

---

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

---

**FORM 20-F**

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of event requiring this shell company report .....

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 033-51000

**VIDEOTRON LTD. / VIDÉOTRON LTÉE**

(Exact name of Registrant as specified in its charter)

Province of Québec, Canada

(Jurisdiction of incorporation or organization)

612 St. Jacques Street

Montréal, Québec, Canada H3C 4M8

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	None	None

Securities registered or to be registered pursuant to Section 12(g) of the Act.

None  
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act.

None  
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

**10,739,284.822 "A" Common Shares**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes  No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes  No

---

[Table of Contents](#)

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer, or an emerging growth company. See definition of “large accelerated filer”, “accelerated filer”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer   
Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant’s executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP  International Financial Reporting Standards as issued  Other   
by the International Accounting Standards Board

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17  Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

---

---

---

TABLE OF CONTENTS

	<u>Page</u>
<a href="#">Explanatory Notes</a>	ii
<a href="#">Industry and Market Data</a>	ii
<a href="#">Presentation of Financial Information</a>	ii
<a href="#">Cautionary Statement Regarding Forward-Looking Statements</a>	iii
<a href="#">ITEM 1 – Identity of Directors, Senior Management and Advisers</a>	1
<a href="#">ITEM 2 – Offer Statistics and Expected Timetable</a>	1
<a href="#">ITEM 3 – Key Information</a>	1
<a href="#">ITEM 4 – Information on the Corporation</a>	22
<a href="#">ITEM 4A – Unresolved Staff Comments</a>	49
<a href="#">ITEM 5 – Operating and Financial Review and Prospects</a>	49
<a href="#">ITEM 6 – Directors, Senior Management and Employees</a>	81
<a href="#">ITEM 7 – Major Shareholders and Related Party Transactions</a>	87
<a href="#">ITEM 8 – Financial Information</a>	89
<a href="#">ITEM 9 – The Offer and Listing</a>	89
<a href="#">ITEM 11 - Quantitative and Qualitative Disclosures About Market Risk</a>	111
<a href="#">ITEM 12 – Description of Securities Other Than Equity Securities</a>	112
<a href="#">ITEM 13 – Defaults, Dividend Arrearages and Delinquencies</a>	112
<a href="#">ITEM 14 – Material Modifications to the Rights of Security Holders and Use of Proceeds</a>	112
<a href="#">ITEM 15 – Controls and Procedures</a>	113
<a href="#">ITEM 16 – [Reserved]</a>	113
<a href="#">ITEM 16A – Audit Committee Financial Expert</a>	113
<a href="#">ITEM 16B – Code of Ethics</a>	113
<a href="#">ITEM 16C – Principal Accountant Fees And Services</a>	114
<a href="#">ITEM 16D – Exemptions from the Listing Standards for Audit Committees</a>	114
<a href="#">ITEM 16E – Purchases of Equity Securities by the Issuer and Affiliated Purchasers</a>	114
<a href="#">ITEM 16F – Changes in Registrant’s Certifying Accountant</a>	114
<a href="#">ITEM 16G – Corporate Governance</a>	115
<a href="#">ITEM 17 – Financial Statements</a>	115
<a href="#">ITEM 18 – Financial Statements</a>	114
<a href="#">ITEM 19 – Exhibits</a>	116
<a href="#">Signature</a>	115
<a href="#">Index to Consolidated Financial Statements</a>	F-1

## EXPLANATORY NOTES

All references in this annual report to “we”, “us”, “Videotron” or “the Corporation”, as well as the use of the terms “our”, “it”, “its” or similar terms, are references to Videotron Ltd. and, unless the context otherwise requires, its consolidated subsidiaries. All references in this annual report to “Quebecor Media” are to its parent corporation Quebecor Media Inc., all references to “TVA Group” are to TVA Group Inc., a public subsidiary of Quebecor Media and all references to “Quebecor” are to Quebecor Inc., the sole shareholder of Quebecor Media.

In this annual report, all references to the “CRTC” are references to the Canadian Radio-television and Telecommunications Commission.

All references in this annual report to Videotron’s “Senior Notes” are to, collectively, its issued and outstanding 5½% Senior Notes due June 15, 2024, its 5% Senior Notes due June 15, 2025, its 5¼% Senior Notes due January 15, 2026, its 5¼% Senior Notes due April 15, 2027, its 3% Senior Notes due June 15, 2028, its 3% Senior Notes due June 15, 2029, its 4½% Senior Notes due January 15, 2030 and its 3% Senior Notes due January 15, 2031.

## INDUSTRY AND MARKET DATA

Industry statistics and market data used throughout this annual report were obtained from internal surveys, market research, publicly available information and industry publications, including the CRTC and Numeris. Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of this information is not guaranteed. Industry and company data is approximate and may reflect rounding in certain cases.

Information contained in this annual report concerning the telecommunication industry, Videotron’s general expectations concerning this industry and its market positions and market shares may also be based on estimates and assumptions made by Videotron based on its knowledge of the industry and which Videotron believes to be reliable. Videotron believes, however, that this data is inherently imprecise, although generally indicative of relative market positions and market shares.

## PRESENTATION OF FINANCIAL INFORMATION

### *IFRS and Functional Currency*

Videotron’s audited consolidated financial statements for the years ended December 31, 2022, 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

In this annual report, references to Canadian Dollars, CAN\$ or \$ are to the lawful currency of Canada, Videotron’s functional currency, and references to US Dollars or US\$ are to the currency of the United States.

### *Non-IFRS Financial Measures and Key Performance Indicators*

In this annual report, Videotron uses certain financial measures that are not calculated in accordance with IFRS. Videotron uses these non-IFRS financial measures, such as adjusted earnings before interest, tax, depreciation and amortization (“Adjusted EBITDA”) and adjusted cash flows from operations because Videotron believes that they are meaningful measures of its performance. Videotron’s method of calculating these non-IFRS financial measures may differ from the methods used by other companies and, as a result, the non-IFRS financial measures presented in this annual report may not be comparable to other similarly titled measures disclosed by other companies.

Videotron provides a definition of Adjusted EBITDA, adjusted cash flows from operations, revenue-generating unit (“RGU”) and average monthly revenue per unit (“ARPU”) under “Item 5. Operating and Financial Review and Prospects – Non-IFRS Financial Measures” and “Item 5. Operating and Financial Review and Prospects – Key Performance Indicators”, including a reconciliation of Adjusted EBITDA and adjusted cash flows from operations to the most directly comparable IFRS financial measures.

Unless otherwise indicated, information provided in this annual report, including all operating data presented, is as of December 31, 2022.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This annual report contains forward-looking statements with respect to Videotron's financial condition, results of operations, business, and certain of its plans and objectives. These forward-looking statements are made pursuant to the "Safe Harbor" provisions of the *United States Private Securities Litigation Reform Act* of 1995. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industries in which Videotron operates as well as beliefs and assumptions made by its management. Such statements include, in particular, statements about Videotron's plans, prospects, financial position and business strategies. Words such as "may," "will," "expect," "continue," "intend," "estimate," "anticipate," "plan," "foresee," "believe," or "seek," or the negatives of those terms or variations of them or similar terminology, are intended to identify such forward-looking statements. Although Videotron 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: Videotron's anticipated business strategies; anticipated trends in its business; anticipated reorganizations of any of its segments or businesses, and any related restructuring provisions or impairment charges; its ability to continue to control costs; and those information and statements related to the Freedom Transaction (as such term is defined herein), including the anticipated benefits and effects of the Freedom Transaction. Videotron 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 outcomes and results to differ materially from those expressed, implied or projected in these forward-looking statements include, but are not limited to:

- Videotron's ability to successfully continue developing its network and facilities-based mobile services;
- general economic, financial or market conditions and variations in its businesses;
- the intensity of competitive activity in the industries in which Videotron operates or may in the future operate;
- new technologies that might change consumer behavior with respect to Videotron's product suites;
- unanticipated higher capital spending required for developing Videotron's network or to address the continued development of competitive alternative technologies, or the inability to obtain additional capital to continue the development of Videotron's business;
- Videotron's ability to implement its business and operating strategies successfully and to manage its growth and expansion;
- disruptions to the network through which Videotron provides its television, Internet access, mobile and wireline telephony and over-the-top video services, and its ability to protect such services from piracy, unauthorized access or other security breaches;
- labor disputes or strikes;
- service interruptions resulting from equipment breakdown, network failure, the threat of natural disasters, epidemics, pandemics and other public health crises, including the COVID-19 pandemic, and political instability in some countries;
- the impact of emergency measures implemented or that may be implemented by various levels of government;
- changes in Videotron'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 its licenses or markets, or in an increase in competition, compliance costs or capital expenditures;
- Videotron's substantial indebtedness, the tightening of credit markets, and the restrictions on its business imposed by the terms of its debt;
- interest rate fluctuations that affect a portion of Videotron's interest payment requirements on long term debt;

[Table of Contents](#)

- the Freedom Transaction may not close on schedule (or at all), the conditions for regulatory approval of the transaction may not be met or may change, and the closing conditions may not be met;
- the risks associated with the Freedom Transaction, if completed, including the Corporation's ability to successfully integrate the operations of Freedom Mobile Inc. ("**Freedom**") following the acquisition and potential unknown liabilities or costs associated with the Freedom Transaction; and
- the anticipated benefits and effects of the Freedom Transaction, if completed, may not be realized in a timely manner or at all. Among other things, settlement of disputes or the outcome of other regulatory proceedings relating to the Freedom Transaction or the acquisition of Shaw Communications Inc. ("**Shaw**") by Rogers Communications Inc. ("**Rogers**") could alter the parameters of the transaction.

Videotron cautions you that the above list of cautionary statements is not exhaustive. These and other factors are discussed in further detail elsewhere in this annual report, including under "Item 3. Key Information – Risk Factors" of this annual report. Each of these forward-looking statements speaks only as of the date of this annual report. Videotron disclaims any obligation to update these statements unless applicable securities laws require Videotron to do so. Videotron advises you to consult any documents it may file with or furnish to the U.S. Securities and Exchange Commission ("**SEC**"), as described under "Item 10. Additional Information – Documents on Display" of this annual report.

**ITEM 1 – IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not applicable.

**ITEM 2 – OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3 – KEY INFORMATION**

**A- [Reserved]**

**B- Capitalization and Indebtedness**

Not applicable.

**C- Reasons for the Offer and Use of Proceeds**

Not applicable.

**D- Risk Factors**

*This section describes some of the risks that could materially affect the Corporation's business, revenues, results of operations and financial condition, as well as the market value of its Senior Notes. The factors below should be considered in connection with any forward-looking statements in this document and with the cautionary statements contained in the section "Cautionary Statement Regarding Forward-Looking Statements" at the forepart of this annual report. The risks below are not the only ones that the Corporation faces. Some risks may not yet be known to the Corporation and some that it does not currently believe to be material could later turn out to be material.*

**Risks Relating to the Corporation's Business**

***The converging nature of technologies and services will lead to increased and non-traditional competition.***

The Corporation faces technological substitution across all its key business segments. Due to ongoing technological developments, the distinction between broadcasting, Internet and wireline and mobile telephony platforms is fading rapidly. For instance, content producers and providers are leveraging their content rights and pursuing strategies to deploy their own over-the-top ("OTT") distribution platforms in order to reach consumers directly via the Internet. By doing so, content producers and providers are less dependent on content aggregators, such as the Corporation. The Internet, including through mobile devices, provides an important broadcasting and distribution service. More specifically, an increasing number of the Corporation's customers are using mobile devices as their primary means of video entertainment; therefore, in direct competition with the Corporation's television and wireline Internet access services. In addition, mobile operators, through the development of their mobile networks, offer wireless and fixed wireless Internet services, which compete with the Corporation's wireline Internet access service.

Due to the converging nature of technological advances, the Corporation expects increasing competition from non-traditional businesses, which may affect its overall business strategy and could adversely affect its business, financial condition and results of operations.

***The Corporation operates in highly competitive industries that are experiencing rapid technological developments and fierce price competition, and its inability to compete successfully could have a material adverse effect on its business, prospects, revenues, financial condition and results of operations.***

In the Corporation's television business, the Corporation competes against incumbent local exchange carriers ("ILECs") and third party Internet access ("TPIA") providers. Its primary ILEC and TPIA provider competitors have rolled out their own Internet protocol television ("IPTV") service in the vast majority of the territory in which the Corporation operates.

The rapidly growing landscape of OTT content providers, many of which having substantial financial resources, now compete directly for viewership and a share of the monthly entertainment spend. Furthermore, the OTT content providers' attractive price points (which are, in part, due to the fact that they do not contribute financially to the Canadian traditional television business model or Internet infrastructure, and are not subject to CRTC regulations) make the Corporation's traditional offer less appealing for its customers and may affect its ability to retain and acquire customers. Consequently, this could place the Corporation at a competitive disadvantage, lead to increased operational costs and have an adverse effect on its business, prospects, revenues, financial condition and results of operations.

Furthermore, the Corporation faces competition from illegal providers of television services and illegal access to non-Canadian direct broadcast satellite ("DBS") signal (also called grey market piracy), as well as from signal theft of DBS that enables customers to access programming services from U.S. and Canadian DBS without paying any fees (also called black-market piracy).

In the Corporation's Internet access business, the Corporation faces competition from several resellers who have access to the wholesale TPIA service mandated by the CRTC. These TPIA providers may also provide telephony and networking applications, and have entered the IPTV market. Their market share is significant and growing especially in Québec and Ontario, the two regions in Canada where they have been particularly active and aggressively pricing their services. In recent years, ILECs have purchased major TPIA providers leading to an increase of the competition in such market. See also the risk factor "*The Corporation is required to provide TPIA providers with access to its networks, which may result in increased competition.*"

On May 27, 2021, the CRTC issued a decision to TPIA providers adopting the interim aggregated wholesale rates set on October 6, 2016 as final rates as opposed to the lower rates set in a 2019 order, with certain modifications, including the removal of the supplementary markup of 10% for incumbent local exchange carriers. Shortly thereafter, several TPIA providers petitioned the Governor in Council to, among other things, restore the lower rates set in the 2019 order as final. On June 28, 2021, one of these TPIA providers also filed a motion with the Federal Court of Appeal seeking leave to appeal the May 27, 2021 decision, and leave was granted on September 15, 2021. A coalition comprised of the five largest cable carriers, including Videotron, filed comments in relation to these petitions, which were not granted. The same coalition is defending the CRTC decision at the Federal Court of Appeal. The appeal is expected to be heard by the Court in the Spring of 2023. On May 26, 2022, the federal government issued new instructions to the CRTC on the interpretation of the Canadian Telecommunications Policy under the *Telecommunications Act* (Canada) (the "**Telecommunications Act**"), but the wholesale rates for all underlying networks (including Videotron's) were left unchanged at that time. On March 8, 2023, the CRTC issued a decision in which it addresses the effectiveness of the wholesale access service framework. The CRTC decided that the disaggregated wholesale access service framework, which was expected to become the primary wholesale access service going forward, has not fulfilled its mandate and requires reconsideration. The CRTC determined that the network configuration for disaggregated wholesale access services will remain in Ontario and Québec pursuant to existing tariffs and architecture, but will not be introduced in other markets at this time. While it carries out its review of the wholesale access service framework, the CRTC is imposing an immediate interim 10% reduction to the capacity charge for the aggregated wholesale rates. Videotron will have to submit new aggregated wholesale rates on June 22, 2023. The CRTC will hold a public hearing on a date to be announced. The implementation of final aggregated wholesale rates that are significantly below the 2021 final rates and/or the requirement to refund monies to TPIA providers could have a material adverse effect on the Corporation's business, financial condition and results of operations.

In connection with the Freedom Transaction (as defined below in risk factor "*The Corporation's geographic expansion plan, by acquiring Freedom Mobile Inc. and/or by entering new territories as an MVNO, involves significant risks and uncertainties which could have a material adverse impact on the Corporation*"), on January 19, 2023, TekSavvy Solutions Inc. ("**TekSavvy**"), a TPIA provider, filed an application to the CRTC disputing the arrangement(s) negotiated within the context of the Freedom Transaction by which Rogers will provide certain wholesale access services to Videotron. This application could lead to a lengthy regulatory review and/or litigation.

The Corporation also competes against other Internet service providers ("**ISPs**") offering residential and commercial Internet access services as well as fixed wireless access and open Wi-Fi networks in some cities. The main competitors are the ILECs that offer Internet access through digital subscriber line ("**DSL**"), fibre to the node and fibre to the home technologies, in certain cases offering download speeds comparable, or superior to the Corporation's. In addition, satellite operators such as Xplore, Telesat and Starlink are increasing their existing high-speed Internet access capabilities with the launch of high-throughput satellites, targeting households in low population density and remote locations and claiming future download speeds comparable to the Corporation's low and medium download speeds. Finally, certain municipalities also plan to build and operate their own broadband networks. They plan to do so through public/private partnership arrangements, competing directly with the Corporation in some of its local markets.



The Corporation's wireline telephony business has numerous competitors, including ILECs, competitive local exchange carriers, mobile telephony service operators and other providers of Voice over Internet Protocol ("VoIP") and cloud-based telephony. Some of these competitors are not facility-based and therefore have much lower infrastructure costs. In addition, Internet protocol-based products and services are generally subject to downward pricing pressure, lower margins and technological evolution, all of which could have an adverse effect on the Corporation's business, prospects, revenues, financial condition and results of operations.

In the Corporation's mobile telephony business, the Corporation competes against a mix of market participants, some of them active in its territory in some or all of the products it offers, with others offering only mobile telephony services. In addition, users of mobile voice and data systems may find their communication needs satisfied by other current adjunct technologies, such as Wi-Fi, "hotspots" or trunk radio systems, which have the technical capability to handle mobile data communication and mobile telephone calls. There can be no assurance that current or future competitors will not provide network capacity and/or services comparable or superior to those the Corporation provides or may in the future provide, or at lower prices, or adapt more quickly to evolving industry trends or changing market requirements, or introduce competing services. For instance, some providers of mobile telephony services (including incumbent carriers) have deployed and have been operating, for many years, lower-cost mobile telephony brands in order to acquire additional market share. Furthermore, the CRTC's decision ordering the national incumbent wireless carriers to provide mobile virtual network operator ("MVNO") access services to regional wireless carriers for a period of seven years stands to have significant impact on the Corporation's competitive environment, as the Corporation could see the emergence of new MVNO competitors. The Corporation may not be able to compete successfully in the future against existing and new competitors; increased competition could have a material adverse effect on its business, prospects, revenues, financial condition, and results of operations.

Finally, many of the Corporation's competitors are offering special bundling discounts to customers who subscribe to two or more of their services (television, Internet access, wireline and mobile telephony services). Should the Corporation fail to keep its existing customers and lose them to such competitors, it may end up losing a subscriber for multiple services as a result of its bundling strategy. On an aggregate basis, this could have an adverse effect on the Corporation's business, prospects, revenues, financial condition and results of operations.

Fierce price competition in all the Corporation's businesses and across the industries in which the Corporation operates, combined with the declining demand for certain traditional products, may affect its ability to raise the price of its products and services commensurately with increases in its operating costs, as the Corporation has done in the past. Furthermore, the Corporation's potential expansion outside of Québec will likely increase further competition or exacerbate the fierce price competition in all of the Corporation's businesses. This could have an adverse effect on its business, revenues, financial condition, and results of operations. See also the risk factor "*The Corporation's geographic expansion plan, by acquiring Freedom Mobile Inc. and/or by entering new territories as an MVNO, involves significant risks and uncertainties which could have a material adverse impact on the Corporation.*"

***The Corporation is required to invest a significant amount of capital to address continuing technological evolution and development needs.***

New technologies in the telecommunication industry, including 5G technology, are evolving faster than the historical industry investment cycle. Their introduction and pace of adoption could result in requirements for additional immediate capital investments not currently planned, as well as shorter estimated useful lives for certain of the Corporation's existing assets. The Corporation's strategy of maintaining a competitive position in the suite of products and services it offers and of launching new products and services requires capital investments in its networks, information technology systems and infrastructure, as well as the acquisition of spectrum, to support growth in its customer base and its demands for increased bandwidth capacity and other services.

The Corporation must continually invest in its services, networks and technologies due to the rapid evolution of technologies, or it may be required to acquire, develop or integrate new technologies. Improvements in its services depend on many factors. The cost of the acquisition, development or implementation of new technologies and spectrum could be significant and the Corporation's ability to fund such acquisition, development or implementation may be limited, which could have a material adverse effect on its ability to successfully compete in the future. Any such difficulty or inability to compete could have a material adverse effect on its business, reputation, prospects, financial condition and results of operations.

In the past, the Corporation has required substantial capital for the upgrade, expansion and maintenance of its networks and the launch and deployment of new or additional services. The Corporation expects that additional capital expenditures will continue to be required in the short-term, mid-term and long-term in order to maintain, expand geographically and enhance its networks, systems and services, including expenditures relating to the deployment of LTE-Advanced ("LTE-A")/5G mobile technologies. Moreover, additional investments in its business may not translate into incremental revenues, cash flows or profitability. See also the risk factor "*The*

*Corporation's geographic expansion plan, by acquiring Freedom Mobile Inc. and/or by entering new territories as an MVNO, involves significant risks and uncertainties which could have a material adverse impact on the Corporation."*

***The Corporation could be adversely impacted by pandemics, epidemics and other public health issues.***

Since March 2020, the COVID-19 pandemic has had an impact on some of the Corporation's operating results. The pandemic and its uneven recovery have affected, and the Corporation expects it may continue to adversely affect, its business in a variety of ways, including by restricting certain operations and marketing efforts, and disrupting supply chains. In addition, as the COVID-19 pandemic has disrupted the operations of the Corporation's customers, partners, and suppliers, there have been, and there may continue to be, delays of shipments from vendors and logistics operations as a result of capacity issues. While capacity shortages are beginning to show signs of recovery, they may nevertheless persist, adversely disrupting the Corporation's business. Additionally, concerns over the economic impact of the COVID-19 pandemic have caused extreme volatility in financial and other capital markets. Given the uncertainty around the future evolution of the pandemic, including any major new waves, all future impacts of the health crisis on the results of operations cannot be determined with certainty.

Potential adverse impacts of pandemics such as COVID-19 include, but are not limited to: (i) a reduction in demand for the Corporation's products or services, or an increase in delinquent or unpaid bills, due to job losses and associated financial hardship; (ii) a reduction in the availability of content, and therefore a reduction in the Corporation's ability to provide the content and programming that its customers expect; (iii) downgrade or cancellation of customer services; (iv) issues delivering the Corporation's products and services; (v) lost revenues due to the significant economic challenges that small and medium-sized business customers are facing; (vi) uncertainty associated with the costs and availability of resources required to provide appropriate levels of service to customers; (vii) additional capital expenditures, and uncertainty associated with costs, delays and the availability of resources required to maintain, upgrade or expand the Corporation's network in order to accommodate increased network usage, and to expand its self-install and self-serve programs in order to attract new customers; (viii) unexpected increase of user data demand and increased pressure on the Corporation's network capacity, which could negatively affect its network's performance, availability, speed, consistency and its ability to provide services; (ix) the ability of certain suppliers and vendors to provide products and services to the Corporation; (x) the impact of legislation, regulations and other government interventions in response to pandemics and other public health issues; (xi) the negative impact on global credit and capital markets; and (xii) the ability to access capital markets and fund liquidity needs at a reasonable cost or at all. Any of these risks and uncertainties could have a material adverse impact on the Corporation's business, prospects, results of operations and financial condition.

***Continuing growth in, and the converging nature of, wireless, video and broadband services will require ongoing access to spectrum in order to provide attractive services to customers.***

Wireless, video and broadband services are undergoing rapid and significant technological changes and a dramatic increase in usage, in particular, from the demand for faster and seamless usage of video and data across mobile and fixed devices. It is projected that this demand will continue to accelerate, driven by the following increases: levels of broadband penetration; need for personal connectivity and networking; teleworking; affordability of mobile devices; multimedia-rich services and applications; and unlimited data plans. The anticipated levels of data traffic will represent a growing challenge to the current mobile network's ability to serve this traffic. The Corporation will have to acquire additional spectrum in order to address this increased demand. The ability to acquire additional spectrum at a reasonable price or at all is dependent on the competition level as well as the spectrum auction timing and rules. In previous auctions, Innovation, Science and Economic Development Canada ("ISED") has used, and the Corporation has benefited from, certain measures to support competition, which notably included set-asides and spectrum aggregation limits ensuring that a minimum amount of spectrum was effectively reserved for eligible facilities-based telecommunication service providers that were not national incumbent wireless carriers. There can be no assurance that these pro-competition measures will be used again by ISED in future auctions, or that the Corporation will be or remain eligible to benefit from such measures. If the Corporation is not successful in acquiring additional spectrum it may need on reasonable terms, or at all, that could have a material adverse effect on its business, prospects and financial condition. See also the risk factor "*The Corporation's geographic expansion plan, by acquiring Freedom Mobile Inc. and/or by entering new territories as an MVNO, involves significant risks and uncertainties which could have a material adverse impact on the Corporation.*" See also "Item 4. Information on the Corporation — Regulation — Canadian Telecommunications Services — Regulatory Framework for Mobile Wireless Services."

***The Corporation has entered into roaming agreements with other mobile operators in order to provide worldwide coverage to its mobile telephony customers. Its inability to extend its worldwide coverage or to renew, or substitute for, these roaming agreements at their respective terms, and on acceptable terms, may place the Corporation at a competitive disadvantage, which could adversely affect its ability to operate its mobile business successfully and profitably.***

The Corporation has entered into roaming agreements with multiple carriers around the world, and has thereby established worldwide coverage for its customers. Its inability to extend its worldwide coverage or to renew, or substitute for, these roaming agreements on acceptable terms, may place the Corporation at a competitive disadvantage, which could adversely affect its ability to operate its mobile business successfully and profitably. In addition, if the Corporation is unable to renew, or substitute for, these roaming agreements on a timely basis and at an acceptable cost, its cost structure could materially increase, and, consequently, its business, prospects, revenues, financial condition and results of operations could be adversely affected.

***The Corporation's inventory may become obsolete.***

The Corporation's various products in inventory generally have a relatively short lifecycle due to frequent technological changes. If the Corporation cannot effectively manage inventory levels based on product demand, or minimum order quantities from its suppliers, this could increase the risk of inventory obsolescence and could have an adverse effect on its business, financial condition and results of operations. Moreover, equipment provisioning delay has amplified with the worldwide electronic components shortage induced by the COVID-19 pandemic and the general current economic conditions, which may lead to an increase in inventory and add significance to this risk.

***The Corporation may not be able to obtain additional capital to implement its business strategies and make capital expenditures.***

There can be no assurance that the Corporation will be able to generate or otherwise obtain the funds to implement its business strategies and finance its capital expenditure programs or other investment requirements, whether through cash from operations, additional borrowings or other sources of funding. If the Corporation is unable to generate sufficient funds or obtain additional financing on acceptable terms, it may be unable to implement its business strategies, including its potential expansion outside of Québec, or proceed with the capital expenditures and investments required to maintain its leadership position, and its business, financial condition, results of operations, reputation, and prospects could be materially adversely affected. See also the risk factor "*The Corporation's geographic expansion plan, by acquiring Freedom Mobile Inc. and/or by entering new territories as an MVNO, involves significant risks and uncertainties which could have a material adverse impact on the Corporation.*"

***The Corporation may need to support increasing costs in securing access to support structures needed for its networks.***

The Corporation requires access to the support structures of hydroelectric and telephone utilities and needs municipal rights of way to deploy its cable and mobile networks. Where access to the structures of telephone utilities cannot be secured, the Corporation may apply to the CRTC to obtain a right of access under the Telecommunications Act. The Corporation has entered into comprehensive support structure access agreements with all the major hydroelectric companies and all the major telecommunications companies in its service territory. In the event that the Corporation seeks to renew or to renegotiate these agreements, it cannot guarantee that these agreements will continue to be available on their respective terms, on acceptable terms, or at all, which may place the Corporation at a competitive disadvantage and which may have a material adverse effect on its business and prospects.

The Corporation will need to enter into support structure access agreements with electricity distribution companies and telecommunications companies as well as to obtain municipal rights of way for its future mobile network expansion. Make ready work, which is the strengthening of the poles and/or relocation of other facilities on the poles to accommodate additional attachments, often takes several months to years to complete, which may delay the Corporation's network expansion. If the Corporation has to support increasing costs in securing access to support structures needed for its cable and mobile network or is unable to secure access agreements or municipal rights of way, it may not be able to implement its business strategies which may have a material adverse effect on its business and prospects.

***The Corporation may not successfully implement its business and operating strategies.***

The Corporation's strategies include strengthening its position as telecommunications leader, introducing new and enhanced products and services, enhancing its advanced wireline and wireless networks, expanding into new geographies under appropriate conditions, further integrating the operations of its subsidiaries, leveraging geographic clustering and maximizing customer satisfaction across its business. The Corporation may not be able to implement these strategies successfully or realize their anticipated results fully

or at all, and their implementation may be costlier or more challenging than initially planned. In addition, its ability to successfully implement these strategies could be adversely affected by a number of factors beyond its control, including operating difficulties, increased dependence on third party suppliers and service providers, increased ongoing operating costs, regulatory developments, regulatory approvals, general or local economic conditions, increased competition, technological changes, any restrictive measures put in place in order to contain an outbreak of a contagious disease or other adverse public health development, and other factors described in this “Risk Factors” section. Any material failure to implement its strategies could have an adverse effect on its reputation, business, financial condition, prospects, and results of operations, as well as on its ability to meet its obligations, including its ability to service its indebtedness.

As part of the Corporation’s strategy, in recent years, the Corporation has entered into certain agreements with third parties under which it is committed to making significant operating and capital expenditures in the future in order to offer new products and services to its customers. The Corporation can provide no assurance that it will be successful in developing such new products and services in relation to these engagements, including the marketing of new revenue sources.

In July 2021, the Corporation announced an investment of nearly \$830.0 million in its acquisition of 294 blocks of spectrum in the 3500 MHz band in Canada’s most populous provinces. More than half of the investment was concentrated in southern and eastern Ontario, Manitoba, Alberta and British Columbia. As a new entrant in the wireless business in such provinces, the Corporation would require substantial marketing efforts, investments and expenditures, and there is a risk that it would be unable to meet its operation expansion objectives in the manner and within the budgets and timelines that it is targeting or at all. The Corporation’s inability to successfully and timely execute its geographic expansion could have a material adverse effect on its reputation, business prospects, financial condition, and results of operations. Such risks are further exacerbated by the Corporation’s geographic expansion plan, as more fully described below.

***The Corporation’s geographic expansion plan, by acquiring Freedom Mobile Inc. and/or by entering new territories as an MVNO, involves significant risks and uncertainties which could have a material adverse impact on the Corporation.***

The Corporation’s wireless business geographic expansion plan is subject to significant risks and uncertainties. The Corporation may not be able to implement its geographic expansion successfully or at all, or realize its anticipated benefits, and its implementation may be costlier or more challenging than initially planned.

On August 12, 2022, Quebecor, the Corporation, Rogers and Shaw entered into a definitive agreement (the “**Agreement**”) for the sale of Freedom to the Corporation (the “**Freedom Transaction**”), including the Freedom Mobile brand’s entire wireless and Internet customer base, as well as its owned infrastructure, spectrum and retail outlets, for a purchase price of \$2.85 billion on a cash-free and debt-free basis. The Freedom Transaction would close substantially concurrently with the closing of the acquisition of Shaw by Rogers. The Freedom Transaction also includes a long-term undertaking by Shaw and Rogers to provide the Corporation with transport services (including backhaul and backbone) and roaming services. If completed, the Freedom Transaction will support the expansion of the Corporation’s telecommunications services in Ontario and Western Canada.

The completion of the Freedom Transaction is subject to a number of risks, many of which are outside the control of the Corporation and the other parties to the Freedom Transaction.

