

QUEBECOR



ANNUAL INFORMATION FORM

FINANCIAL YEAR ENDED DECEMBER 31, 2019

MARCH 27, 2020

TABLE OF CONTENTS

	Page
ITEM 1 — THE CORPORATION	2
1.1 THE SUBSIDIARIES	3
ITEM 2 — THE BUSINESS	5
2.1 TELECOMMUNICATIONS	5
2.1.1 Business Overview	5
2.1.2 Products and Services	6
2.1.3 Customer Statistics Summary	10
2.1.4 Pricing of Products and Services	10
2.1.5 Network Technology	11
2.1.6 Marketing and Customer Care.....	13
2.1.7 Programming	15
2.1.8 Competition	15
2.1.9 Retail Sector	17
2.2 MEDIA	17
2.2.1 Broadcasting	17
2.2.2 Film Production and Audiovisual Services.....	18
2.2.3 Magazine Publishing.....	18
2.2.4 Production and Distribution.....	18
2.2.5 Newspaper Publishing	18
2.2.6 Other Operations	21
2.3 SPORTS AND ENTERTAINMENT.....	21
2.3.1 Videotron Centre.....	22
2.3.2 QMJHL Hockey Teams.....	22
2.3.3 Event Production and Management and live-event production	22
2.3.4 Book Distribution and Publishing	22
2.3.5 Music.....	23
2.3.6 Competition.....	23
2.4 INTELLECTUAL PROPERTY	24
2.5 INSURANCE	24
2.6 EMPLOYEES.....	24
2.7 ENVIRONMENT	26
ITEM 3 — HIGHLIGHTS	27
3.1 RECENT DEVELOPMENTS	27
3.2 HIGHLIGHTS FOR 2019	28
3.2.1 Quebecor	28
3.2.2 Quebecor Media	28
3.2.3 Telecommunications.....	28
3.2.4 Media	29
3.2.5 Sports and Entertainment	29
3.3 HIGHLIGHTS FOR 2018	29
3.3.1 Quebecor	29
3.3.2 Quebecor Media	30
3.3.3 Telecommunications	30
3.3.4 Media	30
3.3.5 Sports and Entertainment	31
3.4 HIGHLIGHTS FOR 2017	31
3.4.1 Quebecor	31
3.4.2 Quebecor Media	31
3.4.3 Telecommunications.....	31

3.4.4	Media	32
3.4.5	Sports and entertainment.....	32
ITEM 4	— DIRECTORS AND OFFICERS.....	33
4.1	DIRECTORS	33
4.2	EXECUTIVE OFFICERS	35
4.3	CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS	36
ITEM 5	— AUDIT COMMITTEE	36
5.1	MANDATE OF THE AUDIT COMMITTEE	36
5.2	COMPOSITION OF THE AUDIT COMMITTEE	37
5.3	RELEVANT EDUCATION AND EXPERIENCE	37
5.4	RELIANCE ON CERTAIN EXEMPTIONS.....	38
5.5	PRE-APPROVAL POLICY	38
5.6	EXTERNAL AUDITOR SERVICE FEES	39
ITEM 6	— LEGAL PROCEEDINGS	39
ITEM 7	— RISK FACTORS.....	40
ITEM 8	— DESCRIPTION OF CAPITAL STRUCTURE	40
8.1	CAPITAL STRUCTURE.....	40
8.2	AUTHORIZED SHARE CAPITAL.....	41
8.3	ISSUED AND OUTSTANDING SHARE CAPITAL	42
8.4	DIVIDENDS	42
8.5	MARKET FOR SECURITIES	42
ITEM 9	— INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....	43
ITEM 10	— MATERIAL CONTRACTS.....	43
10.1	MATERIAL CONTRACTS OF QUEBECOR	43
10.2	MATERIAL CONTRACTS OF QUEBECOR MEDIA	45
10.3	MATERIAL CONTRACTS OF VIDEOTRON.....	47
ITEM 11	— INTERESTS OF EXPERTS.....	50
ITEM 12	— TRANSFER AGENT AND REGISTRAR	50
ITEM 13	— FORWARD-LOOKING STATEMENTS	50
ITEM 14	— ADDITIONAL INFORMATION	52
SCHEDULE A	— EXCERPTS FROM TVA GROUP INC.'S ANNUAL INFORMATION FORM	
	DATED FEBRUARY 28, 2020	A-1
SCHEDULE B	— MANDATE OF THE BOARD OF DIRECTORS.....	B-1
SCHEDULE C	— MANDATE OF THE AUDIT COMMITTEE.....	C-1

INTRODUCTORY NOTE

In this annual information form, unless the context otherwise requires, the terms, “**Quebecor**” and the “**Corporation**” refer to Quebecor Inc. on a consolidated basis, including its subsidiaries and divisions. Unless otherwise indicated (i) all references to “dollars” and “\$” refer to Canadian dollars, and (ii) the information presented in this annual information form is given as at December 31, 2019. In addition, the table below lists a number of defined terms that are used throughout this annual information form to refer to various companies within the Quebecor group.

Entity	Defined Term
NumériQ Inc.	“NumériQ”
CEC Publishing Inc.	“CEC Publishing”
Fibrenoire Inc.	“Fibrenoire”
Incendo Media Inc.	“Incendo”
Le SuperClub Vidéotron Ltée	“Le SuperClub Vidéotron”
MediaQMI Inc.	“MediaQMI”
Quebecor Media Inc.	“Quebecor Media”
Quebecor Media Network Inc.	“Quebecor Media Network”
Quebecor Media Printing (2015) Inc.	“Quebecor Media Printing”
Select Music Inc.	“Select Music”
Sogides Group Inc.	“Sogides”
TVA Group Inc.	“TVA Group”
Vidéotron Ltd.	“Vidéotron”

ITEM 1 — THE CORPORATION

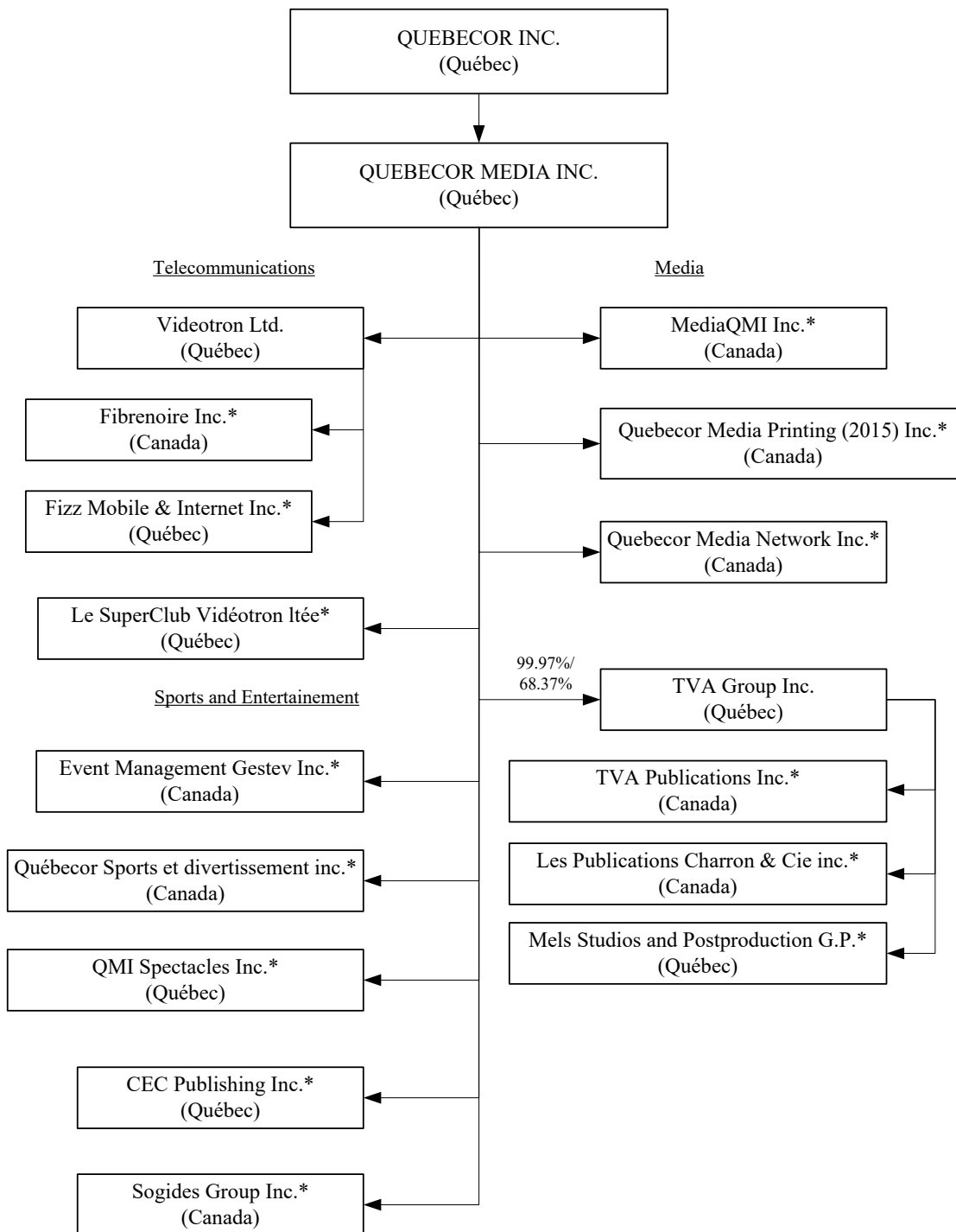
Quebecor was incorporated in accordance with the laws of Québec on January 8, 1965 and is governed by the *Business Corporations Act* (Québec).

The Corporation is a holding company with a 100% interest in Quebecor Media, one of Canada's leading telecommunications and media companies. Quebecor Media's subsidiaries operate in the following business segments: Telecommunications, Media, and Sports and Entertainment.

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

1.1 THE SUBSIDIARIES

The following organizational chart shows Quebecor's principal subsidiaries as at December 31, 2019 by industry segment, jurisdiction of incorporation or continuation, and, if not wholly-owned, the percentage of equity owned and voting rights held directly or indirectly. Certain subsidiaries whose total assets did not represent more than 10% of Quebecor's consolidated assets or whose revenues did not represent more than 10% of its consolidated revenues as at December 31, 2019 have been omitted. The subsidiaries that have been omitted represented, as a group, less than 20% of Quebecor's consolidated assets and less than 20% of its consolidated revenues as at December 31, 2019. The subsidiaries identified with an asterisk (*) each represent 10% or less of its consolidated assets and 10% or less of its consolidated revenues as at December 31, 2019. They have been included to give a better understanding of Quebecor's overall corporate structure.



ITEM 2 — THE BUSINESS

Through its Quebecor Media subsidiary, Quebecor is one of Canada's leading telecommunications and media companies with activities in mobile and cable telephony services, Internet access, cable television, over-the-top (“OTT”) video services, business telecommunication solutions, broadcasting, soundstage and equipment rental, audiovisual content production and distribution, newspaper publishing and distribution, specialized websites, book and magazine publishing and distribution, rental and distribution of video games and game consoles, music production and distribution, out-of-home advertising, operation and management of a world-class entertainment venue, ownership and management of Quebec Major Junior Hockey League (“QMJHL”) teams, concert production and management and promotion of sporting and cultural events. Through its Videotron subsidiary, Quebecor is a leading mobile and cable communications service provider. Quebecor also holds leading positions through its Media segment and its Sports & Entertainment segment in the creation, promotion and distribution of entertainment and news, and in related Internet services that are designed to appeal to audiences in every demographic category. Quebecor continues to pursue a convergence strategy to capture synergies within its portfolio of properties, and to leverage the value of its content across multiple distribution platforms.

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

REVENUES BY OPERATING SEGMENT (in millions of dollars)

	Year ended December 31, 2019	Year ended December 31, 2018
Telecommunications	\$ 3,480.4	\$ 3,382.0
Media	\$ 738.0	\$ 728.6
Sports and Entertainment	\$ 192.2	\$ 182.1
Head Office and Inter-segment	(\$ 116.8)	(\$ 111.7)
TOTAL	\$ 4,293.8	\$ 4,181.0

2.1 TELECOMMUNICATIONS

2.1.1 Business Overview

Through Videotron, the Corporation is the largest cable operator in the Province of Québec and the third largest in Canada, in each case based on the number of cable customers, as well as an Internet service provider and a provider of cable and mobile telephony and OTT video services in the Province of Québec. Videotron's cable network is the largest broadband network in the Province of Québec covering approximately 80% of the Province of Québec's estimated 3.7 million premises. The deployment of its LTE-Advanced (“LTE-A”) and 5G wireless networks and its enhanced offering of mobile communication services for residential and business customers will allow Videotron to further consolidate its position as a provider of integrated telecommunication services, as well as an entertainment and content leader. Videotron's products and services are

supported by the latest coaxial, fibre-optic and wireless technologies. Through roaming agreements with hundreds of domestic and international network operators, Videotron's customers benefit from extensive coverage in Canada and throughout the world.

Videotron Business is a premier full-service telecommunications provider servicing small-, medium- and large-sized businesses, as well as telecommunications carriers. In recent years, we have significantly grown our customer base and have become a leader in the Province of Québec's business telecommunications segment. Products and services include cable television, Internet access, telephony solutions, mobile services and business solutions products such as private network connectivity, Wi-Fi, audio and video transmission. It also includes Fibrenoire, a company that provides fibre-optic connectivity services. This enables Videotron Business to meet the growing demand from business customers for fibre-optic connectivity.

Quebecor is also engaged in retail activities and rental of the suite of Videotron products and services through Videotron-branded stores and kiosks, the Corporation's authorized dealership network and its Le SuperClub Videotron subsidiary.

Through Quebecor Media, Quebecor owned, as at December 31, 2019, all of the equity and voting interests in Videotron.

2.1.2 Products and Services

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

2.1.2.1 Cable Services

Videotron's coaxial and fibre-optic network large bandwidth is a key factor in the successful delivery of advanced products and services. Several emerging technologies and increasing Internet usage by its customers have presented Videotron with significant opportunities to expand its sources of revenue. Videotron currently offers a variety of advanced products and services, including cable Internet access, digital multiplatform television, residential telephony and selected interactive services. On August 27, 2019, Videotron launched Helix, an IPTV and cloud-enabled video platform based on Comcast's Xfinity X1 platform, which provides customers with integrated search functionalities, including the use of a voice-activated remote control, personalized recommendations and access to, and integration content from, certain third-party Internet applications and, coming soon, support for home automation, all tailored to individual customer needs and preferences.

- **Cable Internet Access.** Leveraging its advanced cable infrastructure, Videotron offers cable Internet access to its customers primarily via cable modems. It provides this service at download speeds of up to 400 Mbps to more than 99% of its homes passed. As of December 31, 2019, Videotron had 1,727,300 cable Internet access customers, representing 58.6% of its total homes passed. Based on internal estimates, Videotron is the largest provider of Internet access services in the areas it serves with an estimated market share of 51.0% as of December 31, 2019.
- **Cable Television.** Videotron currently has installed headend equipment connected to a unified fibre-optic and coax network capable of delivering digitally encoded transmissions to a two-way digital gateway in the customer's home and premises. In accordance with the Canadian Radio-television and Telecommunications Commission ("**CRTC**") regulations, Videotron offers a basic package including 23 basic television channels, access to video-

on-demand (“VOD”) and an interactive programming guide. Furthermore, all of Videotron’s custom packages include the basic package, 52 audio channels providing digital-quality music, 37 FM radio channels and an interactive programming guide. Its extended digital television offering allows customers to customize their choices with the ability to choose between custom or pre-assembled packages with a selection of 390 additional channels, including U.S. super-stations and other special entertainment programs. This also offers customers significant programming flexibility including the option of French-language only, English-language only or a combination of French- and English-language programming, as well as many foreign-language channels. As of December 31, 2019, Videotron had 1,531,800, customers for its digital television service, representing 51.9% of its total homes passed.

- *Cable Telephony.* Videotron offers cable telephony service to its residential customers using VoIP technology. As of December 31, 2019, Videotron had 1,027,300 subscribers to its cable telephony service, representing a penetration rate of 34.8% of its homes passed.
- *Video-On-Demand.* VOD service enables Videotron’s customers to rent content from a library of movies, documentaries and other programming through their digital gateway, computer, tablet or mobile phone. Videotron’s customers are able to rent their VOD selections for a period of up to 48 hours, which they are then able to watch at their convenience with full stop, rewind, fast forward, pause and replay functionality during their rental period. In addition, customers can resume viewing on-demand programming that was paused on either the television or mobile app offered on the iOS and Android platforms. These applications feature a customizable, intuitive interface that brings up selections of content based on the customer’s individual settings and enhances the experience by suggesting personalized themed content. These applications smartly and swiftly highlight any content available from the illico and Helix catalog as well as third party catalogs such as Netflix (provided customers have a subscription with such service), including VOD titles, live television broadcasts or recorded shows, and allow customers to transfer it directly and seamlessly from their mobile devices to their television.
- *Pay-Per-View and pay television channels.* Pay-Per-View is a group of channels that allows Videotron’s digital customers to order live events, such as sports events, and comedy shows based on a pre-determined schedule. In addition, Videotron offers pay television channels on a subscription basis that allows its customers to access and watch most of the movies available on the linear pay TV channels these customers subscribe to.
- *Helix.* On August 27, 2019, Videotron launched its new IPTV service, Helix – a new technology platform based on the Comcast Xfinity X1 platform. Helix is built around voice-controlled assistant technology. Helix offers a smarter and more powerful Wi-Fi coverage, an enhanced TV experience through IP technology, seamless integration of Web content platforms and, coming soon, home automation services. Videotron has also launched two new mobile apps for its Helix customers: (i) Helix, which lets users control their cloud DVR remotely, watch live TV as well as a large quantity of on demand content anytime, anywhere; and (ii) Helix Fi, which lets customers control their home Wi-Fi network, set time restrictions for children’s Internet usage by quickly and easily managing a device connection on the household network. In addition, the Helix Fi app will soon give customers the control of their household smart devices.

2.1.2.2 Mobile Services

In the context of the spectrum auction that ended on July 21, 2008, Videotron acquired 17 Advanced Wireless Services (“**AWS-1**”) spectrum licenses covering the Province of Québec, Eastern Ontario and the Greater Toronto Area. The AWS-1 spectrum licenses in the Greater Toronto Area were subsequently sold to Rogers in 2017.

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

In 2013 Videotron signed a 20-year agreement with Rogers Communications Partnership (“**Rogers**”) for the cooperation and collaboration in the build-out and operation of a shared LTE wireless network in the Province of Québec and the Ottawa region (the “**Rogers LTE Agreement**”). In September 2014, Videotron launched its shared LTE wireless network with Rogers. This shared network delivers an optimal user experience for consumers and businesses. Videotron maintains its business independence throughout this agreement, including its product and service portfolios, billing systems and customer data.

In April 2014, Videotron added Apple’s mobile devices, including the iPhone, to its extensive line-up of mobile handsets, thus enabling Videotron to reach a significantly untapped segment of its addressable market, in particular the young mobile users. Subsequently, Videotron launched applications for the iOS operating system.

In August 2015, Videotron launched the Unlimited Music service, which allowed some mobile customers to stream music through the most popular online platforms without using data from their mobile plan. On April 20, 2017, the CRTC ordered Videotron to stop offering unlimited data to its customers and consumers for streaming or listening to music by July 19, 2017. This deadline was later extended to August 4, 2017.

In the 700 MHz auction held in 2014, Videotron acquired a package of seven spectrum licenses consisting of a single paired 5+5 MHz spectrum block in the upper 700 MHz band over a geographic territory which encompasses the provinces of Québec, Ontario (excluding the region of Northern Ontario), Alberta and British Columbia (the spectrum licenses outside Québec were subsequently sold to Shaw Communications Inc. (“**Shaw**”) in 2017). The 700 MHz band presents certain superior propagation characteristics and benefits from well-developed LTE equipment and device ecosystems in North America. The 700 MHz band enhances Videotron’s ability to maintain a leading edge and a high performance wireless network in the Province of Québec.

In the Innovation, Science and Economic Development Canada (“**ISED**”) auction for AWS-3 commercial mobile spectrum held on March 3, 2015, Videotron acquired four 30 MHz licenses for Eastern Québec, Southern Québec, Northern Québec and Eastern Ontario / Outaouais, covering 100% of the population of the Province of Québec and the Ottawa region. This spectrum, which supports LTE technology, further enhances Videotron’s ability to maintain a leading-edge, high performance wireless network in the Province of Québec and in the Ottawa region.

