[…]"*

The Corporation's directors intend to abide by its governing Act and to act in the Corporation's interest, which does not prevent them from seeking to increase value for its shareholders, while remaining conscious of environmental issues and aware of the impacts their decisions have on the community and other stakeholders.

For these reasons, the Board of Directors recommends that the shareholders vote against this proposal.

PROPOSAL NO. 2 – MAJORITY VOTING

It is proposed that the Board of Directors adopt a majority voting policy in order to ensure that all directors be elected by a majority of votes "for".

Last year, we tabled a similar proposal on this topic and received **the support of 18.56% of the shareholders**. This is a very significant percentage, given that the President and Chief Executive Officer, Pierre Karl Péladeau, holds 72.61% of the voting rights attaching to the outstanding Class A and B shares.

Currently, the shareholders have the right to vote "for" or to "abstain" when directors are up for election. Thus, when there are as many nominees as there are openings for directors, each nominee will be elected to the Board if at least one vote is cast in his or her favour. Under a majority voting system, the general rule is that if a majority of persons who are entitled to vote abstain from voting for a nominee, the nominee must resign from the Board, which will generally accept the resignation and publicly announce its decision.

According to the most recent Spencer Stuart report, the *Canadian Spencer Stuart Board Index 2011*, more than 75% of the 100 largest corporations studied have adopted a majority voting policy.

Although it is very probable that the TSX will ask all of its reporting issuers to adopt a majority voting policy, there is still a chance that a less stringent requirement will be adopted, such as 'comply or explain.' In view of this possibility, we are once again tabling this proposal out of respect for the vast majority of shareholders other than management that have supported us and because of the importance of such a proposal so that the directors will all have the legitimacy and credibility desired by the shareholders.

The Board of Directors of Quebecor recommends to its shareholders and their proxyholders to VOTE AGAINST this proposal.

Under the applicable legislation, directors are elected by way of an ordinary resolution, that is, a motion adopted by a simple majority of votes cast by the shareholders that are present at the meeting. In accordance with the Business Corporations Act *(Québec) and the Corporation's By-laws, votes held at the meeting are generally conducted by a show of hands unless, notably, a shareholder asks for a secret ballot.*

*At the 2012 and 2011 annual meetings, a vote by a show of hands was held to elect the Class A and Class B directors. The shareholders that were present at the meeting and that voted on the motion **voted for the nominees unanimously**.*

Although it had no obligation to do so, the Corporation published, for information purposes, the result of the proxies received before the meeting held to elect the directors.The results showed that in 2012, all of the directors had support of between 94.77% and 99.99%.

The abstention rate noted in the years before 2012 for the election of the Class B directors can be explained by instructions given by a proxy advisory firm to its clients to the effect that they should indicate abstention on *their proxy due to the structure of Quebecor's share capital (multiple and subordinate voting) and the method of single slate election of its directors. Obviously, such abstention cannot be construed as a value judgment concerning the qualifications of the nominees for office, since regardless of who was nominated for Class B directorship, the vote would have been the same.*

At the 2012 meeting, the shareholders elected the directors on an individual basis. However, the Corporation does not find it appropriate to institute a majority voting policy as long as the proxy advisory firms will use that mechanism to threaten corporations with an abstention from voting instruction for the election of directors if the corporation does not agree to certain requested changes that have no relationship to the personal and professional qualities of those directors. Furthermore, the Corporation prefers to deal with situations where a director does not receive the vote of a majority of the shareholders in support of his or her appointment on a case by case basis.

Finally, the Corporation will await the implementation of new regulatory initiatives on this subject to determine the exact extent of its new obligations.

Moreover, the Corporation finds that shareholders' meetings are the ideal forum for the shareholders to make their comments, ask questions, or assert their rights. We invite all of our shareholders to take advantage of this opportunity.

For these reasons, the Board of Directors recommends that the shareholders vote against this proposal.

PROPOSAL NO. 3 – "SAY ON PAY" ADVISORY VOTE

It is proposed that the Board of Directors adopt a policy whereby the compensation policy for its five most senior executives be put to a shareholder advisory vote.

Currently, Quebecor Inc.'s shareholders cannot express their opinion on the executive compensation policies. Close to one hundred companies now give their shareholders this option. Last year, we presented a similar proposal and **it was supported by 15.67%** of the shareholders. As mentioned earlier, that is a very high rate of support, given that the President and Chief Executive Officer, Pierre Karl Péladeau, holds 72.61% of the voting rights attaching to the outstanding Class A and B shares and that management had recommended voting against our proposal.