- **Key Regulatory Approvals and Other Conditions:** The Freedom Transaction is conditional on (i) clearance under the *Competition Act (Canada)*, and (ii) approval of the Minister of Innovation, Science and Industry (the “**Key Regulatory Approvals**”). On December 31, 2022, the Agreement, along with the acquisition of Shaw by Rogers, was cleared by the Competition Tribunal, which dismissed an application by the Competition Bureau Canada (the “**Competition Bureau**”) to block these transactions. Subsequently, on January 24, 2023, the Federal Court of Appeal dismissed the Competition Bureau’s appeal of the Competition Tribunal decision. The Freedom Transaction remains, at this stage, conditional on approval by the Minister of Innovation, Science and Industry. If such approval is not obtained, or any applicable law or order is in effect which makes the consummation of the Freedom Transaction illegal, the Freedom Transaction will not be completed. The completion of the Freedom Transaction is further subject to: (i) there not having occurred a Material Adverse Effect (as such term is defined in the Agreement), and (ii) the satisfaction of all conditions or waiver of all conditions precedent to the completion of the purchase by Rogers of all of the issued and outstanding shares in the capital of Shaw by way of a plan of arrangement under the provisions of the *Business Corporations Act* (Alberta). There can be no certainty, nor can the Corporation provide any assurance, that all conditions precedent to the Freedom Transaction will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver.

- *Expiration or Termination of the Agreement:* The Agreement may expire or may be terminated by Rogers, Shaw or the Corporation in certain circumstances, in which case the Freedom Transaction will not be completed. On February 17, 2023, Rogers, Shaw, the Shaw Family Living Trust and Quebecor announced an agreement to extend the Outside Date (as defined in the Agreement) of the proposed merger of Rogers and Shaw and the Freedom Transaction to March 31, 2023. There can be no assurance that the Outside Date will be further extended, if required. Accordingly, there is no certainty, nor can the Corporation provide any assurance, that the Agreement will not expire or will not be terminated prior to completion of the Freedom Transaction.
- *Financing:* The Agreement does not contain a financing condition in favor of the Corporation. Although the Corporation has secured financing commitments from a syndicate of financial institutions for a new secured term credit facility of up to \$2.4 billion comprised of three tranches maturing over four years (the “**Expansion Term Facility**”) to finance the Freedom Transaction, the obligation of the lenders under the commitment letter to provide the financing is subject to certain conditions. In the event the Freedom Transaction cannot be completed due to a failure to obtain the financing required to close the Freedom Transaction, either because the conditions to the committed financing are not satisfied or other events arise which prevent the Corporation from consummating the debt financing, the Corporation may be unable to fund the consideration required to complete the Freedom Transaction and may be subject to claims for damages or specific performance.

If the Freedom Transaction is not completed or is delayed, the Corporation’s future reputation, business, financial condition, operating results, liquidity, and prospects could be negatively affected.

Furthermore, the risks and uncertainties discussed in this section “Risk Factors” or otherwise discussed in this report, do not reflect the risks and uncertainties in relation with the post-transaction operation of the Freedom business and assets, if the Freedom Transaction is completed. The Corporation may face additional or exacerbated risks.

Achieving the anticipated benefits of the Freedom Transaction, if completed, depends on the Corporation’s ability to consolidate and integrate Freedom’s businesses, operations, and workforce in a manner that facilitates growth opportunities and achieves the projected cost savings and revenue growth without adversely affecting the Corporation’s current operations. Integrating Freedom would be challenging and time-consuming, and may subject the Corporation to additional costs that were not anticipated in evaluating the transaction. The integration of the Freedom business may result in additional and unforeseen expenses, capital investments and financial risks, such as the incurrence of unexpected write-offs, the possible effect of adverse tax treatments and unanticipated or unknown liabilities or risks relating to Freedom. All of these factors could decrease or delay the expected benefits if the Freedom Transaction is completed. Even if the Corporation successfully integrates Freedom’s businesses, the anticipated benefits of the Freedom Transaction may not be fully realized or they could take longer to realize than expected.

In addition, the Freedom Transaction, if completed, would result in a significant increase in the Corporation’s outstanding debt and leverage levels, and there is a risk that the Corporation’s credit ratings could be adversely affected. A downgrade in credit ratings could result in difficulty issuing debt in the future or higher borrowing costs or more onerous terms.

Aside from the Freedom Transaction, if the Corporation seeks to expand its wireless business outside of its traditional Québec footprint by entering new markets as a MVNO, there can be no certainty, nor can the Corporation provide any assurance, that such expansion will be made under appropriate conditions, in a timely manner, or that it will be completed at all. In addition to the above, the Corporation anticipates that significant and recurring investments would be required in the new markets where it would operate as a MVNO. In particular, the Corporation will have to deploy and expand its own wireless network over a period of seven years from the date of final approval by the CRTC of the tariffed terms and conditions. Any material failure to implement the Corporation’s wireless business geographic expansion could have an adverse effect on its reputation, business, financial condition, prospects, and results of operations, as well as on its ability to meet its obligations, including its ability to service its indebtedness.

***The Corporation could be adversely impacted by consumer trends to abandon traditional telephony and television services.***

The recent trend towards mobile substitution (when users cancel their wireline telephony services and opt exclusively for mobile telephony services) is largely the result of the increasing mobile penetration rate in Canada. In addition, there is also a consumer trend to abandon, substitute or reduce traditional television services for Internet access services allowing customers to stream directly from broadcasters and OTT content providers. Consequently, the Corporation may not be successful in converting its existing wireline telephony and television subscriber base to its mobile telephony services, its Internet access services or its OTT entertainment platforms, which could have a material adverse effect on its business, prospects, revenues, results of operations and financial condition.

***If the Corporation does not effectively manage its growth, its business, results of operations and financial condition could be adversely affected.***

The Corporation has experienced substantial growth in its business and has significantly expanded its operations over the years. It has sought in the past, and may, in the future, seek to further expand the types of businesses and geographic areas in which it operates, under appropriate conditions. The Corporation can provide no assurance that it will be successful in either developing or fulfilling the objectives of any such business expansion.

In addition, the Corporation's expansion may require the Corporation to incur significant costs or divert significant resources, and may limit its ability to pursue other strategic and business initiatives, which could have an adverse effect on its business, prospects, results of operations and financial condition. Furthermore, if the Corporation is not successful in managing its growth, or if it is required to incur significant or unforeseen costs, its business, prospects, results of operations and financial condition could be adversely affected. See also the risk factor "*The Corporation's geographic expansion plan, by acquiring Freedom Mobile Inc. and/or by entering new territories as an MVNO, involves significant risks and uncertainties which could have a material adverse impact on the Corporation.*"

***The implementation of changes to the structure of the Corporation's business may be more expensive than expected and it may not gain all the anticipated benefits.***

The Corporation has and will continue to implement changes to the structure of its business due to many factors, such as a system replacement or upgrade, a process redesign, a corporate restructuring and the integration of business acquisitions, including the Freedom Transaction, if completed, or existing business units. These changes must be managed carefully with a view to capturing the intended benefits. The implementation process may negatively impact overall customer experience and may lead to greater-than-expected operational challenges, employee turnover, operating costs and expenses, customer losses, and business disruption for the Corporation, all of which could adversely affect its business and its ability to gain the anticipated benefits.

***The Corporation depends on key personnel and its inability to attract and retain skilled employees may have an adverse effect on its business, prospects, results of operations and financial condition.***

The Corporation's success depends to a large extent on the continued services of its senior management and its ability to attract and retain skilled employees. There is intense competition for qualified management and skilled employees in the Corporation's industry. As a result, the Corporation may experience higher than anticipated levels of employee attrition. These risks relating to attracting and retaining the necessary talent may be exacerbated by recent labor constraints and inflationary pressures on employee wages and benefits. The Corporation's failure to recruit, train and retain such employees could have a material adverse effect on its business, prospects, results of operations and financial condition.

In addition, in order to implement and manage its businesses and operating strategies effectively, the Corporation must sustain a high level of efficiency and performance, maintain content quality, continually enhance its operational and management systems, and continue to effectively attract, train, motivate and manage its employees. Labor shortages could negatively affect the Corporation's ability to succeed in its efforts. If the Corporation is not successful in this respect, it may have a material adverse effect on its business, prospects, results of operations and financial condition.

***The Corporation's financial performance could be materially adversely affected if the Corporation cannot continue to distribute a wide range of appealing video programming and produce and acquire original programming on commercially reasonable terms.***

The financial performance of the Corporation's television, subscription-based OTT entertainment (Club illico and Vrai), video-on-demand ("VOD") and mobile services depends in large part on its ability to distribute a wide range of appealing video programming on its platforms and on its ability to produce and acquire original content on an ongoing basis.

The Corporation obtains video programming rights from suppliers pursuant to programming contracts. In recent years, these suppliers have become vertically integrated and are now more limited in number. The Corporation may be unable to maintain key programming contracts at commercially reasonable rates for video programming. Loss of programming contracts, the Corporation's inability to obtain programming at reasonable rates or its inability to pass rate increases through to its customers could have a material adverse effect on its business, prospects, results of operations and financial condition.

Increased competition in the television, OTT and VOD industry from local and foreign OTT content providers with access to substantial financial resources may result in a competitive disadvantage from a content perspective and may have a material adverse

effect on the Corporation's business, prospects, revenues financial conditions and results of operations. Notably, on September 28, 2017, the Minister of Canadian Heritage and Netflix concluded an arrangement pursuant to which Netflix undertakes to invest a minimum of \$500 million in original productions in Canada over the next five years. This arrangement may exert upward pressure on content price.

Furthermore, on February 2, 2022, the federal government introduced Bill C-11, also known as the Online Streaming Act, which proposes to amend the *Broadcasting Act* (Canada) (the "**Broadcasting Act**") in order to include foreign OTT content providers in Canada's regulatory framework. Similarly to Netflix's arrangement, such bill would force these providers to promote Canadian cultural products and make material expenditures in order to support local cultural production. If adopted, this bill could increase competition and put greater pressure on the price of Canadian content. Bill C-11 has been adopted with amendments by the Standing Senate Committee on Transport and Communications on February 2, 2023. These amendments will have to be reviewed by the House of Commons and then returned to the Senate with further amendments or as is.

***The Corporation provides its television, Internet access, wireline telephony and mobile telephony services through a single clustered network, which may be more vulnerable to widespread disruption.***

The Corporation provides its television, Internet access, wireline telephony and mobile telephony services through primary headends and a series of secondary or regional headends interconnected through a single core network. Nowadays, this evolved network topology is commonly adopted by multiple system operators seeking to leverage converged network technologies in their quest for homogeneous, rapid, efficient and cost-effective service delivery. Despite available emergency backup or replacement sites, automatic failover systems, and disaster recovery measures, a network failure in headend, triggered by exogenous threats, such as cyber-attacks, natural disasters, sabotage or terrorism, dependence on certain external infrastructure providers (such as electric utilities), or endogenous causes like deficient interoperable multi-vendor infrastructures, human error or non-adherence to proper change and incident management practices, could prevent the Corporation from delivering some or all of its products and services throughout its networks until the failure has been completely resolved, which may result in significant customer dissatisfaction, loss of revenues and potential civil litigation, and could have a material adverse effect on the Corporation's financial condition and industry-wide reputation.

***The Corporation's reputation may be negatively impacted, which could have a material adverse effect on its business, financial condition and results of operations.***

The Corporation has generally enjoyed a good reputation among the public. Its ability to maintain its existing customer relationships and to attract new customers depends to a large extent on its reputation. While it has put in place certain mechanisms to mitigate the risk that its reputation may be tarnished, including good governance practices and a Code of Ethics, there can be no assurance that these measures will be effective to prevent violations or perceived violations of the law or ethical business practices. The loss or tarnishing of the Corporation's reputation could have a material adverse effect on its business, prospects, financial condition and results of operations.

***The Corporation stores and processes increasingly large amounts of personally identifiable data of its clients, employees or business partners, and the improper use or disclosure of such data would have an adverse effect on its business and reputation.***

The ordinary course of the Corporation's businesses involves the receipt, collection, storage and transmission of sensitive data, including its proprietary business information and that of its customers, and personally identifiable information of its customers and employees, whether in its systems, infrastructure, networks and processes, or those of its suppliers.

The Corporation faces risks inherent in protecting the security of such personal data. In particular, it faces a number of challenges in protecting the data contained and hosted on its systems, or those belonging to its suppliers, including from advertent or inadvertent actions or inactions by its employees, as well as in relation to compliance with applicable laws, rules and regulations relating to the collection, use, disclosure and security of personal information, including any requests from regulatory and government authorities relating to such data. Although the Corporation has developed and maintains systems, processes and security controls that are designed to protect personally identifiable information of its clients, employees or business partners, it may be unable to prevent the improper disclosure, loss, misappropriation of, unauthorized access to, or other security breaches relating to such data that the Corporation stores or processes or that its suppliers store or process. As a result, the Corporation may incur significant costs, be subject to investigations, sanctions and litigation, including under laws that protect the privacy of personal information, and it may suffer damage to its business, competitive position and reputation, which could have a material adverse effect on its financial condition.

On September 22, 2021, Québec's National Assembly adopted Bill 64, *An Act to modernize legislative provisions as regards the protection of personal information*. On September 22, 2022, the first set of requirements brought by Bill 64 came into force, with

the remaining requirements to come into force in increments in September 2023 and in September 2024. The bill modifies the obligations of public bodies and private sector enterprises by modernizing the framework applicable to the protection of personal information and imposes new obligations on the Corporation. Bill 64 adds important deterrent powers to the authorities in charge of their application. Federal and provincial legislation in the area of privacy and personal information is constantly evolving and is expected to undergo significant changes in the coming years. The Corporation does not expect compliance with this legislation to threaten its business, but it may incur significant costs to update its security systems, processes and controls, which could have a material adverse effect on its financial condition.

***Cybersecurity breaches and other similar disruptions could expose the Corporation to liability, which would have an adverse effect on its business and reputation.***

Although the Corporation has implemented and regularly reviews and updates processes and procedures to protect against customers and business service interruption, unauthorized access to or use of sensitive data, including data of its customers, and to prevent data loss or theft, and, although ever-evolving cyber-threats require the Corporation to continually evaluate and adapt its systems, infrastructure, networks and processes, it cannot assure that its systems, infrastructure, networks and processes, as well as those of its suppliers, will be adequate to safeguard against unauthorized access by third parties or errors by employees or by third-party suppliers. The Corporation is also at risk from increasingly sophisticated phishing attacks, SIM swaps, fraudulent ports and other types of frauds. Supply chain attacks which can have a significant impact on downstream operations and the use of ransomware in cyberattacks have also evolved as important considerations in the cybersecurity threat. If the Corporation is subject to a significant cyber-attack or breach, unauthorized access, errors of third-party suppliers or other security breaches, it may incur significant costs, be subject to investigations, sanctions and litigation, including under laws that protect the privacy of personal information, and it may suffer damage to its business, competitive position and reputation, which could have a material adverse effect on its financial condition.

The costs associated with a major cyber-attack could also include expensive incentives offered to existing customers and business partners to retain their business, increased expenditures on cybersecurity measures and the use of alternate resources, and lost revenues and customers from business interruption and litigation. The Corporation's contractual risk transfers do not eliminate the risk completely and the potential costs associated with these attacks could exceed the scope and limits of the insurance coverage the Corporation maintains.

***The Corporation may not be able to protect its services from piracy, which may have an adverse effect on its customer base and lead to a possible decline in revenues.***

The Corporation may not be able to protect its services and data from piracy. It may be unable to prevent electronic attacks to gain unauthorized access to its networks, digital programming, and Internet access services. The Corporation uses encryption technology to protect its television signals and OTT service from unauthorized access and to control programming access based on subscription packages. It may not be able to deploy adequate technology to prevent unauthorized access to its networks, programming and data, which may have an adverse effect on its customer base and lead to a possible decline in its revenues, as well as to significant remediation costs and legal claims.

***Malicious and abusive Internet practices could impair the Corporation's wireline and mobile services as well as its fibre-optic connectivity business.***

The Corporation's customers utilize its cable, mobile and fibre-optic connectivity business networks to access the Internet and, as a consequence, the Corporation or its customers may become a victim of common malicious and abusive Internet activities, such as unsolicited mass advertising (or spam) and dissemination of viruses, worms and other destructive or disruptive software. These activities could have adverse consequences on the Corporation's networks and its customers, including deterioration of service, excessive call volume to call centers, and damage to its customers' equipment and data or the Corporation's ones. Significant incidents could lead to customer dissatisfaction and, ultimately, to a loss of customers or revenues, in addition to increased costs to service its customers and protect its networks. Any significant loss of cable, mobile or fibre-optic connectivity business customers, or a significant increase in the costs of serving those customers, could adversely affect the Corporation's reputation, business, prospects, results of operations and financial condition.



***The Corporation is dependent upon its information technology systems and those of certain third parties. The inability to maintain and enhance its systems could have an adverse impact on its financial results and operations.***

The day-to-day operation of the Corporation's business is highly dependent on information technology systems, including those of certain third-party suppliers, some of which are based in territories with potential geopolitical risk. Furthermore, the Corporation's business relies on the use of numerous distinct information technology systems, billing systems, sales channels, databases as well as different rate plans, promotions and product offerings, which make its operations increasingly complex and may unfavourably impact its response time to market trends and the risk of billing or service errors. An inability to maintain and enhance the Corporation's existing information technology systems or obtain new systems to accommodate additional customer growth or to support new products and services could have an adverse impact on its ability to acquire new subscribers, retain existing customers, produce accurate and timely billing, generate revenue growth, manage operating expenses and carry out operations without interruption; all of which may have a material adverse effect on the Corporation's business, prospects, results of operations and financial condition.

The Corporation has entered into strategic relationships with service providers to ensure access to certain technologies. An inability to maintain these relationships or difficulties implementing its technology roadmap could result in higher capital requirements, prolonged development timelines and substandard performance of its products and services.

Products and services supplied to the Corporation by third-party suppliers may contain latent security issues, including, but not limited to, software and hardware security issues, that would not be apparent upon a diligent inspection. Failure to identify and remedy those issues may result in significant customer dissatisfaction, loss of revenues, and could adversely impact its results of operations and financial condition.

***The Corporation depends on third-party suppliers and providers for services, hardware, licensed technological platforms, equipment, information and other items critical to its operations.***

The Corporation depends on third-party suppliers and providers for certain services, hardware, licensed technological platforms and equipment that are, or may become, critical to its operations and network evolution. These materials and services include end-user terminals such as set-top boxes, gateways, Wi-Fi routers, mobile telephony handsets, network equipment such as wireline and telephony modems, servers and routers, fibre-optic cable and equipment, telephony switches, inter-city links, support structures, licensed technological platforms, external cloud-based services and network functions, services and operational software, the "backbone" telecommunications network for its Internet access, telephony services and mobile services; and construction services for the expansion of and upgrades to its wireline and wireless networks. These services, platforms and equipment may be available from a single or limited number of suppliers and therefore the Corporation faces the risks of supply disruption, including due to geopolitical events, external events such as climate change related impacts, epidemics, pandemics or other health issues, business difficulties, restructuring or supply-chain issues. If no supplier can provide the Corporation with the equipment and services that it requires or that comply with evolving Internet and telecommunications standards or that are compatible with the Corporation's other equipment and software interfaces, its business, financial condition and results of operations could be materially adversely affected. In addition, if the Corporation is unable to obtain critical equipment, software, services or other items on a timely basis and at an acceptable cost, its ability to offer its products and services at competitive pricing, or at all, and roll out its advanced services may be delayed, and its business, financial condition and results of operations could be materially adversely affected.

Moreover, as there are a limited number of manufacturers of mobile devices and customer premises equipment ("CPE"), there is a risk that the Corporation will not be able to maintain agreements for their existing supply on commercially reasonable terms. The rising mobile device and CPE costs as well as potential delays in delivery of mobile devices and CPE, in a price-sensitive market, could negatively impact its revenues, financial condition and results of operations, as the Corporation may not be able to pass on to customers a corresponding increase in the price of its products. Furthermore, some of its competitors benefit from higher purchasing volumes which may provide them the ability to negotiate better prices and faster deliveries from manufacturers.

In addition, the Corporation obtains proprietary content critical to its operations through licensing arrangements with content providers. Some providers may seek to increase fees or impose technological requirements to protect their proprietary content. If the Corporation is unable to renegotiate commercially acceptable arrangements with these content providers, comply with their technological requirements or find alternative sources of equivalent content, its business, financial condition and results of operations could be materially adversely affected.

***The Corporation may be adversely affected by litigation and other claims.***

In the normal course of business, the Corporation is involved in various legal proceedings and other claims relating to the conduct of its business, including class actions. Although, in the opinion of its management, the outcome of current pending claims and other litigation is not expected to have a material adverse effect on its reputation, results of operations, liquidity or financial condition, a negative outcome in respect of any such claim or litigation could have a said adverse effect. Moreover, the cost of defending against lawsuits and the diversion of management's attention could be significant. See also "Item 8. Financial Information – Legal Proceedings" in this annual report.

***The Corporation's businesses depend on not infringing the intellectual property rights of others and on using and protecting its intellectual property rights.***

The Corporation relies on its intellectual property, such as copyrights, trademarks and trade secrets, as well as licenses and other agreements with its vendors and other third parties, to use various technologies, conduct its operations and sell its products and services. Legal challenges to its intellectual property rights, or the ones of third party suppliers, and claims of intellectual property infringement by third parties could require that the Corporation enters into royalty or licensing agreements on unfavorable terms, incur substantial monetary liability, or be enjoined preliminarily or permanently from further use of the intellectual property in question or from the continuation of its businesses as currently conducted. The Corporation may need to change its business practices if any of these events occur, which may limit its ability to compete effectively and could have an adverse effect on its results of operations. In the event that the Corporation believes any such challenges or claims are without merit, they can nonetheless be time-consuming and costly to defend and divert management's attention and resources away from its businesses. Moreover, if the Corporation is unable to obtain or continue to obtain licenses from its vendors and other third parties on reasonable terms, its businesses could be adversely affected.

Piracy and other unauthorized uses of content are made easier, and the enforcement of the Corporation's intellectual property rights is made more challenging, by technological advances. The steps the Corporation has taken to protect its intellectual property may not prevent the misappropriation of its proprietary rights. The Corporation may not have the ability in certain jurisdictions to adequately protect intellectual property rights. Moreover, others may independently develop processes and technologies that are competitive to the Corporation's ones. Also, the Corporation may not be able to discover or determine the extent of any unauthorized use of its proprietary rights. Unauthorized use of its intellectual property rights may increase the cost of protecting these rights or reduce its revenues. The Corporation cannot be sure that any legal actions against such infringers will be successful, even when its rights have been infringed.

***The Corporation may be adversely affected by strikes, other labor protests and health risks affecting its employees.***

The Corporation is not currently subject to any labor dispute. Nevertheless, it can neither predict the outcome of current or future negotiations relating to labor disputes, union representation or renewal of collective bargaining agreements, nor guarantee that it will not experience future work stoppages, strikes or other forms of labor protests pending the outcome of any current or future negotiations. If the Corporation's 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 condition, results of operations and reputation. Even if the Corporation does not experience strikes or other forms of labor protests, the outcome of labor negotiations could adversely affect its business and results of operations. Such could be the case if current or future labor negotiations or contracts were to further restrict the Corporation's ability to maximize the efficiency of its operations. In addition, its ability to make short-term adjustments to control compensation and benefit costs is limited by the terms of its collective bargaining agreements.

Health threats to the Corporation's employees resulting from epidemics, pandemics or other health issues could adversely affect its business, assets, financial conditions, results of operations and reputation.

The COVID-19 pandemic has accelerated the Corporation's adoption of a remote work policy establishing guidelines for its employees when working from home. Remote work arrangements of its employees and those of certain of its suppliers could introduce additional operating risks including, but not limited to, confidentiality risks, privacy risks, information security risks, health and safety risks and impair its ability to manage its business. This situation could also result in an increase in the number of legal proceedings and other claims related to the pursuit of its activities outside of its usual premises.

***Certain of the Corporation's defined benefit pension plans are currently underfunded and its pension funding requirements could increase significantly due to a reduction in funded status as a result of a variety of factors.***

The economic cycles, employee demographics and changes in regulations could have a negative impact on the funding of the Corporation's defined benefit pension plans and related expenditures. There is no guarantee that the expenditures and contributions required to fund these pension plans will not increase in the future and therefore negatively impact the Corporation's operating results and financial condition. Risks related to the funding of defined benefit plans may materialize if total obligations with respect to a pension plan exceed the total value of its trust assets. Shortfalls may arise due to lower-than-expected returns on investments, changes in the assumptions used to assess the pension plan's obligations and actuarial losses.

***The Corporation may be adversely affected by exchange rate fluctuations.***

Most of the Corporation's revenues and expenses are denominated in Canadian dollars. However, certain expenditures, such as the purchase of set-top boxes, gateways, modems, mobile devices, the payment of royalties to certain business partners or services providers, and certain capital expenditures, including certain costs related to the development and maintenance of its mobile network, are paid in U.S. dollars. Those costs are partially hedged hence a significant increase in the U.S. dollar could have an adverse effect on the Corporation's results of operations and financial condition.

In addition, a substantial portion of the Corporation's debt is denominated in U.S. dollars, and interest, principal and premium, if any, thereon are payable in U.S. dollars. For the purposes of financial reporting, any change in the value of the Canadian dollar against the U.S. dollar during a given financial reporting period would result in a foreign exchange gain or loss on the translation of any unhedged U.S. dollar-denominated debt into Canadian dollars. Consequently, the Corporation's reported earnings and debt could fluctuate materially as a result of foreign-exchange gains or losses. The Corporation has entered into transactions to hedge the exchange rate risk with respect to its U.S. dollar-denominated debt outstanding at December 31, 2022, and it intends in the future to enter into such transactions for new U.S. dollar-denominated debt. These hedging transactions could, in certain circumstances, prove economically ineffective and may not be successful in protecting it against exchange rate fluctuations, or the Corporation may in the future be required to provide cash and other collateral in order to secure its obligations with respect to such hedging transactions, or it may in the future be unable to enter into such transactions on favorable terms, or at all, or, pursuant to the terms of these hedging transactions, the Corporation's counterparties thereto may owe the Corporation significant amounts of money and may be unable to honor such obligations, all of which could have an adverse effect on the Corporation's results of operations and financial condition.

In addition, certain cross-currency swaps entered into by the Corporation include an option that allows each party to unwind the transaction on a specific date at the then settlement amount.

The fair value of the derivative financial instruments the Corporation is party to is estimated using period-end market rates and reflects the amount the Corporation would receive or pay if the instruments were terminated and settled at those dates, as adjusted for counterparties' non-performance risk. At December 31, 2022, the net aggregate fair value of the Corporation's cross-currency swaps and foreign-exchange forward contracts was in a net asset position of \$199.5 million on a consolidated basis. These swaps and forward contracts were entered into with large Canadian and foreign financial institutions. See also "Item 11. Quantitative and Qualitative Disclosures About Market Risk" of this annual report.

Some of the Corporation's suppliers source their products out of the U.S., therefore, although the Corporation pays those suppliers in Canadian dollars, the prices it pays for such commodities or products may be affected by fluctuations in the exchange rate. The Corporation may in the future enter into transactions to hedge its exposure to the exchange rate risk related to the prices of some of those commodities or products. However, fluctuations to the exchange rate for the Corporation's purchases that are not hedged could affect the prices the Corporation pays for such purchases and could have an adverse effect on its results of operations and financial condition.

***The volatility and disruptions in the capital and credit markets could adversely affect the Corporation's business, including the cost of new capital, its ability to refinance its scheduled debt maturities and meet its other obligations as they become due.***

The capital and credit markets have experienced significant volatility and disruption in the past, resulting in periods of upward pressure on the cost of new debt capital and severe restrictions in credit availability for many companies. In such periods, the disruptions and volatility in the capital and credit markets have also resulted in higher interest rates or greater credit spreads on the issuance of debt securities and increased costs under credit facilities. Disruptions and volatility in the capital and credit markets could increase the Corporation's interest expense, thereby adversely affecting its results of operations and financial position.

The Corporation's access to funds under its existing credit facilities and the committed debt financing for the Freedom Transaction is dependent on the ability of the financial institutions that are parties to those facilities to meet their funding commitments. Those financial institutions may not be able to meet their funding commitments if they experience shortages of capital and liquidity, or if they experience excessive volumes of borrowing requests within a short period of time. Moreover, the obligations of the financial institutions under the Corporation's credit facilities are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others. Any financial turmoil affecting the banking system and financial markets or any significant financial services institution failures could negatively impact the Corporation's treasury operations, as the financial condition of such parties may deteriorate rapidly and without notice in times of market volatility and disruption.

Some of the Corporation's debt has a variable rate of interest linked to various interest rate benchmarks, such as the Canadian Dollar Offered Rate ("CDOR") or the U.S. dollar Secured Overnight Financing Rate ("SOFR"). Certain interest rate benchmarks, such as CDOR, are being discontinued and replaced with alternative interest rate benchmark rates which meet new regulatory and market requirements. The consequences of this development cannot be entirely predicted, but could include an increase in the cost of the Corporation's variable rate indebtedness.

Extended periods of volatility and disruptions in the capital and credit markets as a result of uncertainty, rising rates, pandemics, epidemics and other health issues, ongoing changes in or increased regulation of financial institutions, reduced financing alternatives or failures of significant financial institutions could adversely affect the Corporation's access to the liquidity and affordability of funding needed for its businesses in the longer term. Such disruptions could require the Corporation to take measures to maintain a cash balance until markets stabilize or until alternative credit arrangements or other funding for its business needs can be arranged.

***The Corporation may be adversely affected by widespread inflation and adverse economic conditions.***

Widespread and sustained inflation and related interest rate increases are resulting in higher input costs for equipment, products and services, upward wage pressures and higher interest expense. Economic weakness and uncertainty could also cause the Corporation's results of operations to vary materially from expectations. In addition, adverse economic conditions may lead to a lower demand for certain of the Corporation's products, a declining level of retail and commercial activity and increased incidences of customer inability to pay or timely pay for the services or products that the Corporation provides. This may also make it difficult for the Corporation to raise its prices enough to offset rising costs, increase costs of borrowing and reduce the amount of funding available in the financial markets, all of which could adversely affect the Corporation's results of operations, cash flows, financial condition and prospects.

Interest and other expenses could vary materially from expectations depending on changes in interest rates, borrowing costs, currency exchange rates, and costs of hedging activities. For example, in response to increasing inflation, the Bank of Canada and the U.S. Federal Reserve, along with central banks around the world, have been raising interest rates and signaled expectations of additional rate increases. It is difficult to predict the impact of such events on the Corporation, its customers or economic markets more broadly, which have been and will continue to be highly dependent upon the actions of governments and businesses in response to macroeconomic events, and the effectiveness of those actions. Economic downturns may also lead to restructuring actions and associated expenses.

***The Corporation may have to record, in the future, asset impairment charges, which could be material and could adversely affect its future reported results of operations and equity.***

The Corporation has recorded in the past asset impairment charges which, in some cases, have been material. Subject to the realization of various factors, including, but not limited to, weak economic or market conditions, it may be required to record in the future, in accordance with IFRS accounting valuation principles, additional non-cash impairment charges if the carrying value of an asset in the Corporation's financial statements is in excess of its recoverable value. Any such asset impairment charge could be material and may adversely affect its future reported results of operations and equity, although such charges would not affect its cash flow.