On May 12, 2015, after the closing of ISED’s auction for 2500 MHz commercial mobile spectrum, Videotron was declared the successful bidder for 18 licenses covering all of the Province of Québec as well as the major urban centres in the rest of Canada, including Toronto, Ottawa, Calgary, Edmonton and Vancouver (the 2500 MHz spectrum licenses outside Québec were subsequently sold to Shaw in 2017).

Since May 13, 2015, the coverage of Videotron's LTE network was expanded coast-to-coast through roaming agreements with other wireless service providers.

On June 20, 2017, pursuant to the Rogers LTE Agreement, Videotron exercised its option to sell its AWS-1 spectrum license in the Greater Toronto Area to Rogers for \$184.2 million.

On July 24, 2017, Videotron sold seven 2500 MHz and 700 MHz wireless spectrum licenses outside Québec to Shaw for a cash consideration of \$430.0 million, which licenses had been awarded to Videotron in the 2014 and 2015 ISED auction for the 700 MHz and the 2500 MHz wireless spectrum licenses, respectively.

Videotron kept its wireless spectrum licenses (Band 4 – AWS1, Band 66 -AWS3, Band 7 - 2500 MHz and Band 13 – 700 MHz) for the Province of Québec and Eastern Ontario.

In the ISED auction for commercial mobile spectrum held on April 10, 2019, Videotron purchased ten blocks of low-frequency spectrum in the 600 MHz band covering Eastern, Southern and Northern Québec as well as the Outaouais and Eastern Ontario areas. The 600 MHz band is the first of the three bands suitable for fifth-generation (5G) networks to be put up for auction in Canada. With the acquisition of these licenses, Videotron is better positioned for the upcoming deployment of 5G wireless services. The licenses purchased by Videotron increase its low-frequency portfolio by 300% in most parts of Québec. Low-frequency bands have a longer range and an increased capacity to penetrate buildings in urban areas. Videotron now has a total of 130 MHz of mobile spectrum in most regions of Québec and 90 MHz in the Ottawa area, spread across the AWS-1, AWS-3, 600 MHz, 700 MHz and 2500 MHz bands.

As of December 31, 2019, most households and businesses on Videotron's cable footprint had access to its advanced mobile services. As of December 31, 2019, there were 1,330,500 lines activated on its wireless network, representing a year-over-year increase of 176,700 lines (15.3%).

2.1.2.3 Club illico

Videotron's subscription based OTT entertainment service, Club illico, offers a rich and varied selection of unlimited, on-demand French language content (movies, television shows, children's shows, teen series, documentaries, comedy performances and concerts). In its efforts to offer original content to its customers, Club illico funds the production of series, documentaries, movies and shows for which it holds first window rights prior to their linear broadcast. Club illico boasts over 500 million viewings since its launch in 2013, making it an uncontested leader in the Québec on-demand video entertainment landscape. On November 15, 2017, Videotron launched the Club illico mobile application. As of December 31, 2019, 187,400 customers had downloaded this application. On December 31, 2019, the Club illico service had 459,300 subscribers.

2.1.2.4 Business Telecommunications Services

Videotron Business is a premier telecommunications service provider, offering reliable and state-of-the-art mobile telephony, Internet access, telephony solutions, data and cable television solutions to all business segments: small and medium-sized companies, large corporations and other telecommunications carriers.

Videotron also offers fibre-optic connectivity services through its wholly-owned subsidiary Fibrenoire.

Videotron Business serves customers through a dedicated salesforce and customer service teams with solid expertise in business market. Videotron Business relies on its extensive coaxial, fibre-optic, and LTE wireless networks to provide the best possible customized solutions to all of its customers.

2.1.3 Customer Statistics Summary

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

	As of December 31				
	2019	2018	2017	2016	2015
	(in thousands of customers)				
<u>Revenue-generating units (RGUs)</u>	6,076.2	5,990.3	5,881.1	5,765.4	5,647.5
<i>Mobile Telephony</i>					
Mobile telephony lines	1,330.5	1,153.8	1,024.0	893.9	768.6
<i>Cable Internet</i>					
Cable Internet customers	1,727.3	1,704.5	1,666.5	1,612.8	1,568.2
Penetration ⁽¹⁾	58.6%	58.6%	58.0%	56.8%	55.9%
<i>Cable Television</i>					
Basic customers ⁽²⁾	1,531.8	1,597.3	1,640.5	1,690.9	1,736.9
Penetration ⁽¹⁾	51.9%	54.9%	57.1%	59.6%	61.9%
Digital customers ⁽³⁾	1,531.8	1,597.3	1,640.5	1,587.1	1,570.6
Penetration ⁽⁴⁾	100%	100%	100%	93.9%	90.4%
<i>Cable Telephony</i>					
Cable telephony lines	1,027.3	1,113.9	1,188.5	1,253.1	1,316.3
Penetration ⁽¹⁾	34.8%	38.3%	41.4%	44.1%	46.9%
<i>Club illico</i>					
Over-the-top video customers	459.3	420.8	361.6	314.7	257.5
<u>Homes passed⁽⁵⁾</u>	2,950.1	2,907.9	2,873.7	2,839.3	2,806.0

(1) Represents customers (or telephony lines) as a percentage of total homes passed.

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

(3) At the end of 2017, substantially all of Videotron's subscribers to the analog cable television service had migrated to digital service.

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

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

2.1.4 Pricing of Products and Services

Videotron's revenues are derived from the monthly fees its customers pay for cable television, Internet access and mobile and cable telephony services as well as Club illico. The rates it charges vary based on the market served and the level of service selected. Rates are usually adjusted annually. Videotron also offers discounts to its customers who subscribe to more than one of its services, when compared to the sum of the prices of the individual services provided to these

customers. As of December 31, 2019, the average monthly invoice on recurring subscription fees per residential customer was \$116.54 (representing a 3.3% year-over-year decrease) and approximately 72% of its customers were bundling two services or more. A one-time installation fee, which may be waived in part during certain promotional periods, is charged to new customers. Monthly instalment payments for equipment, such as gateways or Wi-Fi routers, can be charged depending on the promotional offer.

2.1.5 Network Technology

2.1.5.1 Cable Services

As of December 31, 2019, Videotron's cable network consisted of fibre-optic cable and of coaxial cable, covering approximately 2.9 million homes and serving approximately 2.4 million customers in the Province of Québec. Its network is the largest broadband network in the Province of Québec covering approximately 80% of premises. Its extensive network supports direct connectivity with networks in Ontario, the Maritimes and the United States.

Videotron's cable television network is comprised of four distinct parts including signal acquisition networks, main headends, distribution networks and subscriber drops. The signal acquisition network picks up a wide variety of television, radio and multimedia signals. These signals and services originate from either a local source or content provider or are picked up from distant sites chosen for satellite or over-the-air reception quality and transmitted to the main headends by way of fibre-optic relay systems. Each main headend processes, modulates, scrambles and combines the signals in order to distribute them throughout the network. Each main headend is connected to the primary headend in order to receive the digital MPEG2/MPEG4 signals and the IP backbone for the Internet services. The first stage of this distribution consists of a fibre-optic link which distributes the signals to distribution or secondary headends. After that, the signal uses the hybrid fibre coaxial cable network made of wide-band optical nodes, amplifiers and coaxial cables capable of serving up to 30 km in radius from the distribution or secondary headends to the subscriber drops. The subscriber drop brings the signal into the customer's television set directly or, depending on the area or the services selected, through various types of customer equipment including set-top boxes, gateways and modems.

Videotron has adopted the hybrid fibre coaxial ("**HFC**") network architecture as the standard for its network. HFC network architecture combines the use of both fibre-optic and coaxial cables. Fibre-optic cable has good broadband frequency characteristics, noise immunity and physical durability and can carry hundreds of video and data channels over extended distances. Coaxial cable requires greater signal amplification in order to obtain the desired transmission levels for delivering channels. In most systems, Videotron delivers its signals via fibre-optic cable from the headend to a group of optical nodes and then via coax to the homes passed served by the nodes. Videotron builds its network by implementing cells of 125 homes. As a result of the modernization of its network, its network design now provides for average cells of 163 homes throughout its footprint. To allow for this configuration, over the years, secondary headends were put into operation in the Greater Montréal Area, in the Greater Québec City Area and in the Greater Gatineau City Area.

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

Starting in 2008, and on-going until year end 2019, an extensive network modernization effort took place in the Greater Montréal Area, in the Greater Québec City Area and in the Greater Gatineau City Area in order to meet the ever expanding service needs of the customer in terms of video, telephony and Internet access services. This modernization implied an extension of the upper limit of the RF spectrum available for service offerings and a deep fibre deployment, which significantly extended the fibre portion in the HFC network (thereby reducing the coax portion). Additional optical nodes were systematically deployed to increase the segmentation of customer cells, both for upstream and downstream traffic. This modernization initiative resulted in (i) a network architecture where the segmentation for the upstream traffic is for 125 homes while that for the downstream traffic is set to 250 (which can evolve to 125 homes), and (ii) the availability of a 1 GHz spectrum for service offerings. The robustness of the network is greatly enhanced (there is much less active equipment in the network such as RF amplifiers for the coax portion), the service offering potential and customization to the customer base is significantly improved (through the extension of the spectrum to 1 GHz and the increased segmentation) and allows much greater speeds of transmission for Internet services which are presently unrivalled.

The RF spectrum is set with digital information using quadrature amplitude modulation. MPEG video compression techniques and the DOCSIS protocol allow Videotron to provide a great service offering of standard definition, HD and now UHD video, as well as complete voice and Internet services.

Videotron currently uses the latest CableLabs DOCSIS 3.1 standard on its network. DOCSIS 3.1 is a new generation technology developed by the CableLabs consortium, of which Videotron is a member. DOCSIS 3.1, uses Orthogonal Frequency-Division Multiplexing (OFDM) modulation and Low-Density Parity Check (LDPC) correction algorithm that provide better resiliency to RF interference and increase throughput for the same spectrum, i.e. increase Mbps/MHz. DOCSIS 4.0 specifications have been made available and this technology will potentially deliver speeds of up to 10 Gbps for downloads and up to 1 Gbps for uploads.

Videotron's strategy of maintaining a leadership position in respect of the suite of products and services that it offers and launching new products and services requires investments in its network to support growth in its customer base and increases in bandwidth requirements. 86% of its network in the Province of Québec has been upgraded to a bandwidth of 1002 MHz, the remaining of its network being at 750 MHz. Also, in light of the greater availability of HD and UHD television programming and the ever increasing speed of Internet access, further investments in its network will be required.

Fibre-optic technology has been used extensively in Videotron's network as part of its HFC architecture. Videotron currently delivers its signals via fibre-optic cable from the headend to a group of optical nodes and then via coax to the homes passed served by the nodes. Based on an already fibre-deep network, the growing demand for transmission speed and capacity, and the rapid price erosion of fibre optic-based distribution technology, Videotron has introduced a Fibre to the home ("**FTTH**") solution for its residential customers.

Its FTTH solution uses the Passive Optical Network ("**PON**") fibre-optic telecommunications technology for delivering high speed/high capacity broadband access to its customers. Its architecture is based on a point-to-multipoint topology, in which a single optical fibre serves multiple endpoints by using unpowered (passive) fibre-optic splitters to divide the fibre bandwidth among multiple terminals. More precisely, Videotron uses the IEEE Ethernet PON ("**EPON**") version with capabilities evolving from 10Gbps to many tens of Gbps.

EPON takes also advantage of DOCSIS Provisioning of Ethernet Passive Optical Network, or DPoE. DPoE is a set of Cable Television Laboratory specifications that implement the DOCSIS Operations Administration Maintenance and Provisioning functionality on existing EPON equipment. It makes the EPON look and act like a DOCSIS platform, facilitating the migration of existing services.

Videotron's FTTH deployment will be progressive. Expansion (greenfield) deployment for new constructions will be mostly FTTH while existing areas will be migrated based on capacity requirements.

2.1.5.2 Mobile Services

As of December 31, 2019, Videotron's shared LTE network reached 94% of the population of the Province of Québec and the Greater Ottawa Area, allowing the vast majority of its potential clients to have access to the latest mobile services. Almost all of its towers and transmission equipment are linked through its fibre-optic network using a multiple label switching – or MPLS – protocol. Videotron plans to continue developing and enhancing its mobile technological offering by densifying network coverage and increasing download speeds. Its network is designed to support important customer growth in coming years as well as rapidly evolving mobile technologies. On October 20, 2017, Videotron introduced the Voice over LTE (VoLTE) feature, a new generation of mobile voice services providing eligible users with improved indoor coverage and faster call routing and, on calls between Videotron customers, enabling users to experience HD sound quality on the LTE network.

Videotron's strategy in the coming years is to build on its position as a telecommunication leader with its LTE mobile services and to keep the technology at the cutting edge as it continues to evolve rapidly and new market standards, such as LTE-A and heterogeneous networks are being deployed. Videotron is exploring 4.5G and 5G services. In doing so, Videotron has created a partnership with an equipment manufacturer, engineering universities and the Société du Quartier de l'innovation de Montréal. Together with its partners, Videotron has established the first Open-Air Smart Living Laboratory in Canada. This laboratory, in collaboration with start-ups and established enterprises, tests the many facets of innovations associated with the emerging industry revolving around fifth-generation (5G) telecommunications.

On December 13, 2019, following an exhaustive request for proposal process, Videotron selected Samsung as its LTE-A and 5G network equipment provider. This deal will allow Videotron's subscribers to experience the latest LTE-A and 5G network services by late 2020.

During 2019, Videotron maintained its HSPA+ network throughout the Province of Québec and over the Greater Ottawa Area. Its HSPA+ customers continue to migrate to its advanced LTE network.

2.1.6 Marketing and Customer Care

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

- develop attractive bundle offers to encourage its customers to subscribe to two or more products, which increases average billing per unit (“**ABPU**”) customer retention and operating margins;
- continue to rapidly deploy advanced products on all its services – cable, Internet access, telephony, Club illico and mobile – to maintain and increase its leadership and consequently, to gain additional market share;
- design product offers that provide greater opportunities for customer entertainment and information;
- deploy strong retention strategies aiming to maintain its existing customer base and to maintain its ABPU;
- develop targeted marketing programs to attract former customers and households that have never subscribed to certain of its services and customers of alternative or competitive services as well as target specific market segments;
- enhance the relationship between customer service representatives and its customers by training and motivating customer service representatives to promote advanced products and services;
- leverage the retail presence of Videotron-branded stores and kiosks, Le SuperClub Vidéotron, third-party commercial retailers, and authorized distributors;
- maintain and promote its leadership in content and entertainment by leveraging the wide variety of services offered within the Quebecor Media group to its existing and future customers;
- introduce new value added packages of products and services, which it believes will increase ABPU and improve customer retention;
- leverage its business market, using its network and expertise with its commercial customer base, to offer additional bundled services to its customers; and
- develop new products, services and digital platforms to respond to the technological needs and continuously evolving consumer behaviours.

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

Maximizing customer satisfaction is a key element of Videotron’s business strategy. In support of its commitment to customer satisfaction, Videotron offers the service of dedicated, knowledgeable and well-trained technical experts which it calls its “PROS”, the primary mission of which is to support its customers by helping them get the most out of what Videotron has to offer. Through personalized demonstration sessions, the PROS provide customers with continued customer service after subscription has been made. Videotron continues to provide a 24-hour customer

service hotline seven days a week across most of its systems, in addition to its web-based customer service capabilities. All of its customer service representatives and technical support staff are trained to assist customers with all of its products and services, which in turn allows its customers to be served more efficiently and seamlessly. Videotron's customer care representatives continue to receive extensive training to perfect their product knowledge and skills, which contributes to retention of customers and higher levels of customer service. Videotron utilizes surveys, focus groups and other research tools to assist in its marketing efforts and anticipate customer needs. To increase customer loyalty, Videotron is also starting to leverage strategic partnerships to offer exclusive promotions, privileges and contests which contribute in expanding its value proposition to its customers.

2.1.7 Programming

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

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

2.1.8 Competition

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

- *Providers of Other Entertainment.* Cable systems face competition from alternative methods of distributing and receiving television signals and from other sources of entertainment such as live sporting events, movie theatres and home video products, including digital recorders, OTT content providers, such as Netflix, Amazon Prime Video, Disney+ and Apple TV+, Blu-ray players and video games. The extent to which a cable television service is competitive depends in significant part upon the cable system's ability to provide a greater variety of programming, superior technical performance and superior customer service that are available through competitive alternative delivery sources. Club illico, Videotron's subscription based OTT platform offering a rich and varied selection of unlimited on-demand content, allows Videotron to reduce the effect of competition from

alternative delivery sources, as well as to reduce churn, and it is a market differentiating factor for customers seeking additional content and home entertainment.

- *DSL*. The deployment of digital subscriber line technology (“**DSL**”) provides customers with Internet access at data transmission speeds greater than that available over conventional telephone lines. DSL service provides access speeds that are comparable to low-to-medium speeds of cable-modem Internet access but that decrease with the distance between the DSL modem and the line card.
- *FTTN and FTTH*. Fibre to the neighborhood (“**FTTN**”) technology addresses the distance limitation by bringing the fibre closer to the end user. The last mile is typically provided by the DSL technology. FTTH brings the fibre up to the end user location. The speed is then limited by the end equipment rather than the medium (fibre) itself.
- *Internet Video Streaming*. The continuous technology improvement of the Internet combined with higher download speeds and its affordability, favors the development and deployment of alternative technologies such as digital content offered by OTT service providers through various Internet streaming platforms. While having a positive impact on the demand for its Internet access services, this model could adversely impact the demand for Videotron’s cable television services.
- *VDSL*. Video digital subscriber line (“**VDSL**”) technology increases the available capacity of DSL lines, thereby allowing the distribution of digital video. Multi-system operators are now facing competition from incumbent local exchange carriers (“**ILECs**”), which have been granted licenses to launch video distribution services using this technology, which operates over copper phone lines. The transmission capabilities of VDSL will be significantly boosted with the deployment of technologies such as vectoring (the reduction or elimination of the effects of far-end crosstalk) and twisted pair bonding (use of additional twisted pairs to increase data carriage capacity). ILECs have already replaced many of their main feeds with fibre-optic cable and positioning VDSL transceivers, a VDSL gateway, in larger multiple-dwelling units, in order to overcome the initial distance limitations of VDSL. With this added capacity, along with the evolution of compression technology, VDSL-2 will offer significant opportunities for services and increase its competitive threat against other multi-system operators.
- *Direct Broadcast Satellite (“**DBS**”)*. DBS is also a competitor to cable systems. DBS delivers programming via signals sent directly to receiving dishes from medium and high-powered satellites, as opposed to cable delivery transmissions. This form of distribution generally provides more channels than some of Videotron’s television systems and is fully digital. DBS service can be received virtually anywhere in Canada through the installation of a small rooftop or side-mounted antenna. Like digital cable distribution, DBS systems use video compression technology to increase channel capacity and digital technology to improve the quality of the signals transmitted to their customers.
- *Mobile Telephony Services*. With its mobile network, Videotron competes against a mix of participants, some of them being active in some or all the products it offers, while others only offer mobile services in its market. The Canadian incumbents have deployed their LTE networks and this technology has become an industry standard. These incumbents are currently upgrading their networks with a view to launch 5G mobile services.

- *Private Cable.* Additional competition is posed by satellite master antenna television systems known as “SMATV systems” serving multi dwelling units, such as condominiums, apartment complexes, and private residential communities.
- *Wireless Distribution.* Cable television systems also compete with wireless program distribution services such as multichannel multipoint distribution systems (“**MMDS**”). This technology uses microwave links to transmit signals from multiple transmission sites to line-of-sight antennas located within the customer’s premises.
- *Grey and Black Market Providers.* Cable and other distributors of television signals continue to face competition from the use of access codes and equipment that enable the unauthorized decoding of encrypted satellite signals, from unauthorized access to Videotron’s analog and digital cable signals (black market) and from the reception of foreign signals through subscriptions to foreign satellite television providers that are not lawful distributors in Canada (grey market).
- *Telephony Service.* Videotron’s cable telephony service competes against ILECs and other telephony service providers, VoIP telephony service providers and mobile telephony service providers.
- *Third Party Internet Service Providers (“ISPs”).* In the Internet access business, cable operators compete against third party ISPs offering residential and commercial Internet access, as well as VoIP and video distribution services. The CRTC requires the large Canadian incumbent cable operators to offer access to their high-speed Internet network to competitive Internet service providers at mandated rates.