While recognizing that it is up to the Board of Directors to set executive compensation, the shareholders should have a say on that compensation, since it comprises components – bonuses, options, annual incentives – that encourage big risk-taking, promote short-term rather than long-term performance, and can lead to job cuts and the sale of assets to generate short-term performance in order to meet the ever-increasing variable compensation expectations of senior executives, without taking into account the long-term expectations of the shareholders, the employees, and all in all, the corporation's stakeholders as a whole.

With an advisory "say on pay" vote, the Board of Directors can be assured that its shareholders are satisfied with its compensation policy, can maintain a good dialogue with its shareholders, regardless of how many shares they hold, and can avoid tense relations between the parties that could damage the business's image in its community.

The Board of Directors of Quebecor recommends to its shareholders and their proxyholders to VOTE AGAINST this proposal.

As MÉDAC mentioned, determining the salaries of the senior executives is one of the responsibilities of the Board of Directors. This responsibility has been entrusted to the Board by the Corporation's shareholders, who elect the individuals on the Board of Directors every year.

To fulfil this responsibility, the Board of Directors has the advantage of recommendations from its Compensation Committee, comprised entirely of independent members, which is well aware of the Corporation's short- and long-term goals. This Committee can also avail itself of the services of an outside consultant, Towers, Watson, for advice on current executive compensation trends and practices.

The Corporation believes that the Board of Directors and the Compensation Committee are the best bodies for handling the tasks involved in determining the compensation for the executives in the best interests of the Corporation and its shareholders. Also, during the year, the Committee reviewed its mandate and added to its duties the responsibility for making sure that the compensation plans and policies that are instituted do not encourage the senior executives to take undue risks or to make decisions that are profitable in the short term but that could undermine the Corporation's viability in the long term.

The Corporation finds that a "say on pay" advisory vote gives the shareholders too broad a spectrum to decide not to support the compensation plan for a multitude of reasons. This makes it extremely difficult to analyze the results of the vote and especially to implement solutions to deal with the shareholders' concerns.

It is also worth mentioning that the opinions of corporate governance firms vary when it comes to the relevance of a "say on pay" advisory vote on executive compensation.

The Board of Directors reiterates its invitation to those shareholders who might have questions or comments on the Corporation's compensation policy to submit them directly to management or to the members of the Compensation Committee during the shareholders' meeting. The Corporation believes that an open discussion on specific aspects of the compensation structure and policy would be more beneficial for everyone, and especially more productive.

Finally, it is worth specifying that the interest of the Corporation's majority shareholder is no different from that of the other shareholders: <u>the Corporation's long-term performance</u>. Accordingly, we find that a shareholder vote on the <u>same</u> proposal by MÉDAC that was presented at the 2012 annual meeting and that was rejected when it was voted on at the meeting (84.33% of the proxies) is valid and legitimate.

For these reasons, the Board of Directors recommends that the shareholders vote against this proposal.

PROPOSAL NO. 4 – STRATEGIC PERSPECTIVES COMMITTEE

It is proposed that the Board of Directors establish a Strategic Perspectives Committee so that the shareholders and stakeholders can be assured that policies are evaluated with the aid of the knowledge and experience of the directors dedicated to that purpose.

Currently, the Board of Directors consists of three committees: an Audit Committee, a Corporate Governance and Nominating Committee, and a Compensation Committee. The function of risk monitoring is given to the Audit Committee, strictly for financial risks. It can well be expected that the evaluation of strategic perspectives is addressed by the Risk Management Committee, although that may not be one of its major functions.

The major players in the telecommunications industry in Québec and Canada are faced with complex and major challenges and issues, as can be seen from the Bell-Astral deal that was rejected by the CRTC and was contested by Quebecor, Cogeco and Eastlink. Such issues require the attention of directors who are well-versed in such evaluations, who monitor developments in this market, and whose primary responsibility is this type of work.

Such a committee would have the following main objectives:

- to provide the President and Chief Executive Officer and his team with a forum for presenting their ideas or plans about strategic perspectives or potential major acquisitions and to obtain the committee's advice on recommendations that might be submitted to the Board;

- to set parameters and guidelines that will guide the review of strategic perspectives and major acquisitions.