***The Corporation undertakes acquisitions, dispositions, business combinations, or joint ventures from time to time which may involve significant risks and uncertainties.***

From time to time, the Corporation engages in discussions and activities with respect to possible acquisitions, dispositions, business combinations, or joint ventures intended to complement or expand its business, some of which may be significant transactions for the Corporation and involve significant risks and uncertainties. The Corporation may not realize the anticipated benefit from any of the transactions it pursues, and may have difficulty incorporating or integrating any acquired business. Regardless of whether the Corporation consummates any such transaction, the negotiation of a potential transaction (including associated litigation), as well as the integration of any acquired business, could require the Corporation to incur significant costs and cause diversion of management's

time and resources and disrupt its business operations. It could face several challenges in the consolidation and integration of information technology, accounting systems, personnel and operations. See also the risk factor “*The Corporation’s geographic expansion plan, by acquiring Freedom Mobile Inc. and/or by entering new territories as an MVNO, involves significant risks and uncertainties which could have a material adverse impact on the Corporation.*”

If the Corporation determines to sell individual properties or other assets or businesses, it will benefit from the net proceeds realized from such sales. However, its results of operations may suffer in the long term due to the disposition of a revenue-generating asset, the timing of such dispositions may be poor, causing it to fail to realize the full value of the disposed asset or the terms of such dispositions may be overly restrictive to the Corporation or may result in unfavorable post-closing price adjustments if some conditions are not met, all of which may diminish the Corporation’s ability to repay its indebtedness at maturity.

Any of the foregoing could have a material adverse effect on the Corporation’s business, financial condition, operating results, liquidity, and prospects.

***The rising adoption of web-based and application-based channels may adversely affect the customer reach of the Corporation’s sales network.***

To better meet the changing habits and expectations of consumers and businesses, the Corporation’s competitors are rapidly developing digital platforms, which allow them to sell and distribute their products on web-based or application-based channels and to shift customer interaction to digital platforms driving more self-help, self-install and self-service. If the Corporation does not succeed in implementing and pursuing its own digital strategy and fails to evolve its customer experience in line with customers’ demands, this could place the Corporation at a competitive disadvantage, which could have an adverse effect on its business, prospects, results of operations and financial condition.

#### **Risks Relating to Regulation**

***The Corporation is subject to extensive government regulation and policy-making. Changes in government regulation or policies could adversely affect its business, prospects, results of operations and financial condition.***

The Corporation’s operations are subject to extensive government regulation and policy-making in Canada. Laws and regulations govern the issuance, amendment, renewal, transfer, suspension, revocation and ownership of broadcast programming and distribution licenses. With respect to distribution, regulations govern, among other things, the distribution of Canadian and non-Canadian programming services and the maximum fees to be charged to the public in certain circumstances. The Corporation’s broadcasting distribution and telecommunications operations (including Internet access service) are regulated respectively by the Broadcasting Act and the Telecommunications Act and regulations thereunder. The CRTC, which administers the Broadcasting Act and the Telecommunications Act, has the power to grant, amend, suspend, revoke and renew broadcasting licenses, approve certain changes in corporate ownership and control, and make regulations and policies in accordance with the Broadcasting Act and the Telecommunications Act, subject to certain directions from the federal cabinet. The Corporation’s wireless and wireline operations are also subject to technical requirements, license conditions and performance standards under the *Radiocommunication Act* (Canada) (the “**Radiocommunication Act**”), which is administered by ISED.

Changes to the laws, regulations and policies governing the Corporation’s operations, the introduction of new laws, regulations, policies or terms of license, the issuance of new licenses, including additional spectrum licenses to its competitors could have an impact on customer buying practices and/or a material adverse effect on its business (including how the Corporation provides products and services), prospects, results of operations and financial condition. In addition, the Corporation may incur increased costs in order to comply with existing and newly adopted laws and regulations or penalties for any failure to comply. The Corporation may also incur increased costs as a result of the Memorandum of Understanding on Telecommunications Reliability entered into on September 9, 2022 as between the Corporation and 12 other telecommunication service providers across Canada upon the direction of the federal government, and specifically the Minister of Innovation, Science and Industry (the “**MOU**”). Under the terms of the MOU, the Corporation will be subject to increased obligations related to coordination, roaming, mutual assistance and communications during a telecommunications emergency, including wireless- and/or wireline-based emergencies.

The CRTC launched a comprehensive review of the wireless market. The federal government had requested that the CRTC consider competition, affordability, consumer interests and innovation in its decisions. In a recent decision, the CRTC ordered the national incumbent wireless carriers to provide MVNO access services to regional wireless carriers for a period of seven years. This decision stands to have significant impact on the Corporation’s competitive environment, as the Corporation could see the emergence

of new MVNO competitors. The Corporation may not be able to compete successfully in the future against existing and such potential new competitors. The most recent regulation from the CRTC in that matter has ruled out, for the moment, the inclusion of “Internet of Things (“IoT”) and fixed wireless services from the MVNO regulatory framework. This material increase in competition in the Corporation’s mobile telephony business combined with the consequences of the recent CRTC regulation could have a material adverse effect on the Corporation’s business, prospects, revenues, financial condition and results of operations.

In light of the Corporation’s geographic expansion plan for its wireless business, if the Corporation seeks to expand its wireless business outside of its traditional Québec footprint by entering new markets as a MVNO, the Corporation will have to face important challenges and uncertainty when negotiating with ILECs in order to reach an agreement for the MVNO access service wholesale rates; there is currently uncertainty regarding what wholesale rates will be negotiated by the Corporation and the time that will be required for such negotiations. Furthermore, as the mandated service will be phased out seven years following the final approval by the CRTC of the tariffed terms and conditions, should the Corporation enter new markets as a MVNO, the Corporation will have to deploy and expand its own wireless network in the applicable region(s). Failure to adequately expand its own wireless network may expose the Corporation to risks should it no longer be in a position to serve its customers following the end of the phase-out period. Any material failure to implement the Corporation’s wireless business geographic expansion plan could have an adverse effect on its reputation, business, prospects, revenues, financial condition, and results of operations, as well as on its ability to meet its obligations, including its ability to service its indebtedness.

In addition, laws relating to communications, data protection, e-commerce, direct marketing and digital advertising and the use of public records have become more prevalent in recent years. Existing and proposed legislation and regulations, including changes in the manner in which such legislation and regulations are interpreted by courts in Canada, the United States and other jurisdictions may impose limits on the Corporation’s collection and use of certain kinds of information. Furthermore, the CRTC and ISED have the power to impose monetary sanctions for failure to comply with current regulations. For a more extensive description of the regulatory environment affecting its business, see “Item 4. Information on the Corporation – Regulation.”

***The Corporation is required to provide TPIA providers with access to its cable network, which may result in increased competition.***

The largest cable operators in Canada, including the Corporation, have been required by the CRTC to provide TPIA providers with access to their networks at mandated cost-based rates. Numerous TPIA providers are interconnected to the Corporation’s cable network and are thereby providing retail Internet access services as well as, in some cases, retail VoIP and IP-based television distribution services.

Since 2015, the CRTC has emphasized in a series of decisions the importance it accords to mandated wholesale access service arrangements as a driver of competition in the retail Internet access market. Among other things, the CRTC ordered the major telephone and cable companies, including Videotron, to provide disaggregated wholesale access services, including access to high speed services provided over fibre access facilities, which were expected to replace existing aggregated wholesale access services after a transition period.

However, on March 8, 2023, the CRTC published a decision wherein it concludes that the disaggregated wholesale access service framework has not fulfilled its mandate and requires reconsideration. The CRTC determined that the network configuration for disaggregated wholesale access services will remain in Ontario and Québec pursuant to existing tariffs and architecture, but will not be introduced in other markets at this time. Furthermore, the CRTC acknowledged that there are significant issues associated with the existing wholesale access service framework and that viable access to fibre-to-the-home (“FTTH”) facilities by competitors is of particular concern. In light of the above, the CRTC launched a notice of consultation to review the wholesale access service framework. In addition, the CRTC will consider on an accelerated basis whether access to FTTH facilities over aggregated wholesale access services should be mandated on a temporary basis, while the question of whether they should be mandated indefinitely is considered in the broader review. While it carries out its review, the CRTC imposed an immediate interim reduction of 10% to the monthly capacity charge and declared that existing aggregated tariffs should now be interim. The CRTC’s review could lead to mandated arrangements which could permit Internet resellers to enhance their service offerings and/or their competitive positions in the retail market, thereby affecting the Corporation’s ability to recover its cost of providing underlying network services.

***ISED may not renew the Corporation’s mobile spectrum licenses on acceptable terms, or at all.***

The Corporation’s AWS-1 licenses were renewed in December 2018 for a 20-year term. The Corporation’s other spectrum licenses, including in the AWS-3, 700 MHz, 2500 MHz, 600 MHz and 3500 MHz bands, are issued for 20-year terms from their respective dates of issuance. At the end of these terms, the Corporation expects that new licenses will be issued for subsequent terms

through a renewal process, unless a breach of license conditions has occurred, a fundamental reallocation of spectrum to a new service is required, or an overriding policy need arises. The process for issuing or renewing licenses, including the terms and conditions of the new licenses and whether license fees should apply for a subsequent license term, are expected to be determined by ISED. If, at the end of their respective term, the Corporation's licenses are not renewed on acceptable terms, or at all, its ability to continue to offer its wireless services, or to offer new services, may be negatively impacted, or its cost structure could materially increase, and, consequently, it could have a material adverse effect on its business, prospects, results of operations and financial condition.

***The Corporation may be adversely affected if it does not qualify for government programs.***

The Corporation benefits from several government programs developed to support major investment projects and the deployment of high-speed Internet services in various regions of Québec. There can be no assurance that the government programs which the Corporation may access in Canada will continue to be available in the future or will not be reduced, amended, or eliminated. Any changes in the policies or rules of application in Canada or in any of the provinces in connection with these government programs, or in the interpretation of these programs, could, amongst other things, increase the cost of investment projects affected by these programs or the Corporation's decision to initiate certain investment projects, including incur capital expenditures for the extension of its wireline and mobile networks, which could have a material adverse effect on the Corporation's business, results of operations and financial condition.

***The Corporation is subject to a variety of environmental laws and regulations and may be adversely impacted by climate change.***

The Corporation is subject to a variety of environmental laws and regulations. Some of its facilities are subject to federal, provincial, state and municipal laws and regulations concerning, for example, emissions to the air, water and sewer discharge, the handling and disposal of hazardous materials and waste, including electronic waste, recycling, soil remediation of contaminated sites, or otherwise relating to the protection of the environment. In addition, 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 the Corporation's operations. Failure to comply with present or future laws or regulations could result in substantial liability for the Corporation.

Environmental laws and regulations and their interpretation have changed rapidly in recent years and may continue to do so in the future to notably reduce waste, limit greenhouse gas emissions and increase environmental disclosure from companies. For instance, most Canadian provinces have implemented Extended Producer Responsibility regulations in order to encourage sustainable practices such as the "Ecological recovery and reclamation of electronic products," which sets certain recovery targets and which may require the Corporation to monitor and adjust its practices in the future. Evolving public expectations with respect to the environment and increasingly stringent laws and regulations could result in increased costs of compliance, and failure to recognize and adequately respond to them could result in fines, regulatory scrutiny, or have a significant effect on the Corporation's reputation and brands.

The Corporation's properties, as well as areas surrounding those properties, particularly those in areas of long-term industrial use, may have had historic uses, or may have current uses, in the case of surrounding properties, which may affect the Corporation's properties and require further study or remedial measures. 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 the Corporation, that a material environmental condition does not otherwise exist on any of its properties, or that expenditure will not be required to deal with known or unknown contamination.

The Corporation owns, certain properties located on partially remediated former landfills. The operation and ownership of these properties carry inherent risks of environmental and health and safety liabilities, including for personal injuries, property damage, release of hazardous materials, remediation and clean-up costs and other environmental damages. The Corporation may, from time to time, be involved in administrative and judicial proceedings relating to such matters, which could have a material adverse effect on its business, financial condition and results of operations.

Finally, climate change is increasing the severity and frequency of extreme weather-related events, which could potentially result in damages to the Corporation's infrastructure and properties. These physical risks could increase operational and capital costs in order to maintain network operations during and following extreme weather events and to repair damaged equipment and facilities.

***Concerns about alleged health risks relating to radiofrequency emissions may adversely affect the Corporation's business.***

All the Corporation's cell sites comply with applicable laws and the Corporation relies on its suppliers to ensure that the network equipment and customer equipment supplied to it meets all applicable regulatory and safety requirements. Nevertheless, some studies

have alleged links between radiofrequency emissions from certain wireless devices and cell sites and various health problems, or possible interference with electronic medical devices, including hearing aids and pacemakers. There is no definitive evidence of harmful effects from exposure to radiofrequency emissions when the limits imposed by applicable laws and regulations are complied with. Additional studies of radiofrequency emissions are ongoing and there is no certainty as to the results of any such future studies.

The current concerns over radiofrequency emissions or perceived health risks of exposure to radiofrequency emissions could lead to additional governmental regulation, diminished use of the Corporation's wireless services or product liability lawsuits that might arise or have arisen. Any of these could have a material adverse effect on the Corporation's business, prospects, revenues, financial condition and results of operations.

#### **Risks Relating to the Corporation's Senior Notes and its Capital Structure**

***The Corporation's indebtedness and significant interest payment requirements could adversely affect its financial condition and therefore make it more difficult for the Corporation to fulfill its obligations, including its obligations under its Senior Notes.***

The Corporation currently has a substantial amount of debt and significant interest payment requirements. As at December 31, 2022, the Corporation had \$5.36 billion of consolidated long-term debt (long-term debt plus bank indebtedness), excluding Quebecor Media subordinated loans, and no amount was drawn at that date on the committed \$2.4 billion Expansion Term Facility. The Corporation's indebtedness could have significant consequences, including the following:

- increase its vulnerability to inflation, recession, interest rate fluctuations, and general adverse economic and industry conditions;
- require it to dedicate a substantial portion of its cash flow from operations to making interest and principal payments on its indebtedness, reducing the availability of its cash flow to fund capital expenditures, working capital and other general corporate purposes;
- limit its flexibility in planning for, or reacting to, changes in its businesses and the industries in which it operates;
- place it at a competitive disadvantage compared to its competitors with less debt or greater financial resources; and
- limit, along with the financial and other restrictive covenants in its indebtedness, its ability to, among other things, borrow additional funds on commercially reasonable terms, if at all.

Although the Corporation has significant indebtedness, as at December 31, 2022, it had more than \$1.42 billion available for additional borrowings under its existing credit facilities on a consolidated basis, excluding the \$2.4 billion available on the Expansion Term Facility, and the indentures governing its outstanding Senior Notes would permit it to incur substantial additional indebtedness in the future. If the Corporation or its subsidiaries incur additional debt, the risks the Corporation now faces as a result of its leverage could intensify. For more information regarding its long-term debt and its maturities, refer to Note 16 to the audited consolidated financial statements for the year ended December 31, 2022, included under "Item 18. Financial Statements" of this annual report. See also the risk factor "*Restrictive covenants in the Corporation's outstanding debt instruments may reduce its operating and financial flexibility, which may prevent the Corporation from capitalizing on certain business opportunities.*"

***Restrictive covenants in the Corporation's outstanding debt instruments may reduce its operating and financial flexibility, which may prevent the Corporation from capitalizing on certain business opportunities.***

The Corporation's credit facilities and the respective indentures governing its Senior Notes contain a number of operating and financial covenants, which may vary depending on their respective governing terms, restricting its ability to, among other things:

- borrow money or sell preferred stock;
- create liens;
- pay dividends on or redeem or repurchase stock;



- make certain types of investments;
- restrict dividends or other payments by some subsidiaries;
- enter into transactions with affiliates;
- issue guarantees of debt; and
- sell assets or merge with other companies.

If the Corporation is unable to comply with these covenants and is unable to obtain waivers from its creditors, it would be unable to make additional borrowings under its credit facilities, its indebtedness under these agreements would be in default and that could, if not cured or waived, result in an acceleration of such indebtedness and cause cross-defaults under its other debt, including its Senior Notes. If the Corporation's indebtedness is accelerated, the Corporation may not be able to repay its indebtedness or borrow sufficient funds to refinance it, and any such prepayment or refinancing could adversely affect its financial condition. In addition, if the Corporation incurs additional debt in the future or refinances existing debt, it may be subject to additional covenants, which may be more restrictive than those to which it is currently subject. Even if it is able to comply with all applicable covenants, the restrictions on its ability to manage its business in its sole discretion could adversely affect its business by, among other things, limiting its ability to take advantage of financings, mergers, acquisitions and other corporate opportunities that it believes would be beneficial to the Corporation.

***The Corporation may be required from time to time to refinance certain of its indebtedness. Its inability to do so on favorable terms, or at all, could have a material adverse effect on the Corporation.***

The Corporation may be required from time to time to refinance some of its existing debt at or prior to maturity. Its ability and its subsidiaries' ability to obtain additional financing to repay such existing debt at maturity will depend on a number of factors, including prevailing market conditions, credit availability and its operating performance. There can be no assurance that any such financing will be available to the Corporation on favorable terms or at all. See also the risk factor "*The volatility and disruptions in the capital and credit markets could adversely affect the Corporation's business, including the cost of new capital, its ability to refinance its scheduled debt maturities and meet its other obligations as they become due.*"

***There is no public market for the Corporation's Senior Notes.***

There is currently no established trading market for the Corporation's issued and outstanding Senior Notes and the Corporation does not intend to apply for listing of any of its Senior Notes on any securities exchange or to arrange for any quotation on any automated dealer quotation systems. No assurance can be given as to the prices or liquidity of, or trading markets for, any series of its Senior Notes. The liquidity of any market for the Corporation's Senior Notes will depend upon the number of holders of its Senior Notes, the interest of securities dealers in making a market in its Senior Notes, applicable regulations, prevailing interest rates, the market for similar securities and other factors, including general economic conditions, the Corporation's financial condition and performance and its prospects. The absence of an active market for its Senior Notes could adversely affect their market price and liquidity.

In addition, the market for non-investment grade debt has historically been subject to disruptions that have caused volatility in prices of securities. It is possible that the market for the Corporation's Senior Notes will be subject to such disruptions. Any such disruptions may have a negative effect on a holder's ability to sell the Corporation's Senior Notes, regardless of its prospects and financial performance.

***The Corporation may not be able to finance an offer to purchase its Senior Notes in the event of a change of control as required by the respective indentures governing its Senior Notes because it may not have sufficient funds at the time of the change of control or its credit facilities may not allow the repurchases.***

If the Corporation experiences a change of control, as that term is defined in the respective indentures governing its Senior Notes, it may be required to make an offer to repurchase all of its Senior Notes prior to maturity. The Corporation can provide no assurance that it will have sufficient funds or be able to arrange for additional financing to repurchase its Senior Notes following such change of control. There is no sinking fund with respect to its outstanding Senior Notes.

In addition, a change of control would be an event of default under the Corporation's credit facilities. Any future credit agreement or other agreements relating to its indebtedness to which it becomes a party may contain similar provisions. The Corporation's failure to repurchase its Senior Notes if required upon a change of control would, pursuant to the terms of the respective indentures governing its outstanding Senior Notes, constitute an event of default under such indentures. Any such default could, in turn, constitute an event of default under any existing or future indebtedness, any of which may cause the related debt to be accelerated after the expiry of any applicable notice or grace periods. If debt were to be accelerated, the Corporation may not have sufficient funds to repurchase its Senior Notes and repay the debt.

***Canadian bankruptcy and insolvency laws may impair the trustees' ability to enforce remedies under the indentures governing the Corporation's Senior Notes or the Senior Notes themselves.***

The rights of the trustees, who represent the holders of the Corporation's Senior Notes, to enforce remedies could be delayed by the restructuring provisions of applicable Canadian federal bankruptcy, insolvency and other restructuring legislation if the benefit of such legislation is sought with respect to the Corporation. For example, both the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") and the *Companies' Creditors Arrangement Act* (Canada) (the "CCAA") contain provisions enabling an insolvent person to obtain a stay of proceedings against its creditors and to file a proposal to be voted on by the various classes of its affected creditors. A restructuring proposal, if accepted by the requisite majorities of each affected class of creditors, and if approved by the relevant Canadian court, would be binding on all creditors within each affected class, including those creditors that did not vote to accept the proposal. Moreover, this legislation, in certain instances, permits the insolvent debtor to retain possession and administration of its property, subject to court oversight, even though it may be in default under the applicable debt instrument, during the period that the stay against proceedings remains in place. In addition, it may be possible in certain circumstances to restructure certain debt obligations under the corporate governing statute applicable to the debtor.

The powers of the court under the BIA, and particularly under the CCAA, have been interpreted and exercised broadly so as to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, the Corporation cannot predict whether payments under its outstanding Senior Notes would be made during any proceedings in bankruptcy, insolvency or other restructuring, whether or when the trustees could exercise their respective rights under the respective indentures governing each series of its Senior Notes or whether and to what extent holders of its Senior Notes would be compensated for any delays in payment, if any, of principal, interest and costs, including the fees and disbursements of the respective trustees.

***The Corporation's Senior Notes are subject to restrictions on transfer or resale.***

The Corporation's Senior Notes have not been registered under the Securities Act and have not been qualified by prospectus in Canada or other jurisdictions outside the United States. Consequently, the Senior Notes may be transferred or resold only in a transaction registered under, or exempt from, the Securities Act and applicable state securities laws. The Corporation has not registered and does not intend to register the resale of the securities or conduct a registered exchange offer in respect of the securities under the Securities Act. Also, the notes may not be sold, directly or indirectly, in Canada except in accordance with applicable securities laws of the provinces and territories of Canada. The Corporation is not, and does not currently intend to become, a reporting issuer in Canada. As a result, the Senior Notes are subject to restrictions on transfer and are not, and will not become, freely tradable in Canada. In addition, non-U.S. holders remain subject to restrictions imposed by the jurisdiction in which the holder is resident.

***U.S. investors in the Corporation's Senior Notes may have difficulties enforcing civil liabilities.***

The Corporation is incorporated under the laws of the Province of Québec. Substantially all of its directors, controlling persons and officers are residents of Canada or other jurisdictions outside the United States, and all or a substantial portion of their assets and substantially all of the Corporation's assets are located outside the United States. The Corporation has agreed, in accordance with the terms of the respective indentures governing each series of its Senior Notes (other than its Canadian dollar denominated Senior Notes), to accept service of process in any suit, action or proceeding with respect to the indentures or such Senior Notes brought in any federal or state court located in New York City by an agent designated for such purpose, and to submit to the jurisdiction of such courts in connection with such suits, actions or proceedings. However, it may be difficult for holders of the Corporation's Senior Notes to effect service of process within the United States upon directors, controlling persons, officers and experts who are not residents of the United States or to enforce against the Corporation or them in the United States upon judgments of courts of the United States predicated upon civil liability under United States federal or state securities laws or other laws of the United States. In addition, there is doubt as to the enforceability in Canada of liabilities predicated solely upon United States federal or state securities laws against the Corporation or against its directors, controlling persons, officers and experts who are not residents of the United States, in original actions or in actions for enforcement of judgments of courts of the United States.

***Although the Corporation's Senior Notes are referred to as "senior notes," they are effectively subordinated to its secured indebtedness and structurally subordinated to the liabilities of its subsidiaries that do not guarantee the Senior Notes.***

The Corporation's Senior Notes are unsecured and, therefore, are effectively subordinated to any secured indebtedness that the Corporation may incur to the extent of the assets securing such indebtedness. In the event of a bankruptcy or similar proceeding involving the Corporation, the assets that serve as collateral for any secured indebtedness will be available to satisfy the obligations under the secured indebtedness before any payments are made on the Senior Notes. The Senior Notes are effectively subordinated to any borrowings under its secured credit facilities to the extent of the value of the assets securing such secured credit facilities and structurally subordinated to the liabilities of its existing and future subsidiaries that do not guarantee the Senior Notes. In addition, the Corporation's credit facilities and the respective indentures governing its Senior Notes permit the Corporation to incur additional secured indebtedness in the future, including the debt financing required for the Freedom Transaction, which could be significant.

***The Corporation's credit ratings may not reflect the risks of investing in the Senior Notes.***

The Corporation's credit ratings are an assessment by rating agencies of its ability to pay its debts when due. Consequently, real or anticipated changes in the Corporation's credit ratings will generally affect the value of the Senior Notes. These credit ratings may not reflect the potential impact of risks relating to the Senior Notes. Agency ratings are not a recommendation to buy, sell or hold any security and may be revised or withdrawn at any time by the issuing organization. Each agency's rating should be evaluated independently of any other agency's rating. There can be no assurance that the Corporation's credit ratings will remain in effect for any given period of time or that such ratings will not be lowered, suspended or withdrawn entirely by the rating agencies, if, in each rating agency's judgment, circumstances so warrant. Any downgrade in the Corporation's corporate credit ratings or other credit ratings may increase its cost of borrowing and may negatively impact its ability to raise additional debt capital. Actual or anticipated changes or downgrades in the Corporation's credit ratings, including any announcement that its ratings are under review for a downgrade, could affect the value of the Senior Notes, may increase the Corporation's borrowing costs and may negatively impact its ability to incur additional debt.

***Many of the covenants in each indenture governing the Senior Notes will not apply from and after such time that the Senior Notes are rated investment grade by any two of Moody's, Standard & Poor's and DBRS, even if the Senior Notes are subsequently rated below investment grade.***

Many of the covenants contained in each indenture governing the respective Senior Notes will not apply from and after such time that the Senior Notes are rated investment grade by any two of Moody's Investors Service ("Moody's"), S&P Global Ratings ("Standard & Poor's") and DBRS Limited ("DBRS"), and such covenants will not be reinstated if the Senior Notes are subsequently downgraded below investment grade. These covenants restrict, among other things, the ability of the Corporation and its restricted subsidiaries to incur or guarantee additional indebtedness or issue preferred stock, to pay distributions on, redeem or repurchase capital stock or redeem or repurchase certain debt, sell assets, enter into certain merger transactions, enter into transactions with affiliates, enter into agreements limiting the ability of subsidiaries to make distributions and enter into certain other transactions. There can be no assurance that the Senior Notes will ever be rated investment grade, or that the Senior Notes will maintain such ratings. However, termination of these covenants will allow the Corporation to engage in certain actions that would not have been permitted were these covenants in force, even if the Senior Notes are subsequently downgraded below investment grade.

***The Corporation is controlled by Quebecor Media and its interests may differ from those of holders of the Senior Notes.***

All of the Corporation's issued and outstanding common shares are held by Quebecor Media. As a result, Quebecor Media controls the Corporation's policies and operations. The interests of Quebecor Media, as the Corporation's sole common shareholder, may conflict with the interests of the holders of its outstanding Senior Notes. In addition, actions taken by Quebecor Media, as well as its financial condition, matters over which the Corporation has no control, may affect the Corporation.

Also, Quebecor Media is a holding company with no significant assets other than its equity interests in its subsidiaries. Its principal source of cash needed to pay its own obligations is the cash that the Corporation and other subsidiaries generate from operations and borrowings. The Corporation has the ability to pay significant distributions under the terms of its indebtedness and applicable law and currently expects to make distributions to its shareholder in the future, subject to the terms of its indebtedness and applicable law. See "Item 8. Financial Information — Dividend Policy" elsewhere in this annual report.

**ITEM 4 – INFORMATION ON THE CORPORATION**

**A- History and Development of the Corporation**

The Corporation's legal and commercial name is Videotron Ltd. It was founded on September 1, 1989 and is governed by the *Business Corporations Act* (Québec). On October 23, 2000, Videotron was acquired by Quebecor Media.

The Corporation's registered office is located at 612 St-Jacques Street, Montréal, Québec, Canada H3C 4M8, and its telephone number is (514) 281-1232. Its corporate website may be accessed through the URL <http://www.videotron.com>. The information found on its corporate website or on any other website to which it is made reference in this annual report does not, however, form part of this annual report and is not incorporated by reference herein. Videotron's agent for service of process in the United States with respect to its Senior Notes (other than its Canadian-dollar denominated Senior Notes due 2025, 2026, 2028, 2030 and 2031) is CT Corporation System, 28 Liberty Street, New York, New York 10005.

Since December 31, 2019, Videotron has undertaken and/or completed several business acquisitions, combinations, divestitures and business development projects and financing transactions, including, among others, the following:

- On January 26, 2023, following the close of the period covered by this annual report, Videotron announced an investment of nearly \$10.0 million in the acquisition of spectrum licenses in the 600 MHz band in Manitoba and the 3500 MHz band in Québec. The spectrum was acquired in the auction of residual spectrum licenses that concluded on January 25, 2023.
- On January 17, 2023, following the close of the period covered by this annual report, Videotron issued a \$836.0 million promissory note to Quebecor Media, bearing interest at 7.000%.
- On January 13, 2023, following the close of the period covered by this annual report, Videotron's secured revolving credit facility, which was extended to July 2026 in May 2022, was amended to increase it from \$1.50 billion to \$2.00 billion. Certain clauses and conditions of this credit facility were also amended.
- In July 2022, Videotron acquired VMedia, an independent telecommunications provider that is well established in the Canadian market. VMedia becomes a key partner that will enhance Videotron's plans across Canada by supporting advantageous bundles that give Canadian consumers more choice at a better price.
- On August 12, 2022, Videotron entered into a definitive agreement with Rogers and Shaw to acquire Freedom for \$2.85 billion on a cash-free and debt-free basis. This transaction would close substantially concurrently with the closing of the acquisition of Shaw by Rogers. The acquisition of Freedom includes its brand's entire wireless and Internet customer base, as well as its owned infrastructure, spectrum and retail outlets. It also includes a long-term undertaking by Shaw and Rogers to provide Videotron with transport services (including backhaul and backbone) and roaming services. This transaction will support the expansion of the Corporation's telecommunications services in Ontario and Western Canada. On December 31, 2022, the Competition Tribunal dismissed an application by the Commissioner of Competition to block the acquisition of Freedom by Videotron as well as the acquisition of Shaw by

Rogers. Subsequently, on January 24, 2023, the Federal Court of Appeal dismissed the Commissioner's appeal of the Tribunal's decision. The acquisition of Freedom by Videotron remains, at this stage, conditional on the approval of ISED, which is currently reviewing it. Rogers, Shaw and Videotron announced on February 17, 2023, that they had agreed to extend the outside date for all transactions to March 31, 2023. In anticipation of the acquisition of Freedom Videotron has secured financing commitments from a syndicate of financial institutions for a new secured term credit facility of up to \$2.40 billion comprised of three tranches maturing over four years.

- On August 17, 2021, Videotron launched Vrai, a new Québec subscription platform that will meet the strong demand for unscripted lifestyle, documentary and entertainment content. In its first year, Vrai offered thousands of hours of all-French, on-demand content, including more than a hundred new original Québec productions.
- On July 29, 2021, Videotron announced the acquisition of 294 blocks of spectrum in the 3500 MHz band across the country for an investment of nearly \$830 million. More than half of the investment is concentrated in four Canadian provinces outside Québec: southern and eastern Ontario, Manitoba, Alberta and British Columbia.
- On July 6, 2021, Videotron completed the early redemption of the entirety of its 5% Senior Notes due July 15, 2022, in aggregate principal amount of US\$800.0 million, at a redemption price of 104.002% of their principal amount, in accordance with a notice issued on June 3, 2021. The related hedges in an asset position were also unwound.
- On June 17, 2021, Videotron issued \$750.0 million aggregate principal amount of Senior Notes bearing interest at 3½% and maturing on June 15, 2028, for net proceeds of \$743.2 million, net of financing costs of \$6.8 million. Videotron also issued US\$500.0 million aggregate principal amount of Senior Notes bearing interest at 3½% and maturing on June 15, 2029, for net proceeds of \$599.6 million, net of financing costs of \$5.8 million.
- On May 12, 2021, Videotron announced the roll-out of its 5G network in Québec City, following the successful launch in Montréal in December 2020.
- On April 1, 2021, Videotron announced the acquisition of Cablovision Warwick Inc. (“**Cablovision Warwick**”) and its network, which has been serving the municipalities of Warwick, Kingsey Falls and Saint-Félix-de-Kingsey in the Centre-du-Québec region for more than four decades. Cablovision Warwick's customers will therefore have access to Videotron's network and its line of products and services.
- On March 22, 2021, Videotron and the Government of Québec signed agreements to support the achievement of the government's targets for the roll-out of high-speed Internet services in remote regions. Under these agreements, Videotron will extend its high-speed Internet network to connect approximately 37,000 additional households and the government has committed to provide financial assistance in the amount of approximately \$258 million, which will be fully invested in Videotron's network extension.
- On January 22, 2021, Videotron issued \$650.0 million aggregate principal amount of 3½% Senior Notes maturing on January 15, 2031, for net proceeds of \$644.0 million, net of financing fees of \$6.0 million.
- From March 13, 2020, through June 30, 2020, and from December 20, 2020 through January 3, 2021, Videotron suspended data caps on all of its customers' residential and business Internet plans to support the implementation of effective teleworking arrangements at Québec businesses and enable customers to stay connected with loved ones during the COVID-19 pandemic. From March 13, 2020, to June 30, 2020, Videotron also cancelled roaming charges outside Canada and the Daily Traveller Pass fee.