2.1.9 Retail Sector

Videotron’s retail network is both a showcase and a valuable and cost-effective distribution network for Videotron’s growing array of advanced products and services, such as cable Internet access, digital television and mobile and cable telephony. Through Le SuperClub Vidéotron, Quebecor is a franchisor of video and video game rental stores in the Province of Québec. It had a total of 24 retail locations as of December 31, 2019, with 22 of these retail locations also offering Quebecor’s suite of telecommunication services and products.

2.2 MEDIA

The Media segment is dedicated to entertainment and news media which includes the operations of TVA Group, MediaQMI, Quebecor Media Out-of-Home, Quebecor Media Network, Quebecor Media Printing and NumériQ. The Media segment has activities in broadcasting, film production and audiovisual services, production and distribution of television content, magazine publishing, newspaper publishing and other media related operations.

Quebecor Media owns 68.37% of the equity interest and controls 99.97% of the voting power in TVA Group. Quebecor Media also owns 100% of the voting and equity interests of MediaQMI, Quebecor Media Network, Quebecor Media Printing and NumériQ.

2.2.1 Broadcasting

Through TVA Group, a subsidiary of Quebecor Media, the Corporation operates the largest French-language private television network in North America. TVA Group is the sole owner of 6 of the 10

television stations composing Réseau TVA (“**TVA Network**”) and a portfolio of specialty channels, namely LCN, TVA Sports, addik^{TV}, Prise 2, YOOPA, CASA and MOI ET CIE, and operates two additional specialty channels since acquiring the ultimate effective control of *Évasion* and *Zeste* on February 13, 2019. Each of those specialty channels operates a website, including www.tvanouvelles.ca and www.tvasports.ca which are the two most visited websites of TVA Group. TVA Group also holds interests in two TVA Network affiliates. In addition to linear television, the TVA Network and some specialty channels broadcast on-demand and streaming content through their multiplatform applications. Through various subsidiaries and divisions, TVA Group also provides commercial production services.

A complete description of the Broadcasting activities as carried by TVA Group is set forth in its annual information form dated February 28, 2020, and relevant excerpts of such description are reproduced in Schedule A to this annual information form.

2.2.2 Film Production and Audiovisual Services

TVA Group owns Mels Studios and Postproduction G.P., a provider of soundstage and equipment leasing, postproduction and visual effects services to the film and television industries.

A complete description of Film Production and Audiovisual Services activities as carried by TVA Group is set forth in its annual information form dated February 28, 2020, and relevant excerpts of such description are reproduced in Schedule A to this annual information form.

2.2.3 Magazine Publishing

Through its subsidiaries, TVA Publications Inc. and Les Publications Charron & Cie inc., TVA Group publishes more than 50 French and English-language magazines in various fields including show business, television, fashion and beauty, food, travel and lifestyle. They also market digital products associated with different magazine brands. It is the top French-language magazine publisher in Québec and a leader in the Canadian magazine publishing industry.

A complete description of Magazine Publishing activities as carried by TVA Group is set forth in its annual information form dated February 28, 2020, and relevant excerpts of such description are reproduced in Schedule A to this annual information form.

2.2.4 Production and Distribution

Through the companies in the Incendo group, TVA Group produces and distributes television shows, movies and television series for the world market.

A complete description of Production and Distribution activities as carried by TVA Group is set forth in its annual information form dated February 28, 2020, and relevant excerpts of such description are reproduced in Schedule A to this annual information form.

2.2.5 Newspaper Publishing

2.2.5.1 Newspaper Operations

Quebecor operates its newspaper business, namely *Le Journal de Montréal*, *Le Journal de Québec* and the *24 Heures Montréal* through MediaQMI. Its daily newspapers disseminate information in traditional printed ways and through daily urban newspaper websites, namely

www.journaldemontreal.com and www.journaldequebec.com, and through the fully customizable J5 mobile app.

Paid daily newspapers

Le Journal de Montréal and *Le Journal de Québec* are tabloids. They are mass circulation newspapers that provide succinct and complete news coverage with an emphasis on local news, sports and entertainment. The tabloid format makes extensive use of color, photographs and graphics. Each newspaper contains inserts that feature subjects of interest such as fashion, lifestyle and special sections.

Le Journal de Montréal and *Le Journal de Québec*, already present on all platforms, also offer their readers the J5 mobile app, a fully customizable reading experience which is supported on iOS and Android. Through J5, users can select the news they want to receive daily, based on their interests

According to corporate figures, the aggregate circulation of the Media segment's paid and free newspapers as of December 31, 2019 was approximately 2.3 million copies per week in print and electronic formats.

- ***Le Journal de Montréal.*** *Le Journal de Montréal* is published seven days a week and is distributed by Quebecor Media Network. The main competitors of *Le Journal de Montréal* are La Presse+ and The Montreal Gazette. *Le Journal de Montréal's* website is accessible at www.journaldemontreal.com.
- ***Le Journal de Québec.*** *Le Journal de Québec* is published seven days a week and is distributed by Quebecor Media Network. The main competitor of *Le Journal de Québec* is Le Soleil. *Le Journal de Québec's* website is accessible at www.journaldequebec.com.

The following table lists the respective average readership in 2019 for *Le Journal de Montréal* and *Le Journal de Québec* as well as their market position versus other paid daily newspapers by weekly readership during that period, according to the Vividata study:

NEWSPAPER	2019 AVERAGE READERSHIP			MARKET POSITION BY READERSHIP ⁽¹⁾
	SATURDAY	SUNDAY	MON-FRI	
<i>Le Journal de Montréal</i>	1,695,000	1,393,000	1,275,000	1st
<i>Le Journal de Québec</i>	810,000	700,000	596,000	1st
Total Average Readership	2,505,000	2,093,000	1,871,000	

(1) Based on the Vividata Study.

The following table lists the respective average daily paid circulation in 2019 for *Le Journal de Montréal* and *Le Journal de Québec*:

	2019 AVERAGE PAID CIRCULATION		
	SATURDAY	SUNDAY	MON-FRI
<i>Le Journal de Montréal</i>	178,900	160,900	160,400
<i>Le Journal de Québec</i>	88,300	83,800	81,100
Total Average Paid Circulation	267,200	244,700	241,500

Source: Internal Statistics

Free daily newspaper

Quebecor publishes one free daily commuter publication in the Montréal urban market: the *24 Heures Montréal*. The editorial content of this free daily commuter publication focuses on the greater metropolitan area of Montréal.

The average weekday circulation of the *24 Heures Montréal* for 2019 is 116,200.

2.2.5.2 Competition

The newspaper industry is seeing secular changes, including the growing availability of free access to media, shifting readership habits, digital transferability, the advent of real-time information and secular changes in the advertising market, all of which affect the nature of competition in the newspaper industry. Competition increasingly comes not only from other newspapers (including other national, metropolitan (both paid and free) and suburban newspapers), magazines, television and radio broadcasting, direct marketing and solo and shared mail programs, but also from digital media platforms.

2.2.5.3 Advertising, Circulation and Digital Revenues

Advertising revenue is the largest source of revenue for Quebecor's newspaper operations, representing 54.3% of its newspaper operations' total revenues in 2019. Advertising rates are based upon the size of the market in which each newspaper operates, circulation, readership, demographic composition of the market and the availability of alternative advertising media.

The principal categories of advertising revenues in its newspaper operations are retail and national advertising. Most of its retail advertisers are car dealers, department stores, electronics stores and furniture stores.

Circulation sales are its newspaper operations' second-largest source of revenue and represented 33.9% of total revenues of its newspaper operations in 2019.

Digital revenues represented 8.5% of total revenues for its newspaper operations in 2019. Digital revenues are generated from advertising on its websites and digital subscriptions to the e-editions of its newspapers. Revenues from digital products represent a potential growth opportunity for its newspaper operations.

2.2.5.4 Seasonality and Cyclicity

Quebecor's newspaper operations' operating results tend to follow a recurring seasonal pattern with higher advertising revenue in the spring and in the fall.

Quebecor's newspaper business is cyclical in nature. Its operating results are sensitive to prevailing local, regional and national economic conditions because of its dependence on advertising sales for a substantial portion of its revenue.

2.2.6 Other Operations

2.2.6.1 Commercial Printing

Through its wholly-owned subsidiary Quebecor Media Printing, Quebecor operates a printing facility located in Mirabel, Québec, where *Le Journal de Montréal* and the *24 Heures Montréal* are printed.

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

2.2.6.2 Distribution of periodicals in Québec

Through Messageries Dynamiques, a division of Quebecor Media Network, Quebecor delivers magazines and newspapers to dealers through a network that serves nearly 11,800 points of sale. Its home delivery service brings many Québec and Canadian dailies, including *Le Journal de Montréal* and *Le Journal de Québec*, to more than 190,000 homes every day.

2.2.6.3 Out-of-Home Advertising

Quebecor is involved in out-of-home advertising through the installation, maintenance and management of out-of-home advertisement, including on transit and bus shelters. In relation thereto, it entered into a 10-year agreement with *Société de transport de Lévis*, a 20-year agreement with *Société de transport de Laval*, a 20-year agreement with *Société de transport de Montréal* (STM), a 10-year agreement with *Société de transport de Sherbrooke* (STS) and a 10 year agreement with Réseau de transport de Longueuil (RTL).

2.2.6.4 Production of Digital Content

In 2018, Quebecor created NumériQ, an entity that brings together the digital content and strategy production assets harnessed to create digital platforms and content for its various platforms.

NumériQ also operates a number of other digital brands, including *Le Guide de l'auto*, *Le sac de chips*, *Pèse sur Start*, *Silo 57* and *Tabloïd*. Moreover, QUB radio, an online and mobile audio platform with a live radio stream and a library of podcasts, was launched by NumériQ in October 2018.

NumériQ develops and operates the apps and websites of the Media segment. Quebecor's apps and websites reach 7.6 million unique visitors per month in Canada (source: ComScore Canada, November 2019).

2.3 SPORTS AND ENTERTAINMENT

Quebecor's activities in the Sports and Entertainment segment consist primarily of the production, promotion and management of live shows and of various sporting, cultural and corporate events, the operation of two QMJHL teams, the operation and management of the Videotron Centre, as well as book distribution and publishing and music distribution and production.

2.3.1 Videotron Centre

The Videotron Centre is an arena located in Québec City that has 18,400 seats and is home to the *Remparts de Québec* as well as the host of a variety of events and shows featuring local and international artists. Through a 25-year agreement entered into with Québec City, Quebecor was granted both the management and naming rights through 2040. Quebecor leases the Videotron Centre and generates revenues through the sale of advertisement and sponsorship opportunities as well as through the sale of food and beverages during the events and shows.

AEG Presents and AEG Facilities, divisions of AEG Worldwide, support the Sports and Entertainment segment in booking events and operating the Videotron Centre through an 8-year strategic partnership entered into in 2015. The Sports and Entertainment segment has also entered into strategic partnerships for the operation of the Videotron Centre with Live Nation Entertainment, involving two of its principal divisions, namely Live Nation Canada, the global market leader in concert production and promotion, and Ticketmaster, its ticketing service operating in the Province of Québec under the name "Admission". Finally, the Sports and Entertainment segment has entered into strategic partnerships with Levy Restaurants, with an emphasis on building a world class culinary experience at the Videotron Centre through a local food and beverage program, with Labatt Breweries of Canada as the Videotron Centre's official beer supplier and with Alex Coulombe ltée (the local Pepsi Co distributor) as the Videotron Centre's official supplier of soft drinks, sparkling water and isotonic sports drinks.

On September 12, 2019, the Videotron Centre completed its fourth full year of operation. During its fourth year of operation, the Videotron Centre hosted 97 sporting events and concerts and a total of approximately 726,000 people attended these events.

2.3.2 QMJHL Hockey Teams

Quebecor owns two QMJHL franchises, namely the *Armada de Blainville-Boisbriand* (70%) and *Les Remparts de Québec* (100%).

2.3.3 Event Production and Management and live-event production

Through Event Management GesteV inc. ("**GesteV**"), a sports and cultural events manager, site manager and producer with activities in the Province of Québec, Ottawa, Toronto and Edmonton. Quebecor produces or has produced numerous high-profile events such as the Red Bull Crashed Ice (urban extreme ice skating race), Vélirium (International Mountain Bike Festival and UCI World Cup), the Transat Québec Saint-Malo (transatlantic sailing race), Ski Tour (FIS Cross-Country World Cup), the Jamboree (including the FIS Snowboard and Freestyle Skiing World Cups), PBR Major Event (Professional Bull Rider event), FIVB Beach Volley World Finals and the Marathon de Québec (a 3-day running event). Quebecor also produces, on an annual basis, approximately 200 corporate, private and public events. Quebecor also manages the site of the Baie de Beauport, a beach in Québec city.

In 2017, GesteV acquired the Montréal-based Experiential Marketing Agency Wasabi atelier experiential inc., which adds to GesteV's strong reach in experiential marketing and activation agency in Montréal and Québec City.

2.3.4 Book Distribution and Publishing

Quebecor is also involved in book publishing and distribution through academic publisher CEC Publishing, 18 general literature publishers under the Sogides umbrella, and

Messageries A.D.P. Inc. (“**Messageries ADP**”). Through Sogides and the academic publisher CEC Publishing, Quebecor is involved in French-language book publishing and it forms one of the Province of Québec’s largest book publishing groups. In 2019, Quebecor published or reissued a total of 421 titles in paper format and 255 titles in digital format.

As of December 31, 2019, through Messageries ADP, its book distribution company, Quebecor is the exclusive distributor for more than 260 Québec and European French-language publishers. It distributes French-language books to approximately 2,900 retail outlets in Canada. In addition, Messageries ADP distributes approximately 9,500 digital books.

2.3.5 Music

Through certain divisions and subsidiaries of Select Music, Quebecor distributes CDs, DVDs, Blu-ray discs, online music by way of file transfer and it offers services in the following areas: music recording, video production and creative licencing, including music for films, advertising and television shows.

Select Music is one of the largest independent music distributors in Canada with a 37% market share in the Province of Québec and a 67% market share for French content in the Province of Québec. Select Music has a catalogue of over 19,000 different CDs, LPs or other audio formats and over 3,100 DVDs or other video formats, a large number of which are from French-speaking artists. In addition, it is a digital aggregator of downloadable and streamable products with a selection of approximately 65,000 songs available through 45 platforms worldwide.

Through its Musicor label, Quebecor also produces records, videos and shows, and offers artist management services.

2.3.6 Competition

The Videotron Centre is in competition with the Bell Centre (Montréal), Place Bell (Laval), Canadian Tire Center (Ottawa) as well as other arenas located within a radius of 700 kilometers (Boston, Kingston, Moncton). These arenas compete to get the few tour dates available according to the tour schedules of the artists. Over a two-week period during summer, the *Festival d’été de Québec* (“**FEQ**”) is another important competitor since it offers quality shows at competitive prices, and some artists not performing at the FEQ do not want to perform at the Videotron Centre during the programming of the FEQ.

The junior hockey team *Les Remparts de Québec* does not have any direct competitors in the hockey entertainment sector in the Québec City region; on the other hand, the *Armada de Blainville-Boisbriand* hockey team has competitors as it operates less than 15 kilometers away from the American Hockey League franchise, the Laval Rockets.

Gestev, which manages sports and cultural events, is a leading player in the Québec City region, but it operates in a highly fragmented market with many competitors.

In the subsegment of French-language book publishing, the Corporation’s competitors are located in Québec. In certain specific areas, the Corporation is in direct competition with certain large French publishers.

The music industry is mainly controlled by three major players (Universal Music, Warner Music and Sony Music) who hold 81% of the Canadian market share and who combine production and

distribution activities. However, the music market is unique in Québec since its population is mostly French-speaking and, therefore, has its own popular local artists.

2.4 INTELLECTUAL PROPERTY

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

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

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

2.5 INSURANCE

The Corporation is exposed to a variety of operational risks in the normal course of business. A portion of the risk associated with assets and responsibilities is transferred to third parties by way of insurance agreements, and other risks are mitigated through contractual agreements with clients and suppliers. The Corporation believes that it has a combination of third-party insurance and self-insurance sufficient to provide adequate protection against unexpected losses, while minimizing costs.

2.6 EMPLOYEES

As of December 31, 2019, the Corporation had 10,038 employees on a consolidated basis. As of December 31, 2018, and 2017, it had 10,039 and 10,158 employees on a consolidated basis, respectively. A number of its employees work part-time. The following table sets forth certain information relating to the Corporation's employees in each of its operating segments as of December 31, 2019.

Business segments	Total number of employees	Number of employees under collective bargaining agreements	Number of collective bargaining agreements
Telecommunications	6,493	3,734	5
Videotron.....	6,435	3,685	4
Other	58	49	1
Media	2,855	1,229	20
MediaQMI	275	154	6
TVA Group	1,873	915	7
Other	707	160	7
Sports and Entertainment	519	122	2
Corporate	171	-	-
Total	10,038	5,085	27

As of December 31, 2019, 51% of its employees were represented by collective bargaining agreements. Through its subsidiaries, the Corporation is party to 27 collective bargaining agreements.

- Videotron is party to four collective bargaining agreements, representing 3,685 unionized employees. The collective bargaining agreement covering 2,950 unionized employees in the Montréal region expired on December 31, 2018. The negotiation phase is currently underway with this unit. There are also three collective bargaining agreements covering unionized employees in the Gatineau, Québec City and Saguenay regions, with terms running through August 31, 2020 (Gatineau) and December 31, 2021 (Québec City and Saguenay) respectively.
- One other collective bargaining agreement covering 49 unionized employees of SETTE inc., a subsidiary of Videotron, expired on December 31, 2018. The negotiation phase is currently underway.
- MediaQMI is party to six collective bargaining agreements, representing 154 unionized employees. Of these six collective bargaining agreements, three have expired on December 31, 2019 and their renewal will soon be subject to phases of negotiation. The three other collective bargaining agreements will respectively expire on April 4, 2020, June 30, 2020 and December 31, 2020.
- TVA Group is party to seven collective bargaining agreements, representing 915 unionized employees. Negotiations related to three collective bargaining agreements that expired in 2018 and 2019 are in progress or will be undertaken in 2020.
- Other subsidiaries of the Media segment are party to various collective agreements, representing 160 unionized employees:

Entities or Divisions	Employees	Terms	Comments
RéseauQMI Mirabel – Office	45	12/31/2021	None
Mirabel – Expedition	16	12/31/2020	None
RéseauQMI Québec – Warehouse/Office	18	09/30/2021	None
Mirabel – Printing / Maintenance	55	05/05/2021	None
RéseauQMI Mirabel – Warehouse	26	12/31/2022	None

- Our Sports and Entertainment segment is party to two collective bargaining agreements, representing 122 unionized employees:

Entities or Divisions	Employees	Terms	Comments
Édition CEC	30	12/31/2020	None
ADP - Sogides	92	12/31/2021	None

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

The Corporation can neither predict the outcome of current or future negotiations relating to labour disputes, if any, union representation or renewal of collective bargaining agreements, nor guarantee that it will not experience work stoppages, strikes or other forms of labour protests pending the outcome of any current or future negotiations.

If its unionized workers engage in a strike or any other form of work stoppage, the Corporation could experience a significant disruption to its operations, damage to its property and/or interruption to its services, which could adversely affect its business, assets, financial position, results of operations and reputation. Even if the Corporation does not experience strikes or other forms of labour protests, the outcome of labour negotiations could adversely affect its business and results of operations. Such could be the case if current or future labour negotiations or contracts were to further restrict its ability to maximize the efficiency of its operations. In addition, its ability to make short-term adjustments to control compensation and benefits costs is limited by the terms of its collective bargaining agreements.

2.7 ENVIRONMENT

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

Compliance with these laws has not had, and management does not expect it to have, a material effect upon its capital expenditures, net income or competitive position. Environmental laws and regulations and the interpretation of such laws and regulations, however, have changed rapidly in recent years and may continue to do so in the future. The Corporation has monitored the changes closely and has modified its practices where necessary or appropriate.

The Corporation's past and current properties, as well as areas surrounding those properties, particularly those in areas of long-term industrial use, may have had historic uses, or may have current uses, in the case of surrounding properties, which may affect its properties and require further study or remedial measures. As part of its Film Production and Audiovisual Services Business, Quebecor owns certain studios and vacant lots, some of which are located on a former landfill, which produces landfill gas. Where applicable, the landfill gas is managed in accordance with provincial regulations.

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

The Corporation is currently working on preventive measures regarding the potential effects of climate change which, through an increase in extreme weather events, may have an effect on its operations, notably by damaging its infrastructure and increasing the stress on its telecommunications network. The Corporation is increasing the resiliency of its network by adding network redundancies, modifying or adopting new construction standards and by collaborating with ISED which has identified telecommunications as an essential infrastructure.