It is essential to create this committee to reassure the shareholders and all stakeholders that all opportunities are identified and evaluated.

The Board of Directors of Quebecor recommends to its shareholders and their proxyholders to VOTE AGAINST this proposal.

The Corporation finds that its governance structure, as well as the number, composition and mandate of each Board of Directors committee, are adequate for its needs.

The flexibility shown by the members of the Board of Directors for attending special meetings called to study any business opportunities or strategic decisions gives the Corporation the agility required to seize any business opportunities that may arise.

In addition, every year the Board of Directors holds a strategy session over a period of two days, where the Corporation's strategic planning, including its financial strategy and its business priorities, is reviewed in detail. The Corporation believes it is more efficient for those functions to be handled directly by the Board of Directors, so as to be able to benefit from the expertise of each member of the Board. The collegiality of the members of the Board of Directors is one of its strengths and has served the shareholders very well to date.

For these reasons, the Board of Directors recommends that the shareholders vote against this proposal.

PROPOSAL NO. 5 – ELECTION OF DIRECTORS BY ALL OF THE SHAREHOLDERS

It is proposed that Quebecor Inc. amend its By-laws so that the Class A and B directors will in future be elected by a majority of the votes cast by the shareholders during the proxy solicitation process and at the meeting.

Currently, directors are elected by way of an ordinary resolution, i.e., a resolution adopted by a simple majority of the votes cast by the **shareholders present at the meeting**. The result of the proxies received is only taken into account if a shareholder asks for a vote by ballot.

Such a process is unacceptable in terms of shareholder democracy, since it does not take into account all of the votes cast unless a shareholder is bold enough to ask for a vote by secret ballot. **In 2010 and 2011, such an internal governance policy led to an unacceptable situation, the Class B directors having been elected unanimously by the votes cast at the annual meeting, whereas they had not received a majority under the pre-meeting proxy voting system:**

	2011	**2010**
Percentage of abstentions for Class B directors, i.e., shares with a single vote	56.52	53.59

In a majority voting system, those directors that received a majority of abstentions should have immediately tendered their resignations, which would have been effective as of acceptance by the Board. This is an issue respecting the legitimacy and credibility of the directors.

The Board of Directors of Quebecor recommends to its shareholders and their proxyholders to VOTE AGAINST this proposal.

Under the applicable legislation, directors are elected by way of an ordinary resolution, i.e., a motion adopted by a simple majority of the votes cast by the shareholders present at the meeting. In accordance with the

Business Corporations Act *(Québec) and the Corporation's By-laws, votes taken at the meeting are generally conducted by a show of hands, unless a shareholder asks for a secret ballot.*

This is a very common procedure at deliberating assemblies, and it promotes efficiency. A shareholder can always ask for a secret ballot before a vote is held or when the result of a vote by a show of hands is known. Therefore, the Corporation does not find it expedient to amend its By-laws, which stipulate that the chair of the meeting can, if she deems it appropriate, ask for a vote by secret ballot. The exercise of this prerogative by the meeting chair has been given consideration, and that consideration is ongoing.

For these reasons, the Board of Directors recommends that the shareholders vote against this proposal.

PROPOSAL FROM THE RÉGIME COMPLÉMENTAIRE DE RETRAITE DE LA CSN ("RCRCSN")

A proposal has been submitted by the *Régime complémentaire de retraite de la CSN* ("RCRCSN"), located at 2100 de Maisonneuve Boulevard East, Suite 203, Montréal, Québec H2K 4M5.

RCRCSN represents the holders of 17,000 Class B shares. Those shares have been held since January 2012. The said proposal and the RCRCSN's rationale for it are reproduced below, verbatim.

PROPOSITION NO. 6 – ANNUAL DISCLOSURE ON ENVIRONMENTAL AND SOCIAL PEFORMANCE

It is proposed that the Board of Directors of Quebecor ensures that the company report its environmental and social performance on an annual basis. This disclosure should look to the Global Reporting Initiative for guidance, should be produced at a reasonable cost and avoid disclosure of confidential information.

The environmental and social performance of a company can have an impact on its profitability.

Quebecor, as other companies in its industry, is exposed to environmental and social risks in relation to the workplace, communities and supply chain (particularly forest products).