## **B- Business Overview**

### **Overview**

Videotron is a leading cable operator in Canada and the largest in the Province of Québec based on the number of wireline revenue generating units (“**RGUs**”), as well as a leading provider of mobile telephony and OTT video services in the Province of

Québec. Its cable network is the largest broadband network in the Province of Québec covering approximately 83% of the Province of Québec's estimated 4.1 million residential premises. The deployment of its 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. Its 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.

## Competitive Strengths

### *Leading Market Positions*

Videotron is a leading cable operator in Canada and the largest in the Province of Québec, in each case based on the number of wireline RGUs. Videotron believes that its strong market position has enabled it to launch and deploy new products and services more effectively. For example, since the introduction of its Internet access service, Videotron estimates that it has become the largest provider of such service in the geographic areas it serves. In the mobile telephony segment, Videotron estimates that it holds, as of December 31, 2022, a 22.6% market share in the geographic areas it serves, while it captured 29.2% in gross additions in the fourth quarter of 2022, the largest market share in terms of gross additions. Videotron's extensive proprietary and third-party retail distribution network of stores and points of sale, including its Videotron-branded stores and kiosks, as well as its Videotron authorized dealers, assist Videotron in marketing and distributing its advanced telecommunication services, such as Internet access, television and mobile telephony, on a large-scale basis. Videotron is also a leading telecommunication service provider in the Province of Québec's business telecommunication segment.

### *Differentiated Bundled Services and New Products*

Through its technologically advanced wireline and wireless network, Videotron offers a differentiated, bundled suite of entertainment, information and communication services, products and content, including IPTV, digital television, Internet access, VOD, OTT and other interactive television services, as well as residential and commercial wireline telephony services using VoIP technology, and mobile telephony services. In addition, Videotron delivers high-quality services and products, including, for example, its high-speed Internet access service which enables its customers to download data at a speed higher than currently offered by standard DSL technology. Videotron believes that the consumers attribute value to the convenience of dealing with a single telecommunication service provider and also appreciate the cost savings of having their services bundled, as Videotron offers discounts to customers that subscribe to more than one of its services. As of December 31, 2022, 69.7% of Videotron-branded residential customers subscribed for two or more services. Videotron also offers a rich and varied selection of on-demand French-language content (movies, television shows, children's shows, teen series, documentaries, comedy performances and concerts) through its subscription-based OTT entertainment services, Club illico and Vrai. Videotron produces an array of proprietary content for which Club illico and Vrai hold first-window rights for its customers, prior to linear broadcast. Together, both platforms boast over 717 million viewings since the launch of Club illico in 2013 and the launch of Vrai in 2021, making them key players in the Québec on-demand video entertainment landscape.

Videotron continuously pursues the evolution of its suite of platforms, solutions and content, such as the following in recent years:

- in August 2021, Videotron launched Vrai, a new Québec subscription platform that addresses the strong demand for unscripted lifestyle, documentary and entertainment content. Vrai offers thousands of hours of all-French, on-demand content, including lifestyle, investigations, comedy, reality, food, travel documentary and social issue programming commissioned by Quebecor Media as well as a growing catalogue of first-run exclusive original Québec productions;
- in August 2019, Videotron unveiled 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 of content from, certain third-party Internet applications. Videotron has also launched two mobile applications for its Helix customers: (i) the Helix Fi app, which lets customers control their home Wi-Fi network, set time restrictions for children's Internet use, quickly and easily disconnect a device from the network and control household smart devices; and (ii) the Helix app, which lets users control their cloud DVR remotely, watch live television as well as a large quantity of on demand content anytime, anywhere. Cloud DVR technology allows video customers to record programming via their set-top boxes using cloud-based servers and view those recordings on mobile devices via the Helix; and

- in September 2018, Videotron launched Fizz, a mobile and Internet brand that delivers mobile and Internet services featuring advantageous pricing, as well as a fully digital experience focused on simplicity, autonomy and sharing, thus enhancing traditional mobile and Internet services. Fizz has been developed to be responsive to evolving trends in technology and distribution and with a view to growing Quebecor Media's market share and appeal with Generation Z and millennials.

#### *Advanced Broadband Network*

Videotron is able to leverage its advanced broadband network to offer a wide range of advanced services, such as IPTV, digital television, OTT television services, Internet access and wireline telephony services. Videotron is committed to maintaining and upgrading its network capacity and, to that end, Videotron currently anticipates that ongoing capital expenditures will continue to be required to accommodate the evolution of its products and services and to meet the demand for increased capacity.

#### *Focused and Highly Reliable Network Cluster*

Videotron's single hybrid fibre coaxial clustered network covers approximately 83% of the Province of Québec's estimated 4.1 million residential premises and nine of the province's top ten urban areas. Videotron's shared LTE network reaches 94% of the population of the Province of Québec and the Greater Ottawa area. Videotron believes that its single cluster network architecture provides many benefits, including a higher quality and more reliable network, the ability to launch and deploy new products and services such as Helix, Club illico, Fizz and Vrai, and a lower cost structure through reduced maintenance and technical support costs.

#### *Strong, Market-Focused Management Team*

Videotron has a strong, market-focused management team that has extensive experience and expertise in a range of areas, including marketing, finance, telecommunications and technology. Under the leadership of its senior management team, Videotron has, among other things, improved penetration of its Internet access service, its subscription-based OTT entertainment services and its mobile telephony services, including through the successful build-out and launch of its mobile telephony network and upgrade to LTE-A and 5G technologies.

### **Videotron's Strategy**

Videotron's objective is to increase its revenues and profitability by leveraging its strong market position and advanced broadband and mobile networks. Videotron attributes its strong historical results and positive outlook for growth and profitability to an ability to develop and execute forward-looking business strategies. The key elements of its strategy include:

- *Expand its wireless business geographically.* Videotron intends to expand its wireless business geographically outside of its traditional Québec footprint, which it believes will provide more competition and affordability for Canadians. As part of this strategy, Videotron invested nearly \$830.0 million in July 2021 to acquire 294 blocks of spectrum in the 3500 MHz band in Canada's most populous provinces. More than half of the investment was concentrated in southern and eastern Ontario, Manitoba, Alberta and British Columbia. On August 12, 2022, Videotron entered into a definitive agreement with Rogers and Shaw to acquire Freedom for \$2.85 billion on a cash-free and debt-free basis in order to support the expansion of the Corporation's telecommunications services in Ontario and Western Canada. The agreement also includes a long-term undertaking by Shaw and Rogers to provide Videotron with transport services (including backhaul and backbone) and roaming services. In July 2022, Videotron announced the acquisition of VMedia inc. allowing it to lay the foundations for an offering of wireline services outside its Québec footprint. On January 26, 2023, Videotron announced an investment of nearly \$10.0 million in the acquisition of spectrum licenses in the 600 MHz band in Manitoba and the 3500 MHz band in Québec. In addition, Videotron intends to expand its footprint by entering into new markets as a MVNO and to exercise the rights arising from recent CRTC decisions regarding MVNO access service wholesale rates to expand its wireless business geographically and offer millions of Canadians competitive services.
- *Build on its position as a telecommunications leader with its mobile telephony network.* Videotron provides an offering of advanced mobile telecommunications services to consumers and small-, medium- and large-sized businesses that are based on effective, reliable technology, diverse and relevant content and unambiguous business policies. The

deployment of its LTE-A and 5G networks is the cornerstone of a corporate business strategy geared toward harnessing all of its creative resources and providing consumers with access to technology, services and information. Greater customer adoption of 5G and IoT services and applications that are enabled by 5G networks should contribute to the growing demand for mobile services. In the consumer market, IoT represents a growth area for the industry as wireless connectivity on everyday devices, from home automation to wearables, becomes ubiquitous. In addition, other IoT growth opportunities are expected to develop in smart manufacturing, telemedicine/telesurgery, remote monitoring, connected vehicles, asset tracking and urban city optimization (smart cities). For the twelve-month period ended December 31, 2022, mobile services and equipment revenues represented 29.6% of Videotron's total operating revenues.

- *Introduce new and enhanced products and services.* Videotron expects a significant portion of its revenue growth to be driven by the introduction of new products and services (including Fizz and Helix) and by the continuing penetration of products and services such as wireline services, mobile services, business telecommunications services and OTT video services. Videotron believes that the continued penetration rate of these products and services will result in increased ARPU, and Videotron is focusing sales and marketing efforts on the bundling of these value-added products and services. In addition, Videotron's strategy in the coming years is to keep the technology at the cutting edge as it continues to evolve rapidly and new market standards such as LTE-A and 5G are being commercialized. 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's goal is for its customers to consider its wireline and mobile connections to be the best distribution channels for a multitude of services.
- *Leverage geographic clustering.* Videotron's single hybrid fibre coaxial clustered network covers approximately 83% of the Province of Québec's estimated 4.1 million residential premises. Videotron's shared LTE network reaches 94% of the population of the Province of Québec and the Greater Ottawa Area. Geographic clustering facilitates bundled service offerings and, in addition, allows Videotron to tailor its offerings to certain demographic markets. Videotron aims to leverage the highly clustered nature of its systems to enable it to use marketing dollars more efficiently and to enhance customer awareness, increase use of products and services and build brand loyalty. To further achieve economies of scale, Videotron intends to continue extending its footprint to adjacent geographies within the Province of Québec. For instance, on March 22, 2021, Videotron and the Government of Québec signed agreements whereby Videotron will extend its high-speed Internet network to bring fiber to approximately 37,000 households outside Québec's urban centres, with the government committing to provide financial assistance in the amount of approximately \$258 million, which Videotron will fully invest in network extension. This deployment has been ongoing since 2021 and its completion is planned for 2023. Furthermore, Videotron announced in 2021 the acquisition of Télédistribution Amos inc. and Cablovision Warwick and their networks, allowing it to increase its reach in the Abitibi-Témiscamingue and Centre-du-Québec regions of the Province of Québec.
- *Maximize customer satisfaction and build customer loyalty.* Videotron believes that maintaining a high level of customer satisfaction is critical to future growth and profitability. An important factor in its historical growth and profitability has been its ability to attract and satisfy customers with high quality products and services. In support of its commitment to customer satisfaction, Videotron continues to provide a 24-hour technical support hotline seven days a week. 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. As consumers increasingly turn to digital channels, Videotron also offers online and app-based options to enable them to autonomously manage all phases of the customer journey from sales to installation to ongoing support. Shifting customer interaction to digital channels through more self-help, self-install and self-service reduces the volume of field service trips, and calls to customer service and technical support call centers. Videotron utilizes surveys, focus groups and other research tools to assist us in its marketing efforts and anticipate customer needs. To increase customer loyalty, Videotron also leverages strategic partnerships with third parties and other members of the Quebecor Media group of companies to offer exclusive promotions, privileges and contests which contribute in expanding its value proposition to its customers and differentiating its offering.



- *Manage investments through success-driven capital spending, technology improvements and operational leverage.* Videotron supports the growth in its customer base and bandwidth requirements through strategic success-driven modernization of its networks and increases in network capacity and redundancy. Videotron's network design provides high capacity and superior signal quality that will enable it to provide to its customers new advanced products and services in addition to those Videotron currently offers. Videotron believes that the demand for bandwidth-intensive services will continue to increase significantly in the coming years. Videotron's strategy is to maintain a leadership position in the suite of products and services it offers, launch new products and services, make the necessary investments in its networks, implement new technologies as they become available and further reap benefits related to the highly clustered nature of its networks through network extension to adjacent geographies within the Province of Québec. In addition, Videotron continuously seeks to optimize expenses through technology improvements and operational leverage.
- *Further integrate its operations within the Quebecor Media group of companies.* Videotron will continue to integrate its distribution capabilities with the content and reach of Quebecor Media's other assets. For example, Videotron believes that cross-selling and cross-promotion opportunities exist with Media Group, a segment of Quebecor Media dedicated to entertainment and news media comprised of some of Québec's premier content creation companies and media brands such as TVA Group, the largest broadcaster in North America of French-language entertainment, information and public affairs programming and one of the largest private-sector producers of French-language content, *Le Journal de Montréal* and *Le Journal de Québec*, both of which are the leader in their respective markets, Quebecor Media Out-of-Home, the largest player in Québec with nearly 7,500 advertising faces on bus shelters and buses, and various properties in the field of digital content production. As well, cross-selling and cross-promotion opportunities exist with Quebecor Media's Sports and Entertainment segment, which includes all operation, production, distribution and management activities relating to music, entertainment, sports and the Videotron Centre, an arena located in Québec City that has 18,400 seats.

## Products and Services

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

### *Wireline 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 Internet access, digital multiplatform television, wireline telephony and selected interactive services.

- *Helix Services.* Videotron's IPTV service, Helix, is based on the Comcast Xfinity X1 platform and 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 home automation features. Videotron has also launched two mobile apps for its Helix customers: (i) the Helix Fi app, which lets customers control their home Wi-Fi network, set time restrictions for children's Internet use, quickly and easily disconnect a device from the network and control household smart devices; and (ii) the Helix app, which lets users control their cloud DVR remotely, watch live television as well as a large quantity of on demand content anytime, anywhere.
- *Internet Access.* Leveraging its advanced cable and fiber infrastructure, Videotron offers Internet access to its customers primarily via cable modems. Videotron provides this service at download speeds of up to 400 Mbps to all its homes passed and would have the capacity to reach up to 1 Gbps to 70% of its homes passed. As of December 31, 2022, Videotron had 1,904,200 Internet access customers, representing 51.6% 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 46.2% as of December 31, 2022.

- *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 CRTC regulations, Videotron offers a basic package including basic television channels, access to VOD and an interactive programming guide. Furthermore, most of its custom packages include the basic package and audio channels providing digital-quality music. Videotron was the first to extend its digital television offering allowing customers to customize their choices with the ability to choose between custom or pre-assembled packages with a selection of additional channels, including U.S. superstations 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, 2022, Videotron had 1,396,100 customers for its digital television service, representing 38.1% of its total homes passed.
- *Video-On-Demand.* VOD service enables Videotron's customers to rent content from a library of series, movies, documentaries and other programming through their digital gateway, computer, tablet or mobile phone. Its 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 catalogs, including Club illico and Vrai contents, as well as third-party catalogs such as Netflix, YouTube, and Amazon Prime (provided customers have a subscription with such service and depending upon which application is used), 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 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 allow its customers to access and watch movies available on the linear pay television channels.
- *Wireline Telephony.* Videotron offers wireline telephony service to its residential customers using VoIP technology. As of December 31, 2022, Videotron had 751,200 subscribers to its wireline telephony service, representing a penetration rate of 20.7% of its homes passed.

#### ***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, etc.). 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 713 million viewings since its launch in 2013, making it a key player in the Québec on-demand video entertainment landscape. Club illico is also accessible through a mobile application. As of December 31, 2022, the Club illico service had 424,900 subscribers.

#### ***Vrai***

In August 2021, Videotron launched Vrai its new subscription-based OTT entertainment service offering all-French, on-demand content, including lifestyle, comedy, reality, food, travel documentary and social issue programming, as well as more than 75 first-run exclusive original Québec productions. The content of Vrai is also available via the Helix and QUB apps. As of December 31, 2022, the new Vrai platform was accessed by 128,100 subscribers.

#### ***Mobile Services***

Videotron is a key player in the Province of Québec in delivering a range of innovative wireless network technologies and services. Videotron's wireless services are offered under the Videotron and Fizz brands and provide consumers and businesses with the

latest wireless devices, services, and applications including: mobile high-speed Internet access; wireless voice and enhanced voice features; device protection; in-store expert advice; text messaging; e-mail; global voice and data roaming; and advanced wireless solutions for businesses.

In 2013, Videotron signed a 20-year agreement with 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. Videotron maintains its business independence throughout this agreement, including its product and service portfolios, billing systems and customer data.

Videotron has a total of 170 MHz of mobile spectrum in most regions of Québec and 120 MHz in the Ottawa area, spread across the AWS-1, AWS-3, 600 MHz, 700 MHz, 2500 MHz and 3500 MHz bands. In addition, Videotron also holds 3500 MHz spectrum licenses in the provinces of Ontario (20 MHz – Southern and Eastern outside Ottawa area), Manitoba (30 MHz), Alberta (20 MHz) and British Columbia (50 MHz – South and East part of the province). These licenses qualify Videotron to become a MVNO in these licenses’ areas. Since 2020, Videotron is deploying both LTE-A and 5G technologies in its current markets, an endeavor that will continue in the next years until these technologies reach all of Videotron’s current coverage areas.

As of December 31, 2022, most households and businesses within Videotron’s cable footprint had access to its advanced mobile services. As of December 31, 2022, there were 1,710,400 lines activated on its wireless network, representing a year-over-year increase of 108,500 lines (6.8%).

### ***Business Telecommunications Services***

Videotron Business is a premier full-service telecommunications provider servicing small, medium and large sized businesses, as well as telecommunications carriers. In recent years, Videotron has significantly grown its customer base and has become a leader in the Province of Québec’s business telecommunications segment. Products and services include mobile telephony, Internet solutions, telephony and television solutions, as well as fibre connectivity, private network connectivity, Wi-Fi, managed services and security solutions. The depth of Videotron’s service offering enables Videotron Business to meet the growing demand from business customers.

Videotron Business serves customers through a dedicated salesforce and customer service teams with solid expertise in the business market. Videotron Business relies on its extensive coaxial, fibre-optic and LTE-A and 5G wireless networks to provide the best possible customized solutions to all of its customers.

On June 1, 2022, Videotron Business and EMnify, a company known worldwide for its revolutionary connectivity service management platform, joined forces in a long-term partnership to make Québec organizations more autonomous in the deployment of connected objects.

Together, Videotron Business and EMnify are now solving many of the main issues related to the deployment of connected objects, including managing multiple SIM cards, connection security, ultra-fast integration with IoT applications and the simple and effective user interface that these objects require. This solution applies to any type of connected object, whether it is urban lighting, sensors that measure water levels, smart parking bollards, surveillance systems, waste management tools, traffic management tools, or others.

## Customer Statistics Summary

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

	As of December 31,				
	2022	2021	2020	2019	2018
	(in thousands of customers)				
<b>Revenue-generating units (RGUs)</b>	<b>6,314.8</b>	<b>6,189.6</b>	<b>6,147.9</b>	<b>6,076.2</b>	<b>5,990.3</b>
<b>Mobile Telephony</b>					
Mobile telephony lines	1,710.4	1,601.9	1,481.1	1,330.5	1,153.8
<b>Internet</b>					
Internet customers	1,904.2	1,840.8	1,796.8	1,727.3	1,704.5
Penetration <sup>(1,3)</sup>	51.6 %	51.5 %	51.1 %	50.0 %	50.0 %
<b>Television</b>					
Television customers	1,396.1	1,418.6	1,475.6	1,531.8	1,597.3
Penetration <sup>(1,3)</sup>	38.1 %	39.7 %	41.9 %	44.3 %	46.9 %
<b>Wireline Telephony</b>					
Wireline telephony lines	751.2	824.9	924.7	1,027.3	1,113.9
Penetration <sup>(1,3)</sup>	20.7 %	23.1 %	26.3 %	29.7 %	32.7 %
<b>OTT</b>					
Over-the-top video customers	552.9	503.4	469.7	459.3	420.8
<b>Homes passed<sup>(2,3)</sup></b>	<b>3,619.7</b>	<b>3,572.6</b>	<b>3,518.4</b>	<b>3,455.8</b>	<b>3,407.3</b>

- (1) Represents customers (or telephony lines) as a percentage of total homes passed.
- (2) Homes passed means the number of residential premises, such as single dwelling units or multiple dwelling units, and commercial premises passed by Videotron's wireline distribution network in a given cable system service area in which the programming services are offered.
- (3) In 2022, the number of homes passed was restated for 2018, 2019, 2020 and 2021 following a revision of the methodology relating to multi-residential and commercial addresses. Penetration of homes passed excluding customers to Internet access, television and wireline telephony services served through Videotron's purchase of wholesale Internet services from third parties.

## Pricing of the Corporation's Products and Services

Videotron's revenues are mainly derived from the monthly fees its customers pay for television services, Internet access and mobile and wireline telephony services, as well as OTT television services. The rates Videotron charges vary based on the market served and the level of service selected. Rates are adjusted regularly. 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, 2022, the average monthly invoice on recurring subscription fees per residential customer was \$111.70 (representing a 0.2% year-over-year increase) and approximately 70% of its Videotron-branded residential 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 rental of equipment, such as gateways or Wi-Fi routers, can be charged depending on the promotional offer.

## Videotron's Network Technology

### Wireline Services

As of December 31, 2022, Videotron's cable network consisted of fibre-optic cable and coaxial cable, covering approximately 83% of the Province of Québec's estimated 4.1 million residential premises and serving approximately 2.6 million customers in the Province of Québec. Its network is the largest broadband network in the Province of Québec and supports direct connectivity with networks in Ontario, the Maritimes and the United States.

Videotron's cable 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, Videotron's network design now provides for average cells of 159 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 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. 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 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 (increased 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 6 Gbps for uploads.

Videotron's strategy of maintaining a leadership position in respect of the suite of products and services that Videotron offers and launching new products and services requires investments in its network to support growth in its customer base and increases in bandwidth requirements. 88% 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 Videotron's 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 is deploying a FTTH solution for its residential customers in greenfield areas.

This FTTH solution uses the Passive Optical Network (“PON”) fibre-optic telecommunications technology for delivering high speed/high capacity broadband access to 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 is deploying the IEEE Ethernet PON (“EPON”) version with capabilities evolving from 10Gbps to many tens of Gbps.

EPON also takes 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 or territories will be FTTH. FTTH is the solution selected to deploy Videotron’s Internet services to the 37,000 households part of the agreements with the Québec Government to reach communities outside Québec’s urban centers. The existing areas that are currently served with the HFC DOCSIS 3.1 technology will be migrated to either DOCSIS 4.0 or FTTH based on capacity requirements.

### ***Mobile Services***

As of December 31, 2022, 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. Videotron’s network is designed to support important customer growth in coming years as well as rapidly evolving mobile technologies.

Videotron’s strategy in the coming years is to build on its position as a telecommunication leader with its mobile services and to keep the technology at the cutting edge as it continues to evolve rapidly with new market standards such as LTE-A and 5G networks, which are being deployed.

On December 13, 2019, following an exhaustive request for proposal process, Videotron selected Samsung as its LTE-A and 5G network equipment provider. Since 2020, Videotron has been deploying both LTE-A and 5G technologies in its current markets, an endeavor that will continue over the course of the next years.

In parallel, Videotron maintained its High Speed Packet Access + (“HSPA+”) network throughout the Province of Québec and over the Greater Ottawa Area. Videotron’s HSPA+ customers continue to migrate to next generation networks.

### **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 ARPU, customer retention and operating margins;
- continue to rapidly deploy advanced products on all its services – mobile and wireline telephony, Internet access, television and OTT television – to maintain and increase Videotron’s 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 Videotron’s ARPU;
- develop targeted marketing programs to attract former customers, households that have never subscribed to certain of its services and customers of alternative or competitive services as well as target specific market segments;

- enhance the relationship between customer service representatives and its customers by training and motivating customer service representatives to promote advanced products and services;
- leverage the retail presence of its Videotron-branded stores and kiosks, 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 Videotron believes will increase ARPU 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 and artificial 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 continues to provide a 24-hour customer service hotline seven days a week, 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 also leverages strategic partnerships to offer exclusive promotions, privileges and contests which contribute in expanding its value proposition to its customers.

### **Programming**

Videotron believes that offering a wide variety of programming is an important factor in influencing a customer's decision to subscribe to, and retain, its wireline services. Videotron devotes resources to obtaining access to a wide range of programming that Videotron 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.

### **Competition**

Videotron operates in a competitive business environment in the areas of price, product and service offerings and service reliability. Videotron 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 Videotron's VoIP telephony service is also competing with Internet-based solutions.

- *Providers of Other Entertainment.* Television service providers 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 television service is competitive depends in significant part upon the television service provider'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 is a market differentiating factor for customers seeking additional content and home entertainment. Vrai, Videotron's new platform offering unlimited access to lifestyle content, including a host of original French-language productions and exclusive series, will also help Videotron compete with other OTT content providers, as will QUB, where users can access all of Quebecor's entertainment content in one place, live or on demand.
- *DSL.* DSL technology 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 Videotron's Internet access services, this model could adversely impact the demand for its television services.
- *VDSL.* VDSL technology increases the available capacity of DSL lines, thereby allowing the distribution of digital video. ILECs have been granted licenses to launch video distribution services using this technology, which operates over copper phone lines. The transmission capabilities of VDSL are 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 are 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 offers significant opportunities for services and increase its competitive threat.
- *Direct Broadcast Satellite.* DBS is also a competitor to Videotron's television services. 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 services 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 Videotron offers, while others only offer mobile services in Videotron's market. The Canadian incumbents have deployed their LTE networks and this technology has become an industry standard. These incumbents are currently upgrading their networks and have launched 5G mobile services in certain geographic areas.



- *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. 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.* Providers 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 television 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 wireline telephony service competes against ILECs and other telephony service providers, VoIP telephony service providers and mobile telephony service providers.
- *Third Party Internet Service Providers.* 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.
- *Business Telecommunications Services.* Videotron Business competes against ILECs, resellers, OTT solution providers (mostly in VoIP solutions), managed service providers and IT solution providers.

## C- Regulation

### 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 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 Canadian, 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 Canadian. 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, the ownership of a corporation or otherwise. Videotron is a qualified Canadian corporation.

Regulations made under the Broadcasting Act 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 broadcasting distribution undertaking (“**BDUs**”) or 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. In terms of BDUs, the CRTC, as a general rule, will not approve applications for a change in the effective control of BDUs in a market that would result in one person being in a position to effectively control the delivery of programming services in that market. The CRTC is not prepared to allow one person to control all BDUs in any given market.

### **Jurisdiction Over Canadian Broadcast Undertakings**

Videotron's cable distribution undertakings are subject to the Broadcasting Act and regulations made under the Broadcasting Act 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. Certain of Videotron's undertakings are also subject to the Radiocommunication Act, which empowers ISED 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 and regulations promulgated thereunder to issue, subject to appropriate conditions, amend, renew, suspend and revoke broadcasting licenses, approve certain changes in corporate ownership and control, and establish and oversee compliance with regulations and policies concerning broadcasting, including various programming and distribution requirements, subject to certain directions from the Federal Cabinet.

### **Broadcasting and Telecommunications Legislative Review**

The Canadian Government has asked the Broadcasting and Telecommunications Legislative Review Panel to present recommendations on legislative changes that may be needed to maximize the benefits the digital age brings to citizens, creators, cultural stakeholders, the communications industry and the Canadian economy. On January 29, 2020, the Review Panel released its final report. Given the non-binding nature of the recommendations made by the Review Panel in its final report, Videotron has no visibility as to which recommendations, if any, will be implemented. Following the release of the Review Panel final report, the Government of Canada put forward Bill C-10, *An Act to amend the Broadcasting Act and to make related and consequential amendments to other Acts*, which was mainly designed to regulate online broadcasting services. Though Bill C-10 was passed by the House of Commons in June 2021, it was terminated in the Senate upon the dissolution of Parliament in August 2021. On February 2, 2022, the Government of Canada introduced Bill C-11 which proposed to amend the Broadcasting Act in order to include foreign OTT content providers in Canada's regulatory framework. Bill C-11 was adopted with amendments by the Standing Senate Committee on Transport and Communications on February 2, 2023. These amendments will have to be reviewed by the House of Commons and then returned to the Senate with further amendments or as is.

### **Broadcasting License Fees**

Programming and BDU 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 television undertakings and distribution undertakings with licensed activity that respectively exceeds \$1,500,000 and \$175,000. The total annual amount to be assessed by the CRTC is the lower of: (i) \$119,641,717 and (ii) 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.

## **Canadian Broadcasting Distribution (Television)**

### ***Licensing of Canadian Broadcasting Distribution Undertakings***

A cable distribution undertaking, such as Videotron, distributes broadcasting services to customers predominantly over closed transmission paths. A license to operate a cable distribution undertaking gives the cable television operator the right to distribute television programming services in its licensed service area. Broadcasting licenses may be issued for periods not exceeding seven years and are usually renewed, except in particular circumstances or in cases of a serious breach of the conditions attached to the license or the regulations of the CRTC. The CRTC is required to hold a public hearing in connection with the issuance, suspension or revocation of a license.

Videotron operates 60 cable systems pursuant either to the issuance of a license or of an order that exempts certain network operations from the obligation to hold a license. Cable systems with 20,000 customers or fewer and operating their own local headend are exempted from the obligation to hold a license pursuant to exemption orders issued by the CRTC on February 15, 2010 (Broadcasting Order CRTC 2009-544). These cable systems are required to comply with a number of programming carriage requirements set out in the exemption order and comply with the Canadian ownership and control requirements in the Direction to the CRTC. Videotron remains with only 8 cable distribution licenses that were renewed on August 2, 2018, in Broadcasting Decision CRTC 2018-269, from September 1, 2018 to August 31, 2024.

Following the closing of the acquisition of VMedia by Quebecor Media on July 20, 2022, the transfer of VMedia's shares to Videotron was finalised on September 23, 2022. VMedia holds two cable distribution licenses; a cable distribution license for the Montreal area administratively renewed on July 4, 2022, in Broadcasting decision CRTC 2022-179, from September 1, 2022 to August 31, 2023 and a cable distribution license for the Greater Toronto Area and diverse locations in Ontario, renewed on August 2, 2018, in Broadcasting decision CRTC 2018-270, from September 1, 2018 to August 31, 2025. VMedia also operates several exempted systems pursuant to CRTC's exemption order for terrestrial broadcasting distribution undertakings serving fewer than 20,000 subscribers.

In order to conduct its business, Videotron must maintain its broadcasting distribution undertaking licenses in good standing. Failure to meet the terms of its licenses may result in their short-term renewal, suspension, revocation or non-renewal. Videotron has never failed to obtain a license renewal for any cable system.

### ***Distribution of Canadian Content***

The Broadcasting Distribution Regulations issued by the CRTC pursuant to the Broadcasting Act mandate the types of Canadian and non-Canadian programming services that may be distributed by BDUs, including cable television systems. For example, local television stations are subject to "must carry" rules which require terrestrial distributors, such as cable operators, to carry these signals and, in some instances, those of regional television stations as part of their basic service. The guaranteed carriage enjoyed by local television broadcasters under the "must carry" rules is designed to ensure that the signals of local broadcasters reach cable households. Furthermore, cable operators and DTH operators must offer their customers more Canadian programming than non-Canadian programming services. In summary, each cable television system is required to distribute all of the Canadian programming services that the CRTC has determined are appropriate for the market it serves, which includes local Canadian stations, services designated by the CRTC under section 9(1)(h) of the Broadcasting Act for mandatory distribution on the basic service, educational services and, if offered, the community channel, and the provincial legislature.

### ***Broadcasting Distribution Regulations***

The Broadcasting Distribution Regulations promote competition among BDUs and the development of new technologies for the distribution of such services while ensuring that quality Canadian programs are broadcast. The Broadcasting Distribution Regulations introduced important new rules, including the following:

- ***Competition and Carriage Rules.*** The Broadcasting Distribution Regulations provide equitable opportunities for all distributors of broadcasting services and prohibit a distributor from giving an undue preference to any person, including itself, or subjecting any person to an undue disadvantage. This gives the CRTC the ability to address complaints of anti-competitive behavior on the part of certain distributors. Signal carriage and substitution requirements are imposed on all cable television systems.