ITEM 3 — HIGHLIGHTS

The three-year highlight information for the Corporation's Broadcasting, Film Production and Audiovisual Services, Magazine Publishing and Production and Distribution activities carried on by TVA Group is contained in its annual information form dated February 28, 2020, the relevant excerpts of which are reproduced in Schedule A to this annual information form.

3.1 RECENT DEVELOPMENTS

On February 21, 2020, TVA Group amended its secured revolving credit facility to extend its term from February 2020 to February 2021, to reduce the amount available for borrowing from \$150.0 million to \$75.0 million and to amend certain terms and conditions of the facility.

On March 11, 2020, the Board of Directors of Quebecor declared a quarterly dividend of \$0.20 per share on the Corporation's Class A Multiple Voting Shares ("Class A Shares") and Class B Shares, an increase of 78% of the quarterly dividend and in line with the objective of gradually achieving a dividend target of 30% to 50% of the Corporation's annual free cash flows.

3.2 HIGHLIGHTS FOR 2019

3.2.1 Quebecor

On January 7, 2019, Quebecor announced the following corporate management changes:

Mr. Jean-François Pruneau, previously Senior Vice President and Chief Financial Officer of Quebecor and Quebecor Media, was appointed President and Chief Executive Officer of Videotron. Mr. Pruneau succeeds Ms. Manon Brouillette, who resigned as of December 31, 2018, and whose name was submitted to the Corporation's Human Resources Committee and Corporate Governance Committee at the beginning of 2019 for appointment to the Board of Directors of Quebecor. On the same day, Mr. Hughes Simard was appointed Chief Financial Officer of Quebecor and Quebecor Media.

Mr. Marc M. Tremblay was appointed Chief Operating Officer, Chief Legal Officer and Corporate Secretary of Quebecor and Quebecor Media. Mr. Tremblay was previously Senior Vice President, Chief Legal Officer and Public Affairs, and Corporate Secretary of Quebecor and Quebecor Media.

3.2.2 Quebecor Media

On February 15, 2019, Quebecor Media amended its \$300.0 million secured revolving credit facility, extending its term to July 2022 and to amend certain conditions to the facility.

On July 15 2019, Quebecor Media prepaid the balance of its term loan "B" and settled the related hedging contracts for a total cash consideration of \$340.9 million.

3.2.3 Telecommunications

On January 24, 2019, Videotron sold its 4Degrees Colocation Inc. ("**4Degrees Colocation**") data centre operations for an amount of \$261.6 million, which was fully paid in cash at the date of transaction. An amount of \$0.9 million relating to a working capital adjustment was also paid by Videotron in the second quarter of 2019. The determination of the final proceeds from the sale is however subject to certain adjustments based on the realization of future conditions over a period of up to 10 years. Accordingly, a gain on disposal of \$97.2 million, net of income taxes of \$18.5 million, was accounted for in the first quarter of 2019, while an amount of \$53.1 million from the proceeds received at the date of transaction was deferred in connection with the estimated present value of future conditional adjustments. The results of operations and cash flows of these businesses were reclassified as discontinued operations in the consolidated statements of income and cash flows.

On April 10, 2019, Videotron purchased 10 blocks of low-frequency spectrum in the 600 MHz band in ISED's latest commercial mobile spectrum auction. The licences, covering Eastern, Southern and Northern Québec, as well as Outaouais and Eastern Ontario, were acquired for \$255.8 million.

On August 27, 2019, Videotron launched Helix, the new technology platform that is revolutionizing entertainment and home management with voice remote, ultra-intelligent Wi-Fi, and, coming soon, support for home automation, all tailored to customer needs and preferences.

On October 8, 2019, Videotron issued \$800.0 million aggregate principal amount of 4.50% Senior Notes maturing on January 15, 2030, for net proceeds of \$790.7 million, net of financing fees of

\$9.3 million. Videotron used the proceeds mainly to pay down a portion of the amount due under its secured revolving credit facility.

On December 13, 2019, Videotron announced that Samsung Electronics Co. Ltd. has been chosen as its partner for the roll-out of LTE-A and 5G radio access technology in Québec and in the Ottawa area. In this phase, Videotron will accelerate construction of its new generation network with a target of gradual commissioning beginning in 2020.

On December 23, 2019, Videotron announced the closing of the acquisition of Télédistribution Amos inc. and its network in Abitibi-Témiscamingue. The acquisition is subject to approval from ISED and to customary conditions.

3.2.4 Media

On February 13, 2019, TVA Group closed the acquisition of the companies in the Serdy Média inc. group, which owns and operates the Évasion and Zeste specialty channels, along with the companies in the Serdy Video Inc. group, for a total consideration of \$23.5 million, net of acquired cash of \$0.5 million. Post-closing adjustments of \$1.6 million were also paid in the third quarter of 2019. The transaction was announced on May 1, 2018 and received CRTC approval on January 14, 2019.

On February 13, 2019, TVA Group amended this secured revolving credit facility to extend its term to February 2020 and to amend certain terms and conditions of the facility.

On April 1, 2019, TVA Group closed the acquisition of the companies in the Incendo group, a Montréal-based producer and distributor of television programs for international markets, for a cash consideration of \$11.1 million (net of cash acquired of \$0.9 million) and a balance payable at fair value of \$6.8 million. An amount of \$0.6 million relating to certain post-closing adjustments was also received in the third quarter of 2019.

3.2.5 Sports and Entertainment

In September 2019, the Videotron Centre completed its fourth year of operations. During that year, the Videotron Centre hosted 97 sporting events and concerts, a 6.6% increase from the previous year. In December 2019, the trade magazine Pollstar ranked the Videotron Centre 92nd in the world and 6th in Canada among arenas by 2019 ticket sales.

3.3 HIGHLIGHTS FOR 2018

3.3.1 Quebecor

In 2018, the Corporation increased its interest in Quebecor Media from 81.53% to 100.0% through the following transactions:

On May 11 and June 22, 2018, Quebecor Media repurchased for cancellation a total of 16,064,215 of its Common Shares held by CDP Capital d'Amérique Investissement Inc. ("CDP"), a subsidiary of Caisse de dépôt et placement du Québec ("CDPQ"), for a total aggregate purchase price of \$1.54 billion, paid in cash.

On June 22, 2018, Quebecor purchased 1,564,696 Common Shares of Quebecor Media held by CDP in consideration of the issuance of \$150.0 million aggregate principal amount of convertible debentures of Quebecor. The debentures bear interest at an annual rate of

4.00% and mature in June 2024. The convertible debentures are convertible into Class B Shares of Quebecor in accordance with the terms of the trust indenture, subject to a floor price of \$26.85 per share (that is, a maximum number of approximately 5,586,592 Class B Shares of Quebecor corresponding to a ratio of \$150.0 million to the floor price) and a ceiling price of \$33.5625 per share (that is, a minimum number of approximately 4,469,274 Class B Shares of Quebecor corresponding to a ratio of \$150.0 million to the ceiling price), subject to adjustments in accordance with the terms of the trust indenture. The other terms and conditions of the convertible debentures are substantially consistent with the terms of the convertible debentures issued under the Corporation's trust agreement dated October 11, 2012, as amended.

On August 21, 2018, the Corporation issued a notice regarding the redemption on October 12, 2018 of all its outstanding 4.125% convertible debentures maturing on October 15, 2018, in the aggregate principal amount of \$362.5 million. In accordance with the terms of the convertible debentures, the Corporation elected to exercise its right to settle the redemption of all the outstanding debentures in shares. Accordingly, Quebecor issued and delivered 30,129,869 Class B Shares to the holders on October 12, 2018. In February and May 2018, the Corporation also issued notices regarding the redemption on April 4 and July 24, 2018 of convertible debentures in the aggregate principal amount of \$87.5 million. The redemption prices were paid upon redemption of the debentures.

On November 26, 2018, Quebecor amended its secured revolving credit facility, reducing it from \$300.0 million to \$50.0 million and extending its term to July 2020. Certain conditions related to this credit facility were also amended.

3.3.2 Quebecor Media

On June 22, 2018, Quebecor Media announced that Quebecor had purchased 1,564,696 shares of Quebecor Media held by CDP. Following those transactions, Quebecor became the sole shareholder of Quebecor Media.

3.3.3 Telecommunications

On September 13, 2018, Videotron announced the launch of Fizz, a dynamic and competitive new brand that delivers mobile service featuring an empowering, fully digital experience and advantageous pricing. Videotron, the Corporation's flagship brand, will continue focusing on premium wireless plans and on the business segment, while Fizz will aim to increase market penetration among both digital natives and new mobile users.

On November 26, 2018, Videotron increased its secured revolving credit facility from \$965 million to \$1.5 billion and extended its term to July 2023. Certain conditions related to this credit facility were also amended.

3.3.4 Media

On October 15, 2018, Quebecor launched QUB radio, a new online and mobile app audio platform with a live radio stream and a library of podcasts. QUB radio is an innovative audio project that positions Quebecor as a leader in digital media in Canada.

On August 13, 2018, Quebecor acquired LC Media Inc., owner of *Le Guide de l'auto*, an authoritative car guide published by Quebecor's Les Éditions de l'Homme. *Le Guide de l'auto* has also made a successful shift to digital, drawing 1.5 million unique visitors monthly to its websites,

www.guideautoweb.com and www.carguideweb.com. The acquisition will enable Quebecor to enrich the automotive content on all its platforms.

3.3.5 Sports and Entertainment

In September 2018, the Videotron Centre completed its third year of operations. During that year, the Videotron Centre hosted 91 sporting events and concerts, a 8.3% increase from the previous year.

3.4 HIGHLIGHTS FOR 2017

3.4.1 Quebecor

On February 16, 2017, Pierre Karl Péladeau returned to the position of President and Chief Executive Officer of Quebecor and Quebecor Media, replacing Pierre Dion who was appointed Chair of the Board of Quebecor Media and a director of Quebecor.

On July 14, 2017, Quebecor received a notice regarding the conversion of convertible debentures in the principal amount of \$50.0 million for 4,155,844 Class B Shares of Quebecor. The Corporation exercised its cash payment option and paid \$95.2 million on September 6, 2017.

On September 29, 2017, the Corporation paid down its existing \$30.1 million mortgage loan. On the same day, the Corporation contracted a new \$50.0 million mortgage loan at a fixed interest rate of 3.757%, maturing in October 2022.

On October 12, 2017, the Corporation increased its secured revolving credit facility from \$150.0 million to \$300.0 million.

On November 15, 2017, the Corporation carried out a two-for-one split of its outstanding Class A Shares and Class B Shares. Accordingly, holders of the Corporation's shares received an additional share for each share owned on the record date of November 15, 2017.

3.4.2 Quebecor Media

On May 1, 2017, Quebecor Media fully redeemed its outstanding 7.375% Senior Notes issued on January 5, 2011 and maturing on January 15, 2021, in the aggregate principal amount of \$325.0 million, at a redemption price of 102.458% of their principal amount.

On July 6, 2017, Quebecor Media repurchased for cancellation 541,899 of its Common Shares held by CDP for an aggregate purchase price of \$37.7 million, payable in cash. On the same date, Quebecor Media also paid off a security held by CDP for \$6.2 million. Upon completion of these transactions, the Corporation's interest in Quebecor Media increased from 81.07% to 81.53%, while CDP's interest decreased from 18.93% to 18.47%.

3.4.3 Telecommunications

On April 13, 2017, Videotron issued US\$600.0 million aggregate principal amount of 5.125% Senior Notes maturing on April 15, 2027, for net proceeds of \$794.5 million, net of financing fees of \$9.9 million.

On May 1, 2017, Videotron redeemed \$125.0 million aggregate principal amount of its outstanding 6.875% Senior Notes issued on July 5, 2011 and maturing on July 15, 2021 at a redemption price of 103.438% of their principal amount, in accordance with a notice issued on March 31, 2017. The repurchase followed the redemption on January 5, 2017 of an initial \$175.0 million tranche of the Notes.

On May 4, 2017, Videotron transferred all then-existing commitments under its unsecured revolving credit facility to its secured revolving credit facility, increasing its secured facility from \$630.0 million to \$965.0 million and terminating its unsecured facility.

On June 20, 2017, Videotron sold its AWS-1 spectrum license in the Metropolitan Toronto area to Rogers for a cash consideration of \$184.2 million, pursuant to the transfer option held by Videotron since 2013. An \$87.8 million gain, was recognized on the sale of the license, including \$43.9 million without any tax consequences.

On July 24, 2017, Videotron sold its seven 2500 MHz and 700 MHz wireless spectrum licenses outside Québec to Shaw for a cash consideration of \$430.0 million. The sale included three 700 MHz licenses covering southern Ontario and the entirety of the provinces of Alberta and British Columbia, and four 2500 MHz licenses covering the major urban centres in those provinces, namely Toronto, Edmonton, Calgary and Vancouver. A \$243.1 million gain, was recognized on the sale of the license, including \$121.6 million without any tax consequences.

On August 29, 2017, Videotron announced an agreement with Comcast Corporation, a multinational telecommunications, media and technology company. The strategic partnership is aimed at developing an innovative IPTV solution based on Comcast Corporation's Xfinity X1 platform in order to provide Videotron customers with a superior television experience featuring faster, more intuitive, more user-friendly navigation of a diverse selection of content, including on-demand television shows, movies and concerts, as well as Web videos and apps, and also affording an opportunity to highlight Quebecor Media's own content.

3.4.4 Media

On October 13, 2017, Julie Tremblay resigned as President and Chief Executive Officer of TVA Group and President and Chief Executive Officer of Quebecor Media Group to take retirement. On the same date, France Lauzière was named President and Chief Executive Officer of TVA Group, while retaining her responsibilities as Chief Content Officer of Quebecor Content. Newspaper, printing, music, book publishing and out-of-home operations have since reported to Pierre Karl Péladeau.

3.4.5 Sports and entertainment

On April 4, 2017, Gestev announced the acquisition of Montréal-based experiential marketing agency Wasabi atelier experiential. The transaction expanded Gestev's experiential marketing and sponsorship activation capabilities and extended its reach in the Montréal market.

On August 11, 2017, Martin Tremblay was named Chief Operating Officer of Quebecor Sports and Entertainment Group. He joined Quebecor in 2010 and had been Vice President, Public Affairs of Quebecor since 2012.

ITEM 4 — DIRECTORS AND OFFICERS

4.1 DIRECTORS

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

The mandate of the Corporation’s board of directors, as amended on December 16, 2019, is attached as Schedule B to this annual information form.

The Articles of the Corporation provide that the board of directors shall consist of a minimum of three and a maximum of fifteen directors and further provide that the members of the board of directors shall be divided into two classes of directors. The holders of Class B Subordinate Voting Shares (“**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 Multiple Voting Shares (“**Class A Shares**”), voting separately as a class, are entitled to elect the remaining members of the board of directors (the “**Class A Directors**”).

The Board of Quebecor consists of nine directors. The term of office of each director expires upon the election of his or her successor unless he or she resigns from office or his or her office becomes vacant by death, removal or other cause. The following table sets forth, as at March 18, 2020, the names, place of residence and principal occupation of the directors and the year in which they were first appointed or elected director, as well as the board committees on which each director sits.

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

CLASS A DIRECTORS

Name and place of residence	Principal Occupation	Director Since
André P. Brosseau ⁽¹⁾⁽²⁾ Montréal, Québec, Canada	Chair of the Board and Chief Executive Officer Du Musée Investments Inc. (Family Office)	2016
Michèle Colpron, FCPA-FCA, ASC Saint-Lambert, Québec, Canada	Corporate Director	2020
Sylvie Lalande ASC, C. Dir ⁽²⁾ Lachute, Québec, Canada	Vice Chair of the Board and Lead Director of Quebecor Inc. and Quebecor Media inc. Corporate Director Chair of the Board TVA Group Inc.	2011
The Right Honourable Brian Mulroney, P.C., C.C., LL.D. Montréal, Québec, Canada	Senior Partner Norton Rose Fulbright Canada LLP (Law firm) Chair of the Board Quebecor Inc. and Quebecor Media Inc.	1999
Robert Paré Westmount, Québec, Canada	Corporate Lawyer and Strategic Advisor Fasken Martineau DuMoulin LLP (Law firm)	2014
Érik Péladeau Lorraine, Québec, Canada	President Cie de Publication Alpha inc. (Holding company)	2015

CLASS B DIRECTORS

Name and place of residence	Principal Occupation	Director Since
Chantal Bélanger, FCPA-FCGA, ASC ⁽¹⁾ Blainville, Québec, Canada	Corporate Director	2018
Lise Croteau, FCPA-FCA, ASC ⁽²⁾ Montréal, Québec, Canada	Corporate Director	2019
Normand Provost ⁽¹⁾ Brossard, Québec, Canada	Corporate Director	2013

(1) Member of the Audit Committee.

(2) Member of the Human Resources and Corporate Governance Committee.

Each of the aforementioned directors has, during the past five years, carried on his or her current principal occupation or held other management positions with the same or other associated companies or firms, including affiliates and predecessors, indicated opposite his or her name, with the exception of Normand Provost, who has held various positions within CDPQ from 1980 until December 2015, Lise Croteau who, from 1986 to 2018, held various management positions at Hydro-Québec, and more particularly that of Executive Vice President and Chief Financial Officer

from 2015 to March 2018, and Érik Péladeau who was President of Groupe Lelys Inc. until June 30, 2018.

4.2 EXECUTIVE OFFICERS

The following table provides the names of each of the Corporation's executive officers, their place of residence and his or her position in the Corporation as at March 18, 2020.

Name and place of residence	Position in the Corporation
The Right Honourable Brian Mulroney Montréal, Québec, Canada	Chair of the Board*
Sylvie Lalande Lachute, Québec, Canada	Vice Chair of the Board and Lead Director*
Pierre Karl Péladeau Outremont, Québec, Canada	President and Chief Executive Officer
Hugues Simard Montréal, Québec, Canada	Chief Financial Officer
Marc M. Tremblay Westmount, Québec, Canada	Chief Operating Officer and Chief Legal Officer
Jean-François Parent Nuns' Island, Québec, Canada	Vice President and Treasurer
Denis Sabourin Outremont, Québec, Canada	Vice President and Corporate Controller

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

All of Quebecor's executive officers have held the positions and principal occupations indicated above or other positions within the Quebecor group of companies for the past five years, except for:

- Pierre Karl Péladeau who was President and Chief Executive Officer of Quebecor Inc. and of Quebecor Media from April 2009 until May 2013, and Chair of the Board of Quebecor Media until March 2014, when he entered in politics and ran as the Parti Québécois candidate in the riding of Saint-Jérôme. He was elected to Québec's National Assembly in April 2014 and became the Parti Québécois leader on May 15, 2015 and served as Leader of the Official Opposition in the National Assembly until May 2, 2016.
- Hugues Simard who was Executive Vice-President and Chief Financial Officer of Indigo Books & Music Inc. in Toronto from June 2017 to December 2018. Prior to this, over a period of nearly 20 years, he occupied a series of key positions with various Quebecor subsidiaries, including Senior Vice-President and Chief Financial Officer of Videotron from 2014 to 2017.

As of February 29, 2020, to the knowledge of the Corporation and according to the information received, its directors and officers, as a group, beneficially owned or exercised control or direction

over 69,878,056 of its Class A Shares (or 90.50% of the Class A Shares) and 933,850 of its Class B Shares (or 0.53% of the Class B Shares).

4.3 CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

To the Corporation's knowledge and based upon information provided to it by the directors and executive officers, in the last ten years, no director or executive officer of the Corporation, with the exception of the person listed hereunder, or shareholder holding a sufficient number of securities of the Corporation to materially affect the control of the Corporation, (i) is or has been a director or executive officer of any other corporation that, while that person was acting in that capacity or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any bankruptcy or insolvency laws, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, or (ii) became bankrupt, made a proposal under any bankruptcy or insolvency laws, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his/her assets.

André P. Brosseau was a director of Virtutone Network Inc. until November 2014. This corporation filed, in January 2015, a notice of intention to make a proposal under the Bankruptcy and Insolvency Act.

To the Corporation's knowledge and based upon information provided to it by the directors and executive officers, in the last ten years, no director or executive officer of the Corporation, with the exception of the person listed hereunder, is or has been a director, chief executive officer or chief financial officer of any corporation that was the subject of a cease trade order or similar order, or an order that denied the corporation access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, that was issued while that director or executive officer was acting in such capacity, or that was issued after the director or executive officer ceased to be acting in such capacity and which resulted from an event which occurred while the director or executive officer was acting in such capacity.