Investors increasingly consider the environmental and social performance of companies and expect them to disclose information about their performance. According to the Canadian Institute of Chartered Accountants: "Mainstream institutional investors are beginning to incorporate environmental, social and governance (ESG) factors into their decision making. Such investors are accordingly expressing their expectations for corporate disclosures beyond what is currentlyprovided in financial reporting." (Environmental, Social and Governance (ESG) Issues in Institutional Investor Decision Making, 2010). This is illustrated by the fact that over 1000 institutional investors and portfolio managers, which collectively manage approximately $US 30 trillion, have committed to integrate ESG factors in their investment decisions. Another indication of investor interest in ESG data is the Carbon Disclosure Project (CDP) which aims to improve disclosure of climate change related risks and which is supported by 675 investors worldwide with combined asset under management totalling US$ 78 trillion.

Companies increasingly disclose voluntarily information on their economic, environmental and social performances. According to a survey by KPMG (International Corporate Responsibility Reporting Survey 2011), 95% of Global Fortune 250 companies report on their corporate responsibility activities. Finally, close to 5,000 companies and organisations produce sustainability or corporate responsibility reports which follow the Global Reporting Initiative guidelines, the most comprehensive and recognised international standard in this area.

While companies such as BCE and Telus have produced sustainability reports in the last few years, Quebecor discloses limited information on its environmental and social performance. According to Sustainalytics, a leading ESG rating agency "Quebecor's reporting on ESG issues is considered relatively weak and there is an overall lack of transparency on ESG issues."

Reporting annually on its environmental and social performance would allow Quebecor to highlight its environmental and social policies, programs and management systems for all stakeholders, including shareholders.

The Board of Directors of Quebecor recommends to its shareholders and their proxyholders to VOTE AGAINST this proposal.

Quebecor is a dynamic corporation that has seen major financial growth in recent years, and has contributed unflaggingly to the modernization and enrichment of its environment. Through its involvement, the Corporation contributes to the development of cultural, athletic, philanthropic and financial circles. By way of example, in 2012, Quebecor supported more than 375 not-for-profit organizations for a total value of $28.2 M.

Quebecor and its subsidiaries, which have been committed to the principles of sustainable development for two decades, are already making significant efforts to reduce the volume of waste going to landfills and are supporting thousands of Quebeckers in taking concrete action for the environment. This includes, among other things, the responsible management of waste matter from construction and maintenance of Videotron's network, the recovery and valorization of our computers, the efforts to convert Videotron's customers to online billing and the recycling of commercialized electronic equipment. For example, Quebecor and Videotron have partnered with Jour de la Terre Québec *to create the* Allô la Terre *mobile phones recycling program, which has collected more than 78,000 wireless devices since 2008. In addition, TVA Publications and Groupe Sogides adopted responsible purchasing policies. Additionally, Quebecor has been reporting the carbon footprint of its operations to the Carbon Disclosure Project since 2011.*

Details of its contribution to the community and its environmental involvement can be found in the report on the Corporation's activities that is published annually and on its Website (www.quebecor.com/en/content/communications-giant), as well as in the press releases it issues and in other communications with its shareholders and stakeholders.

Quebecor strongly believes in the benefits of sustainable development and in the need to take concrete action in order to provide our society and future generations with better social and environmental conditions. Although Quebecor recognizes the relevance of keeping the shareholders informed about its social and environmental performance, for the time being it does not believe that a specific and exhaustive document is warranted in addition to the documentation that it is already producing, without an in-depth assessment of the availability and relevance of social and environmental data company-wide, not to mention the costs associated with such an initiative.

Needless to say, the Corporation is in favour of improving the reporting on its environmental and social performance and management, and will give thought to appropriate ways of achieving this.

For these reasons, the Board of Directors recommends that the shareholders vote against this proposal.

SCHEDULE B

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. 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 and the other members of the Board are elected by holders of Class A Multiple Voting Shares.

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

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

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

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

1. Select, appoint and, if necessary, terminate the President and Chief Executive Officer.

2. Approve the appointment and, if necessary, the termination 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 Chairwoman 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. Ensure that the Compensation Committee considered the implications of the risks associated with the Corporation's compensation policies and practices.

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

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

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

3. 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 Corporation's internal control and management information systems.

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.

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

1. Oversee investment policies for the Corporation's pension plans.

2. Oversee the investment management of the pension funds.

3. 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 Chairwoman 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.

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 Chairwoman'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 Chairwoman 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.