- *Contribution to Local Expression, Canadian Programming and Community Television.* All distributors, except systems with fewer than 2,000 customers, are required to contribute at least 5% of their gross annual broadcast revenues to the creation and presentation of Canadian programming including community programming.
- *Inside Wiring Rules.* The CRTC determined that the inside wiring portion of cable networks creates a bottleneck facility that could affect competition if open access is not provided to other distributors. Incumbent cable companies may retain the ownership of the inside wiring but must allow usage by competitive undertakings to which the cable company may charge a just and reasonable fee for the use of the inside wire. Moreover, the CRTC found that it was appropriate to amend the Broadcasting Distribution Regulations to permit access by subscribers and competing BDUs to inside wire in commercial and institutional properties. Therefore, the CRTC directed all licensees to negotiate appropriate terms and conditions, including a just and reasonable rate, for the use by competitors of the inside wire such licensees own in commercial and institutional properties.

### ***Rates***

Videotron's revenue related to television is derived mainly from (a) monthly subscription fees for basic cable service; (b) fees for premium services such as specialty services, pay-television, pay-per-view television and VOD; and (c) installation and additional outlets charges.

Pursuant to Broadcasting Regulatory Policy CRTC 2015-96, as of March 1, 2016, the CRTC regulates the fees charged by cable or non-cable BDUs for the basic service. The price of the entry-level basic service offering will be limited to \$25 or less per month.

### ***Vertical Integration***

In September 2011, the CRTC released Broadcasting Regulatory Policy CRTC 2011-601 (the "**Policy**") setting out its decisions on the regulatory framework for vertical integration. Vertical integration refers to the ownership or control by one entity of both programming services, such as conventional television stations or pay and specialty services, as well as distribution services, such as cable systems or DTH satellite services. The Policy: (i) prohibits companies from offering television programs on an exclusive basis to their mobile or Internet subscribers in a manner that they are dependent on the subscription to a specific mobile or retail Internet access service. Any program broadcast on television, including hockey games and other live events, must be made available to competitors under fair and reasonable terms; (ii) allows companies to offer exclusive programming to their Internet or mobile customers provided that it is produced specifically for an Internet portal or a mobile device; and (iii) adopts a code of conduct to prevent anti-competitive behavior and ensure all distributors, broadcasters and online programming services negotiate in good faith. In Broadcasting Regulatory Policy CRTC 2015-438, the code of conduct was replaced by the Wholesale Code.

### ***Hybrid VOD License***

In Broadcasting Regulatory Policy CRTC 2015-86 issued on March 12, 2015, the CRTC considered appropriate to authorize a third category of VOD services based on a hybrid regulatory approach. In Broadcasting Order CRTC 2015-356, the CRTC has authorized these hybrid services to operate with the same flexibility as those services operating under the Digital Media Exemption Order (DMEO), provided that the service is delivered and accessed over the Internet without authentication to a BDU or mobile subscription. Club illico qualifies as a hybrid VOD service.

The hybrid VOD services benefit from the following incentives:

- the ability to offer exclusive programming in the same manner as services operating under the DMEO; and
- the ability to offer their service on a closed BDU network in the same manner as traditional VOD services without the regulatory requirements relating to financial contributions to and shelf space for Canadian programming that would normally be imposed on those traditional VOD services.

### ***New Media Broadcasting Undertakings***

Since 2009, the description of a “new media broadcasting undertaking” encompasses all Internet-based and mobile point-to-point broadcasting services (Broadcasting Order CRTC 2009-660). It has been recognized by the Federal Court of Appeal that Internet access providers play a “content-neutral role” in the transmission of data and do not carry on broadcasting activities.

On July 26, 2012, the CRTC amended the Exemption Order for digital media broadcasting undertakings, Broadcasting Order CRTC 2012-409. These amendments implement determinations made by the CRTC in regulatory framework relating to vertical integration (Broadcasting Regulatory Policy CRTC 2011-601). As such, the CRTC implemented the following:

- A “no head start” rule, where the CRTC expects that digital media broadcasting undertakings that intend to provide exclusive access to television programming in a manner that restricts access based on a consumer’s specific mobile or retail Internet access service will provide other digital media broadcasting undertakings with appropriate notice in order to allow these undertakings to exercise their options;
- A provision to preclude undertakings operating under that exemption order from providing exclusive access to programming designed primarily for conventional television, specialty, pay or VOD services in situations where such access to the programming was restricted on the basis of a consumer’s specific mobile or retail Internet access service;
- A standstill rule whereby an undertaking that was in a dispute with another undertaking concerning the terms of carriage of programming or any right or obligation under the Broadcasting Act would be required to continue providing or distributing the service that was subject to the dispute on the same terms and conditions that prevailed before the dispute; and
- A dispute resolution mechanism.

### **Copyright Royalties Payment Obligations**

Videotron has the obligation 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 (being the organization that administers the rights of several copyright owners). 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 *Copyright Act* (Canada) (the “**Copyright Act**”) provides for the payment of various royalties, including in respect of the communication to the public of musical works (either through traditional cable services or over the Internet) and the retransmission of distant television and radio signals. Distant signal is defined for that purpose in regulations adopted under the authority of the Copyright Act.

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 Videotron’s broadcasting undertakings being required to pay additional tariff royalties.

### **ISP Liability**

In 1996, SOCAN proposed a tariff to be applied against ISPs, in respect of composers’/publishers’ rights in musical works communicated over the Internet to ISPs’ customers. SOCAN’s proposed tariff was challenged by a number of industry groups and companies. In 1999, the Copyright Board decided that ISPs should not be liable for the communication of musical works by their customers, although they might be liable if they themselves operated a musical website. In June 2004, the Supreme Court of Canada upheld this portion of the decision of the Copyright Board and determined that ISPs do not incur liability for copyright content when they engage in normal intermediary activities, including web hosting for third parties and caching. As a consequence, ISPs may, however, be found liable if their conduct leads to the inference that they have authorized a copyright violation. At the end of 2012, amendments to the Copyright Act clarified ISPs’ liability with respect to acts other than communication to the public by telecommunication, such as reproductions, implements “safe harbours” for the benefit of ISPs, and further put in place a “notice and notice” process to be followed by ISPs, meaning that copyright infringement notices must now be sent to the Internet end-users by ISPs.

## Canadian Telecommunications Services

### *Jurisdiction*

The provision of telecommunications services in Canada is regulated by the CRTC pursuant to the Telecommunications Act. The Telecommunications Act provides for the regulation of facilities-based telecommunications common carriers under federal jurisdiction. With certain exceptions, companies that own or operate transmission facilities in Canada that are used to offer telecommunications services to the public for compensation are deemed “telecommunications common carriers” under the Telecommunications Act administered by the CRTC and are subject to regulation. Cable operators offering telecommunications services are deemed “Broadcast Carriers.”

In the Canadian telecommunications market, Videotron operates as a Competitive Local Exchange Carrier (“CLEC”) and a Broadcast Carrier. Videotron also operates its own 4G, LTE-A and 5G mobile wireless networks and offers services over these networks as a Wireless Service Provider (“WSP”).

The issuance of licenses for the use of radiofrequency spectrum in Canada is administered by ISED under the Radiocommunication Act. Use of spectrum is governed by conditions of license which address such matters as license term, transferability and divisibility, technical compliance, lawful interception, research and development requirements, and requirements related to antenna site sharing and mandatory roaming.

### *Spectrum Holdings and License Conditions*

Videotron’s AWS-1 licenses were issued on December 23, 2008, for a term of 10 years. On February 15, 2018, ISED issued its decision related to the terms of renewal of AWS-1 licenses. Pursuant to this decision, all Videotron’s licenses were renewed on December 23, 2018 for a new 20-year term. The terms of renewal include, among other things, enhanced geographic coverage requirements.

Videotron’s 700 MHz licenses were issued on April 3, 2014, for a term of 20 years. At the end of this term, Videotron will have a high expectation that new licenses will be issued for a subsequent term through a renewal process unless a breach of license condition has occurred, a fundamental reallocation of spectrum to a new service is required, or an overriding policy need arises. The process for issuing licenses after this term and any issues relating to renewal, including the terms and conditions of the new licenses, will be determined by ISED following a public consultation.

Videotron’s AWS-3 licenses were issued on April 21, 2015, for a term of 20 years. License renewal at the end of this term will be governed by conditions identical to those just described for its 700 MHz licenses.

Videotron’s 2500 MHz licenses were issued on June 24, 2015, for a term of 20 years. License renewal at the end of this term will be governed by conditions identical to those just described for its 700 MHz and AWS-3 licenses.

On May 27, 2019, Videotron was issued 10 licenses for low frequency spectrum in the 600 MHz band, a band well suited for the deployment of 5G wireless services. These licenses provide for 30 MHz of spectrum coverage in Eastern, Southern and Northern Québec, as well as 10 MHz of coverage in Eastern Ontario and the Outaouais. These licenses have a term of 20 years, with renewal conditions identical to those described above for its 700 MHz, AWS-3 and 2500 MHz licenses.

In July 2021, the Corporation announced the acquisition of 294 blocks of spectrum in the 3500 MHz band across the country, a band well suited for the deployment of 5G wireless services. These licenses provide for 10 to 50 MHz of spectrum coverage in nearly all regions of Québec, Eastern and Southern Ontario, Manitoba, Alberta and British Columbia. Quebecor Media’s right to hold spectrum in Manitoba, Alberta and British Columbia has been contested by a competitor in Federal Court, on the basis that the Corporation may not be awarded spectrum in these three provinces. This contest was turned down by the Federal Court on May 16, 2022. These licenses have a term of 20 years, with renewal conditions identical to those described above for its 700 MHz, AWS-3, 2500 MHz and 600 MHz licenses.

On May 21, 2021, ISED published a decision on the technical and policy framework for the 3800 MHz band. This decision confirmed, among other things, that an auction of spectrum in the band will take place in the first quarter of 2023. On December 17, 2021, ISED initiated a consultation on the policy and licensing framework for the auction. A decision on this framework was published on June 30, 2022. This decision confirmed, among other things, that the auction of spectrum in the 3800 MHz band will actually take

place in the fourth quarter of 2023, with a starting date of October 24, 2023. The 3800 MHz band is contiguous to the 3500 MHz band and is similarly well suited for the deployment of 5G wireless services. ISED has also announced plans for an auction of 5G spectrum in the millimetre bands in 2024. A consultation on the framework for this auction was initiated on June 6, 2022 and a decision on this framework is expected in 2023.

In January 2023, the Corporation announced the acquisition of 2 blocks of 10 MHz in the 600 MHz band in Manitoba and 5 blocks of 10 MHz in the 3500 MHz band in Quebec. The 600 MHz licenses are set to expire in May 2039, while the 3500 MHz licenses are set to expire in December 2041.

### ***Application of Canadian Telecommunications Regulation***

In a series of decisions, the CRTC has determined that the carriage of “non-programming” services by a cable company results in that company being regulated as a carrier under the Telecommunications Act. This applies to a company serving its own customers, or allowing a third party to use its distribution network to provide non-programming services to customers, such as providing access to cable Internet services.

In addition, the CRTC regulates the provision of telephony services in Canada.

Elements of the CRTC’s local telecommunications regulatory framework to which Videotron is subject include: interconnection standards and inter-carrier compensation arrangements; the mandatory provision of equal access (*i.e.* customer choice of long distance provider); standards for the provision of 911 service, message relay service and certain privacy features; and the obligation not to prevent other local exchange carriers from accessing end-users on a timely basis under reasonable terms and conditions in multi-dwelling units where Videotron provides service.

As a CLEC, Videotron is not subject to retail price regulation. ILECs remain subject to retail price regulation in those geographic areas where facilities-based competition is insufficient to protect the interests of consumers. Videotron’s ILEC competitors have requested and been granted forbearance from regulation of local exchange services in the vast majority of residential markets in which Videotron competes, as well as in a large number of business markets, including all of the largest metropolitan markets in the Province of Québec.

In a decision issued on December 21, 2016, the CRTC established a new universal service objective under which all Canadians, in urban areas as well as rural and remote areas, are to have access to voice services and broadband Internet access services, on both fixed and mobile wireless networks. Pursuant to this decision, the CRTC phased out the revenue-based contribution regime that previously subsidized local telephone service and replaced it with a new regime that now subsidizes broadband Internet access services in underserved areas. The new regime began on January 1, 2020, with an expansion of the contribution base to include retail Internet revenues for the first time. A total of \$100 million was collected for broadband Internet projects in 2020, an amount which will increase gradually to \$200 million in 2024. Distribution of the collected funds to eligible broadband Internet projects is occurring through a series of calls for applications. Announcements of winning applications began in 2020 and, as of December 2022, the CRTC has announced committing up to \$226.5 million to improve broadband service for 205 communities. As a result of these changes, Videotron is incurring increased revenue-based contribution payments beginning in 2020.

In parallel with the CRTC’s initiative, the federal government has also announced a series of initiatives intended to subsidize or otherwise facilitate the provision of broadband Internet access services in underserved areas. Most notable is the creation of a \$1.75 billion Universal Broadband Fund (“UBF”). The Government of Québec also subsidizes the provision of broadband Internet access services in underserved areas through the *Régions branchées* program. On May 25, 2020, the Government of Québec announced that Videotron would be a recipient of funding under this program. On March 22, 2021, Videotron and the Government of Québec, jointly with the federal government through the UBF, signed agreements to support the achievement of the government’s targets for the roll-out of high-speed Internet services in remote regions. Under these agreements, Videotron will extend its high-speed Internet network to connect approximately 37,000 additional households and the governments have committed to provide financial assistance in the amount of approximately \$258 million, which will be fully invested in Videotron’s network extension.

### ***Right to Access to Telecommunications and Support Structures***

The CRTC has concluded that some provisions of the Telecommunications Act may be characterized as encouraging joint use of existing support structures of telephone utilities to facilitate efficient deployment of cable distribution undertakings by Canadian carriers. Videotron accesses these support structures in exchange for a tariff that is regulated by the CRTC. If it were not possible to

agree on the use or conditions of access with a support structure owner, Videotron could apply to the CRTC for a right of access to a supporting structure of a telephone utility. The Supreme Court of Canada, however, held on May 16, 2003, that the CRTC does not have jurisdiction under the Telecommunications Act to establish the terms and conditions of access to the support structures of hydroelectricity utilities. Terms of access to the support structures of hydroelectricity utilities must therefore be negotiated with those utilities.

Videotron has entered into comprehensive support structure access agreements with all of the major hydroelectric companies and all of the major telecommunications companies in its service territory. Difficulties have nevertheless been encountered in securing timely, efficient and cost-effective access to the support structures of Bell. As a result, on June 16, 2020, Videotron filed an application with the CRTC requesting it to take action to eliminate Bell's anticompetitive practices. On April 16, 2021, the CRTC granted Videotron's application in part, directing Bell to complete, at its own cost, the make-ready work required under certain Videotron applications for access permits as well as issue such permits after this make-ready work was completed. Also, on October 30, 2020, in response to concerns raised by numerous parties including Videotron, the CRTC initiated its own broader consultation regarding potential regulatory measures to make access to poles by Canadian carriers more efficient. As a result of this consultation, the CRTC published a decision on February 15, 2023 which introduced a series of said measures.

#### ***Right to Access to Municipal Rights-of-Way***

Pursuant to sections 42, 43 and 44 of the Telecommunications Act, the CRTC possesses certain construction and expropriation powers related to the installation, operation and maintenance of telecommunication facilities. In the past, most notably in Telecom Decision CRTC 2001-23, the CRTC has used these powers to grant Canadian carriers access to municipal rights-of-way under terms and conditions set out in a municipal access agreement.

On September 6, 2019 and February 14, 2020 respectively, the CRTC ruled on long-standing municipal access disputes between the cities of Gatineau and Terrebonne, Québec and several large telecommunications carriers, including Videotron. In its decisions, the CRTC provided clarification, among other things, on the situations for which the cities may require an access permit, the access fees the cities may charge and the methodology for apportioning the cost of displacing telecommunications facilities. These decisions may result in an increase in the payments made by Videotron to Gatineau and Terrebonne. They may also be viewed as precedents by other municipalities.

#### ***Right to access to in-building wire in multi-dwelling units ("MDUs")***

On June 30, 2003, the CRTC published a decision in which it set out the "MDU access condition," which states that the provision of telecommunications service by a Local Exchange Carrier ("LEC") in an MDU is subject to the condition that all LECs wishing to serve end-users in that MDU are able to access those end-users on a timely basis, by means of resale, leased facilities, or their own facilities, at their choice, under reasonable terms and conditions.

On June 21, 2019, the CRTC published a decision in which it expressed the preliminary views that (i) the MDU access condition and associated obligations should be extended to all carrier ISPs, and potentially to all telecommunications service providers ("TSPs"), and (ii) all carrier ISPs, and potentially all TSPs, should have access to LECs' and other TSPs' in-building wire ("IBW") in MDUs on the same basis as registered CLECs and regardless of technology.

On December 16, 2019, the CRTC initiated a proceeding to, among other things, request comments on the preliminary views it expressed in its June 21, 2019 decision. In this proceeding, Videotron argued against the unnecessary duplication of fibre IBW, arguing instead that competitive carriers such as Videotron should have a right to access to fibre IBW installed by incumbent carriers.

On July 27, 2021, the CRTC published a decision in which it ruled, among other things, that (i) access to fibre IBW is not an essential service and will not be mandated, but rather will be subject to commercial negotiation, (ii) this determination will be incorporated into a "modified MDU access condition", and (iii) this modified MDU access condition and associated obligations will extend to all carrier ISPs.

On October 25, 2021, a consortium of small Internet service providers filed an application with the CRTC to review and vary its July 27, 2021, decision by requiring mandated access to fibre IBW. Videotron filed comments in support of this application. A decision on the application is still awaited.



### ***Regulatory Framework for Internet Services***

In Canada, access to the Internet is a telecommunications service and is regulated under the Telecommunications Act. On July 9, 1998, the CRTC released a decision forbearing from the exercise of most of its powers under the Telecommunications Act as they relate to retail level Internet services. However, the CRTC did maintain its ability to require conditions governing customer confidential information and to place other general conditions on the provision of Internet service. In addition, the CRTC undertook to approve the rates and terms on which incumbent cable and telephone companies provide access to their telecommunications facilities with respect to competitive providers of retail level Internet services.

Since 1998, the CRTC has exercised its power to place general conditions on the provision of Internet services, for example, to establish a framework governing the traffic management practices that may be employed by an Internet service provider. More recently, on July 31, 2019, the CRTC published the Internet Code, a mandatory code of conduct for large facilities-based providers of retail Internet services in the residential market. The Code, which took effect on January 31, 2020, includes measures related to such matters as contract clarity, changes to contracts and related documents, bill management and contract cancellation and extension.

The largest cable operators in Canada, including Videotron, have been required by the CRTC to provide TPIA to ISPs with access to their cable systems at mandated cost-based rates. At the same time Videotron offers any new retail Internet service speed, Videotron is required to file proposed revisions to its TPIA tariff to include this new speed offering. TPIA tariff items have been filed and approved for all Videotron's Internet service speeds. Numerous third party ISPs are interconnected to Videotron's cable network and are thereby providing retail Internet access services.

The CRTC also requires the large cable carriers, such as Videotron, to allow third-party ISPs to provide telephony, networking and broadcast distribution services by way of Videotron's TPIA service.

In a series of decisions since 2015, the CRTC has emphasized the importance it accords to mandated wholesale access service arrangements as a driver of competition in the retail Internet access market. Most significantly, the CRTC ordered all major telephone and cable companies, including Videotron, to provide disaggregated wholesale access services, which were to replace existing aggregated wholesale access services after a transition period. These disaggregated services involve third-party ISPs provisioning their own regional transport services. They also include mandated access to Internet services provided over fibre-access facilities, including the FTTH access facilities of the large incumbent telephone companies. Rates for these new disaggregated TPIA services were approved on an interim basis on August 29, 2017. The process for final approval of these rates was suspended while the CRTC completes a review of the network configuration for disaggregated wholesale access services. This review, which was initiated on June 11, 2020, aims to facilitate deployment of disaggregated services.

On March 8, 2023, the CRTC finally published a decision where it decided that that the disaggregated wholesale access service framework has not fulfilled its mandate and requires reconsideration. The CRTC determined that the network configuration for disaggregated wholesale access services will remain in Ontario and Québec pursuant to existing tariffs and architecture. The disaggregated model will not be introduced in other markets at this time.

In parallel, the CRTC has developed the aggregated model and different tariffs. Following a series of decisions and appeals, the CRTC issued on May 27, 2021 a decision determining final aggregated wholesale Internet tariff rates.

From May 28, 2021 to August 25, 2021, several wholesale TPIA providers petitioned the Governor in Council to, among other things, implement lower rates. In response to the petition made to the Governor in Council, the federal government proposed on May 26, 2022, new instructions to the CRTC on the interpretation of the Canadian Telecommunications Policy under the Telecommunications Act.

Following the approval of the new instructions to the CRTC on February 13, 2023, the CRTC launched on March 8, 2023, a notice of consultation to review the wholesale access service framework. Given the changing market conditions, the CRTC will review several points including its preliminary views that (i) the provision of aggregated wholesale access services should continue to be mandated; (ii) access to FTTH facilities should be provided over these services; and (iii) the provision of FTTH facilities over aggregated wholesale access services should be mandated on a temporary and expedited basis, until the CRTC reaches a decision as to whether such access is to be provided indefinitely. The CRTC also imposed an immediate interim reduction of 10% to the monthly capacity charge and declared that existing aggregated tariffs should now be interim. Videotron will have to propose new FTTH tariffs by April 24, 2023, and new aggregated wholesale access services tariffs by June 22, 2023. The CRTC will hold a public hearing on a date to be announced.

### ***Regulatory Framework for Mobile Wireless Services***

The CRTC also regulates mobile wireless services under the Telecommunications Act. On August 12, 1994, the CRTC released a decision forbearing from the exercise of most of its powers under the Telecommunications Act as they relate to mobile wireless service. However, the CRTC did maintain its ability to require conditions governing customer confidential information and to place other general conditions on the provision of mobile wireless service. Since 1994, the CRTC has exercised this power, for example, to mandate wireless number portability, and to require all WSPs to upgrade their networks to more precisely determine the location of a person using a mobile phone to call 911.

The Wireless Code was published on June 3, 2013 and came into force on December 2, 2013. It includes, among other things, a limit on early cancellation fees to ensure customers can take advantage of competitive offers at least every two years, as well as measures requiring service providers to unlock wireless devices, to offer a trial period for wireless contracts, and to set default caps on data overage charges and data roaming charges. On June 15, 2017, the CRTC published a series of revisions to the Wireless Code, including, among other things, new rules ensuring customers will be provided with unlocked devices, giving families more control over data overages, setting minimum usage limits for the trial period and clarifying that data is a key contract term that cannot be changed during the commitment period without the customer's consent. In addition, on March 4, 2021, the CRTC published a decision affirming that device financing plans fall under the scope of the Wireless Code, given the inextricable link between such plans and wireless service plans. As a result, the CRTC determined that such plans with terms longer than 24 months are not compliant with the Wireless Code. Finally, in October 2022, in Decision CRTC 2022-294, the CRTC clarified an element of the Wireless Code with respect to the calculation of termination fees. Specifically, the CRTC clarified the definition of the term "manufacturer's suggested retail price" ("MSRP") provided in Telecom Regulatory Policy 2013-271 stating that, for the purpose of Section G of the Wireless Code, the list price of a mobile wireless device as published by the original equipment manufacturer (OEM) on the OEM's Canadian website at the time of entering into a contract is deemed to be the MSRP. Thus, if a wireless provider sells a device with an inflated price in order to grant greater discounts to its customers, in return, it can no longer calculate the amount of the cancellation fees based on this inflated price but must instead do it based on the MSRP.

On July 31, 2014, after an investigation that confirmed instances of unjust discrimination and undue preference by one incumbent wireless carrier, the CRTC took action to prohibit exclusivity provisions in wholesale mobile wireless roaming agreements between Canadian carriers for service in Canada. Subsequently, on May 5, 2015, after a broader follow-up proceeding, the CRTC issued a comprehensive policy framework for the provision of wholesale wireless services, including roaming, tower sharing and MVNO access services. Most notably, the CRTC decided that each of the three national wireless incumbent carriers would be obliged to provide wholesale roaming services to regional and new entrant carriers at cost-based rates. On March 22, 2018, the CRTC ruled on the final cost-based rates, declaring them retroactive to May 5, 2015.

On December 17, 2014, the Government of Canada's second omnibus budget implementation bill for 2014 (C-43) received Royal Assent. This bill amends both the Telecommunications Act and the Radiocommunication Act to give the CRTC and ISED the option to impose monetary penalties on companies that violate established rules such as the Wireless Code and those related to the deployment of spectrum, services to rural areas and tower sharing.

In its May 5, 2015 policy framework for the provision of wholesale wireless services, the CRTC elected not to order cost-based rates for either tower sharing or MVNO access services. In addition, the CRTC elected to exclude non-carrier Wi-Fi networks from the definition of "home network" for the purpose of determining who may access the wholesale roaming service tariffs of the national wireless incumbent carriers. This latter measure had the effect of denying access to these tariffs by Wi-Fi first service providers. Later, on July 20, 2017, in response to a directive received from the Governor in Council, the CRTC initiated a proceeding to review potential terms of access by Wi-Fi first service providers (and possibly other types of service providers) to the incumbents' wholesale roaming service tariffs. On March 22, 2018, the CRTC ruled that no changes would be made to the terms of access by Wi-Fi first service providers, yet initiated a new proceeding to address an identified gap in the market for lower-cost data-only plans for consumers. In the course of this proceeding, the three national incumbent wireless carriers each filed specific proposals for lower-cost data-only plans they intended to implement. In a decision issued on December 17, 2018, the CRTC stated its expectation that the national incumbent wireless carriers implement these plans within 90 days and that these plans remain available until a decision is issued with respect to an upcoming review of mobile wireless services.

On April 15, 2021, the CRTC published its new mobile wireless policy framework. In it, the CRTC ordered the dominant incumbent wireless carriers to provide MVNO access services for a period of seven years to regional wireless carriers in those geographic areas where the regional carriers hold spectrum and commit to building out their own networks. MVNO access rates will be negotiated between the incumbent and regional carriers, with CRTC final offer arbitration as a backstop. The CRTC's new mobile

wireless policy framework also contains important enhancements to the existing wholesale roaming framework, including an obligation on the part of incumbent carriers to provide seamless handoff and a confirmation that mandatory roaming applies to 5G networks. In addition, the CRTC once again stated that the incumbent wireless carriers will be expected to offer and promote certain low-cost and occasional use wireless plans to Canadians. Finally, in response to calls that it takes action to ensure timely access to municipal rights of way and passive infrastructure to facilitate deployment of 5G network equipment, the CRTC decided that no further action is necessary or appropriate at this time, stating that insofar as these issues are within the CRTC's jurisdiction, existing policies and procedures are sufficient to address them.

On May 14, 2021, Telus filed a motion with the Federal Court of Appeal seeking leave to appeal two elements of the CRTC's April 15, 2021 framework: (i) the decision to order the incumbent carriers to provide seamless handoff as part of their wholesale roaming services, and (ii) the decision not to take further action to ensure timely access to municipal rights of way and passive infrastructure. A coalition of regional wireless carriers (including Videotron) intends to defend the CRTC's decision regarding seamless handoff at the Federal Court of Appeal.

On October 19, 2022, the CRTC issued the terms and conditions for Wholesale Access Service for Facilities-Based MVNO. Although access to the wholesale service for MVNOs is commercially negotiated, these terms and conditions constitute the operating framework of the service for MVNOs and establish rules to be respected both on the side of the national wireless providers which will provide such a service and on the regional wireless providers which will request access to this service. Following the publication of this framework, the CRTC published, on December 9, 2022, a bulletin which establishes the practice and procedure for final offer arbitration to determine mobile virtual network operator access rates. The criteria set out in this bulletin are favorable to regional wireless providers wishing to apply for the MVNO access service.

On April 20, 2017, the CRTC published a policy framework for assessing the differential pricing practices of Internet service providers. With very narrow exceptions, this framework prohibits the offering of zero-rated services by Internet service providers in Canada, including mobile wireless data service providers. Simultaneously with the publication of this new framework, and as a first application thereof, the CRTC ordered Videotron to cease providing its Unlimited Music mobile wireless offering. Videotron has complied with this order. Going forward, this new framework will impact Videotron's flexibility in the design and marketing of its wireless and wireline data services.

#### ***Municipal Siting Processes for Wireless Antenna Systems***

On February 28, 2013, the Canadian Wireless Telecommunications Association, of which Videotron is a member, and the Federation of Canadian Municipalities signed a joint protocol on the siting process for wireless antenna systems. The protocol establishes a more comprehensive notification and consultation process than current regulations, and emphasizes the need for meaningful pre-consultation to ensure local land use priorities and sensitivities are fully reflected in the location and design of new antenna systems. Telecommunications carriers have agreed for the first time to notify municipalities of all antennas being installed before their construction, regardless of height, and to undertake full public consultation for towers under 15 meters - whenever deemed necessary by the municipality.

On June 26, 2014, the predecessor to ISED announced changes to the policy guiding the installation of new antenna towers, most notably to require companies to consult communities on all commercial tower installations regardless of height and to ensure residents are well informed of upcoming consultations. These changes are largely consistent with the joint protocol cited above.

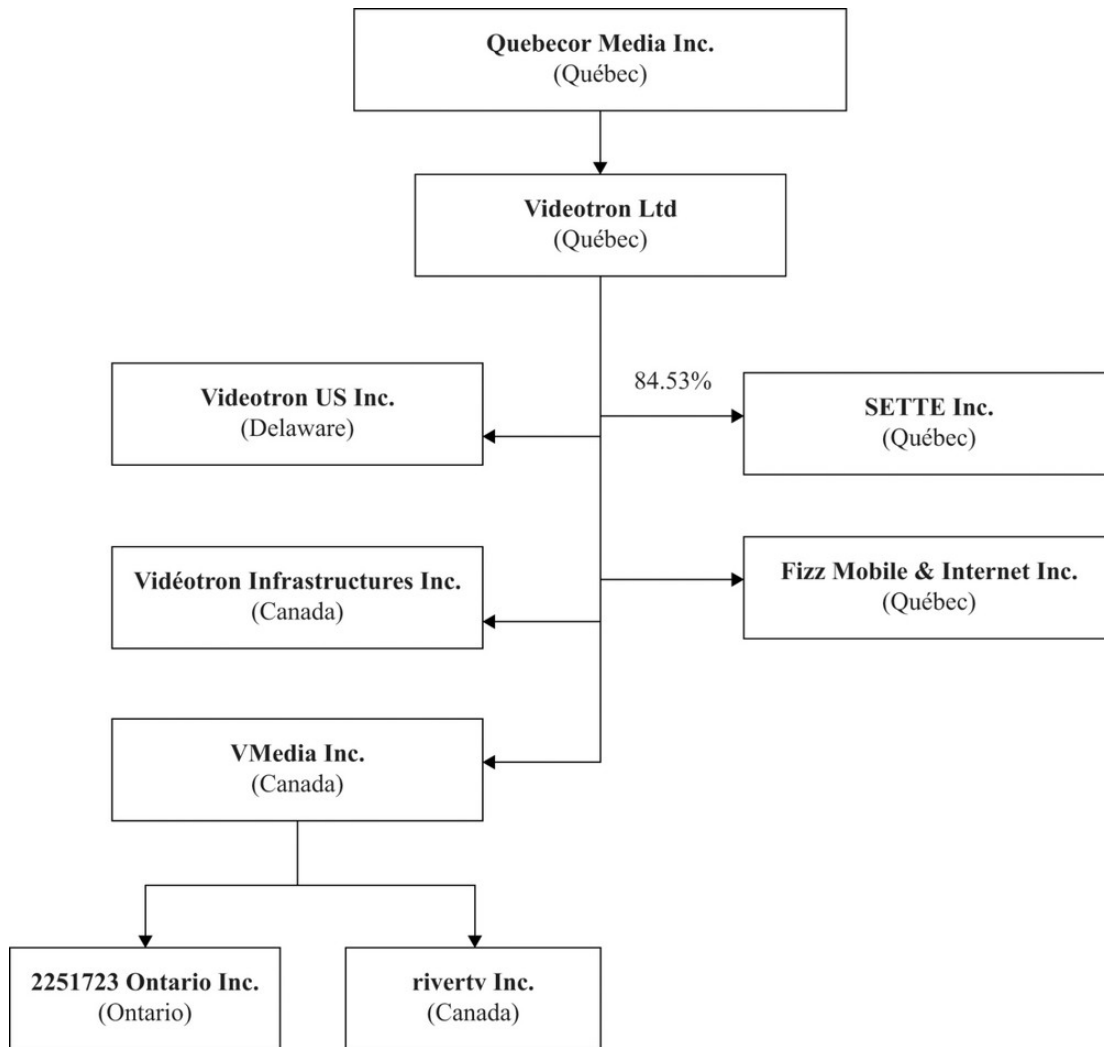
#### ***Sales Practices***

On June 6, 2018, the Governor in Council issued Order in Council P.C. 2018-0685 requiring the CRTC to make a report regarding the retail sales practices of Canada's large telecommunications carriers. The CRTC initiated a proceeding to examine the matters identified in the Order in Council. The CRTC sought comments from Canadians on their personal experiences with any misleading or aggressive retail sales practices of large telecommunications carriers and third parties who offer the telecommunications services of those carriers for sale, including comments from consumers who are vulnerable due to their age, a disability, or a language barrier, as well as from current and former employees of the service providers. The CRTC also sought comments from large telecommunications carriers, the Commission for Complaints for Telecommunication Services, public interest organizations, research groups, and any other interested persons. The CRTC held a public hearing on October 22, 2018, to explore these issues with Canadians and stakeholders. The Commission also used various additional means, including a public opinion survey, online consultations, and focus groups, to better understand the views of Canadians.