On May 5, 2012, André P. Brosseau was a director of Aptilon Corporation (now DMD Digital Health Connections Group Inc.) while a cease trade order in respect of all of DMD's securities was issued by the *Autorité des marchés financiers* as a result of the failure to file annual audited financial statements, related management's discussion and analysis and certification of annual filings for the year ended December 31, 2011. In July 2012, similar cease trade orders were issued by the securities regulatory authorities in each of the provinces of British Columbia, Manitoba, Alberta and Ontario. On February 22, 2013, the Alberta Securities Commission issued similar orders as a result of the failure to file annual audited financial statements, related management's discussion and analysis and certification of annual filings for the fiscal year 2011 and interim periods ended March 31, June 30 and September 30, 2012. On August 28, 2014, the cease trade orders were lifted and DMD Digital Health Connections Group Inc. resumed trading on the NEX stock exchange on October 22, 2014.

ITEM 5 — AUDIT COMMITTEE

5.1 MANDATE OF THE AUDIT COMMITTEE

The audit committee of Quebecor (the "**Audit Committee**") assists the board of directors in overseeing the financial controls and reporting. The Audit Committee also oversees the compliance

with the Corporation's financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

The mandate of the Audit Committee was reviewed by the board of directors of the Corporation on March 13, 2018. The mandate of the Audit Committee is attached as Schedule C to this annual information form.

5.2 COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is composed of Normand Provost (Chair), Chantal Bélanger and André P. Brosseau.

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

5.3 RELEVANT EDUCATION AND EXPERIENCE

Member	Relevant Education and Experience
Normand Provost (Chair)	Mr. Provost is a Corporate Director. Since January 2019, he serves as Chair of the Board of Groupe Germain. He sits on the Supervisory Board and on the Compensation and Human Resources Committee of Groupe Kéolis S.A.S. In addition, since March 2015, he sits on the Board of Directors and Chair the Investment Committee of Desjardins Financial Security. Prior to that, from May 2014 until December 2015, he was Assistant to the President of CDPQ, one of the largest institutional fund managers in Canada and North America. From October 2003 to May 2014, he has served as Executive Vice-President, Equity of CDPQ. Mr. Provost joined CDPQ 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 of CDPQ from April 2009 to March 2012. From January 2018 to December 2019, he served as a director of Investissement Québec and was Chair of its Risk Management Committee.

Member	Relevant Education and Experience
Chantal Bélanger	<p>Ms. Bélanger is a Fellow Chartered Professional Accountant of the <i>Ordre des comptables professionnels agréés du Québec</i>. At the Laurentian Bank, where she held various positions from 1986 to 2006, she was Senior Vice President of Personal Banking Services for Québec, where she previously held the positions of Ombudsman and Director of Internal Audits and Information Systems. She has been a director at the Société de services financiers Fonds FMOQ Inc. since 2014 and chairs its Audit Committee. She was a director at Capital régional et coopératif Desjardins from 2012 to December 2019, and was the Vice President of the Board, Chair of the Internal Audit Committee and the Portfolio Valuation Committee and served on the Governance and Human Resources Committee. She was a director and Chair of the Audit Committee at the Régie des Rentes du Québec from 2009 to 2015. She was a director, Chair of the Audit Committee and a member of several committees for the Société des Alcools du Québec from 2002 to 2010. Ms. Bélanger currently serves as a director, Chair of the Audit Committee and member of the Human Resources and Compensation Committee and of the Corporate Governance Committee of Lassonde Industries Inc.</p>
André P. Brosseau	<p>Mr. Brosseau has worked in the investment banking industry since 1986. From 1994 to 2007, he held various executive positions with CIBC, most recently he was Co-Head of Canadian Cash Equities and of Global Cash Equities at CIBC World Markets Inc., as well as a member of the Executive Committee. Mr. Brosseau currently serves as Chair of the Board and Chief Executive Officer of Du Musée Investments Inc. (formerly Avenue Capital Markets BNB Inc.), a family office with private investments in Canada, the United States and Brazil that he founded in 2010. He also serves as director, Chair of the Audit Committee and of the Compensation Committee of DMD Digital Health Connections Group Inc., a company that provides digital solutions for pharmaceutical companies. Mr. Brosseau is also an advisor and owner of Grupo Cimcorp Brazil, an IT company specializing in outsourcing and telecommunication infrastructure management. Mr. Brosseau is also Chair of the Audit Committee for the OSMO Foundation and The Notman House.</p>

5.4 RELIANCE ON CERTAIN EXEMPTIONS

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

5.5 PRE-APPROVAL POLICY

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

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

For fiscal year 2019, the total amount of non-audit services that has not been pre-approved does not represent more than 5% of the total amount of the fees paid to the external auditor.

5.6 EXTERNAL AUDITOR SERVICE FEES

The following table sets forth the fees paid to Ernst & Young LLP (“Ernst & Young”), the Corporation’s external auditor, for the services rendered during the fiscal years 2019 and 2018.

	2019	2018
Audit fees ⁽¹⁾	\$2,710,591	\$ 2,611,815
Audit-related fees ⁽²⁾	127,767	59,438
Tax fees ⁽³⁾	80,366	260,027
All other fees ⁽⁴⁾	-	3,500
Total fees	\$2,918,724	\$ 2,934,780

- (1) *Audit fees* consist of fees billed for the annual audit and quarterly reviews of the Corporation’s annual and quarterly consolidated financial statements or for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements. They also include fees billed for other audit services, which are those services that only the external auditor reasonably can provide, and include the provision of comfort letters and consents, the consultation concerning financial accounting and reporting of specific issues and the review of documents filed with regulatory authorities.
- (2) *Audit-related fees* consist of fees billed for assurance and related services that are traditionally performed by the external auditor, and include consultations concerning financial accounting and reporting standards on proposed transactions, due diligence or accounting work related to acquisitions, and employee pension plan audits.
- (3) *Tax fees* include fees billed for tax compliance services, including the preparation of tax returns and claims for refund; tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from taxing authorities; tax planning services; and consultation and planning services.
- (4) *All other fees* include fees billed for forensic accounting and occasional training services. These fees also include consultations and assistance in preparing documentation regarding disclosure controls and procedures and internal financial reporting control measures for the Corporation and its subsidiaries.

ITEM 6 — LEGAL PROCEEDINGS

In the context of disputes between the Corporation and a competitor, legal proceedings have been initiated by the Corporation and against the Corporation. At this stage of proceedings, management of the Corporation is of the opinion that the outcome is not expected to have a material adverse effect on the Corporation’s results or on its financial position.

There are also a number of other legal proceedings against the Corporation that are pending. Generally, management of the Corporation, establishes provisions for claims or actions considering

the facts of each case. The Corporation cannot determine when and if any payment will be made related to those provisions.

On August 15, 2019, the CRTC issued an order finalizing the rates, retroactively to March 31, 2016, by which the large cable and telephone companies provide aggregated wholesale access to their high-speed Internet networks. The interim rates in effect since 2016 have been invoiced to resellers and accounted for in the Corporation consolidated financial statements. The new proposed rates are substantially lower than interim rates and could represent a retroactive reduction in earnings of approximately \$22.0 million (before income taxes) in 2019 and approximately \$30.0 million (before income taxes) from March 31, 2016 to December 31, 2018. On September 13, 2019, a coalition of cable companies (including Videotron) and Bell Canada filed separate appeals of the CRTC's order with the Federal Court of Appeal arguing, among other things, that the order is marked by numerous errors of law and jurisdiction resulting in wholesale rates that are unreasonably low. The cable companies and Bell Canada also filed separate requests to stay the implementation of the order pending disposition of their appeals. On November 22, 2019, the leave to appeal was granted by the Federal Court of Appeal and the interim stay of the CRTC's order granted by this court on September 27, 2019, was extended until a final ruling by the court is made. Accordingly, at this stage of these proceedings, the Corporation still estimates that the interim rates are the appropriate basis to account for its wholesale Internet access revenues.

ITEM 7 — RISK FACTORS

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

The Corporation describes the principal risk factors relating to its operations and businesses in its *Management's Discussion and Analysis for the year ended December 31, 2019* under the heading "Risks and Uncertainties", which was filed with the Canadian Securities Administrators on March 12, 2020, which section is incorporated by reference into this annual information form, and which may be viewed under its profile on SEDAR at www.sedar.com.

ITEM 8 — DESCRIPTION OF CAPITAL STRUCTURE

8.1 CAPITAL STRUCTURE

Quebecor's authorized share capital was modified by a certificate of amendment dated September 4, 1986 re-designating the Common Shares as Class A Shares carrying ten votes per share and creating Class B Shares carrying one vote per share. Its Class B Shares are "restricted securities" (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights to those attached to the Class A Shares. In the aggregate, all of the voting rights attached to the Class B Shares represented, as at February 29, 2020, 18.62% of the total voting rights attached to all of its issued and outstanding voting securities.

Quebecor's Articles provide that if, at any time, the "Péladeau Group or an Acceptable Successor" (as defined in the Articles of Quebecor) does not own, directly or indirectly, a number of Class A Shares equal to at least 40% of all the Class A Shares outstanding or does not own, directly or indirectly, at least 32,000,000 Class A Shares (such number having been adjusted upwards to reflect stock splits), then the Class A Shares will carry one vote per share at all times thereafter and all of its directors will be elected by the holders of the Class A Shares and the Class B Shares voting together as a single class.

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

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

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

8.2 AUTHORIZED SHARE CAPITAL

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

- an unlimited number of Class A Shares (Multiple Voting) with voting rights of 10 votes per share, convertible at any time into Class B Shares (Subordinate Voting), on a one-for-one basis; and
- an unlimited number of Class B Shares (Subordinate Voting) with voting rights of one vote per share convertible into Class A Shares on a one-for-one basis only if a takeover bid for the Class A Shares is made without an offer being made concurrently and on the same terms and conditions for the Class B Shares and subject to other conditions provided for in Quebecor's Articles.

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

8.3 ISSUED AND OUTSTANDING SHARE CAPITAL

As on February 29, 2020, 77,212,934 Class A Shares and 176,637,207 Class B Shares were issued and outstanding.

8.4 DIVIDENDS

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

Declaration and payment of dividends are the responsibility of the board of directors of the Corporation, which takes into consideration the Corporation's financial situation and its cash-flow strategy. In addition, in accordance with the credit agreements and indentures governing the debt instruments of some of the Corporation's subsidiaries, these subsidiaries are subject to certain restrictions including the maintenance of certain financial ratios that may limit the amount of distribution that they can declare and pay to the Corporation, hence potentially limiting the amount of cash available to the Corporation and the amount of dividends that the Corporation can declare and pay.

For the year ended December 31, 2019, Quebecor declared and paid quarterly dividends in the annual aggregate amount of \$0.3925 per share on its Class A Shares and Class B Shares. For the years ended December 31, 2018 and 2017, Quebecor declared and paid quarterly dividends in the annual aggregate respective amount of \$0.1925 and \$0.105 per share on its Class A Shares and Class B Shares.

8.5 MARKET FOR SECURITIES

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

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

CLASS A SHARES				
2019	Closing Price (\$)	High (\$)	Low (\$)	Trading volume (#)
January	30.85	31.08	28.59	58,352
February	31.98	34.24	31.25	16,432
March	32.76	32.85	31.00	19,622
April	33.30	33.41	32.28	30,252
May	31.84	33.46	31.00	10,784
June	31.50	32.43	31.25	12,425
July	30.19	33.04	29.56	12,225
August	29.63	30.77	29.42	9,625
September	30.35	31.28	29.41	7,406
October	30.60	31.99	29.70	3,429
November	33.79	33.79	30.48	12,559
December	32.97	33.86	32.67	5,522

CLASS B SHARES				
2019	Closing Price (\$)	High (\$)	Low (\$)	Trading volume (#)
January	30.93	31.19	28.51	9,808,537
February	31.97	32.28	30.91	8,021,933
March	32.76	32.81	29.54	11,232,471
April	33.41	33.51	32.14	8,312,813
May	31.90	33.61	30.94	27,200,721
June	31.19	32.59	30.47	12,835,090
July	29.90	32.37	29.55	11,681,767
August	29.99	30.92	29.25	11,864,197
September	30.08	31.48	29.38	8,944,454
October	30.62	31.26	29.45	7,360,503
November	32.94	33.71	30.07	6,891,237
December	33.14	33.99	32.27	6,605,409

ITEM 9 — INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

For purposes of this Item, reference is made to the section entitled “Related Party Transactions” in Quebecor’s Management’s Discussion and Analysis for the year ended December 31, 2019, which is incorporated by reference into this annual information form.

Quebecor’s Management’s Discussion and Analysis for the year ended December 31, 2019 may be found on its website at www.quebecor.com and under its profile on SEDAR at www.sedar.com.

To his or her knowledge, no member of management or of the Corporation’s board of directors or any other insiders had any interest in a material transaction entered into since the beginning of its last full fiscal year or in a proposed transaction that materially affected or reasonably might have materially affected the Corporation.

ITEM 10 — MATERIAL CONTRACTS

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

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

10.1 MATERIAL CONTRACTS OF QUEBECOR

The following contracts entered into by Quebecor are: (i) material contracts other than contracts entered into in the ordinary course of business, and (ii) material contracts entered into in the ordinary course of business that are required to be disclosed under *Regulation 51-102 Respecting Continuous Disclosure Obligations*, and that are still in effect:

Share Purchase Agreement dated as of May 8, 2018 among Quebecor, Quebecor Media and CDP

On May 8, 2018, Quebecor, Quebecor Media and CDP entered into an agreement pursuant to which Quebecor and Quebecor Media would repurchase all of the share capital of Quebecor Media still held by CDP (the “**Agreement**”). The Agreement provided that Quebecor and Quebecor Media would purchase 17,628,911 shares, then representing then an 18.47% stake in Quebecor Media, for a purchase price of \$1.690 billion.

The Agreement provided for the completion of the following two transactions: (1) the repurchase for cancellation by Quebecor Media of 16,064,215 shares of Quebecor Media held by CDP, representing approximately 91.1% of CDP’s interest before closing, for an aggregate purchase price of \$1.54 billion, payable in cash; and (2) the purchase by Quebecor of 1,564,696 shares of Quebecor Media held by CDP, representing approximately 8.9% of the CDP’s interest before closing, in consideration of the issuance of \$150 million aggregate principal amount of convertible debentures of Quebecor, which would be convertible into Quebecor Class B Subordinate Voting Shares. The transactions provided for in the Agreement closed on June 22, 2018.

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

Trust Indenture between Quebecor and AST Trust Company (Canada), providing for the issue of convertible debentures, dated as of June 22, 2018

On June 22, 2018, Quebecor issued \$150,000,000 principal amount of convertible Debenture (the “**Convertible Debenture**”), bearing interest at an annual rate of 4.0% and maturing in June 2024, pursuant to a Trust Indenture, dated as of June 22, 2018, by and between Quebecor and AST Trust Company (Canada), as trustee (the “**Trust Indenture**”). The main terms and conditions of the debentures are as follows:

- Interest is payable semi-annually in cash, in Quebecor Class B Shares or with the proceeds from the sale of Quebecor Class B shares;
- At maturity, the Convertible Debenture will be payable in cash by Quebecor at the outstanding principal amount, plus accrued and unpaid interest, subject to redemption, conversion, purchase or prior repayment;
- One day prior to maturity (“**Redemption Date**”), Quebecor may redeem the outstanding Convertible Debenture by issuing that number of Quebecor Class B Shares obtained by dividing the outstanding principal amount by the then current market price of a Quebecor Class B Share, subject to a floor price of \$26.85 per share (that is, a maximum number of 5,586,592 Quebecor Class B Shares corresponding to a ratio of \$150,000,000 to the floor price), and a ceiling price of \$33.5625 per share (that is, a minimum number of 4,469,274 Quebecor Class B Shares corresponding to a ratio of \$150,000,000 to the ceiling price). The whole is subject to adjustments in accordance with the terms of the Trust Indenture;
- At any time prior to the Redemption Date, Quebecor may redeem or convert, in whole or in part, the outstanding Convertible Debenture, subject to the terms of the Trust Indenture;
- The Convertible Debenture is convertible, at all times prior to the maturity date, into Quebecor Class B Shares by the holder in accordance with the terms of the Trust Indenture; and
- In all cases, Quebecor has the option to pay an amount in cash equal to the market value of the shares, being the product of (i) the number of those Quebecor Class B Shares that would

have otherwise been issued, and (ii) the then current market price of a Quebecor Class B Share.

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

Registration Rights Agreement dated October 11, 2012 between Quebecor, CDPQ and CDP

On June 22, 2018, Quebecor and CDP entered into a Registration Rights Agreement (the "**Registration Rights Agreement**") whereby Quebecor granted to CDP demand registration rights and piggyback registration rights for the Convertible Debentures and underlying Quebecor Class B Shares.

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

10.2 MATERIAL CONTRACTS OF QUEBECOR MEDIA

The following contracts entered into by Quebecor Media are: (i) material contracts other than contracts entered into in the ordinary course of business, and (ii) material contracts entered into in the ordinary course of business that are required to be disclosed under *Regulation 51-102 Respecting Continuous Disclosure Obligations*, and that are still in effect:

Indenture relating to \$500,000,000 of Quebecor Media's 6 5/8% Senior Notes due January 15, 2023, dated as of October 11, 2012, by and between Quebecor Media and Computershare Trust Company of Canada, as trustee

On October 11, 2012, Quebecor Media issued \$500,000,000 aggregate principal amount of its 6 5/8% Senior Notes due January 15, 2023 pursuant to an Indenture, dated as of October 11, 2012, by and between Quebecor Media and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on January 15, 2023. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are not guaranteed by its subsidiaries. These senior notes are redeemable, at its option, under certain circumstances and at the "make-whole" redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Quebecor Media and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than the bankruptcy or insolvency of Quebecor Media, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture were not and will not be registered under the Securities Act or under the laws of any other jurisdiction.

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

Indenture relating to US\$850,000,000 of Quebecor Media's 5 3/4% Senior Notes due January 15, 2023 dated as of October 11, 2012, by and between Quebecor Media and U.S. Bank National Association, as trustee

On October 11, 2012, Quebecor Media issued US\$850,000,000 aggregate principal amount of its 5 3/4% Senior Notes due January 15, 2023 pursuant to an Indenture dated as of October 11, 2012, by and between Quebecor Media and U.S. Bank National Association, as trustee. These senior notes are unsecured and mature on January 15, 2023. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are not guaranteed by its subsidiaries. These senior notes are redeemable, at its option, under certain

circumstances and at the “make-whole” redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Quebecor Media and certain of its subsidiaries and customary events of default. If an event of default occurs and is continuing, other than the bankruptcy or insolvency of Quebecor Media, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately.

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

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

Quebecor Media’s senior secured credit facilities currently provide for a \$300,000,000 revolving credit facility (“**Revolving Facility**”) that matures on July 15, 2022 and a US\$350,000,000 term credit facility (“**Facility B**”) which was reduced to zero and cancelled following its repayment in full on July 15, 2019. Quebecor Media’s senior secured credit facilities also provide it with the ability to borrow up to an additional amount of \$800,000,000 (minus the equivalent amount in Canadian dollars of Facility B as of August 1, 2013) under an uncommitted incremental facility (or increase to the Revolving Facility or Facility B), subject to absence of default and lenders being willing to fund the incremental amount. Quebecor Media may draw letters of credit under its Revolving Facility. The proceeds of its senior secured credit facilities may be used for its general corporate purposes.

Borrowings under the Revolving Facility bear interest at the Canadian prime rate, the U.S. prime rate, the bankers’ acceptance rate or U.S. London Interbank Offered Rate (“**LIBOR**”), plus, in each case, an applicable margin. With regard to Canadian prime rate advances and U.S. prime rate advances under the Revolving Facility, the applicable margin is determined by Quebecor Media’s Leverage Ratio (as defined in the senior secured credit facilities) and ranges from 0.45% when this ratio is less than or equal to 2.25x to 1.75% when this ratio is greater than 4.5x. With regard to bankers’ acceptances and letters of credit under the Revolving Facility, the applicable margin ranges from 1.45% when Quebecor Media’s Leverage Ratio is less than or equal to 2.25x to 2.75% when this ratio is greater than 4.5x. With regard to LIBOR advances under the Revolving Facility, the applicable margin ranges from 1.45% when its Leverage Ratio is less than or equal to 2.25x to 2.75% when this ratio is greater than 4.5x. Specified commitment fees or drawing fees may also be payable. Borrowings under the Revolving Facility are repayable in full on July 15, 2022.

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

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

The Credit Agreement and its amendments may be viewed under Quebecor’s profile on SEDAR at www.sedar.com.

10.3 MATERIAL CONTRACTS OF VIDEOTRON

The following contracts entered into by Videotron are: (i) material contracts other than contracts entered into in the ordinary course of business, and (ii) material contracts entered into in the ordinary course of business that are required to be disclosed under *Regulation 51-102 Respecting Continuous Disclosure Obligations*, and that are still in effect:

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

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

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

Indenture relating to \$400,000,000 of Videotron's 5 3/4% Senior Notes due June 15, 2025, dated as of June 17, 2013, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee

On June 17, 2013, Videotron issued \$400,000,000 aggregate principal amount of its 5 3/4% Senior Notes due June 15, 2025, pursuant to an Indenture, dated as of June 17, 2013, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on June 15, 2025. Interest on these senior notes is payable in cash semi-annually in arrears on April 15 and October 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the make-whole redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

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

Indenture relating to US\$600,000,000 of Videotron's 5 3/8% Senior Notes due June 15, 2024, dated as of April 9, 2014, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee

On April 9, 2014, Videotron issued US\$600,000,000 aggregate principal amount of its 5 3/8% Senior Notes due June 15, 2024, pursuant to an Indenture, dated as of April 9, 2014, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee. These senior notes are unsecured and mature on June 15, 2024. Interest on these senior notes is payable in cash semi-annually in arrears on June 15 and December 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the make-whole redemption price set forth in the indenture. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

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

Indenture relating to \$375,000,000 of Videotron's 5 3/4% Senior Notes due January 15, 2026, dated as of September 15, 2015, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee

On September 15, 2015, Videotron issued \$375,000,000 aggregate principal amount of its 5 3/4% Senior Notes due January 15, 2026, pursuant to an Indenture, dated as of September 15, 2015, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on January 15, 2026. Interest on these senior notes is payable in cash semi-annually in arrears on March 15 and September 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at a price based on a make-whole formula during the first five years of the term of the senior notes and at the redemption prices set forth in the indenture thereafter. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

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

Indenture relating to US\$600,000,000 of Videotron's 5 1/8% Senior Notes due April 15, 2027, dated as of April 13, 2017, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee

On April 13, 2017, Videotron issued US\$600,000,000 aggregate principal amount of its 5 1/8% Senior Notes due April 15, 2027, pursuant to an Indenture, dated as of April 13, 2017, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee. These senior notes are unsecured and mature on April 15, 2027. Interest on these senior notes is payable in cash semi-annually in arrears on April 15 and October 15 of each year. These senior

notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at a price based on a make-whole formula during the first five years of the term of the senior notes and at the redemption prices set forth in the indenture thereafter. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

Indenture relating to \$800,000,000 of Videotron's 4 ½% Senior Notes due January 15, 2030, dated as of October 8, 2019, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee

On October 8, 2019, Videotron issued \$800,000,000 aggregate principal amount of its 4½% Senior Notes due January 15, 2030, pursuant to an Indenture, dated as of October 8, 2019, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee. These senior notes are unsecured and mature on January 15, 2030. Interest on these senior notes is payable in cash semi-annually in arrears on April 15 and October 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at a price based on a make-whole formula during the first five years of the term of the senior notes and at the redemption prices set forth in the indenture thereafter. The indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. The senior notes issued pursuant to this indenture have not been and will not be registered under the Securities Act or under the laws of any other jurisdiction.

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

Credit Agreement originally dated as of November 28, 2000, by and among Videotron, as borrower, the guarantors party thereto, the financial institutions party thereto from time to time, as lenders, and Royal Bank of Canada, as administrative agent, as amended

Videotron's senior credit facilities, as amended and restated as of June 16, 2015 (and as amended thereafter), currently provide for a \$1,500,000,000 secured revolving credit facility that matures on July 20, 2023. The proceeds of the revolving credit facility can be used for general corporate purposes including, without limitation, to issue letters of credit and to pay dividends to Quebecor Media subject to certain conditions.

Advances under Videotron's secured revolving credit facility bear interest at the Canadian prime rate, the U.S. prime rate, the LIBOR or the bankers' acceptance rate plus, in each instance, an applicable margin determined by the Leverage Ratio (as defined in Videotron's credit agreement) of the Relevant Group (as defined in such credit agreement). The applicable margin for Canadian prime rate advances and U.S. prime rate advances ranges from 0.20% when this ratio is less than or equal to 2.25x, to 1.50% when this ratio is greater than 4.5x. The applicable margin for LIBOR advances, bankers' acceptance advances or letters of credit fees ranges from 1.20% when this ratio is less than or equal to 2.25x, to 2.50% when this ratio is greater than 4.5x. Videotron has also agreed to pay specified standby fees in respect of its revolving credit facility.

The revolving credit facility is repayable in full on July 20, 2023.

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

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

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

ITEM 11 — INTERESTS OF EXPERTS

Ernst & Young is the public accounting firm that prepared the auditors' report with respect to Quebecor's consolidated annual financial statements for the year ended December 31, 2019. Ernst & Young has confirmed that it is independent within the meaning of the Rules of Professional Conduct of the *Ordre des comptables professionnels agréés du Québec*. These rules are equivalent or similar to the Rules of Professional Conduct applicable in the other provinces of Canada.

ITEM 12 — TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for Quebecor's Class A Shares and Class B Shares is AST Trust Company (Canada). Share transfer service is available at its Montréal and Toronto offices.

ITEM 13 — FORWARD-LOOKING STATEMENTS

This annual information form contains "forward-looking statements" with respect to the financial condition, results of operations, business and certain of the plans and objectives of the Corporation. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which the Corporation operates as well as beliefs and assumptions made by its management. Such statements include, in particular, statements about its plans, prospects, financial position and business strategies. All statements other than statements of historical facts included in this annual information form, including statements regarding the prospects of the Corporation's industries and its prospects, plans, financial position and business strategy may constitute forward-looking statements within the meaning of Canadian securities legislation and regulations. Words such as "may," "will," "expect," "continue," "intend," "estimate," "anticipate," "plan," "foresee," "believe", "project" or "seek" or the negatives of these terms or variations of them or similar terminology are intended to identify such forward-looking statements. Although the Corporation believes that the expectations reflected in these forward-looking statements are reasonable, these statements, by their nature, involve risks and uncertainties and are not guarantees of future performance. Such statements are also subject to

assumptions concerning, among other things: the Corporation's anticipated business strategies; anticipated trends in its business sectors; anticipated reorganizations of any of its segments or businesses, and any related restructuring provisions or impairment charges; and its ability to continue to control costs. The Corporation can give no assurance that these estimates and expectations will prove to have been correct. Actual outcomes and results may, and often do, differ from what is expressed, implied or projected in such forward-looking statements, and such differences may be material. Some important factors that could cause actual results to differ materially from those expressed in these forward-looking statements include, but are not limited to:

- Quebecor Media's ability to continue successfully developing its network and the facilities that support its mobile services;
- general economic, financial or market conditions and variations in the businesses of local, regional and national advertisers in Quebecor Media's newspapers, television outlets and other media properties;
- the intensity of competitive activity in the industries in which Quebecor operates;
- fragmentation of the media landscape;
- new technologies that might change consumer behaviour with respect to Quebecor Media's product suites;
- unanticipated higher capital spending required for developing Quebecor Media's network or to address the continued development of competitive alternative technologies, or the inability to obtain additional capital to continue the development of Quebecor's business;
- Quebecor's ability to implement its business and operating strategies successfully and to manage its growth and expansion;
- disruptions to the network through which Quebecor Media provides its digital cable television, Internet access, mobile and cable telephony, and Club illico services, and its ability to protect such services against piracy, unauthorized access and other security breaches;
- labour disputes or strikes;
- interruptions resulting from equipment breakdown, network failure, the threat of natural disaster, epidemics, pandemics and political instability in some countries;
- changes in Quebecor Media's ability to obtain services and equipment critical to its operations;
- changes in laws and regulations, or in their interpretations, which could result, among other things, in the loss (or reduction in value) of Quebecor Media's licenses or markets, or in an increase in competition, compliance costs or capital expenditures;
- Quebecor Media's ability to successfully develop its Sports and Entertainment segment and other expanding lines of business in its other segments;
- Quebecor's substantial indebtedness, the tightening of credit markets, and the restrictions on its business imposed by the terms of its debt; and
- interest rate fluctuations that could affect a portion of Quebecor's interest payment requirements on long-term debt.

The forward-looking statements in this document are made to provide investors and the public with a better understanding of the Corporation's circumstances and are based on assumptions it

believes to be reasonable as of the day on which they are made. Investors and others are cautioned that the foregoing list of factors that may affect future results is not exhaustive and that undue reliance should not be placed on any forward-looking statements. For more information on the risks, uncertainties and assumptions that could cause the Corporation's actual results to differ from current expectations please refer to the "Risks and Uncertainties" section of the Management Discussion and Analysis, which was filed with the Canadian securities regulatory authorities on March 12, 2020, which section is incorporated by reference into this annual information form.

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

ITEM 14 — ADDITIONAL INFORMATION

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

Other information, including information on the remuneration and indebtedness of directors and officers, the principal holders of Quebecor's securities, securities authorized for issuance under equity compensation plans, where applicable, is contained in its management proxy circular prepared in connection with its annual meeting of shareholders held on May 9, 2019. Updated information in that respect will be contained in the next management proxy circular prepared in connection with the annual meeting of shareholders to be held in 2020 and that will be filed in accordance with applicable regulations. Other financial information is included in the comparative consolidated financial statements and Management's Discussion and Analysis for the year ended December 31, 2019.

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

SCHEDULE A

EXCERPTS FROM TVA GROUP INC.'S ANNUAL INFORMATION FORM FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2019, DATED FEBRUARY 28, 2020

INTRODUCTORY NOTE

In this Annual Information Form, unless the context otherwise requires, the terms “**Corporation**” and “**TVA**” refer to TVA Group Inc. and its subsidiaries and divisions. Unless otherwise indicated, the information presented in this Annual Information Form is given as at December 31, 2019. All dollar amounts appearing in this Annual Information Form are in Canadian dollars, except if another currency is specifically mentioned. In addition, the table below lists defined terms that are used throughout this Annual Information Form to refer to various corporations within the TVA group or affiliates.

Entity	Defined term
Incendo Media Inc.	“Incendo”
Les Publications Charron & Cie inc.	“Publications Charron”
Mels Studios and Postproduction G.P.	“MELS”
Quebecor Inc.	“Quebecor”
Quebecor Media Inc.	“Quebecor Media”
TVA Publications Inc.	“TVA Publications”

ITEM 1 THE CORPORATION

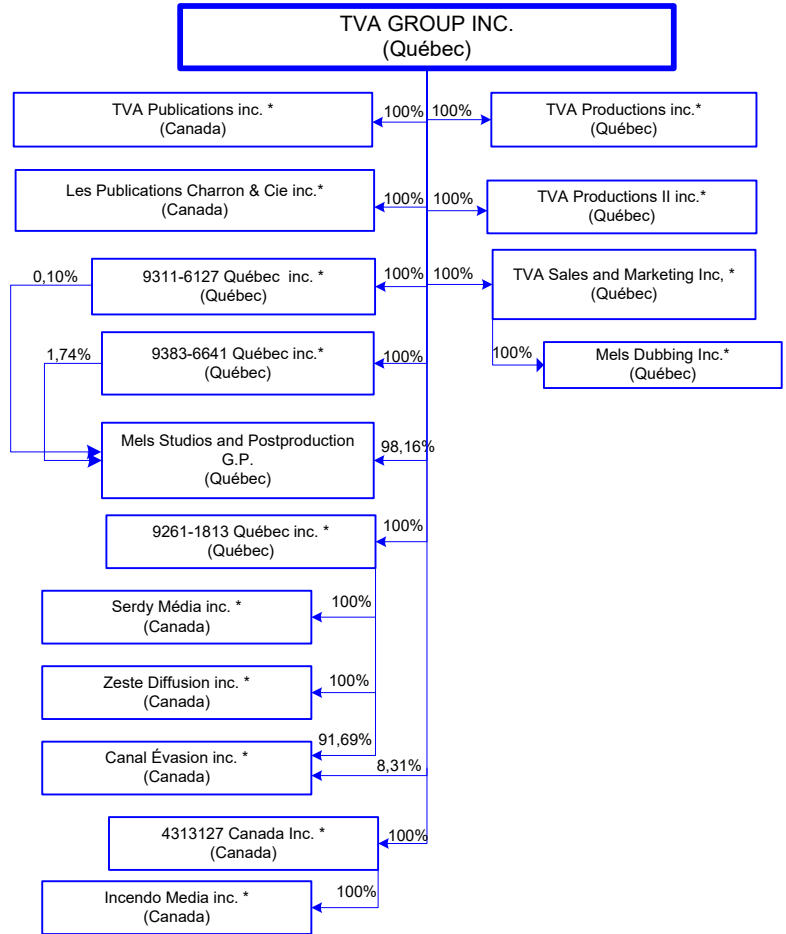
TVA Group Inc. was incorporated in accordance with the laws of Québec by letters patent dated March 29, 1960 under the name Télé-Métropole Corporation. On July 5, 1973, the corporate name Télé-Métropole Corporation was changed to Télé-Métropole inc. On February 17, 1998, the corporate name Télé-Métropole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

Its head office is located at 1600 de Maisonneuve Boulevard East, Montréal, Québec H2L 4P2. Its website address is www.groupe TVA.ca. The telephone number is 514 526-9251. The information found on its website is neither an integral part of this Annual Information Form nor is it deemed to be incorporated by reference.

1.1. SUBSIDIARIES

The organizational chart below lists the Corporation's main subsidiaries at December 31, 2019 as well as their jurisdiction of incorporation and the percentage of voting rights held, directly or indirectly, by the Corporation. Some of the subsidiaries, whose total assets represented no more than 10% of the consolidated assets of the Corporation at December 31, 2019, and whose sales and operating revenues represented no more than 10% of its consolidated sales and consolidated operating revenues at that date, have been omitted. The omitted subsidiaries, taken as a whole, accounted for less than 20% of the consolidated assets and less than 20% of the consolidated sales and consolidated operating revenues of the Corporation at December 31, 2019.

Each subsidiary identified with an asterisk (*) represents 10% or less of the total consolidated assets and 10% or less of the consolidated sales and consolidated operating revenues of the Corporation at December 31, 2019. They have been included to better illustrate the overall structure of the Corporation.



ITEM 2 BUSINESS

TVA is a communication company with operations in four business segments: Broadcasting, Magazines, Film Production & Audiovisual Services and Production & Distribution. In the Broadcasting segment, the Corporation creates, broadcasts and produces entertainment, sports, news and public affairs programming, and is engaged in commercial production. It operates North America's largest private French-language television network as well as nine specialty services, since acquiring effective control of the "Zeste" and "Évasion" channels on February 13, 2019. Prior to that date, it held a minority interest in the Évasion specialty service. In the Magazines segment, TVA publishes over 50 titles, making it Québec's largest magazine publisher. The Film Production & Audiovisual Services segment provides soundstage, mobile and equipment rental services as well as postproduction and visual effects services. The Production & Distribution segment produces and distributes television programs for the world market.

At the beginning of the second quarter of 2019, the Corporation reorganized its business segments to better reflect changes in its operations and management structure following the acquisition of the companies in the Incendo group on April 1, 2019. Accordingly, the new Production & Distribution segment was created.

In addition, since February 13, 2019, following the acquisition of the companies in the Serdy Média inc. and Serdy Vidéo inc. groups, the activities of the Évasion and Zeste specialty services have been included in the Broadcasting segment's results, while postproduction activities have been included in the Film Production & Audiovisual Services segment's results.

Broadcasting

The Broadcasting segment includes the operations of TVA Network, the specialty services, the marketing of digital products associated with the various televisual brands and the commercial production services.

Magazines

The Magazines segment, through its subsidiaries, notably TVA Publications and Publications Charron, publishes magazines in various fields including the arts, entertainment, television, fashion and decorating; markets digital products associated with the various magazine brands and provides custom publishing services.

Film Production & Audiovisual Services ("MELS")

The Film Production & Audiovisual Services segment, through its subsidiaries MELS and Mels Dubbing Inc., provides soundstage, mobile and equipment rental services, as well as dubbing, postproduction and visual effects.

Production & Distribution

The Production & Distribution segment through the companies in the Incendo group produces and distributes television shows, movies and television series for the world market.

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

REVENUES BY BUSINESS SECTOR (in thousands of dollars)

	Year ended December 31, 2019	Year ended December 31, 2018
Broadcasting	\$436,161	\$417,597
Magazines	\$64,191	\$77,708
Film Production & Audiovisual Services	\$71,259	\$68,447
Production & Distribution	\$13,371	\$–
Intersegment items	(\$15,072)	(\$11,842)
TOTAL	\$569,910	\$551,910

2.1. BROADCASTING

TVA owns and operates six of the ten stations that make up TVA Network: CFTM-TV (Montréal), which is the network's flagship station, and five regional television stations: CFCM-TV (Québec City), CHLT-TV (Sherbrooke), CHEM-TV (Trois-Rivières), CFER-TV (Rimouski-Matane-Sept-Îles) and CJPM-TV (Saguenay/Lac St-Jean) (the "**regional stations**"). In addition to these regional stations are four affiliated stations: CHOT-TV (Gatineau) and CFEM-TV (Rouyn), owned by RNC Media Inc., as well as CIMT-TV (Rivière-du-Loup) and CHAU-TV (Carleton), owned by Télé Inter-Rives Ltée (the "**affiliated stations**"). TVA holds a 45% interest in Télé Inter-Rives Ltée. The TVA Network signal reaches nearly the entire French-speaking audience in Québec, as well as the French-speaking communities in Ontario and New Brunswick, and a significant portion of francophone viewers in the rest of Canada. TVA also owns the specialty services LCN, addik^{tv}, Prise 2, CASA, YOOPA, TVA Sports and MOI ET CIE in addition to the specialty channels Évasion and Zeste since February 13, 2019.

In addition to linear television, the TVA Network and the specialty services have multiplatform applications that allow them to distribute content on demand and continuously. The website www.tva.ca and TVA and TVA Nouvelles mobile apps give free access to TVA Network's programs and to certain content of the specialty services' programs in high definition, live or on demand.

In March 2019, TVA Sports launched the TVA Sports Direct platform which gives users access to content in high definition from TVA Sports, live or on demand, available on all screens (TVs, smartphones, tablets and computers) by paying a subscription fee

2.1.1. TELEVISION BROADCASTING

CFTM-TV (MONTRÉAL)

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

CFTM-TV (Montréal)'s programming includes dramas, serials, variety and service shows, real-life series, magazine-style and quiz shows, films and news and public affairs programs. A major portion of CFTM-TV

(Montréal)'s programming schedule is produced by the Corporation and is complemented by shows and films acquired from independent producers and third parties. This programming constitutes a considerable portion of the programming schedules of the TVA Network's member stations. Also, the website www.tva.ca and the TVA mobile app give viewers and Internet users free access to TVA Network's programs in high definition, live or on demand. CFTM's programming is also available on video-on-demand.

REGIONAL STATIONS

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

AFFILIATED STATIONS

The affiliation agreements between the Corporation and Télé Inter-Rives Ltée (owner of the stations CHAU-TV (Carleton) and CIMT-TV (Rivière-du-Loup)), as well as between the Corporation and RNC Media Inc. (owner of the stations CHOT-TV (Gatineau) and CFEM-TV (Rouyn)), are in place until August 31, 2023.

2.1.2. SPECIALTY SERVICES

ADDIK^{TV}

The Corporation owns a national license for addik^{TV}, a French-language digital specialty channel that was launched on October 21, 2004. The programming of this channel is devoted to fiction and current docudramas. Its website is accessible at www.addik.tv.

CASA

The Corporation owns a national license for CASA, a French-language digital specialty channel offering entertaining and instructive programming covering all aspects of the household, including decorating, renovations, real estate, cooking, gardening and pets. This channel was launched on February 19, 2008. Its website is accessible at www.casatv.ca.

ÉVASION

Canal Évasion Inc. owns a national license for a French-language digital specialty channel, Évasion, devoted to travel, tourism and adventure. This channel was launched on January 31, 2000. Before the acquisition of ultimate effective control on February 13, 2019, the Corporation held a 8.3% interest in Canal Évasion Inc. Its website is accessible at www.evasion.tv.

LE CANAL NOUVELLES (LCN)

Launched in September 1997, the Corporation owns a national license for a French-language specialty channel, LCN. LCN broadcasts national news and general interest information. This channel must offer newscasts updated at least every 120 minutes. LCN content is available on the website www.tvnouvelles.ca and on its mobile app.