On February 20, 2019, the CRTC published its Report on Misleading or Aggressive Communications Retail Sales Practices. The CRTC found evidence of misleading or aggressive sales practices by certain telecommunications services providers and concluded that more needs to be done to protect consumers. The report also noted that, even with the existing measures put in place, misleading or aggressive sales practices occur to an unacceptable degree. The CRTC is taking action to introduce new measures to ensure Canadians' interactions with their service providers are carried out in a fair and respectful way, such as creating the new Internet Code discussed above and a secret shopper program to monitor sales practices. The CRTC is also considering putting into place additional measures to address the situation (e.g., requiring service providers to provide pre-sales quotes, to offer trial periods, to ensure their offers and promotions match the customer's needs and means). In addition, a set of best practices for service providers was proposed.

**D- Organizational Structure**

Videotron is a wholly-owned subsidiary of Quebecor Media. Quebecor Media is a wholly-owned subsidiary of Quebecor. The following chart illustrates Videotron's corporate structure as of March 7, 2023, including its significant subsidiaries, together with the jurisdiction of incorporation or organization of each entity. In each case, unless otherwise indicated, Videotron owns a 100% equity and voting interest in its subsidiaries.



**E- Property, Plants and Equipment**

Videotron’s corporate offices are located in leased space at 612 St-Jacques Street, Montréal, Québec, Canada H3C 4M8 (187,592 square feet) in the same building as Quebecor Media’s head office.

Videotron also owns or leases several buildings in Montréal and in Québec City, as indicated in the following table which presents, for each building, the address, the leased or owned status of the property, the primary use of the main facilities and the approximate square footage. In addition to the buildings indicated in the following table, Videotron owns or leases a significant number of smaller locations for signal reception sites, customer services and business offices.

<u>Address</u>	<u>Owned/Leased Property</u>	<u>Use of Property</u>	<u>Floor Space Occupied (approximate sq. ft.)</u>
Montréal, Québec 2155 Pie IX Street	Owned property	Office and Technical spaces, Headend	128,000
Montréal, Québec 150 Beaubien Street	Owned property	Office and Technical spaces, Headend	72,000
Montréal, Québec 4545 Frontenac Street	Leased property	Office space, Warehouse, Headend	100,700
Montréal, Québec 888 De Maisonneuve Street	Leased property	Office space	49,000
Québec City, Québec 2200 Jean-Perrin Street	Owned property	Regional Headend for the Québec City region and Office space	40,000

#### **Liens and Charges**

Videotron's senior secured credit facilities are secured by charges (subject to certain permitted encumbrances) over all of its current and future assets and those of most of its subsidiaries.

#### **Intellectual Property**

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

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

#### **Environment**

Videotron'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 Videotron's operations.

Compliance with these laws has not had, and management does not expect it to have, a material effect upon Videotron's 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. Videotron has monitored the changes closely and has modified its practices where necessary or appropriate.

Videotron'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.

Videotron is not currently conducting or planning any material study or significant remedial measure. Furthermore, it 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 Videotron, 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.

Videotron 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. Videotron 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 4A – UNRESOLVED STAFF COMMENTS**

None.

#### **ITEM 5 – OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

The following Management Discussion and Analysis provides information concerning the operating results and financial condition of Videotron Ltd (“Videotron” or the “Corporation”). This discussion should be read in conjunction with the consolidated financial statements and accompanying notes. The Corporation’s consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

All amounts are in Canadian dollars (“CAN dollars”), unless otherwise indicated. This discussion contains forward-looking statements, which are subject to a variety of factors that could cause actual results to differ materially from those contemplated by these statements. Factors that could cause or contribute to these differences include, but are not limited to, those discussed under “Cautionary Statement Regarding Forward-Looking Statements” and in “Item 3. Key Information – Risk Factors.”

The Corporation uses non-standardized IFRS financial measures such as adjusted EBITDA and adjusted cash flows from operations, as well as key performance indicators such as revenue-generating unit (“RGU”) and average monthly revenue per unit (“ARPU”). The previously used average billing per unit (“ABPU”) metric was abandoned in the first quarter of 2022 and replaced by ARPU, which affords better comparability in view of the Corporation’s changing business model related to equipment sales. Definitions of the non-IFRS measures and key performance indicators used by the Corporation, including the new ARPU metric, are provided in the “Non-IFRS financial measures” and “Key performance indicators” sections below.

#### **OVERVIEW**

The Corporation is a wholly owned subsidiary of Quebecor Media incorporated under the Business Corporations Act (Quebec). Videotron is a leading cable operator in Canada and the largest in the Province of Québec based on the number of wireline RGU, as well as an Internet service provider and a provider of wireline and mobile telephony and over-the-top (“OTT”) video services in the Province of Québec. The Corporation’s cable network is the largest broadband network in the Province of Quebec covering approximately 83% of the Province of Québec’s estimated 4.1 million residential premises. The deployment of LTE-Advanced and 5G wireless networks and 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 Business is a premier full-service telecommunications provider servicing small-, medium- and large-sized businesses, as well as telecommunications carriers and is a leader in the Province of Quebec’s business telecommunication segment. Products and services include television, Internet access, telephony solutions, mobile services and business solutions products such as private network connectivity, Wi-Fi, as well as audio and video transmission.

The Corporation’s primary sources of revenue include: subscriptions to Internet access, mobile and wireline telephony services, television, telecommunication equipment sales, business solutions and OTT video service.

The major components of the Corporation’s costs are comprised of employee costs and purchase of goods and services costs, which include royalties and rights, cost of products sold, subcontracting costs, marketing and distribution, and other expenses.

## COVID-19 pandemic

Since March 2020, the COVID-19 pandemic has had an impact on some of the Corporation's quarterly results, more particularly in the Media and the Sports and Entertainment segments. Given the uncertainty around the future evolution of the pandemic, including any major new waves, all future impacts of the health crisis on the results of operations cannot be determined with certainty.

## HIGHLIGHTS

### 2022 financial year

**Revenues:** \$3.72 billion, a \$16.8 million (-0.4%) decrease.

**Adjusted EBITDA<sup>1</sup>:** \$1.91 billion, a \$37.2 million (2.0%) increase.

**Net income attributable to the shareholder:** \$757.2 million, a \$63.9 million increase.

**Adjusted cash flows from operations<sup>1</sup>:** \$1.46 billion, a \$117.2 million (8.8%) increase.

**Cash flows provided by operating activities:** \$1.35 billion, a \$110.1 million (8.9%) increase.

### Fourth quarter 2022

**Revenues:** \$960.0 million, a \$6.9 million (0.7%) increase.

**Adjusted EBITDA:** \$475.9 million, a \$9.4 million (2.0%) increase.

**Net income attributable to the shareholder:** \$198.4 million, a \$17.3 million increase.

**Adjusted cash flows from operations:** \$360.2 million, a \$1.9 million (0.5%) increase.

**Cash flows provided by operating activities:** \$339.2 million, a \$31.8 million (-8.6%) decrease.

---

<sup>1</sup> See "Non-IFRS Financial Measures" below.



**Table 1**  
**Consolidated summary of income, cash flows and balance sheet**  
(in millions of Canadian dollars)

	Years ended December 31			Three months ended December 31	
	2022	2021	2020	2022	2021
<b>Revenues:</b>					
Internet	\$ 1,238.1	\$ 1,201.4	\$ 1,131.4	\$ 319.6	\$ 301.6
Television	799.2	836.1	903.6	200.6	203.8
Mobile Telephony	780.3	712.5	658.5	199.9	185.4
Wireline Telephony	292.5	318.5	338.4	71.3	77.7
Mobile equipment sales	322.2	276.4	257.2	102.2	80.9
Wireline equipment sales	92.2	204.0	151.7	17.8	55.8
Other	193.7	186.1	181.7	48.6	47.9
	<u>3,718.2</u>	<u>3,735.0</u>	<u>3,622.5</u>	<u>960.0</u>	<u>953.1</u>
Employee costs	(397.7)	(405.9)	(403.8)	(102.7)	(96.0)
Purchase of goods and services	(1,407.6)	(1,453.4)	(1,354.3)	(381.4)	(390.6)
Adjusted EBITDA	1,912.9	1,875.7	1,864.4	475.9	466.5
Depreciation and amortization	(699.6)	(717.8)	(743.8)	(172.1)	(180.7)
Financial expenses	(244.6)	(232.1)	(208.5)	(61.6)	(57.4)
Loss on valuation and translation of financial instruments	(0.8)	(0.4)	(1.2)	—	(0.1)
Restructuring of operations and other items	(12.7)	(11.6)	(29.4)	(4.4)	(2.8)
Loss on debt refinancing	—	(40.1)	—	—	—
Income taxes	(197.9)	(180.3)	(187.9)	(39.3)	(44.4)
Income from discontinued operations	—	—	34.8	—	—
<b>Net income</b>	<u>\$ 757.3</u>	<u>\$ 693.4</u>	<u>\$ 728.4</u>	<u>\$ 198.5</u>	<u>\$ 181.1</u>
Net income attributable to shareholders	757.2	693.3	728.3	198.4	181.1
Non-controlling interests	0.1	0.1	0.1	0.1	—

**Table 1 (continued)**

Table 1 (continued)	Years ended December 31			Three months ended December 31	
	2022	2021	2020	2022	2021
<b>Additions to property, plant and equipment and to intangible assets:</b>					
Additions to property, plant and equipment	\$ 378.9	\$ 391.5	\$ 402.1	\$ 96.9	\$ 75.0
Additions to intangible assets	78.2	145.6	194.0	18.8	33.2
	457.1	537.1	596.1	115.7	108.2
<b>Acquisition of spectrum licences</b>	\$ —	\$ 830.0	\$ —	\$ —	\$ 664.0
<b>Cash flows:</b>					
Adjusted cash flows from operations	\$ 1,455.8	\$ 1,338.6	\$ 1,268.3	\$ 360.2	\$ 358.3
Cash flows provided by operating activities	1,350.5	1,240.4	1,451.8	339.2	371.0
<b>Balance sheet:</b>					
Cash and cash equivalents	\$ 1.8	\$ 10.5	\$ 74.0		
Working capital	(10.4)	(56.0)	(199.4)		
Net assets related to derivative financial instruments	199.5	117.2	325.3		
Total assets	8,746.9	8,905.8	8,119.6		
Total long-term debt	5,318.3	5,380.1	4,111.5		
Lease liabilities (current and long term)	158.3	153.8	142.3		
Equity attributable to the shareholder	(231.1)	(338.7)	188.1		

- The Corporation's revenues decreased by \$16.8 million (-0.4%) and its adjusted EBITDA increased by \$37.2 million (2.0%) in 2022.
- Videotron increased its revenues from mobile services and equipment (\$113.6 million or 11.5%) and Internet access (\$36.7 million or 3.1%) in 2022.
- There was a net increase of 125,200 (2.0%) RGUs in 2022 (including the addition of VMedia Inc. ("VMedia")'s 57,000 RGUs at the time of its acquisition in July 2022), including 108,500 (6.8%) connections to the mobile telephony service, 63,400 (3.4%) subscriptions to Internet access services (including the addition of VMedia's 37,200 subscribers at the time of its acquisition) and 49,500 (9.8%) subscriptions to OTT services.
- On August 12, 2022, Videotron entered into a definitive agreement with Rogers Communications Inc. ("Rogers") and Shaw Communications Inc. ("Shaw") to acquire Freedom Mobile Inc. ("Freedom Mobile") for \$2.85 billion on a cash-free and debt-free basis. This transaction would close substantially concurrently with the closing of the acquisition of Shaw by Rogers. The acquisition of Freedom Mobile includes its brand's entire wireless and Internet customer base, as well as its owned infrastructure, spectrum and retail outlets. It also includes a long-term undertaking by Shaw and Rogers to provide Videotron with transport services (including backhaul and backbone) and roaming services. This transaction will support the expansion of the Corporation's telecommunications services in Ontario and Western Canada. On December 31, 2022, the Competition Tribunal dismissed an application by the Commissioner of Competition to block the acquisition of Freedom Mobile by Videotron as well as the acquisition of Shaw by Rogers. Subsequently, on January 24, 2023, the Federal Court of Appeal dismissed the Commissioner's appeal of the Tribunal's decision. The acquisition of Freedom Mobile by Videotron remains, at this stage, conditional on the approval of Innovation, Science and Economic Development Canada ("ISED"), which is currently reviewing it. Rogers, Shaw and Videotron announced on February 17, 2023, that they had agreed to extend the outside date for all transactions to March 31, 2023. In anticipation of the acquisition of Freedom Mobile, Videotron has secured financing commitments from a syndicate of financial institutions for a new secured term credit facility of up to \$2.40 billion comprised of three tranches maturing over four years.
- On January 26, 2023, Videotron announced an investment of nearly \$10.0 million in the acquisition of spectrum licences in the 600 MHz band in Manitoba and the 3500 MHz band in Québec. The spectrum was acquired in the auction of residual spectrum licences that concluded on January 25, 2023.
- On January 17, 2023, Quebecor Media issued a \$836.0 million promissory note to Videotron, bearing interest at 7.000%. Drawings from the secured revolving credit facility were used to finance this promissory note.

- On January 13, 2023, Videotron's secured revolving credit facility was amended to increase it from \$1.50 billion to \$2.00 billion. This credit facility was also extended to July 2026, earlier in 2022. Certain terms and conditions of this credit facility were also amended.
- In July 2022, Videotron acquired VMedia, an independent telecommunications provider that is well established in the Canadian market. VMedia becomes a key partner that will enhance Quebecor's expansion plans across Canada by supporting advantageous bundles that give Canadian consumers more choice at a better price.

## TREND INFORMATION

Competition continues to intensify in the mobile and wireline telephony, Internet access, television and OTT video markets. Due to ongoing technological developments, the distinction between those platforms is fading rapidly and the Corporation expects increasing competition from non-traditional businesses across its key business activities. There is also competition from wholesale Internet resellers, which purchase high-speed access services from large companies in order to offer customers their own services. Thus, the subscriber growth recorded in past years is not necessarily representative of future growth.

Moreover, the Corporation has in the past required substantial capital for the upgrade, expansion and maintenance of its mobile and wireline networks and the launch and expansion of new or additional services to support growth in its customer base and demand for increased bandwidth capacity and other services. The Corporation expects that additional capital expenditures will be required in the short and medium terms to expand and maintain the systems and services, including expenditures relating to the cost of its mobile services infrastructure, maintenance and enhancement, as well as costs relating to the roll-out of LTE-Advanced/5G technologies. In addition, the demand for wireless data services has been growing constantly and is projected to continue to grow. The anticipated levels of data traffic will represent an increasing challenge to the current mobile network's ability to support this traffic. The Corporation will have to acquire additional spectrum in the future to meet the growing demand.

## 2022/2021 FINANCIAL YEAR COMPARISON

### Analysis of consolidated results of operations and cash flows

**Revenues:** \$3.72 billion in 2022, a \$16.8 million (-0.4%) decrease.

- Revenues from mobile telephony services increased \$67.8 million (9.5%) to \$780.3 million, due primarily to an increase in the number of subscriber connections and higher average per-connection revenue.
- Revenues from Internet access services increased \$36.7 million (3.1%) to \$1.24 billion, due mainly to subscriber base growth and the impact of the acquisition of VMedia.
- Revenues from television services decreased \$36.9 million (-4.4%) to \$799.2 million, mainly because of decreases in the subscriber base and in average per-subscriber revenues.
- Revenues from wireline telephony services decreased \$26.0 million (-8.2%) to \$292.5 million, mainly because of the impact of the decrease in subscriber connections.
- Revenues from mobile equipment sales to customers increased \$45.8 million (16.6%) to \$322.2 million, mainly because of increases in the number and price of mobile devices sold.
- Revenues from wireline equipment sales to customers decreased \$111.8 million (-54.8%) to \$92.2 million, mainly because of a lower volume of equipment sales related to the Helix platform.
- Other revenues increased \$7.6 million (4.1%) to \$193.7 million, mainly reflecting a revenue increase at Videotron Business.

**ARPU:** Videotron's total ARPU was \$47.21 in 2022 compared with \$47.06 in 2021, a \$0.15 (0.3%) increase. Mobile ARPU was \$39.16 in 2022 compared with \$38.65 in 2021, a \$0.51 (1.3%) increase.

**Customer statistics**

*RGUs* – The total number of RGUs was 6,314,800 at December 31, 2022, an increase of 125,200 in 2022, including the addition of VMedia’s 57,000 RGUs at the time of its acquisition, compared with an increase of 41,700 in 2021 (Table 2).

*Mobile telephony* – The number of subscriber connections to the mobile telephony service stood at 1,710,400 at December 31, 2022, an increase of 108,500 (6.8%) in 2022 compared with an increase of 120,800 in 2021 (Table 2).

*Internet access* – The number of subscribers to the Internet access service stood at 1,904,200 at December 31, 2022, an increase of 63,400 (3.4%) in 2022, including the addition of VMedia’s 37,200 subscribers at the time of its acquisition, compared with an increase of 44,000 in 2021 (Table 2).

*Television* – The number of subscribers to television services stood at 1,396,100 at December 31, 2022, a decrease of 22,500 (-1.6%) in 2022, net of the addition of VMedia’s 17,400 subscribers at the time of its acquisition, compared with a decrease of 57,000 in 2021 (Table 2).

*Wireline telephony* – The number of subscriber connections to the wireline telephony service stood at 751,200 at December 31, 2022, a decrease of 73,700 (-8.9%) in 2022, net of the addition of VMedia’s 2,400 subscriber connections at the time of its acquisition, compared with a decrease of 99,800 in 2021 (Table 2).

*OTT video* – The number of subscribers to OTT video services stood at 552,900 at December 31, 2022, an increase of 49,500 (9.8%) in 2022 compared with an increase of 33,700 in 2021 (Table 2).

**Table 2**  
**Year-end RGUs (2018-2022)**  
(in thousands of customers)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Mobile telephony	<b>1,710.4</b>	1,601.9	1,481.1	1,330.5	1,153.8
Internet	<b>1,904.2</b>	1,840.8	1,796.8	1,727.3	1,704.5
Television	<b>1,396.1</b>	1,418.6	1,475.6	1,531.8	1,597.3
Wireline telephony	<b>751.2</b>	824.9	924.7	1,027.3	1,113.9
OTT video	<b>552.9</b>	503.4	469.7	459.3	420.8
<b>Total</b>	<b><u>6,314.8</u></b>	<u>6,189.6</u>	<u>6,147.9</u>	<u>6,076.2</u>	<u>5,990.3</u>

**Adjusted EBITDA:** \$1.91 billion, a \$37.2 million (2.0%) increase due primarily to:

- the impact of the revenue increase, mainly in mobile services and equipment, and Internet services;
- decrease in operating expenses, including customer service costs, labour costs and administrative expenses.

Partially offset by:

- impact of lower revenues from wireline equipment.

**Cost/revenue ratio:** Employee costs and purchases of goods and services, expressed as a percentage of revenues, were 48.6% in 2022 compared with 49.8% in 2021. The reduction was mainly due to the decrease in operating expenses.

**Net income attributable to shareholders:** \$757.2 million in 2022, compared with \$693.3 million in 2021, an increase of \$63.9 million.

- The main favourable variances were:
  - \$40.1 million decrease in the loss on debt refinancing;
  - \$37.2 million increase in adjusted EBITDA;
  - \$18.2 million decrease in the depreciation and amortization charge.
- The main unfavourable variances were:
  - \$17.6 million increase in the income tax expense;
  - \$12.5 million increase in financial expenses.

**Adjusted cash flows from operations:** \$1.46 billion in 2022 compared with \$1.34 billion in 2021 (Table 12). The \$117.2 million (8.8%) increase was caused by decreases of \$67.4 million in additions to intangible assets and \$12.6 million in additions to property, plant and equipment, due primarily to a general slowdown in investment following the review of strategic priorities, and the \$37.2 million increase in adjusted EBITDA.

**Cash flows provided by operating activities:** \$1.35 billion, a \$110.1 million (8.9%) increase due to the favourable net change in non-cash balances related to operating activities and the increase in adjusted EBITDA, partially offset by increases in current income taxes and in the cash portion of financial expenses.

**Depreciation and amortization charge:** \$699.6 million in 2022, a \$18.2 million decrease due mainly to the impact of decreased investment in property, plant and equipment, including lower spending related to the leasing of set-top boxes.

**Financial expenses:** \$244.6 million, a \$12.5 million increase caused by higher average indebtedness, partially offset by the impact of the lower average interest rate on the long-term debt.

**Loss on valuation and translation of financial instruments:** \$0.8 million, a \$0.4 million unfavourable variance.

**Charge for restructuring of operations and other items:** \$12.7 million in 2022, a \$1.1 million unfavourable variance.

- A \$3.5 million charge was recognized in 2022 in connection with cost-reduction measures (\$12.3 million in 2021). An asset impairment charge of \$2.9 million was also recorded in 2022 (\$0.8 million in 2021). In addition, a \$6.3 million charge for other items was recorded in 2022 (gain of \$1.5 million in 2021).

**Loss on debt refinancing:** \$40.1 million in 2021.

On June 3, 2021, Videotron issued a redemption notice for its 5.000% Senior Notes maturing on July 15, 2022, in the aggregate principal amount of US\$800.0 million, at a redemption price of 104.002% of their principal amount. As a result, a \$40.1 million net loss was recorded in the consolidated statement of income in 2021.

**Income tax expense:** \$197.9 million in 2022 (effective tax rate of 25.9%), compared with \$180.3 million in 2021 (effective tax rate of 26.5%), a \$17.6 million unfavourable variance caused essentially by the impact of the increase in taxable income. The effective tax rate is calculated considering only taxable and deductible items.

## 2022/2021 FOURTH QUARTER COMPARISON

### Analysis of consolidated results of operations and cash flows

**Revenues:** \$960.0 million, a \$6.9 million (0.7%) increase due essentially to the same factors as those noted above under “2022/2021 financial year comparison.”

- Revenues from mobile telephony service increased \$14.5 million (7.8%) to \$199.9 million.
- Revenues from Internet access services increased \$18.0 million (6.0%) to \$319.6 million.
- Revenues from television services decreased \$3.2 million (-1.6%) to \$200.6 million.
- Revenues from the wireline telephony service decreased \$6.4 million (-8.2%) to \$71.3 million.
- Revenues from mobile equipment sales to customers increased \$21.3 million (26.3%) to \$102.2 million.
- Revenues from wireline equipment sales to customers decreased \$38.0 million (-68.1%) to \$17.8 million.
- Other revenues increased \$0.7 million (1.5%) to \$48.6 million.

**ARPU:** Videotron’s total ARPU was \$47.63 in the fourth quarter of 2022 compared with \$47.07 in the same period of 2021, a \$0.56 (1.2%) increase. Mobile ARPU was \$39.08 in the fourth quarter of 2022 compared with \$38.97 in the same period of 2021, an \$0.11 (0.3%) increase.

### Customer statistics

*RGUs* – 24,600 (0.4%) unit increase in the fourth quarter of 2022 compared with an increase of 43,000 in the same period of 2021.

*Mobile telephony* – 13,100 (0.8%) subscriber-connection increase in the fourth quarter of 2022 compared with an increase of 30,600 in the same period of 2021.

*Internet access* – 1,300 (0.1%) subscriber increase in the fourth quarter of 2022 compared with an increase of 8,100 in the same period of 2021.

*Television* – 6,000 (-0.4%) subscriber decrease in the fourth quarter of 2022 compared with a decrease of 9,400 in the same period of 2021.

*Wireline telephony* – 18,700 (-2.4%) subscriber-connection decrease in the fourth quarter of 2022 compared with a decrease of 22,500 in the same period of 2021.

*OTT video* – 34,900 (6.7%) subscriber increase in the fourth quarter of 2022 compared with an increase of 36,200 in the same period of 2021.

**Adjusted EBITDA:** \$475.9 million, a \$9.4 million (2.0%) increase due primarily to:

- impact of the net revenue increase, mainly in mobile services and equipment and Internet services.

Partially offset by:

- impact of lower revenues from wireline equipment;
- increases in some operating expenses.

**Cost/revenue ratio:** Employee costs and purchases of goods and services, expressed as a percentage of revenues, were 50.4% in the fourth quarter of 2022 compared with 51.1% in the same period of 2021. The decrease was mainly due to increased profitability.

**Net income attributable to shareholders:** \$198.4 million in the fourth quarter of 2022, compared with \$181.1 million in the same period of 2021, an increase of \$17.3 million.

- The main favourable variances were:
  - \$9.4 million increase in adjusted EBITDA;
  - \$8.6 million decrease in the depreciation and amortization charge;
  - \$5.1 million decrease in the income tax expense.
- The main unfavourable variance was:
  - \$4.2 million increase in financial expenses.

**Adjusted cash flows from operations:** \$360.2 million in the fourth quarter of 2022 compared with \$358.3 million in the same period of 2021 (Table 12). The \$1.9 million (0.5%) increase was caused by the \$14.4 million decrease in additions to intangible assets due to a general slowdown in investment following the review of strategic priorities and a \$9.4 million increase in adjusted EBITDA, partially offset by the \$21.9 million increase in additions to property, plant and equipment, mainly reflecting investment in the LTE-A and 5G networks.

**Cash flows from continuing operating activities:** \$339.2 million, a \$31.8 million decrease due primarily to the unfavourable net change in non-cash balances related to operating activities, partially offset by the increase in adjusted EBITDA and the decrease in current income taxes.

**Depreciation and amortization charge:** \$172.1 million in the fourth quarter of 2022, a \$8.6 million decrease due mainly to the impact of investments in property, plant and equipment and in intangible assets, including lower spending related to the leasing of set-top boxes.

**Financial expenses:** \$61.6 million in the fourth quarter of 2022, a \$4.2 million increase caused by higher average interest rate on the long-term debt and higher average indebtedness.

**Loss on valuation and translation of financial instruments:** \$0.1 million in the fourth quarter of 2021.

**Charge for restructuring of operations and other items:** \$4.4 million in the fourth quarter of 2022, a \$1.6 million unfavourable variance.

- A \$0.6 million charge was recognized in the fourth quarter of 2022 in connection with cost-reduction initiatives (\$0.8 million in the fourth quarter of 2021). In addition, a \$3.7 million loss on other items was recorded in 2022 (\$2.0 million in 2021). In the fourth quarter of 2022, a \$0.1 million charge for impairment of assets was also recognized in connection with various restructuring initiatives.

**Income tax expense:** \$39.3 million in the fourth quarter of 2022 (effective tax rate of 23.7%), compared with \$44.4 million in the same period of 2021 (effective tax rate of 27.3%), a \$5.1 million favourable variance caused by the decrease in the effective tax rate due to a one-time adjustment. The effective tax rate is calculated considering only taxable and deductible items.

## 2021/2020 FINANCIAL YEAR COMPARISON

### Analysis of consolidated results of operations and cash flows

**Revenues:** \$3.74 billion in 2021, a \$112.5 million (3.1%) increase.

- Revenues from mobile telephony services increased \$54.0 million (8.2%) to \$712.5 million, due primarily to an increase in the number of subscriber connections.
- Revenues from Internet access services increased \$70.0 million (6.2%) to \$1.20 billion, due mainly to an increase in average per-subscriber revenues and subscriber base growth.
- Revenues from television services decreased \$67.5 million (-7.5%) to \$836.1 million, mainly because of a decrease in average per-subscriber revenues and a decrease in the subscriber base.
- Revenues from wireline telephony services decreased \$19.9 million (-5.9%) to \$318.5 million, mainly because of the impact of the net decrease in subscriber connections, partially offset by higher average per-connection revenues.
- Revenues from mobile equipment sales to customers increased \$19.2 million (7.5%) to \$276.4 million, mainly because of price increases, partially offset by a decrease in the number of mobile devices sold.
- Revenues from wireline equipment sales to customers increased \$52.3 million (34.5%) to \$204.0 million, mainly because of higher volume and prices for equipment sales related to the Helix platform.
- Other revenues increased \$4.4 million (2.4%) to \$186.1 million.

**ARPU:** Videotron's total ARPU was \$47.06 in 2021 compared with \$46.77 in 2020, a \$0.29 (0.6%) increase. Mobile ARPU was \$38.65 in 2021, compared with \$38.95 in 2020, a \$0.30 (0.8%) decrease.

#### **Customer statistics**

*RGUs* – The total number of RGUs was 6,189,600 at December 31, 2021, an increase of 41,700 (0.7%) in 2021 compared with an increase of 71,700 in 2020 (Table 2).

*Mobile telephony* – The number of subscriber connections to the mobile telephony service stood at 1,601,900 at December 31, 2021, an increase of 120,800 (8.2%) in 2021 compared with an increase of 150,600 in 2020 (Table 2).

*Internet access* – The number of subscribers to the Internet access service stood at 1,840,800 at December 31, 2021, an increase of 44,000 (2.4%) in 2021 compared with an increase of 69,500 in 2020 (Table 2).

*Television* – The number of subscribers to television services stood at 1,418,600 at December 31, 2021, a decrease of 57,000 (-3.9%) in 2021 compared with a decrease of 56,200 in 2020 (Table 2).

*Wireline telephony* – The number of subscriber connections to the wireline telephony service stood at 824,900 at December 31, 2021, a decrease of 99,800 (-10.8%) in 2021 compared with a decrease of 102,600 in 2020 (Table 2).

*OTT video* – The number of subscribers to the OTT video service stood at 503,400 at December 31, 2021, an increase of 33,700 (7.2%) in 2021 compared with an increase of 10,400 in 2020 (Table 2).

**Adjusted EBITDA:** \$1.88 billion, a \$11.3 million (0.6%) increase due primarily to:

- impact of the net revenue increase, net of the cost of equipment sold.

Partially offset by:

- increases in some operating expenses, including engineering, advertising, IT and administrative expenses;
- \$12.6 million unfavourable variance related to recognition of a one-time item in 2020.