MOI ET CIE

The Corporation owns a national license for a French-language digital specialty channel, MOI ET CIE. It offers a variety of content that challenges, entertains and inspires with programming devoted to hard-hitting documentaries, fiction series and films. This channel was launched on May 2, 2011 under the name Mlle and was repositioned on February 1st, 2013 under the name MOI&cie, and was further repositioned on April 23, 2018 under the name MOI ET CIE. Its website is accessible at www.tv.moietcie.ca.

PRISE 2

The Corporation owns a national license for the French-language digital specialty channel, Prise 2. From timeless classics to blockbusters, this channel's popular series are aired on Québec stations and international stations. It was launched on February 9, 2006. Its website is accessible at www.prise2.tv.

TVA SPORTS

The Corporation owns a national license for a French-language digital specialty channel, TVA Sports, devoted to every aspect of sports by focusing on professional sports of general interest. This channel was launched on September 12, 2011. TVA Sports content is accessible on the website www.tvasports.ca and on its mobile app.

In 2014, TVA Sports became the National Hockey League's official French-language broadcaster in Canada for the next 12 years starting with the 2014-2015 season. In January 2017, TVA Sports became the exclusive broadcaster of the Montreal Impact games in French, as well as an official broadcaster of the Major League Soccer ("MLS") for the next five years. In 2018, the agreement with the MLS was extended until 2022.

In May 2018, TVA Sports became the official Canadian French-language broadcaster of the 2020 UEFA European Football Championship (Euro 2020).

TVA Sports also offers under a multiplex signal TVA Sports 2 and TVA Sports 3, which operate under the same license as TVA Sports and complete the sports programming available to TVA Sports subscribers. TVA Sports produced close to 3,458 hours of original programming during the fiscal year ended December 31, 2019.

In March 2019, TVA Sports launched the TVA Sports Direct platform which gives users access to content in high definition from TVA Sports, live or on demand, available on all screens (TVs, smartphones, tablets and computers) by paying a subscription fee.

YOOPA

The Corporation owns a national French-language digital specialty channel, YOOPA, aimed chiefly at children, with programming consisting of entertainment and "edutainment" designed to foster their development and growth. This channel was launched on April 1st, 2010. Its website is accessible at www.yoopa.ca.

ZESTE

Since the acquisition of its effective control on February 13, 2019, the Corporation owns Zeste, a national French-language specialty channel devoted to daily cooking and recipes, culinary competitions, epicurean adventures around the world and gastronomic discoveries. Its website is accessible at www.zeste.tv.

2.1.3. TVA PRODUCTIONS INC. AND TVA PRODUCTIONS II INC.

TVA Productions Inc. and TVA Productions II Inc. produced more than 1,109 hours of original programming during the fiscal year ended December 31, 2019 including variety and magazine-style shows, galas and game shows. Those productions are produced to air on TVA Network's stations, the specialty channels of the Corporation, its websites as well as on video-on-demand, the Web and mobile network.

2.1.4. TVA FILMS

During the fiscal year ended December 31, 2019, TVA Films continued to carry out its distribution business in the home entertainment (DVD/Blu-ray), television and other digital platform sectors. The Corporation also continues to distribute audiovisual material for all other digital platforms, including the use of its catalog of titles and formats at the local, national and international levels.

2.1.5. SOURCES OF REVENUE

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

Advertising services on the TVA Network, i.e. its CFTM-TV (Montréal) station, as well as regional and affiliated stations and specialty services are sold by sales representatives at Quebecor Media sales agency.

For the year ended December 31, 2019, 70% of specialty channel revenues were derived from subscription charges paid by broadcasting distribution undertakings ("**BDU**"), while 30% were derived from advertising revenues.

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

The Broadcasting segment of the Corporation experiences seasonality due to, among other factors, seasonal advertising patterns and influences on people's viewing and listening habits. Because the Corporation depends on the sale of advertising for a significant portion of its revenue, operating results are also sensitive to prevailing economic conditions, including changes in local, regional and national economic conditions, particularly as they may affect advertising expenditures.

2.1.6. LICENSES AND REGULATION

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

Ownership and Control of Canadian Broadcast Undertakings

The Canadian government has directed the CRTC not to issue, amend or renew a broadcasting license to an applicant that is a non-Canadian. “Canadian”, a defined term in the Direction to the CRTC (*Ineligibility of Non-Canadians*) (the “**Direction to the CRTC**”) means, among other things, a citizen or a permanent resident of Canada or a qualified corporation. A qualified corporation is one incorporated or continued in Canada, of which the chief executive officer and not less than 80% of the directors are Canadians, and not less than 80% of the issued and outstanding voting shares and not less than 80% of the votes are beneficially owned and controlled, directly or indirectly, by Canadians

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

Regulations made under the *Broadcasting Act* (Canada) require the prior approval of the CRTC for any transaction that directly or indirectly results in a change in effective control of the licensee of a television programming undertaking (such as a conventional television station, network or pay or specialty undertaking service), or the acquisition of a voting interest above certain specified thresholds.

Diversity of Voices

The CRTC’s Broadcasting Public Notice CRTC 2008-4, entitled “Diversity of Voices,” sets forth the CRTC’s policies with respect to cross-media ownership; the common ownership of television services, including pay and specialty services; the common ownership of BDUs; and the common ownership of over-the-air television and radio undertakings. Pursuant to these policies, the CRTC will generally permit ownership by one person of no more than one conventional television station in one language in a given market. The CRTC, as a general rule, will not approve applications for a change in the effective control of broadcasting undertakings that would result in the ownership or control, by one person, of a local radio station, a local television station and a local newspaper serving the same market. The CRTC, as a general rule, will not approve applications for a change in effective control that would result in the control, by one person, of a dominant position in the delivery of television services to Canadians that would impact on the diversity of programming available to television audiences.

Jurisdiction Over Canadian Broadcast Undertakings

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

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

Broadcasting License Fees

Broadcasting licensees are subject to annual license fees payable to the CRTC. The license fees consist of two separate fees. One fee allocates the CRTC's regulatory costs for the year to licensees based on a licensee's proportion of the gross revenue derived during the year from the licensed activities of all licensees whose gross revenues exceed specific exemption levels (Part I fee). The other fee, also called the Part II license fee, is to be paid on a pro rata basis by all broadcasting undertakings that licensed activity exceeds \$1,500,000. The total annual amount to be assessed by the CRTC is the lower of: a) \$100,000,000 indexed annually since 2011; and b) 1.365% multiplied by the aggregate fee revenues for the return year terminating during the previous calendar year of all licensees whose fee revenues exceed the applicable exemption levels, less the aggregate exemption level for all those licensees for that return year.

Copyrights Royalties Payment Obligations

TVA has the obligations to pay copyright royalties set by Tariffs of the Copyright Board of Canada (the "**Copyright Board**"). The Copyright Board establishes the royalties to be paid for the use of certain copyright tariff royalties that Canadian broadcasting undertakings, including cable, television and specialty services, pay to copyright societies i.e. organization that administers the rights of several copyright owner. Tariffs certified by the Copyright Board are generally applicable until a public process is held and a decision of the Copyright Board is rendered for a renewed tariff. Renewed tariffs are often applicable retroactively.

The Government of Canada may from time to time make amendments to the Copyright Act to implement Canada's international treaty obligations and for other purposes. Any such amendments could result in TVA being required to pay additional tariffs royalties.

Canadian Broadcast Programming (Television Stations and Specialty Services)

Programming of Canadian Content

CRTC regulations require licensees of television stations to maintain a specified percentage of Canadian content in their programming. A private television stations licensee is required to devote not less than 50% of the evening broadcast period (6:00 p.m. to midnight) to the broadcast of Canadian programs. Specialty services also have to maintain a specified percentage of Canadian content in their programming which is generally set forth in the conditions of their respective licenses.

In Broadcasting Regulatory Policy CRTC 2015-86 issued on March 12, 2015, the CRTC eliminated immediately the genre exclusivity policy and related protections for all English- and French-language discretionary services including Canadian video on demand services. As an exception to the general rule of elimination of genre protections, the CRTC has retained the conditions of license relating to the nature of service for those services that benefit from a mandatory distribution, for national news services and for sports services.

TVA's Conditions of License

Conventional television stations and specialty services of TVA (excluding LCN and TVA Sports) are subject to certain conditions including in particular:

- The obligation to devote, in each broadcast year, to the acquisition of or investment in Canadian programming at least 45% of the previous year's gross revenues of the undertaking.
- The obligation to devote, in each broadcast year, to the acquisition of or investment in programs of national interest at least 15% of the previous year's gross revenues of the undertaking. At least 75% of these expenditures must be made to an independent production company.

Furthermore, TVA shall devote 5% of the previous year's gross revenues of its television stations in locally reflective news. TVA Montréal shall broadcast at least 25 hours of local programming each week and at least 6 hours of locally reflective news each week. As for TVA Québec, the local programming shall be of 18 hours per week of which 2 hours of local news, 3 hours and 30 minutes of locally reflective news, 3 hours and 30 minutes of other programs locally reflecting news and 9 hours of general local programming. The other TVA's television stations shall broadcast 5 hours of local programming each week of which 2 hours and 30 minutes of locally reflecting news.

The conditions of license came into force on September 1, 2017 and will remain applicable until August 31, 2022.

Reconsideration and new hearing for TVA

Following a request initiated by the Governor in Council for a reconsideration and new hearing for private French and English ownership groups, the CRTC imposed two new conditions of licence to TVA. TVA must devote to original programming at least 50% of its Canadian programming expenditures in 2018-2019 and at least 75% beginning 2019. As for music programming, TVA is required, since September 1, 2018, to direct 0.17% of its previous year's gross revenues (excluding TVA Sports and LCN) to MUSICACTION.

New Policy framework for local and community television

On June 15, 2016, the CRTC published a new Policy framework for local and community television. This policy sets out regulatory measures to ensure that Canadians continue to have access to local programming that reflects their needs and interests. This includes the broadcast of high-quality local news as well as the broadcast of community programming through which Canadians can express themselves. To help ensure that local television stations have the financial resources to continue providing high-quality local news and information and that there is no erosion of local news in the various markets, the CRTC rebalanced the resources already present in the broadcasting system by taking the following steps:

- BDUs are allowed to devote part of their local expression contribution to the production of local news on local television stations;
- direct-to-home satellite providers BDUs are allowed to devote part of their contribution to Canadian programming to the production of local news on local television stations; and
- financial support is available to independent local television stations (i.e. stations that are not part of large vertically integrated groups) through the Independent Local News Fund. All licensed BDUs are required to contribute to the fund.

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

Stations and specialty services	Location	Expiry date	Decision number
TVA Network	Canada	August 31, 2022	CRTC 2017-147
CFTM-TV	Montréal	August 31, 2022	CRTC 2017-147
CHLT-TV	Sherbrooke	August 31, 2022	CRTC 2017-147
CHEM-TV	Trois-Rivières	August 31, 2022	CRTC 2017-147
CFCM-TV	Québec City	August 31, 2022	CRTC 2017-147
CJPM-TV	Saguenay/Lac St-Jean	August 31, 2022	CRTC 2017-147
CFER-TV	Rimouski	August 31, 2022	CRTC 2017-147
addik ^{TV}	Canada	August 31, 2022	CRTC 2017-147
CASA	Canada	August 31, 2022	CRTC 2017-147
Le Canal Nouvelles (LCN)	Canada	August 31, 2022	CRTC 2017-147
MOI ET CIE	Canada	August 31, 2022	CRTC 2017-147
Prise 2	Canada	August 31, 2022	CRTC 2017-147
TVA Sports	Canada	August 31, 2022	CRTC 2017-147
YOOPA	Canada	August 31, 2022	CRTC 2017-147
Évasion	Canada	August 31, 2022	CRTC 2019-6
Zeste	Canada	August 31, 2021	CRTC 2019-6

2.1.7. COMPETITION, VIEWING AUDIENCES AND TELEVISION MARKET SHARE

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

The Broadcasting segment in Québec has to deal with a very competitive environment due to the multiplication of content offering especially for new unregulated subscription video-on-demand services such as Netflix, which have access to international capital to finance their exclusive original content. Moreover, publicly owned stations benefit from strong financial support from governments, while also maintaining access to the advertising market and funding available for Canadian programming. In addition to the larger number of television channels, viewers are increasingly solicited by the Internet and its peripheral services that may attract their interest. The negative impact that new media has on the Broadcasting segment is increasingly affecting traditional advertising revenues.

The quality of its programming, the great popularity of its shows, the reputation for its news and information services and the use of new broadcasting platforms are all factors that help the Corporation maintain its audience ratings and its significant share of the advertising market. For the year 2019, TVA Network remained in the lead with its 23.7 market shares, being more than the aggregate market shares of its two main conventional competitors.

(Source: Numeris, French Quebec, January 1st to December 31, 2019, 1-d, 2h-2h, t2+)

2.2. MAGAZINES

2.2.1. TVA PUBLICATIONS AND PUBLICATIONS CHARRON

The Magazines segment publishes more than 50 titles including regular, special, thematic and seasonal issues. Its principal trademarks focus on four market niches:

Entertainment

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

Women

- Canadian Living
- Coup de pouce
- Clin d'oeil

Decoration and cooking

- Style at Home
- Les Idées de ma maison

Services

- TV Hebdo
- Espaces

The Magazines segment also operates websites in order to broadcast its trademarks and contents on different digital platforms. Thus, the following websites broadcast daily content related to the editorial line of its corresponding trademarks:

- www.clindoeil.ca
- www.tvhebdo.com
- www.7jours.ca
- www.magazine-cool.ca
- www.recettes.qc.ca
- www.espaces.ca
- www.coupdepouce.com
- www.styleathome.com
- www.canadianliving.com
- www.casatv.ca/publications/les-idees-de-ma-maison

Since 2016, the Corporation offers the “Molto” app, a digital newsstand that gives users unlimited access to the full content of all of the Corporation’s magazines on their tablets and smartphones via payment of a monthly subscription fee. As such, TVA offers digital versions of its magazines available on mobile platforms, tablets and computers on IOS and Android. Those publications are also available on PressReader and Zinio platforms.

Each magazine’s content is either produced internally by the employees of the Corporation or by freelancers, or purchased on the market. Art direction, computer graphics as well as coordination and review of the content are done by employees of TVA Publications and of Publications Charron. Printing, distribution and finishing work as well as subscription management are done by service providers.

2.2.2. SOURCES OF REVENUE

The main sources of revenue for the Magazines segment are advertising sales, newsstand sales and subscription revenues. On April 1, 2010, the Government of Canada launched the Canada Periodical Fund (“CPF”). The CPF provides financial assistance to the Canadian magazine and non-daily newspaper industries so they can continue to produce and distribute Canadian content. TVA Publications and Publications Charron benefit from this program. All assistance related to this program amounted to 17% of the segment’s operating revenues for fiscal 2019. The downward trend in the publishing market and the increase in media diversity remain significant issues affecting the sector’s performance. Nevertheless, the strength of the Corporation’s trademarks brings new business opportunities.

The Magazine segment of the Corporation experiences seasonality due to, among other factors, seasonal advertising patterns and influences on people’s reading habits. Its operating results are sensitive to prevailing economic conditions including changes in local, regional and national economic conditions because the Corporation depends on the sale of advertising and on newsstand sales for a significant portion of its revenues.

2.2.3. COMPETITION

The Magazines segment faces strong competition in an ever-changing market: market consolidation, arrival of new market players, discontinuation of certain issues or less frequent publication, etc. Print media faces increasing competition from digital media, some of which offer free content, and from new technological platforms. This competition comes mainly from major foreign players.

With more than 3.6 million readers across all platforms for its monthly French-language titles, TVA is the top publisher of monthly French-language magazines in Québec and a leader in the Canadian magazine publishing industry with more than 8.7 million cross-platform readers.

Canada’s lifestyle standard-setter, *Canadian Living* reaches more than 4.2 million readers on all platforms, while its French-language counterpart, *Coup de pouce*, is the most popular French-language lifestyle magazine with nearly 1.5 million cross-platform readers per month.

Clin d’œil is the most popular fashion and beauty French-language magazine in Québec with 665,000 cross-platform readers and *Les idées de ma Maison* is the benchmark in decoration reaching 742,000 readers on all platforms.

(Source: Vividata, Winter 2020, Total Canada 14+, October 1st, 2018 to September 30, 2019)

2.3. FILM PRODUCTION & AUDIOVISUAL SERVICES

The Corporation, especially through MELS, provides top-quality services for the film and television industries, including complete soundstage and equipment leasing services, mobile and post-production services, visual effects and dubbing. It also offers asset management for distribution and broadcast via film, television, internet and mobile telephony networks, allowing one-stop shopping in the film and television industries.

This segment’s operations are heavily dependent on the availability of soundstages and equipment, and on the ability to meet international and local producers’ postproduction needs in accordance with shooting schedules.

2.3.1 STUDIOS, MOBILE AND EQUIPMENT LEASING SERVICES

The Corporation offers for rent 18 purpose built stages of approximately 212,000 square feet in Montreal and St-Hubert, Québec, cameras, mobile and lighting as well as the management and production of deliverables for distribution and broadcast via film, television, Internet and mobile telephony networks. The Corporation also provides on-set technical services. The facilities are used for both local and foreign film and television productions, including American blockbusters.

2.3.2 POSTPRODUCTION

Postproduction – Digital intermediate and video

The Corporation offers editing services, digital intermediate, grading and color correction, digital cinema, photochemical laboratory and other related services.

Postproduction – Audio

The Corporation offers sound design services, sound effects, dubbing as well as mixing for advertising or video games.

2.3.3 VISUAL EFFECTS

The services offered include visual effects, a photochemical laboratory and image restoration. The Corporation is specialized in photo real environments, matte paintings, crowds, set extensions and 3D tracking.

2.3.4 DUBBING, SUBTITLING AND VIDEODESCRIPTION

Through Mels Dubbing Inc., the Corporation provides voice-over services for the French-language channels of the Corporation for the most part. It also provides its clients with closed-captioning for the hearing impaired and videodescription.

2.3.5 DISTRIBUTION

The Corporation also offers access to a private streaming platform VSR (Virtual Screening Room), as well as distribution, encoding for different platforms and archiving services.

2.3.6 SOURCES OF REVENUE

This segment's main sources of revenue are soundstage, mobile and equipment rental and post-production services. Shooting stage, mobile and equipment rental services account for 50% of the segment's total revenues, 52% of which come from international clients. Post-production services account for 20% of the segment's total revenues and mainly serve local clients. Dubbing, subtitling and videodescription services amounted to 13% and visual effects to 9% of the segment's total revenues.

2.3.7 CUSTOMERS

The Film Production & Audiovisual Services segment's primary customers are major motion picture studios and third party filmmakers. Historically, a significant percentage of the Film Production & Audiovisual Services segment's operating revenues came from a limited number of customers, several of whom are foreign customers, whose loyalty to Canada may be tested when presented with more favourable production environments outside Canada. The Corporation still expects that a high percentage of the Film Production & Audiovisual Services segment's revenues for the foreseeable future will continue to come from a relatively

small number of customers. In general, the Corporation does not have long-term or exclusive service agreements with its Film Production & Audiovisual Services segment's customers. Customer retention is based on customer satisfaction with regard to reliability, timeliness, quality and price.

2.3.8 REGULATION

Canada is a favourable country for television and film production because of its tax incentive program. The Canadian and provincial governments currently provide grants and incentives to attract foreign producers and support domestic film and television production. Many of the major studios and other key customers of the Film Production & Audiovisual Services segment, as well as content producers for the Broadcasting & Production segment, finance a portion of their production budgets through Canadian governmental incentive programs, including federal and provincial tax credits.

2.3.9 COMPETITION

The Corporation competes with a variety of soundstage and equipment rental and post-production firms, some of which have a national presence and, to a lesser extent, the in-house operations of its major motion picture studio customers. Some of these firms and studios have greater financial and marketing resources and have achieved a higher level of brand recognition than the Corporation. The Corporation may also face competition from companies in related markets that could offer similar or superior services to those offered by the Corporation.

2.3.10 CYCLICAL ACTIVITIES

Although cyclical, particularly for film soundstage, mobile and cinema equipment rental, the level of activity for this sector remains dependent on the production services needs of international and local producers.

2.4. PRODUCTION & DISTRIBUTION

The Corporation, through the companies in the Incendo group, produces and distributes television shows, movies and television series for the world market.

2.4.1 SOURCES OF REVENUE

Activities related to the distribution of films produced by Incendo accounted for 78.3% of the segment's operating revenues. Incendo's productions are mainly thrillers with nearly 88% of revenues having been generated from international distribution.