**Cost/revenue ratio:** Employee costs and purchases of goods and services, expressed as a percentage of revenues, were 49.8% in 2021 compared with 48.5% in 2020. The increase was due primarily to the impact of recognition of a one-time item in 2020 and increases in some operating expenses.

**Net income attributable to shareholders:** \$693.3 million in 2021, compared with \$728.3 million in 2020, a \$35.0 million decrease.

- The main unfavourable variances were:
  - \$40.1 million unfavourable variance related to debt refinancing;
  - \$34.8 million decrease in income from discontinued operations;
  - \$23.6 million increase in financial expenses.
- The main favourable variances were:
  - \$26.0 million decrease in the depreciation and amortization charge;
  - \$17.8 million favourable variance in restructuring of operations and other items;
  - \$11.3 million increase in adjusted EBITDA;
  - \$7.6 million decrease in the income tax expense.

**Adjusted cash flows from operations:** \$1.34 billion in 2021 compared with \$1.27 billion in 2020 (Table 12). The \$70.3 million (5.5%) increase was due to a \$48.4 million decrease in additions to intangible assets, including decreased investment in IT systems, an \$11.3 million increase in Adjusted EBITDA and a \$10.6 million decrease in additions to property, plant and equipment.

**Cash flows from continuing operating activities:** \$1.24 billion, a \$211.4 million decrease due primarily to the unfavourable net change in non-cash balances related to operating activities and increases in current income taxes and in cash portion of financial expense.

**Depreciation and amortization charge:** \$717.8 million in 2021, a \$26.0 million decrease due mainly to the impact of the revision in 2020 of the depreciation period for some capital in consideration of technological developments and to the impact of decreased investment in property, plant and equipment and intangible assets, including lower spending related to the leasing of set-top boxes.

**Financial expenses:** \$232.1 million in 2021, a \$23.6 million increase caused mainly by higher average indebtedness partially offset by the impact of lower average interest rates on long-term debt.

**Loss on valuation and translation of financial instruments:** \$0.4 million in 2021, a \$0.8 million favourable variance.

**Charge for restructuring of operations and other items:** \$11.6 million in 2021, a \$17.8 million favourable variance.

- A \$10.8 million charge was recognized in 2021 in connection with cost-reduction measures (\$21.0 million in 2020). A \$0.8 million charge for impairment of assets was also recognized in connection with various restructuring initiatives in 2021 (\$8.4 million in 2020).

**Loss on debt refinancing:** \$40.1 million in 2021.

On June 3, 2021, Videotron issued a redemption notice for its 5.000% Senior Notes maturing on July 15, 2022, in the aggregate principal amount of US\$800.0 million, at a redemption price of 104.002% of their principal amount. As a result, a \$40.1 million net loss was recorded in the consolidated statement of income in 2021.

**Income tax expense:** \$180.3 million in 2021 (effective tax rate of 26.5%), compared with \$187.9 million in 2020 (effective tax rate of 26.4%), a \$7.6 million favourable variance caused mainly by the impact of the decrease in taxable income. The effective tax rate is calculated considering only taxable and deductible items.

## CASH FLOWS AND FINANCIAL POSITION

This section provides an analysis of the Corporation's sources and uses of cash flows, as well as a financial position analysis as of the balance sheet date. This section should be read in conjunction with the discussion of trends under "Trend Information" above, the risk factor analysis under "Item 3. Key Information – B. Risk Factors" above, and the financial risk analysis under "Financial Instruments and Financial Risk Management" below.

### Operating activities

#### *2022 financial year*

**Cash flows provided by operating activities:** \$1.35 billion in 2022 compared with \$1.24 billion in 2021.

The \$110.1 million increase was primarily due to:

- \$114.5 million favourable net change in non-cash balances related to operating activities, due primarily to favourable variances in accounts receivable, accounts payable, accrued charges and provisions, and contract costs, partially offset by an unfavourable variance in inventories;
- \$37.2 million increase in adjusted EBITDA;

Partially offset by:

- \$27.9 million increase in current income taxes;
- \$12.8 million increase in the cash portion of financial expenses.

#### *2021 financial year*

**Cash flows provided by operating activities:** \$1.24 billion in 2021 compared with \$1.45 billion in 2020.

The \$211.4 million decrease was mainly due to:

- \$165.1 million unfavourable net change in non-cash balances related to operating activities, due primarily to unfavourable variances in accounts receivable, income tax payable and inventory, partially offset by the favourable variance in contract assets and deferred revenues;
- \$47.0 million increase in current income taxes;
- \$23.3 million increase in the cash portion of financial expenses.

Partially offset by:

- \$11.3 million increase in adjusted EBITDA;
- \$10.2 million favourable variance in the cash portion of restructuring of operations and other items.

**Working capital:** Negative \$10.4 million at December 31, 2022 compared with negative \$56.0 million at December 31, 2021. The \$45.6 million favourable variance was due primarily to increases in inventory and in accounts receivable partially offset by an increase in accounts payable, accrued charges and provisions and a decrease in investment in contract assets.

## **Investing activities**

### *2022 financial year*

**Cash flows used for additions to property, plant and equipment:** \$369.7 million in 2022 compared with \$407.2 million in 2021. The \$37.5 million reduction was due primarily to a \$25.0 million favourable net change in current non-cash items and a general slowdown in investment following the review of strategic priorities.

**Deferred subsidies used to finance additions to property, plant and equipment:** \$123.1 million in 2022, compared to net subsidies received of \$162.4 million in 2021. For 2022, these amounts represent the use of subsidies received under the program to roll out high-speed Internet services in various regions of Québec, and recorded as a reduction of additions to property, plant and equipment. In 2021, \$216.2 million was received in advance under this program and \$53.8 million was utilized. Since the second quarter of 2022, these amounts have been presented on the consolidated statement of cash flows in accordance with the IFRS Interpretations Committee's decision, finalized in that quarter.

**Cash flows used for additions to intangible assets:** \$75.1 million in 2022 compared with \$986.1 million in 2021. The \$911.0 million decrease mainly reflects the total \$830.0 million paid in 2021 to acquire spectrum licences in the 3500 MHz band and a general slowdown in investment following the review of strategic priorities.

**Proceeds from disposal of assets:** \$7.0 million in 2022 compared with \$7.7 million in 2021.

**Business acquisitions:** cash acquired in business acquisitions of \$1.4 million in 2022, compared with disbursements in business acquisitions of \$6.7 million in 2021.

### *2021 financial year*

**Cash flows used for additions to property, plant and equipment:** \$407.2 million in 2021 compared with \$429.2 million in 2020. The \$22.0 million decrease reflects a \$11.3 million favourable net change in current non-cash items and a decrease in investments of \$10.7 million.

**Net subsidies received to finance additions to property, plant and equipment:** \$162.4 million in 2021. \$216.2 million was received in advance under the program to roll out high-speed Internet services in various regions of Québec, and \$53.8 million was utilized.

**Cash flows used for additions to intangible assets:** \$986.1 million in 2021 compared with \$180.2 million in 2020. The \$805.9 million increase mainly reflects the acquisition of spectrum licences in the 3500 MHz band for a total of \$830.0 million.

**Proceeds from disposal of assets:** \$7.7 million in 2021 compared with \$3.5 million in 2020.

**Net business acquisitions:** \$6.7 million in 2021 compared with \$32.9 million in 2020. The \$26.2 million decrease reflects, in part, the acquisition of Télédistribution Amos inc. in 2020.

## **Financing activities**

### *2022 financial year*

**Consolidated debt** (long-term debt plus bank indebtedness): \$61.4 million reduction in 2022. \$82.3 million net favourable variance in assets and liabilities related to derivative financial instruments.

- Debt reductions in 2022 essentially consisted of:
  - \$207.5 million reduction in drawings on the secured revolving credit facility;
  - \$13.9 million decrease in debt attributable to changes in fair value related to hedged interest rate risk;
- Additions to debt in 2022 essentially consisted of:

- \$155.9 million unfavourable impact of exchange rate fluctuations. The consolidated debt increase attributable to this item was offset by the increase in the asset (or decrease in the liability) related to derivative financial instruments;
- Assets and liabilities related to derivative financial instruments totalled a net asset of \$199.5 million at December 31, 2022 compared with \$117.2 million at December 31, 2021. The \$82.3 million net favourable variance was mainly due to:
  - favourable impact of exchange rate fluctuations on the value of derivative financial instruments.

Partially offset by:

- unfavourable impact of interest rate trends in Canada, compared with the United States, on the fair value of derivative financial instruments.
- On January 17, 2023, Quebecor issued a \$836.0 million promissory note to Videotron, bearing interest at 7.000%. Drawings from the secured revolving credit facility were used to finance this promissory note.
- On January 13, 2023, Videotron's secured revolving credit facility was amended to increase it from \$1.50 billion to \$2.00 billion. This credit facility was also extended to July 2026, earlier in 2022. Certain terms and conditions of this credit facility were also amended.

#### *2021 financial year*

**Consolidated debt** (long-term debt plus bank indebtedness): \$1.27 million increase in 2021; \$208.1 million reduction in net assets related to derivative financial instruments.

- Additions to debt in 2021 essentially consisted of:
  - issuance on January 22, 2021 by Videotron of \$650.0 million aggregate principal amount of 3.125% Senior Notes maturing on January 15, 2031 for net proceeds of \$644.0 million, net of financing costs of \$6.0 million;
  - issuance on June 17, 2021 by Videotron of \$750.0 million aggregate principal amount of 3.625% Senior Notes maturing on June 15, 2028, for net proceeds of \$743.2 million, net of financing costs of \$6.8 million. Videotron also issued US\$500.0 million aggregate principal amount of 3.625% Senior Notes maturing on June 15, 2029, for net proceeds of \$599.6 million, net of financing costs of \$5.8 million;
  - \$285.0 million increase in Videotron's drawings on its secured revolving credit facility.
- Debt reductions in 2021 essentially consisted of:
  - early redemption by Videotron on July 6, 2021 of the entirety of its 5.000% Senior Notes due July 15, 2022, in aggregate principal amount of US\$800.0 million, at a redemption price of 104.002% of their principal amount, in accordance with a notice issued on June 3, 2021;
  - \$18.5 million favourable impact of exchange rate fluctuations. The consolidated debt reduction attributable to this item was offset by the decrease in the asset (or increase in the liability) related to derivative financial instruments.
- Assets and liabilities related to derivative financial instruments totalled a net asset of \$325.3 million at December 31, 2020 compared with \$117.2 million at December 31, 2021. The \$208.1 million decrease was mainly due to:
  - unwinding of Videotron's hedges in an asset position in connection with the early redemption on July 6, 2021 of its 5.000% Senior Notes in aggregate principal amount of US\$800.0 million;

- unfavourable impact of exchange rate fluctuations on the value of derivative financial instruments;
- unfavourable impact of interest rate trends in Canada, compared with the United States, on the fair value of derivative financial instruments.

### **Financial Position**

**Net available liquidity:** \$1.42 billion at December 31, 2022 for the Corporation and its wholly owned subsidiaries, consisting of \$1.42 billion in available unused revolving credit facilities less \$0.1 million in bank indebtedness.

**Consolidated debt** (long-term debt plus bank indebtedness): \$5.32 billion at December 31, 2022, a \$61.4 million decrease compared with December 31, 2021; \$82.3 million increase in net assets related to derivative financial instruments (see “Financing activities” above).

As at December 31, 2022, minimum principal payments on long-term debt in the coming years are as follows:

**Table 3**  
**Minimum principal payments on Corporation’s long-term debt**  
**12 months ending December 31**  
(in millions of Canadian dollars)

2023	\$	—
2024		813.2
2025		400.0
2026		452.5
2027		813.2
2028 and thereafter		2,877.7
<b>Total</b>	<b>\$</b>	<b>5,356.6</b>

From time to time, the Corporation may (but is under no obligation to) seek to retire or purchase its outstanding Senior Notes in open market purchases, privately negotiated transactions, or otherwise. Such repurchases, if any, will depend on its liquidity position and requirements, prevailing market conditions, contractual restrictions and other factors. The amounts involved may be material.

The weighted average term of the Corporation’s consolidated debt was approximately 5.0 years as of December 31, 2022, compared with 5.8 years as of December 31, 2021. After taking into account hedging instruments, the debt consisted of approximately 95.1% fixed-rate debt (91.4% at December 31, 2021) and 4.9% floating-rate debt (8.6% at December 31, 2021).

The Corporation’s management believes that cash flows and available sources of financing should be sufficient to cover committed cash requirements for capital investments, working capital, interest payments, income tax payments, debt and lease repayments, pension plan contributions, share repurchases and dividends or distributions to the shareholder in the future. The Corporation has access to cash flows generated by its subsidiaries through dividends (or distributions) and cash advances paid by its wholly owned subsidiaries. The Corporation believes it will be able to meet future debt maturities, which are staggered over the coming years.

Pursuant to its financing agreements, the Corporation is required to maintain certain financial ratios. At December 31, 2022, the Corporation was in compliance with all required financial ratios.

### **Dividends declared and paid**

For the year ended December 31, 2022, the Corporation paid \$671.0 million in common dividends to the parent corporation, compared with \$585.0 million in 2021. The Corporation expects to make cash distributions to its parent corporation in the future, as determined by the Board of Directors, and within the limits set by the terms of the indebtedness and applicable laws.

### **Purchase of shares of Quebecor Media and servicing of subsidiary subordinated loan:**

Unlike corporations in the United States, corporations in Canada are not permitted to file consolidated tax returns. As a result, we have entered into certain transactions described below that have the effect of using tax losses of Quebecor Media and its subsidiaries.

### **Tax Consolidation Arrangements with the Parent Corporation**

On November 12, 2020, the Corporation contracted a subordinated loan of \$1,700.0 million from Quebecor Media inc, bearing interest at a rate of 9.0%, payable semi-annually, and maturing on November 12, 2050. On the same day, the Corporation invested the total proceeds of \$1,700.0 million into 1,700,000 preferred shares, Series L, of 9346-9963 Quebec Inc. These shares carry the right to receive an annual dividend of 9.1%, payable semi-annually.

On December 18, 2020, 9346-9963 Quebec Inc. redeemed 1,700,000 preferred shares, Series L for a total cash consideration of \$1,700.0 million. On the same day, the Corporation used the total proceeds of \$1,700.0 million to repay its subordinated loans contracted from Quebecor Media Inc.

On October 1, 2021, the Corporation contracted a subordinated loan of \$1,473.0 million from Quebecor Media inc, bearing interest at a rate of 8.5%, payable semi-annually, and maturing on October 1, 2051. On the same day, the Corporation invested the total proceeds of \$1,473.0 million into 1,473,000 preferred shares, Series M, of 9346-9963 Quebec Inc. These shares carry the right to receive an annual dividend of 8.6%, payable semi-annually.

On December 10, 2021, 9346-9963 Quebec Inc. redeemed 1,473,000 preferred shares, Series M for a total cash consideration of \$1,473.0 million. On the same day, the Corporation used the total proceeds of \$1,473.0 million to repay its subordinated loans contracted from Quebecor Media Inc.

On October 17, 2022, the Corporation contracted a subordinated loan of \$2,113.0 million from Quebecor Media inc, bearing interest at a rate of 10.5%, payable semi-annually, and maturing on October 17, 2052. On the same day, the Corporation invested the total proceeds of \$2,113.0 million into 2,113,000 preferred shares, Series N, of 9346-9963 Quebec Inc. These shares carry the right to receive an annual dividend of 10.6%, payable semi-annually.

On December 7, 2022, 9346-9963 Quebec Inc. redeemed 2,113,000 preferred shares, Series N for a total cash consideration of \$2,113.0 million. On the same day, the Corporation used the total proceeds of \$2,113.0 million to repay its subordinated loan contracted from Quebecor Media Inc.

All these transactions were carried out for tax consolidation purposes of Quebecor Media Inc. and its subsidiaries

### **Issuance of shares**

On January 30, 2020, the Corporation issued 3,406 common shares to its parent corporation for a cash consideration of \$3.3 million.

On July 29, 2020, the Corporation issued 3,756 common shares to its parent corporation for a cash consideration of \$3.5 million.

In 2022, the Corporation issued 20,958 common shares with a value of \$17.3 million as part of VMedia transfer from Quebecor Media.

### **Reduction of paid-up capital**

During the year ended December 31, 2021, the Corporation reduced its paid-up capital for cash consideration of \$720.0 million.

### **Participation in 600 MHz and 3500 MHz spectrum auction**

On January 26, 2023, Videotron announced an investment of nearly \$10.0 million in the acquisition of spectrum licences in the 600 MHz band in Manitoba and in the 3500 MHz band in Québec. The acquisition was made in the auction of residual spectrum licences that concluded on January 25, 2023 with the announcement by ISED of the tentatively accepted bids. Videotron is thus increasing its

wireless service capacity and continuing to pave the way for the possible expansion of its wireless infrastructure outside Québec in the near future.

**Analysis of consolidated balance sheet**

**Table 4**  
**Consolidated balance sheet of the Corporation**  
**Analysis of main variances between December 31, 2022 and 2021**  
(in millions of Canadian dollars)

	<u>Dec. 31, 2022<sup>1</sup></u>	<u>Dec. 31, 2021<sup>1</sup></u>	<u>Difference</u>	<u>Main reasons for difference</u>
<b>Assets</b>				
Accounts receivable	<b>619.1</b>	530.4	88.7	Impact of current variances in activities and increased financing of equipment sales.
Contract assets	<b>50.2</b>	129.4	(79.2)	Increased financing of equipment sales.
Inventories	<b>247.2</b>	153.4	93.8	Impact of current variances in activities.
Property, plant and equipment	<b>2,610.4</b>	2,761.6	(151.2)	Depreciation for the period less additions to property, plant and equipment.
Intangible assets	<b>2,162.7</b>	2,212.0	(49.3)	Amortization for the period less additions to intangible assets.
Derivative financial instruments <sup>2</sup>	<b>199.5</b>	117.2	82.3	See “Financing activities.”
<b>Liabilities</b>				
Accounts payable, accrued charges and provisions	<b>629.5</b>	568.4	61.1	Impact of current variances in operating activities.
Long-term debt, including bank indebtedness	<b>5,318.7</b>	5,380.1	(61.4)	See “Financing activities.”
Deferred income taxes	<b>715.5</b>	762.7	(47.2)	Impact of variances in activity on consolidated statement of income and consolidated statement of comprehensive income
Other liabilities	<b>124.3</b>	188.3	(64.0)	Gain on remeasurement of defined benefit plans.

<sup>1</sup> The “restricted cash” and “deferred subsidies” line items are combined for the purposes of the analysis.

<sup>2</sup> Long-term assets less long-term liabilities.

**ADDITIONAL INFORMATION****Contractual obligations**

At December 31, 2022, material contractual obligations of operating activities included: capital repayment and interest on long-term debt and lease liabilities; capital asset purchases and other commitments; and obligations related to derivative financial instruments, less estimated future receipts on derivative financial instruments. Table 5 below shows a summary of these contractual obligations.

**Table 5**  
**Contractual obligations of the Corporation as of December 31, 2022**  
(in millions of Canadian dollars)

	Total	Under 1 year	1-3 years	3-5 years	5 years or more
Long-term debt <sup>1</sup>	\$ 5,356.6	\$ —	\$ 1,213.2	\$ 1,265.7	\$ 2,877.7
Interest payments on long-term debt <sup>2</sup>	1,096.5	196.4	410.4	287.3	202.4
Lease liabilities	158.3	37.3	61.2	35.2	24.6
Interest payments on lease liabilities	18.1	5.9	7.4	3.2	1.6
Additions to property, plant and equipment and other commitments	789.1	270.0	314.6	109.6	94.9
Derivative financial instruments <sup>3</sup>	(232.1)	—	(151.0)	(8.8)	(72.3)
<b>Total contractual obligations</b>	<b>\$ 7,186.5</b>	<b>\$ 509.6</b>	<b>\$ 1,855.8</b>	<b>\$ 1,692.2</b>	<b>\$ 3,128.9</b>

<sup>1</sup> The carrying value of long-term debt excludes changes in the fair value of long-term debt related to hedged interest rate risk and financing costs.

<sup>2</sup> Estimated interest payable on long-term debt, based on interest rates, hedging of interest rates and hedging of foreign exchange rates as of December 31, 2022.

<sup>3</sup> Estimated future receipts, net of future disbursements, related to foreign exchange hedging on the principal of U.S.-dollar-denominated debt using derivative financial instruments.

*Significant commitments included in Table 5*

The Corporation has 20-year service sharing and exchange agreements with Rogers to build out and operate an LTE network in Québec and the Ottawa area. It also has an agreement with Comcast Corporation to develop an innovative Internet Protocol Television (IPTV) delivery solution, as well as agreements for the roll-out of LTE-A and 5G technologies and the purchase of mobile devices. As at December 31, 2022, the balance of those commitments stood at \$709.5 million.

**Pension plan contributions**

The expected employer contributions to the Corporation's defined benefit pension plans and post-retirement benefit plans will be \$19.5 million in 2023, based on the most recent actuarial financial reports filed (contributions of \$23.4 million were paid in 2022).

**Related party transactions**

The following Table 6 describes transactions in which the Corporation and its directors, executive officers and affiliates are involved. These transactions were accounted for at the consideration agreed between the parties.



**Table 6****Related party transactions**

(in millions of Canadian dollars)

	2022	2021	2020
Ultimate parent and parent corporation:			
Revenues	\$ 0.4	\$ 0.4	\$ 0.4
Purchase of goods and services	10.2	10.2	9.6
Operating expenses recovered	(2.0)	(2.3)	(1.4)
Corporations under common control:			
Revenues	4.7	5.3	4.9
Purchase of goods and services	112.3	109.7	95.7
Operating expenses recovered	(0.7)	0.4	(1.4)
Other affiliated corporations			
Purchase of goods and services	21.9	10.6	5.6
Acquisition of property, plant and equipment and intangible assets	8.6	4.6	—

**Off-balance sheet arrangements***Guarantees*

In the normal course of business, the Corporation enters into numerous agreements containing guarantees, including the following:

*Business and asset disposals*

In the sale of all or part of a business or an asset, in addition to possible indemnification relating to failure to perform covenants and breach of representations or warranties, the Corporation may agree to indemnify against claims related to the past conduct of the business. Typically, the term and amount of such indemnification will be limited by the agreement. The nature of these indemnification agreements prevents the Corporation from estimating the maximum potential liability it could be required to pay to guaranteed parties. The Corporation has not accrued any amount in respect of these items on the consolidated balance sheets.

*Outsourcing companies and suppliers*

In the normal course of its operations, the Corporation enters into contractual agreements with outsourcing companies and suppliers. In some cases, the Corporation agrees to provide indemnifications in the event of legal procedures initiated against them. In other cases, the Corporation provides indemnification to counterparties for damages resulting from the outsourcing companies and suppliers. The nature of the indemnification agreements prevents the Corporation from estimating the maximum potential liability it could be required to pay. No amount has been accrued in the consolidated balance sheets with respect to these indemnifications.

**Financial Instruments and Financial Risk Management**

The Corporation's financial risk-management policies have been established in order to identify and analyze the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk-management policies are reviewed regularly to reflect changes in market conditions and in the Corporation's activities.

The Corporation uses a number of financial instruments, mainly cash and cash equivalents, restricted cash, trade receivables, contract assets, bank indebtedness, trade payables, accrued liabilities, long-term debt, lease liabilities and derivative financial instruments. As a result of its use of financial instruments, the Corporation is exposed to credit risk, liquidity risk and market risks relating to foreign exchange fluctuations and interest rate fluctuations.

In order to manage its foreign exchange and interest rate risks, the Corporation uses derivative financial instruments: (i) to set in CAN dollars future payments on debts denominated in U.S. dollars (interest and principal) and certain purchases of inventories and other capital expenditures denominated in a foreign currency; and (ii) to achieve a targeted balance of fixed- and floating-rate debt. The

Corporation does not intend to settle its derivative financial instruments prior to their maturity as none of these instruments is held or issued for speculative purposes.

**Table 7**  
**Description of derivative financial instruments at December 31, 2022**  
(in millions of dollars)

**Foreign exchange forward contracts**

Maturity	CAN dollar average exchange rate per one U.S. dollar	Notional amount sold	Notional amount bought
Less than 1 year	1.3057	\$ 95.3	US\$73.0

**Cross-currency swaps**

Hedged item	Hedging instrument			
	Period covered	Notional amount	Annual interest rate on notional amount in CAN dollars	CAN dollar exchange rate on interest and capital payments per one U.S. dollar
			Bankers' acceptance 3 months	
5.375% Senior Notes due 2024	2014 to 2024	US\$158.6	+ 2.67 %	1.1034
5.375% Senior Notes due 2024	2017 to 2024	US\$441.4	5.62 %	1.1039
5.125% Senior Notes due 2027	2017 to 2027	US\$600.0	4.82 %	1.3407
3.625% Senior Notes due 2029	2021 to 2029	US\$500.0	4.04 %	1.2109

Certain cross-currency swaps entered into by the Corporation include an option that allows each party to unwind the transaction on a specific date at the market value at that date.

Losses on valuation and translation of financial instruments for 2022, 2021 and 2020 are summarized in Table 8.

**Table 8**  
**Loss on valuation and translation of financial instruments**  
(in millions of Canadian dollars)

	2022	2021	2020
Loss on the ineffective portion of fair value hedges	\$ 0.8	\$ 0.4	\$ 1.2

A \$58.9 million loss on cash flow hedges was recorded under "Other comprehensive income" in 2022 (a \$4.6 million gain in 2021 and a \$17.1 million loss in 2020).

**Fair Value of Financial Instruments**

The fair value of long-term debt is estimated based on quoted market prices when available or on valuation models. When the Corporation uses valuation models, the fair value is estimated based on discounted cash flows using year-end market yields or the market value of similar instruments with the same maturity.

The fair value of derivative financial instruments recognized on the consolidated balance sheets is estimated as per the Corporation's valuation models. These models project future cash flows and discount the future amounts to a present value using the contractual terms of the derivative financial instrument and factors observable in external market data, such as period-end swap rates and foreign exchange rates. An adjustment is also included to reflect non-performance risk, impacted by the financial and economic

environment prevailing at the date of the valuation, in the recognized measure of the fair value of the derivative financial instruments by applying a credit default premium, estimated using a combination of observable and unobservable inputs in the market, to the net exposure of the counterparty or the Corporation.

The carrying value and fair value of long-term debt and derivative financial instruments as of December 31, 2022 and 2021 were as follows:

**Table 9**  
**Fair value of long-term debt and derivative financial instruments**  
(in millions of Canadian dollars)

Asset (liability)	2022		2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Long-term debt<sup>1</sup></b>	<b>\$ (5,356.6)</b>	<b>\$ (4,800.7)</b>	<b>\$ (5,408.2)</b>	<b>\$ (5,470.2)</b>
<b>Derivative financial instruments<sup>2</sup></b>				
Foreign exchange forward contracts	3.4	3.4	0.9	0.9
Cross-currency swaps	196.1	196.1	—	116.3

<sup>1</sup> The carrying value of long-term debt excludes changes in the fair value of long-term debt related to hedged interest rate risk and financing costs.

<sup>2</sup> The net fair value of derivative financial instruments designated as cash flow hedges is an asset position of \$165.5 million as of December 31, 2022 (\$83.0 million at December 31, 2021) and the net fair value of derivative financial instruments designated as fair value hedges is an asset position of \$34.0 million as of December 31, 2022 (\$34.2 million at December 31, 2021).

The fair value of investments in preferred shares in a subsidiary of the parent corporation and loans from the parent corporation is equivalent to their initial issuance values since these financial instruments have only been issued as part of transactions carried out for tax consolidation purposes of Quebecor Media Inc. and its subsidiaries.

Due to the judgment used in applying a wide range of acceptable techniques and estimates in calculating fair value amounts, fair values are not necessarily comparable among financial institutions or other market participants and may not be realized in an actual sale or on the immediate settlement of the instrument.

### Credit risk management

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial asset fails to meet its contractual obligations and arises principally from amounts receivable from customers, including contract assets.

The gross carrying amounts of financial assets represent the maximum credit exposure. As of December 31, 2022, the gross carrying amount of trade receivables and contract assets, including their long-term portions, was \$742.3 million (\$751.1 million as of December 31, 2021).

In the normal course of business, the Corporation continuously monitors the financial condition of its customers and reviews the credit history of each new customer. The Corporation uses its customers' historical terms of payment and acceptable collection periods for each customer class, as well as changes in its customers' credit profiles, to define default on amounts receivable from customers, including contract assets.

As of December 31, 2022, no customer balance represented a significant portion of the Corporation's consolidated trade receivables. The Corporation is using the expected credit losses method to estimate its provision for credit losses, which considers the specific credit risk of its customers, the expected lifetime of its financial assets, historical trends and economic conditions. As of December 31, 2022, the provision for expected credit losses represented 1.6% of the gross amount of trade receivables and contract assets (1.9% as of December 31, 2021), while 2.8% of trade receivables were 90 days past their billing date (5.3% as of December 31, 2021).

[Table of Contents](#)

The following table shows changes to the provision for expected credit losses for the years ended December 31, 2022 and 2021:

	2022	2021
Balance at beginning of year	\$ 14.4	\$ 15.7
Changes in expected credit losses charged to income	16.3	16.6
Write-off	(18.6)	(17.9)
<b>Balance at end of year</b>	<b>\$ 12.1</b>	<b>\$ 14.4</b>

The Corporation believes that its product lines and the diversity of its customer base are instrumental in reducing its credit risk, as well as the impact of fluctuations in product-line demand. The Corporation does not believe that it is exposed to an unusual level of customer credit risk.

As a result of its use of derivative financial instruments, the Corporation is exposed to the risk of non-performance by a third party. When the Corporation enters into derivative contracts, the counterparties (either foreign or Canadian) must have credit ratings at least in accordance with the Corporation's risk-management policy and are subject to concentration limits. These credit ratings and concentration limits are monitored on an ongoing basis, but at least quarterly.

### Liquidity risk management

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due or the risk that those financial obligations will have to be met at excessive cost. The Corporation manages this exposure through staggered debt maturities. The weighted average term of the Corporation's consolidated debt was approximately 5.0 years as of December 31, 2022, compared with 5.8 years at December 31, 2021.

### Market risk

Market risk is the risk that changes in market prices due to foreign exchange rates, interest rates and/or equity prices will affect the value of the Corporation's financial instruments. The objective of market risk management is to mitigate and control exposures within acceptable parameters while optimizing the return on risk.

#### *Foreign currency risk*

Most of the Corporation's consolidated revenues and expenses, other than interest expense on U.S.-dollar-denominated debt, purchases of set-top boxes, gateways, modems, mobile devices and certain capital expenditures, are received or denominated in CAN dollars. A significant portion of the interest, principal and premium, if any, payable on its debt is payable in U.S. dollars. The Corporation has entered into transactions to hedge the foreign currency risk exposure on its U.S.-dollar-denominated debt obligations outstanding as of December 31, 2022, and to hedge its exposure on certain purchases of set-top boxes, gateways, modems, mobile devices and capital expenditures. Accordingly, the Corporation's sensitivity to variations in foreign exchange rates is economically limited.

The estimated sensitivity on income and on other comprehensive income, before income taxes, of a variance of \$0.10 in the year-end exchange rate of a CAN dollar per one U.S. dollar used to calculate the fair value of financial instruments as of December 31, 2022 is as follows:

Increase (decrease)	Income	Other comprehensive income (loss)
Increase of \$0.10	\$ 0.4	\$ 2.3
Decrease of \$0.10	(0.4)	(2.3)

A variance of \$0.10 in the 2022 average exchange rate of CAN dollar per one U.S. dollar would have resulted in a variance of \$7.9 million on the value of unhedged purchases of goods and services and \$4.4 million on the value of unhedged acquisitions of tangible and intangible assets in 2022.