2.4.2 CUSTOMERS

Incendo's customer base consists primarily of traditional broadcasters (pay and conventional television) in Canada but also, and especially, international markets. In some broader and relatively homogenous territories, Incendo's customers include specialty distributors. Increasing numbers of digital platforms are seeking to acquire made-for-television movies, resulting in a degree of growth in revenues either directly from those platforms or via digital content aggregators. More than 85% of Incendo's revenues originate outside Canada. Incendo represents multiple Canadian and U.S. producers on the Canadian television distribution market, as well as on international markets in some cases. Incendo is also the Québec theatrical distributor for Paramount Pictures.

2.4.3 COMPETITION

Incendo's competitors are the independent producers of English-language content. A high concentration of made-for-television suspense and romantic comedy productions is shot and produced in Canada, mainly in Ontario and British Columbia. Incendo, on the other hand, has filmed all of its productions over the past ten years (except in the case of co-productions) in Québec, making it one of the leading producers of English-language television content in the province. With regard to television series, Incendo's competition is worldwide, and the number of industry players on that market is substantial.

2.5. INTELLECTUAL PROPERTY

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

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

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

2.6. HUMAN RESOURCES AND LABOUR RELATIONS

At December 31, 2019, TVA had 1,310 permanent employees.

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

Broadcasting:	861
Magazines:	106
Film Production & Audiovisual Services	320
Production & Distribution	23
TOTAL:	<hr/> 1,310

As of December 31, 2019, approximately 49% of the Corporation's permanent employees were unionized. TVA's labour relations were governed by seven collective agreements. As of December 31, 2019, three collective agreements had come to term, covering about 15% of the Corporation's permanent unionized employees.

2.7. ENVIRONMENT

The operations of TVA are subject to federal, provincial and municipal laws and regulations concerning environmental matters. The Corporation also owns certain soundstages and vacant lots, some of which are located on a former landfill, with the presence of gas emitting waste.

The management of the Corporation believes that compliance with the environmental regulation applicable to its activities has not a material adverse effect on its business, financial condition or results of operations.

As provided in its environmental strategy, the Corporation is determined to reduce the environmental impact of its activities and to raise public awareness to adopt environmentally responsible practices. This strategy is supported by various initiatives based on the environmental performance assessment, the responsible energy consumption, the responsible management of residual materials, the responsible procurement and the general public and employee awareness-raising campaign.

ITEM 3 HIGHLIGHTS

RECENT DEVELOPMENTS

On February 21, 2020, the Corporation renewed its revolving credit facility, which matured on February 24, 2020, for one year, until February 24, 2021, and lowered the limit from \$150,000,000 to \$75,000,000.

On January 8, 2020, an agreement in principle was reached to renew the collective agreement of unionized employees in Québec City, which had expired on December 31, 2018 and covered approximately 8% of the Corporation's permanent unionized employees, for five years, extending it to December 31, 2023.

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

2019 HIGHLIGHTS

On February 13, 2019, the Corporation acquired the companies in the Serdy Média inc. group, which owns and operates the "Évasion" and "Zeste" specialty channels, and the companies in the Serdy Vidéo inc. group, for approximately \$24,000,000. The transaction had been concluded on April 30, 2018 and was approved by the CRTC on January 14, 2019.

On April 1, 2019, under an agreement reached on February 22, 2019, the Corporation acquired the companies in the Incendo group, a Montreal-based producer and distributor of television programs for international markets, for approximately \$19,500,000 subject to certain adjustments.

During the second quarter, the Corporation discontinued publication of *Elle Canada* and *Elle Québec* magazines. The last issues were released in May 2019. The decision is consistent with TVA's strategy of focusing on its strong brands in order to increase their reach and ensure the Magazines segment's profitability.

On June 5, 2019, the Corporation announced that, due to the challenging business environment, it needed to make deep budget cuts in order to reduce its operating expenses as well as eliminate 68 positions.

On June 18, 2019, the Federal Court of Appeal agreed to hear TVA's appeal challenging the legality of the standstill rule on the basis of which the CRTC decided that TVA must continue providing the TVA Sports signal to Bell until the dispute in the royalty file is settled. On April 10, 2019, with negotiations dead locked after numerous attempts to come to an agreement with Bell on royalties, the Corporation had decided to withdraw the TVA Sports signal from Bell. The agreements between the Corporation and Bell respecting carriage of TVA's specialty services expired on August 31, 2018 for TVA Sports and on August 31, 2017 for

other channels. The Corporation is continuing its efforts to have the fair value of its specialty channels recognized.

On September 3, 2019, Patrick Jutras was appointed to the position of Senior Vice-President and Chief Advertising Officer of Quebecor Media and TVA.

On September 12, 2019, the collective agreement of the unionized employees in Sherbrooke, which had come to term on December 31, 2017 and which covered about 8% of the Corporation's permanent unionized employees, was renewed for five years, thus extending the term to December 31, 2022.

On December 19, 2019, the CRTC ruled that Bell has conferred an undue preference on its discretionary sports service "RDS" and subjected the "TVA Sports" service to an undue disadvantage by packaging the two services in a different manner. The preference and disadvantage are undue since they have caused a material adverse impact on the Corporation. Accordingly, the CRTC directed Bell to report back, by no later than February 5, 2020, on a new packaging structure that would neither unduly disadvantage "TVA Sports" nor unduly favour "RDS". On January 17, 2020, Bell appealed the decision to the Federal Court of Appeal. On February 6, 2020, TVA challenged Bell's proposed packaging structure before the CRTC.

2018 HIGHLIGHTS

On January 17, 2018, the CRTC issued its decision in the final offer arbitration concerning distribution of the mainstream sports service "TVA Sports" by the BDUs operated by Bell in Québec. The CRTC selected Bell's offer, which sets out per-subscriber wholesale rates for distribution of "TVA Sports" that are lower than the Corporation's expectations, for the period of September 1, 2016 to August 31, 2018.

On January 22, 2018, the Corporation acquired the assets of Mobilimage Inc., essentially consisting of mobile and production equipment, for \$2,705,000. The acquired company's mobile and production equipment rental activities have been incorporated into the Film Production & Audiovisual Services segment's operations since the acquisition date.

On January 26, 2018, the Corporation sold the assets associated with *The Hockey News* magazine to Roustan Media Ltd., owned by Graeme Roustan.

During the first quarter of 2018, the Corporation renewed its collective agreements with employees in Rimouski and Saguenay for four years. The new union contracts expire on December 31, 2019 and October 31, 2021 respectively. Negotiations for the renewal of the collective agreement for the Rimouski employees will begin in March 2020.

On April 12, 2018, the Federal Court of Appeal denied Quebecor Media's application, filed on February 16, 2018, for leave to appeal the CRTC decision of January 17, 2018 on the rate paid by Bell for distribution of "TVA Sports".

On May 3, 2018, the Corporation announced that "TVA Sports" will be the official French-language broadcaster of the 2020 UEFA European Football Championship (Euro 2020). The agreement allows TVA Sports to broadcast all 51 games of the prestigious international soccer tournament, in which Europe's 24 best national men's teams will compete.

On August 27, 2018, the Corporation acquired all of the common shares of Audio Zone Inc. for a cash purchase price totalling \$2,050,000. Audio Zone Inc. offers sound postproduction services. Its results have been included in the results of the Corporation's Film Production & Audiovisual Services segment since the acquisition date.

On August 30, 2018, the CRTC rendered a decision following its review of previous decisions on the renewal of the television licences of the major private French-language broadcasting groups. The CRTC added two new conditions to the Corporation's licences, which are not expected to have any significant impact.

On October 31, 2018, the collective bargaining agreement of the unionized employees in Montréal, which had come to term on December 31, 2016 and which covered about 71% of the Corporation's permanent unionized employees, was renewed for five years, expiring on December 31, 2021.

2017 HIGHLIGHTS

On January 10, 2017, the Corporation announced a five-year agreement whereby TVA Sports became the exclusive French-language broadcaster of the Montréal Impact and an official broadcaster of the MLS through 2021. In 2018, this agreement was extended until 2022. As an official broadcaster of the MLS, TVA Sports broadcasts all Montreal Impact regular season and playoff games, as well as the MLS All Star Game, the MLS Cup playoffs and the MLS Cup final.

On August 14, 2017, acting on the recommendation of the Minister of Canadian Heritage, the Governor in Council referred the broadcasting decisions on the renewal of the television licences of the major French-language broadcasting groups made by the CRTC on May 15, 2017 back to the Commission for review and new hearings. Accordingly, a review of the decisions on renewal of the Corporation's licenses has been undertaken and concluded.

On October 13, 2017, following the announcement of Julie Tremblay's retirement, the Chair of the Board of the corporation announced the appointment of France Lauzière as President and CEO of the Corporation.



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 interest 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 regulations¹. The Board determines annually, upon recommendation of the Human Resources and Corporate Governance Committee, the independent status of each of its members. In accordance with the articles of the Corporation, 25% of all the members of the Board are elected by holders of Class B Subordinate Voting Shares (the “**Class B directors**”) and the other members of the Board are elected by holders of Class A Multiple Voting Shares (the “**Class A directors**”). Throughout the term of the mandate, a quorum of the members of the Board may fill any vacancy on the Board by appointing a new director who will serve until the next annual meeting of shareholders.

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

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

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

RESPONSIBILITIES

The Board has the following responsibilities:

A. With respect to strategic planning

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

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

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

B. With respect to human resources and performance assessment

1. Appoint the President and Chief Executive Officer. Select a Chair of the Board amongst the directors and, if appropriate, one or more Vice Chairs of the Board. If the Chair of the Board is not an independent director, select a Lead Director amongst the independent directors. One of the Vice Chairs of the Board may hold both offices.
2. Approve, upon the recommendation of the Human Resources and Corporate Governance Committee, the appointment of the other members of senior management.
3. Ensure that the Human Resources and Corporate Governance Committee assesses annually the performance of the Chief Executive Officer, of the Chief Financial Officer and of the Chief Operation Officer, taking into consideration the Board's expectations and the objectives that have been set.
4. Approve, upon the recommendation of the Human Resources and Corporate Governance Committee, the compensation of the Chief Executive Officer, of the Chief Financial Officer and of the Chief Operating Officer as well as the overall objectives that they must achieve.
5. Approve the Chair of the Board's, the Vice Chair(s) of the Board's and the directors' compensation.
6. Ensure that a management succession planning process is in place.
7. Ensure that the Human Resources and Corporate Governance Committee considers the implications of the risks associated with the Corporation's compensation policies and practices.

C. With respect to financial matters and internal controls

1. Ensure the integrity and quality of the Corporation's financial statements and the adequacy of the disclosure made.
2. Review and approve the annual and interim financial statements and management's discussion and analysis. Review the press release relating thereto.
3. With regard to the clawback policy, approve any restatement of the financial statements deemed necessary by the Audit Committee and, if appropriate, require repayment of any bonus or incentive compensation received by a named executive officer.
4. 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.

5. Determine dividend policies and declare dividends when deemed appropriate.
6. 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.
7. Monitor the quality and integrity of the Corporation's accounting and financial reporting systems, disclosure controls and internal procedures for information validation.
8. Monitor the Corporation's compliance with legal and regulatory requirements applicable to its operations.
9. 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.
10. Recommend to the shareholders the appointment of the external auditor.
11. Approve the audit fees of the external auditor.

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

1. Ensure that appropriate systems are in place to monitor the management of the pension plans.
2. Approve grants of stock options in virtue of the Stock Option Plan.

E. With respect to corporate governance matters

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. Review on a regular basis the policies of the Corporation that are under the responsibility of the Board.
5. Establish a policy which enables committees of the Board and, subject to the approval of the Human Resources and Corporate Governance Committee, a director, to hire external advisors at the expense of the Corporation when circumstances so require, subject to notification to the Chair of the Board.

6. Review the size and composition of the Board and its committees based on qualifications, skills and personal qualities sought in Board members. Review annually the composition of Board committees and appoint chair of committees. Review annually, upon recommendation of the Human Resources and Corporate Governance Committee, the mandates of the Board and of its committees, as well as the position descriptions.
7. Ensure that the effectiveness of the policy on selecting candidates for director positions and on diversity among directors is measured.
8. Approve annually the Board nominees for election by shareholders.
9. Upon recommendation of the Human Resources and Corporate Governance Committee, determine annually the independence of directors pursuant to the rules on the independence of directors.
10. Review and approve the Corporation's management proxy circular as well as its annual information form and all documents or agreements requiring its approval.
11. Receive annual confirmation from the Board's various committees that all matters required under their mandate have been covered.
12. Receive the Chair of the Board's report (or the Vice Chair of the Board and Lead Director's report) on the annual assessment of the overall effectiveness of the Board.
13. Ensure that the directors have all the support they require in order to fully perform their duties.

METHOD OF OPERATION

1. Meetings of the Board are held quarterly, or more frequently, as required. Special meetings of the Board are held annually in order to review and approve the Corporation's strategic plan as well as operating and capital budgets.
2. The Chair of the Board, in consultation with the Chief Executive Officer and the Secretary, determines the agenda for each meeting of the Board. The agenda and the relevant documents are provided to directors sufficiently in advance.
3. The independent directors meet after each meeting of the Board, or more frequently, as required.

* * * * *

Approved by the Board of Directors on December 16, 2019.



MANDATE OF THE AUDIT COMMITTEE

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

COMPOSITION AND QUORUM

The Committee is composed of a minimum of three (3) directors and a maximum of five (5) directors, all of whom are considered independent¹ by the Board, in accordance with the statutory and regulatory requirements applicable to the Corporation. Each member of the Committee must be financially literate.² The members and Chair of the Committee are appointed by the Board.

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

RESPONSIBILITIES

The Committee has the following responsibilities:

A. With respect to financial reporting

1. Review with management and the external auditor the annual financial statements, the external auditor’s report thereon as well as the management’s discussion and analysis, and obtain explanations from management on all significant variances with comparative periods, before recommending their approval to the Board and their release. Review and approve the related press release.
2. Review with management and the external auditor the interim financial statements, the external auditor’s review thereof as well as the management’s discussion and analysis, and obtain explanations from management on all significant variances with comparative periods before recommending their approval to the Board and their release. Review and approve the related press release.
3. Ensure that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than the financial statements, management’s discussion and analysis and annual and quarterly earnings press releases.
4. Review the financial information contained in prospectuses, annual information form and other reports or documents containing similar financial information before recommending their approval to the Board and their release or filing with the appropriate regulatory authorities.

¹ The term « independent » has the meaning given to it under securities legislation applicable to the Committee including, but not limited to, regulation regarding material relationship.

5. Review with management and the external auditor the quality and not only the acceptability of the Corporation's accounting policies and any changes proposed thereto, including (i) all major accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the impact of their use and the treatment recommended by the external auditor, and (iii) any other important communications with management with respect thereto, and review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.
6. Review with the external auditor any audit problems or difficulties and management's response thereto and resolve any disagreement between management and the external auditor regarding financial reporting.
7. Review periodically the Corporation's Disclosure Policy to ensure that it is in compliance with applicable legal and regulatory requirements and make recommendations to the Board, if required.

B. With respect to disclosure controls and procedures, internal control and risk management

1. Oversee the quality and integrity of the Corporation's financial and accounting systems and information management systems as well as the existence and proper operation of disclosure controls and procedures and internal control over financial reporting through discussions with management and the external auditor, as well as with the internal auditors of the Corporation and of Quebecor Media Inc. ("QMI").
2. Review periodically management's report assessing the effectiveness of the disclosure controls and procedures.
3. Review on a regular basis and monitor the Corporation's and its main subsidiaries' risks identification, assessment and management policies and procedures, including operational risks such as information security, cybersecurity as well as financial, fraud and regulatory risks, and oversee the effectiveness of the measures put in place to control these risks.
4. Review with the Senior Vice President, Chief Legal Officer and Public Affairs and Corporate Secretary of the Corporation legal compliance matters, significant litigations and other legal matters that could have a significant impact on the Corporation's financial statements.
5. Approve annually the insurance portfolio of the Corporation and its main subsidiaries.
6. Review periodically with senior management the status of taxation matters.
7. Establish and, if needed, review procedures for the receipt, retention and processing of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, including the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
8. Establish and, if needed, review procedures for "whistleblower protection" to ensure that no employee of the Corporation, its subsidiaries or business units are discharged or otherwise

penalized for reporting in good faith to his or her supervisor or to any competent authorities, potential violations of any laws or regulations applicable to the Corporation.

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

C. With respect to internal auditing

1. Oversee the qualifications and performance of the internal auditors.
2. Review the internal audit program, its scope and capacity to ensure the effectiveness of the systems of internal control and financial reporting accuracy.
3. Oversee the execution of the internal audit program and, together with the internal auditors, ensure a follow-up on the recommendations of the external auditor regarding deficiencies identified by the latter and regarding the steps management has agreed to take to correct such deficiencies.
4. Ensure that the internal auditors are always ultimately accountable to the Committee and the Board.
5. Review and approve periodically the internal audit charter.

D. With respect to the external auditor

1. Oversee the work of the external auditor.
2. Obtain annually and review a letter of the external auditor confirming his independence from the Corporation and discuss any relationships or services that may impact on his objectivity or independence.
3. Recommend to the Board (i) the name of the accounting firm that will be submitted to the vote of shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or certification services, and (ii) the compensation of the external auditor for audit services.
4. Authorize all audit services, determine which non-audit services the external auditor is allowed to provide and pre-approve all non-audit services that may be provided to the Corporation or its subsidiaries by the external auditor, the whole in accordance with the *Pre-Approval Policy* for the services to be provided by the external auditor, and regulations in force.
5. Review the basis and amount of the external auditor's fees for both audit services and authorized non-audit services.
6. Review the audit plan with the external auditor and management and approve the scope, content and time-frame of such audit plan.

7. Review, if required, the policy on hiring of partners and employees and former partners and employees of the Corporation's current or previous external auditor.
8. Ensure the compliance with the legal requirements regarding the rotation of appropriate partners of the external auditor.
9. Obtain, review and discuss annually with the external auditor the content of the Canadian Public Accountability Board's ("CPAB") report regarding the result of inspections of the big four firms in Canada and, if the audit file of the Corporation is inspected by the CPAB or any other regulatory authority, obtain a report from the external auditor on the significant deficiencies identified and any steps taken to deal with any such issues.
10. Ensure that the external auditor is always accountable to the Committee and the Board.
11. Carry out an annual assessment and a complete and thorough assessment of the external auditor at least every five years.

E. With respect to QMI

1. While recognizing the Corporation's control framework, establish a procedure to foster good collaboration and communication with the audit committee of QMI.
2. Confirm annually that QMI's audit committee has covered all the elements included in its mandate.
3. Obtain, on a timely basis, minutes of meetings of QMI's audit committee for information purposes.
4. Oversee the pension plans of the Corporation and its subsidiaries, to the extent permitted by the internal governance of public subsidiaries and of subsidiaries not wholly owned by the Corporation.
5. Review all related party transactions and, annually, the inter-company sharing of management fees.

F. With respect to the clawback policy

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

METHOD OF OPERATION

1. The Chair of the Committee is appointed each year by the Board.
2. The Committee holds four regular meetings per year and may meet more often if needed.
3. The Secretary or Assistant Secretary acts as the Committee's Secretary.

4. The Chair of the Committee, in collaboration with the Chief Financial Officer and the Secretary, proposes the agenda for each meeting of the Committee. The agenda and the relevant documents are provided to members of the Committee sufficiently in advance.
5. The Chair of the Committee reports quarterly to the Board about the Committee's proceedings, findings and recommendations.
6. The Committee has, at all times, a direct line of communication with the external auditor and with the internal auditors.
7. At each meeting reviewing the interim and annual financial statements, the Committee meets with the external auditor or the internal auditors, the whole without management being present.
8. The Committee meets on a regular basis without management, the external auditor and the internal auditors.
9. The Committee meets with management only at least once a year and more often if needed.
10. The Committee may, when circumstances dictate, retain the services of external advisors and fix their remuneration, provided the Committee advises the Chair of the Board.
11. The Committee reviews annually its mandate and the position description of its Chair and reports to the Human Resources and Corporate Governance Committee on any modifications required thereto.
12. The minutes of the Committee meetings are approved by the Committee and are submitted to the Board for information purposes.
13. A resolution in writing, signed by all the members of the Committee, is as valid as if it had been passed at a meeting of the Committee.
14. The Committee annually provides the Board with a certification confirming that all required elements included in its mandate were covered.

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

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

* * * * *

Approved by the Board of Directors on March 13, 2018.