#### *Interest rate risk*

Some of the Corporation's bank credit facilities bear interest at floating rates based on the following reference rates: (i) Bankers' acceptance rate, (ii) Secured Overnight Financing Rate (SOFR), (iii) Canadian prime rate, and (iv) U.S. prime rate. The Senior

Notes issued by the Corporation bear interest at fixed rates. The Corporation has entered into cross-currency swap agreements in order to manage cash flow risk exposure. After taking into account hedging instruments, the long-term debt consisted of approximately 95.1% fixed-rate debt (91.4% at December 31, 2021) and 4.9% floating-rate debt (8.6% at December 31, 2021).

The estimated sensitivity on interest payments of a 100 basis-point variance in the year-end Canadian Bankers' acceptance rate as of December 31, 2022 was \$2.5 million.

The estimated sensitivity on income and on other comprehensive income, before income taxes, of a 100 basis-point variance in the discount rate used to calculate the fair value of financial instruments as of December 31, 2022, as per the Corporation's valuation models, is as follows:

Increase (decrease)	Income		Other comprehensive income (loss)	
Increase of 100 basis points	\$	(0.5)	\$	(4.3)
Decrease of 100 basis points		0.5		4.3

### Capital management

The Corporation's primary objective in managing capital is to maintain an optimal capital base in order to support the capital requirements of its various businesses, including growth opportunities.

In managing its capital structure, the Corporation takes into account the asset characteristics of its subsidiaries and planned requirements for funds, leveraging their individual borrowing capacities in the most efficient manner to achieve the lowest cost of financing. Management of the capital structure involves the issuance and repayment of debt, the issuance and repurchase of shares, the use of cash flows generated by operations, and the level of distributions to the shareholder. The Corporation has not significantly changed its strategy regarding the management of its capital structure since the last financial year.

The Corporation's capital structure is composed of equity, bank indebtedness, long-term debt, lease liabilities, derivative financial instruments, cash and cash equivalents and promissory note to the parent corporation. The capital structure as of December 31, 2022 and 2021 is as follows:

**Table 10**  
**Capital structure the Corporation**  
(in millions of Canadian dollars)

	2022		2021	
Bank indebtedness	\$	0.4	\$	—
Long-term debt		5,318.3		5,380.1
Lease liabilities		158.3		153.8
Derivative financial instruments		(199.5)		(117.2)
Cash and cash equivalents		(1.8)		(10.5)
Promissory note to the parent corporation		(160.0)		(160.0)
Net liabilities		5,115.7		5,246.2
Equity	\$	(230.8)	\$	(338.3)

The Corporation is not subject to any externally imposed capital requirements other than certain restrictions under the terms of its borrowing agreements, which relate, among other things, to permitted investments, inter-corporation transactions, and the declaration and payment of dividends or other distributions.

### Contingencies and legal disputes

There are a number of legal proceedings against the Corporation that are pending. At this stage of proceedings, management of the Corporation does not expect the outcome to have a material adverse effect on the Corporation's results or on its financial position. Generally, management of the Corporation establishes provisions for claims or actions considering the facts of each case. The Corporation cannot determine when and if payment will be made related to these legal proceedings.

## Critical Accounting Policies and Estimates

### *Revenue recognition*

The Corporation accounts for a contract with a customer only when all of the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;
- the entity can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

The portion of revenues that is invoiced and unearned is presented as "Deferred revenue" on the consolidated balance sheets. Deferred revenue is usually recognized as revenue in the subsequent year.

The Corporation provides services under multiple deliverable arrangements, mainly for mobile contracts in which the sale of mobile devices is bundled with telecommunication services over the contract term. The total consideration from a contract with multiple deliverables is allocated to all performance obligations in the contract based on the stand-alone selling price of each obligation. The total consideration can be comprised of an upfront fee or a number of monthly installments for the equipment sale and a monthly fee for the telecommunication service. Each performance obligation of multiple deliverable arrangements is then separately accounted for based on its allocated consideration amount.

The Corporation does not adjust the amount of consideration allocated to the equipment sale for the effects of a financing component since this component is not significant.

The Corporation recognizes each of its main activities' revenues as follows:

- operating revenues from subscriber services, such as television distribution, Internet access, wireline and mobile telephony, and OTT video services are recognized when services are provided;
- revenues from equipment sales to subscribers are recognized when the equipment is delivered;
- operating revenues related to service contracts are recognized in income on a straight-line basis over the period in which the services are provided; and
- wireline connection and mobile activation revenues are deferred and recognized respectively as revenues over the period of time the customer is expected to remain a customer of the Corporation and over the contract term.

When a mobile device and a service are bundled under a single mobile contract, the term of the contract is generally 24 months.

The portion of mobile revenues earned without being invoiced is presented as contract assets on the consolidated balance sheets. Contract assets are realized over the term of the contract.

*Impairment of assets*

For the purposes of assessing impairment, assets are grouped in cash-generating units (“CGUs”), which represent the lowest levels for which there are separately identifiable cash inflows generated by those assets. The Corporation reviews, at each balance sheet date, whether events or circumstances have occurred to indicate that the carrying amounts of its long-lived assets with finite useful lives may be less than their recoverable amounts. Goodwill, intangible assets having an indefinite useful life, and intangible assets not yet available for use are tested for impairment each financial year, as well as whenever there is an indication that the carrying amount of the asset, or the CGU to which an asset has been allocated, exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the asset or the CGU. Fair value less costs of disposal represents the amount an entity could obtain at the valuation date from the asset’s disposal in an arm’s length transaction between knowledgeable, willing parties, after deducting the costs of disposal. The value in use represents the present value of the future cash flows expected to be derived from the asset or the CGU.

The Corporation uses the discounted cash flow method to estimate the recoverable amount, consisting of future cash flows derived primarily from the most recent budget and three-year strategic plan approved by the Corporation’s management and presented to the Board of Directors. These forecasts considered each CGU’s past operating performance and market share as well as economic trends, along with specific and market industry trends and corporate strategies. A perpetual growth rate is used for cash flows beyond the three-year strategic plan period. The discount rate used by the Corporation is a pre-tax rate derived from the weighted average cost of capital pertaining to each CGU, which reflects the current market assessment of: (i) the time value of money; and (ii) the risk specific to the assets for which the future cash flow estimates have not been risk-adjusted. The perpetual growth rate was determined with regard to the specific markets in which the CGUs participate. In certain circumstances, the Corporation can also estimate the fair value less cost of disposal with a market approach that consists of estimating the recoverable amount by using multiples of operating performance of comparable entities, transaction metrics and other financial information available, instead of primarily using the discounted cash flow method.

An impairment loss is recognized in the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. When the recoverable amount of a CGU to which goodwill has been allocated is lower than the CGU’s carrying amount, the related goodwill is first impaired. Any excess amount of impairment is recognized and attributed to assets in the CGU, prorated to the carrying amount of each asset in the CGU.

An impairment loss recognized in prior periods for long-lived assets with finite useful lives and intangible assets having an indefinite useful life, other than goodwill, can be reversed through the consolidated statement of income to the extent that the resulting carrying value does not exceed the carrying value that would have been the result had no impairment loss been recognized previously.

When determining the recoverable amount of an asset or CGU, assessment of the information available at the valuation date is based on management’s judgment and may involve estimates and assumptions. Furthermore, the discounted cash flow method used in determining the recoverable amount of an asset or CGU relies on the use of estimates such as the amount and timing of cash flows, expected variations in the amount or timing of those cash flows, the time value of money as represented by the risk-free rate, and the risk premium associated with the asset or CGU.

Therefore, the judgment used in determining the recoverable amount of an asset or CGU may affect the amount of the impairment loss to be recorded to an asset or CGU, as well as the potential reversal of the impairment charge in the future.

Based on the data and assumptions used in its last impairment test, the Corporation believes that there is no significant amount of long-lived assets with finite useful lives, or goodwill and intangible assets with indefinite useful lives, on its books at this time that present a significant risk of impairment in the near future.

The net book value of goodwill as at December 31, 2022 was \$550.1 million, and the net book value of intangible assets with an indefinite useful lives as at December 31, 2022 was \$1.56 billion.

*Indefinite useful life of spectrum licences*

Management has concluded that spectrum licences have an indefinite useful life. This conclusion was based on an analysis of factors, such as the Corporation’s financial ability to renew the spectrum licences, the competitive, legal and regulatory landscape, and future expectations regarding the use of the spectrum licences. The determination that spectrum licences have an indefinite useful life

therefore involves judgment, which could have an impact on the amortization charge recorded in the consolidated statements of income if management were to change its conclusion in the future.

*Derivative financial instruments and hedge accounting*

The Corporation uses various derivative financial instruments to manage its exposure to fluctuations in foreign currency exchange rates and interest rates. The Corporation does not hold or use any derivative financial instruments for speculative purposes. Under hedge accounting, the Corporation documents all hedging relationships between hedging instruments and hedged items, as well as its strategy for using hedges and its risk-management objective. It also designates its derivative financial instruments as either fair value hedges or cash flow hedges when they qualify for hedge accounting. The Corporation assesses the effectiveness of its hedging relationships at initiation and on an ongoing basis.

The Corporation generally enters into the following types of derivative financial instruments:

- The Corporation uses foreign exchange forward contracts to hedge foreign currency rate exposure on anticipated equipment or inventory purchases in a foreign currency. These foreign exchange forward contracts are designated as cash flow hedges.
- The Corporation uses cross-currency swaps to hedge (i) foreign currency rate exposure on interest and principal payments on foreign-currency-denominated debt and/or (ii) fair value exposure on certain debt resulting from changes in interest rates. The cross-currency swaps that set all future interest and principal payments on U.S.-dollar-denominated debt in fixed CAN dollars, in addition to converting an interest rate from a floating rate to a floating rate or from a fixed rate to a fixed rate, are designated as cash flow hedges. The cross-currency swaps are designated as fair value hedges when they set all future interest and principal payments on U.S.-dollar-denominated debt in fixed CAN dollars, in addition to converting the interest rate from a fixed rate to a floating rate.
- The Corporation has established a hedge ratio of one for one for all its hedging relationships as the underlying risks of its hedging derivatives are identical to the hedged item risks.

The Corporation measures and records the effectiveness of its hedging relationships as follows:

- For cash flow hedges, the hedge effectiveness is tested and measured by comparing changes in the fair value of the hedging derivative with the changes in the fair value of a hypothetical derivative that simulates the cash flows of the hedged item.
- For fair value hedges, the hedge effectiveness is tested and measured by comparing changes in the fair value of the hedging derivative with the changes in the fair value of the hedged item attributable to the hedged risk.
- Most of the Corporation's hedging relationships are not generating material ineffectiveness. The ineffectiveness, if any, is recorded in the consolidated statements of income as a gain or loss on valuation and translation of financial instruments.

Under hedge accounting, the Corporation applies the following accounting policies:

- For derivative financial instruments designated as fair value hedges, changes in the fair value of the hedging derivative recorded in income are substantially offset by changes in the fair value of the hedged item to the extent that the hedging relationship is effective. When a fair value hedge is discontinued, the carrying value of the hedged item is no longer adjusted and the cumulative fair value adjustments to the carrying value of the hedged item are amortized to income over the remaining term of the original hedging relationship.
- For derivative financial instruments designated as cash flow hedges, the effective portion of a hedge is reported in other comprehensive income until it is recognized in income during the same period in which the hedged item affects income, while the ineffective portion is immediately recognized in income. When a cash flow hedge is discontinued, the amounts previously recognized in accumulated other comprehensive income are reclassified to income when the variability in the cash flows of the hedged item affects income.



## [Table of Contents](#)

Any change in the fair value of derivative financial instruments recorded in income is included in gain or loss on valuation and translation of financial instruments. Interest expense on hedged long-term debt is reported at the hedged interest and foreign currency rates.

Derivative financial instruments that do not qualify for hedge accounting, including derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contracts, are reported on a fair value basis on the consolidated balance sheets. Any change in the fair value of these derivative financial instruments is recorded in the consolidated statements of income as a gain or loss on valuation and translation of financial instruments.

### *Pension plans and postretirement benefits*

The Corporation offers defined contribution pension plans and defined benefit pension plans to some of its employees.

The Corporation's defined benefit obligations with respect to defined benefit pension plans and postretirement benefits are measured at present value and assessed on the basis of a number of economic and demographic assumptions which are established with the assistance of the Corporation's actuaries. Key assumptions relate to the discount rate, the rate of increase in compensation, retirement age of employees, healthcare costs, and other actuarial factors. Defined benefit pension plan assets are measured at fair value and consist mainly of equities and corporate and government fixed-income securities.

Remeasurements of the net defined benefit liability or asset are recognized immediately in Other comprehensive income.

Recognition of a net benefit asset is limited under certain circumstances to the amount recoverable, which is primarily based on the present value of future contributions to the plan, to the extent that the Corporation can unilaterally reduce those future contributions. In addition, an adjustment to the net benefit asset or the net benefit liability can be recorded to reflect a minimum funding liability in a certain number of the Corporation's pension plans. The assessment of the amount recoverable in the future and the minimum funding liability is based on a number of assumptions, including future service costs and future plan contributions.

The Corporation considers all the assumptions used to be reasonable in view of the information available at this time. However, variances from certain of those assumptions may have a significant impact on the costs and obligations of pension plans and postretirement benefits in future periods.

### *Share-based compensation*

Stock-based awards to employees that call for settlement in cash, deferred share units ("DSUs") or performance share units ("PSUs"), or that call for settlement in cash at the option of the employee, as stock options awards, are accounted for at fair value and classified as a liability. The compensation cost is recognized in expenses over the vesting period. Changes in the fair value of stock-based awards between the grant date and the measurement date result in a change in the liability and compensation cost.

The fair value of DSUs and PSUs is based on the underlying share price at the date of valuation. The fair value of stock option awards is determined by applying an option pricing model, taking into account the terms and conditions of the grant and assumptions such as the risk-free interest rate, distribution yield, expected volatility, and the expected remaining life of the option.

### *Provisions*

Provisions are recognized (i) when the Corporation has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and (ii) when the amount of the obligation can be reliably estimated. Restructuring costs, comprised primarily of termination benefits, are recognized when a detailed plan for the restructuring exists and a valid expectation has been raised in those affected that the plan will be carried out.

Provisions are reviewed at each consolidated balance sheet date and changes in estimates are reflected in the consolidated statements of income in the reporting period in which the changes occur.

The amount recognized as a provision is the best estimate of the expenditures required to settle the present obligation at the balance sheet date or to transfer it to a third party at that time and it is adjusted for the effect of time value when material. The amount recognized for onerous contracts is the lower of the cost necessary to fulfill the obligations, net of expected economic benefits deriving from the contracts, and any indemnity or penalty arising from failure to fulfill those obligations.

## [Table of Contents](#)

No amounts are recognized for obligations that are possible but not probable or for those for which an amount cannot be reasonably estimated.

### *Contract costs*

Incremental and direct costs, such as costs to obtain a contract, mainly sales commissions, or the cost of connecting a subscriber to the Corporation's telecommunication network, are included in contract costs and amortized over the period of time the customer is expected to maintain its service or over the contract term. The amortization of contract costs is included in purchase of goods and services in the consolidated statements of income.

### *Provision for expected credit losses*

The Corporation maintains a provision to cover anticipated credit losses from customers who are unable to pay their debts. The provision is reviewed periodically, considering the specific credit risk of its customers, the expected lifetime of its financial assets, historical trends and economic conditions.

### *Business acquisitions*

A business acquisition is accounted for by the acquisition method. The cost of an acquisition is measured at the fair value of the consideration given in exchange for control of the business acquired at the acquisition date. This consideration can be comprised of cash, assets transferred, financial instruments issued, or future contingent payments. The identifiable assets and liabilities of the acquired business are recognized at their fair value at the acquisition date. Goodwill is measured and recognized as the excess of the fair value of the consideration paid over the fair value of the recognized identifiable assets acquired and liabilities assumed.

Determining the fair value of certain acquired assets, assumed liabilities and future contingent considerations requires judgment and involves complete and absolute reliance on estimates and assumptions. The Corporation primarily uses the discounted future cash flows approach to estimate the value of acquired intangible assets.

The estimates and assumptions used in the allocation of the purchase price at the date of acquisition may also have an impact on the amount of an impairment charge to be recognized, if any, after the date of acquisition, as discussed above under "Impairment of assets."

### *Contingent considerations and future conditional adjustments*

Contingent considerations and future conditional adjustments arising from business acquisition or disposal are measured and accounted for at their fair value. The fair value is estimated based on a present value model requiring management to assess the probabilities that the conditions on which the contingent considerations and future conditional adjustments are based will be met in the future. The assessment of these contingent and conditional potential outcomes requires judgment from management and could have an impact on the initial amount of contingent considerations or future conditional adjustments recognized and on any subsequent changes in fair value recorded in the consolidated statements of income.

### *Interpretation of laws and regulations*

Interpretation of laws and regulations, including those of the Canadian Radio-television and Telecommunications Commission (CRTC) and tax regulations, requires judgment from management and could have an impact on revenue recognition, provisions, income taxes and capital expenditures in the consolidated financial statements.

### *Tax credits and government assistance*

The Corporation receives tax credits mainly related to its research and development activities and has access to several government programs designed to support large investment projects and the roll-out of high-speed Internet services in various regions of Québec. Government financial assistance is accounted for as a revenue or as a reduction in related costs, whether capitalized and amortized or expensed, in the year the costs are incurred and when management has reasonable assurance that the conditions of the government programs are being met.

### *Income taxes*

Deferred income taxes are accounted for using the liability method. Under this method, deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred income tax assets and liabilities is recognized in income in the period that includes the substantive enactment date. A deferred tax asset is recognized initially when it is probable that future taxable income will be sufficient to use the related tax benefits and may be reduced subsequently, if necessary, to an amount that is more likely than not to be realized.

The assessment of deferred income taxes is judgmental in nature and depends on assumptions and estimates as to the availability and character of future taxable income. The ultimate amount of deferred income tax assets realized could be slightly different from that recorded, since it is influenced by the Corporation's future operating results.

The Corporation is under audit at all times by various tax authorities in each of the jurisdictions in which it operates. A number of years may elapse before a particular matter for which management has established a reserve is audited and resolved. The number of years between each tax audit varies depending on the tax jurisdiction. Management believes that its estimates are reasonable and reflect the probable outcome of known tax contingencies, although the outcome is difficult to predict.

### *Leases*

The Corporation recognizes, for most of its leases, a right-of-use asset and a lease liability at the commencement of a lease. The right-of-use asset and the lease liability are initially measured at the present value of lease payments over the lease term, less incentive payments received, using the Corporation incremental borrowing rate or the interest rate implicit in the lease at that date. The term of the lease is comprised of the initial lease term and any additional period for which it is reasonably certain that the Corporation will exercise its extension option.

Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset.

Interests on lease liabilities are recorded in the consolidated statements of income as financial expenses and principal payments on the lease liability are presented as part of financing activities in the consolidated statements of cash flows.

### **Non-IFRS financial measures**

The financial measures not standardized under IFRS that are used by the Corporation to assess its financial performance, such as adjusted EBITDA and adjusted cash flows from operations, are not calculated in accordance with, or recognized by IFRS. The Corporation's method of calculating these non-IFRS financial measures may differ from the methods used by other companies and, as a result, the non-IFRS financial measures presented in this document may not be comparable to other similarly titled measures disclosed by other companies.

### **Adjusted EBITDA**

In its analysis of operating results, the Corporation defines adjusted EBITDA, as reconciled to net income under IFRS, as net income before depreciation and amortization, financial expenses, loss on valuation and translation of financial instruments, restructuring of operations and other items, loss on debt refinancing, income taxes, and income from discontinued operations. Adjusted EBITDA as defined above is not a measure of results that is consistent with IFRS. It is not intended to be regarded as an alternative to IFRS financial performance measures or to the statement of cash flows as a measure of liquidity. It should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. The Corporation's management and Board of Directors use this measure in evaluating its consolidated results as well as the results of the Corporation's operating segments. This measure eliminates impairment and depreciation/amortization of tangible and intangible assets and is unaffected by the capital structure or investment activities of the Corporation.

Adjusted EBITDA is also relevant because it is a component of the Corporation's annual incentive compensation programs. A limitation of this measure, however, is that it does not reflect the periodic costs of tangible and intangible assets used in generating

revenues. The Corporation also uses other measures that do not reflect such costs, such as adjusted cash flows from operations. The Corporation's definition of adjusted EBITDA may not be the same as similarly titled measures reported by other companies.

Table 11 provides a reconciliation of adjusted EBITDA to net income as disclosed in the Corporation's consolidated financial statements. The consolidated financial information for the three-month periods ended December 31, 2022 and 2021 presented in Table 11 below is drawn from the Corporation's unaudited quarterly consolidated financial statements.

**Table 11**  
**Reconciliation of the adjusted EBITDA measure used in this report to the net income measure used in the consolidated financial statements**  
(in millions of Canadian dollars)

	Years ended December 31			Three months ended December 31	
	2022	2021	2020	2022	2021
Adjusted EBITDA:	\$ 1,912.9	\$ 1,875.7	\$ 1,864.4	\$ 475.9	\$ 466.5
Depreciation and amortization	(699.6)	(717.8)	(743.8)	(172.1)	(180.7)
Financial expenses	(244.6)	(232.1)	(208.5)	(61.6)	(57.4)
Loss on valuation and translation of financial instruments	(0.8)	(0.4)	(1.2)	—	(0.1)
Restructuring of operations and other items	(12.7)	(11.6)	(29.4)	(4.4)	(2.8)
Loss on debt refinancing	—	(40.1)	—	—	—
Income taxes	(197.9)	(180.3)	(187.9)	(39.3)	(44.4)
Income from discontinued operations	—	—	34.8	—	—
<b>Net income</b>	<b>\$ 757.3</b>	<b>\$ 693.4</b>	<b>\$ 728.4</b>	<b>\$ 198.5</b>	<b>\$ 181.1</b>

**Adjusted cash flows from operations**

Adjusted cash flows from operations represents adjusted EBITDA, less additions to property, plant and equipment and to intangible assets (excluding licence acquisitions and renewals). Adjusted cash flows from operations represents funds available for interest and income tax payments, expenditures related to restructuring programs, business acquisitions, licence acquisitions and renewals, payment of dividends, reduction of paid-up capital, repayment of long-term debt and lease liabilities, and share repurchases. Adjusted cash flows from operations is not a measure of liquidity that is consistent with IFRS. It is not intended to be regarded as an alternative to IFRS financial performance measures or to the statement of cash flows as a measure of liquidity. Adjusted cash flows from operations is used by the Corporation's management and Board of Directors to evaluate the cash flows generated by its operations. Adjusted cash flows from operations is also relevant because it is a component of the Corporation's annual incentive compensation programs. The Corporation's definition of adjusted cash flows from operations may not be identical to similarly titled measures reported by other companies.

Tables 12 and 13 provide a reconciliation of adjusted cash flows from operations to cash flows provided by operating activities reported in the consolidated financial statements. The consolidated financial information for the three-month periods ended December 31, 2022 and 2021 presented in tables 12 and 13 is drawn from the Corporation's unaudited quarterly consolidated financial statements.

**Table 12**  
**Adjusted cash flows from operations**  
(in millions of Canadian dollars)

	Years ended December 31			Three months ended December 31	
	2022	2021	2020	2022	2021
Adjusted EBITDA	\$ 1,912.9	\$ 1,875.7	\$ 1,864.4	\$ 475.9	\$ 466.5
Additions to property, plant and equipment <sup>1</sup>	(378.9)	(391.5)	(402.1)	(96.9)	(75.0)
Additions to intangible assets <sup>2</sup>	(78.2)	(145.6)	(194.0)	(18.8)	(33.2)
<b>Adjusted cash flows from operations</b>	<b>\$ 1,455.8</b>	<b>\$ 1,338.6</b>	<b>\$ 1,268.3</b>	<b>\$ 360.2</b>	<b>\$ 358.3</b>
	Years ended December 31			Three months ended December 31	
<sup>1</sup> Reconciliation to cash flows used for additions to property, plant and equipment as per consolidated financial statements:	2022	2021	2020	2022	2021
Additions to property, plant and equipment	\$ (378.9)	\$ (391.5)	\$ (402.1)	\$ (96.9)	\$ (75.0)
Net variance in current operating items related to additions to property, plant and equipment (excluding government credits receivable for major capital projects)	9.2	(15.7)	(27.1)	22.5	(8.5)
Cash flows used for additions to property, plant and equipment	<u>\$ (369.7)</u>	<u>\$ (407.2)</u>	<u>\$ (429.2)</u>	<u>\$ (74.4)</u>	<u>\$ (83.5)</u>
	Years ended December 31			Three months ended December 31	
<sup>2</sup> Reconciliation to cash flows used for additions to intangible assets as per consolidated financial statements:	2022	2021	2020	2022	2021
Additions to intangible assets	\$ (78.2)	\$ (145.6)	\$ (194.0)	\$ (18.8)	\$ (33.2)
Net variance in current operating items related to additions to intangible assets (excluding government credits receivable for major capital projects)	3.1	(10.5)	13.8	1.5	1.8
Cash flows used for licence acquisitions	—	(830.0)	—	—	(664.0)
Cash flows used for additions to intangible assets	<u>\$ (75.1)</u>	<u>\$ (986.1)</u>	<u>\$ (180.2)</u>	<u>\$ (17.3)</u>	<u>\$ (695.4)</u>

**Table 13**

**Cash flows from operations and cash flows provided by operating activities reported in the consolidated financial statements**  
(in millions of Canadian dollars)

	Years ended December 31			Three months ended December 31	
	2022	2021	2020	2022	2021
<b>Adjusted cash flows from operations from Table 12</b>	<b>\$ 1,455.8</b>	<b>\$ 1,338.6</b>	<b>\$ 1,268.3</b>	<b>\$ 360.2</b>	<b>\$ 358.3</b>
<b>Plus</b>					
Additions to property, plant and equipment	378.9	391.5	402.1	96.9	75.0
Additions to intangible assets	78.2	145.6	194.0	18.8	33.2
Adjusted EBITDA	1,912.9	1,875.7	1,864.4	475.9	466.5
<b>Plus (minus)</b>					
Cash portion of financial expenses	(238.8)	(226.0)	(202.7)	(60.1)	(56.1)
Cash portion related to restructuring of operations and other items	(9.8)	(10.8)	(21.0)	(4.3)	(2.8)
Current income taxes	(263.4)	(235.5)	(188.5)	(52.0)	(59.8)
Other	(1.4)	0.5	(2.0)	(1.4)	0.4
Net change in non-cash balances related to operating activities	(49.0)	(163.5)	1.6	(18.9)	22.8
<b>Cash flows provided operating activities</b>	<b>\$ 1,350.5</b>	<b>\$ 1,240.4</b>	<b>\$ 1,451.8</b>	<b>\$ 339.2</b>	<b>\$ 371.0</b>

**Key performance indicators**

**Revenue-generating unit**

The Corporation uses RGU, an industry metric, as a key performance indicator. An RGU represents, as the case may be, subscriptions to the Internet access, television and OTT services, and subscriber connections to the mobile and wireline telephony services. RGU is not a measurement that is consistent with IFRS and the Corporation's definition and calculation of RGU may not be the same as identically titled measurements reported by other companies or published by public authorities.

**Average monthly revenue per unit**

The Corporation uses ARPU, an industry metric, as a key performance indicator. This indicator is used to measure monthly revenues per average RGU. ARPU is not a measurement that is consistent with IFRS and the Corporation's definition and calculation of ARPU may not be the same as identically titled measurements reported by other companies. The previously used ABPU metric was abandoned in the first quarter of 2022 and replaced by ARPU, which affords better comparability in view of the Corporation's changing business model related to equipment sales.

Mobile ARPU is calculated by dividing mobile telephony revenues by the average number of mobile RGUs during the applicable period, and then dividing the resulting amount by the number of months in the applicable period.

Total ARPU is calculated by dividing the combined revenues from mobile and wireline telephony, Internet access, television and OTT services by the total average number of RGUs from mobile and wireline telephony, Internet access and television services during the applicable period, and then dividing the resulting amount by the number of months in the applicable period.

**Table 11**

**ARPU for the past eight quarters**  
(in Canadian dollars)

	Q4-2022	Q3-2022	Q2-2022	Q1-2022	Q4-2021	Q3-2021	Q2-2021	Q1-2021
Mobile ARPU	\$ 39.08	\$ 39.89	\$ 38.94	\$ 38.70	\$ 38.97	\$ 39.13	\$ 38.41	\$ 38.08
Total ARPU	\$ 47.63	\$ 47.65	\$ 47.17	\$ 46.40	\$ 47.07	\$ 47.32	\$ 47.22	\$ 46.64

## ITEM 6 – DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

### A- Directors and Senior Management

The following table sets forth certain information concerning Videotron’s directors and executive officers at March 7, 2023:

<b>Name and Municipality of Residence</b>	<b>Age</b>	<b>Position</b>
THE RIGHT HONOURABLE BRIAN MULRONEY, P.C., C.C., LL.D. Montréal, Québec	84	Director and Chairman of the Board
CHANTAL BÉLANGER, FCPA, ASC-C.DIR <sup>(1)</sup> Blainville, Québec	70	Director and Chair of the Audit and Risk Management Committee
ANDRÉ P. BROSSEAU <sup>(1)</sup> Montréal, Québec	61	Director
MICHÈLE COLPRON, FCPA, FCA, ASC <sup>(1)</sup> Saint-Lambert, Québec	59	Director
SYLVIE LALANDE, ASC-C.DIR Lachute, Québec	72	Director
LISE CROTEAU, FCPA, FCA, ASC <sup>(1)</sup> Mont-Tremblant, Québec	62	Director
PIERRE KARL PÉLADEAU Montréal, Québec	61	President
SYLVAIN BROSSEAU Varenes, Québec	60	Senior Vice President, Operations, Customer Service
FRÉDÉRIC DÉRY Montréal, Québec	47	Vice President, Sales and Marketing
MOHAMED DRIF Montréal, Québec	56	Senior Vice President and Chief Technology Officer
JEAN-FRANÇOIS LESCADRES Town of Mount-Royal, Québec	44	Vice President Finance
FRANCE-ÉLIANE NOLET La Prairie, Québec	45	Vice President, Business Revenue and Retail Network
JEAN-FRANÇOIS PARENT Nuns’ Island, Québec	43	Vice President and Treasurer

(1) Member of the Audit and Risk Management Committee

**The Right Honourable Brian Mulroney, P.C., C.C., LL.D.** *Director and Chairman of the Board.* Mr. Mulroney was appointed as Director and Chairman of the Board of Videotron on June 19, 2014. He has been a Director of Quebec Media since January 31, 2001 and Director of Quebec since 1999. He was appointed Chairman of the Board of Quebec on June 19, 2014 and of Quebec Media on May 8, 2018. He also acted as Chairman of the Board of Quebec Media from June 19, 2014 until February 15, 2017. Since 1993, Mr. Mulroney has been a Senior Partner with the law firm Norton Rose Fulbright Canada LLP (formerly Ogilvy Renault LLP) in Montréal, Québec. Mr. Mulroney practiced law before assuming the presidency of Iron Ore Company of Canada. He subsequently entered politics as Leader of the Progressive Conservative Party which he led to victory in September 1984. He was Prime Minister of Canada until 1993. He then returned to the practice of law and joined the well-established international law firm of Norton Rose Fulbright Canada based in Montréal. He was, until May 2019, Director, Chair of the Compensation Committee and member of the Corporate Governance Committee of Wyndham Worldwide Corporation. Mr. Mulroney is Chair of the Board of the International Advisory Council of Barrick Gold Corporation. He serves as a Director of Acreage Holdings, Inc. and The Blackstone Group L.P. He is also Companion of the Order of Canada as well as *Grand Officier de l'Ordre national du Québec*.

**Chantal Bélanger**, *Director and Chair of the Audit and Risk Management Committee.* Ms. Bélanger has been a Director and member of the Audit and Risk Management Committee of Videotron, Quebecor and Quebecor Media since May 8, 2018. 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. From 2012 to 2019, she was a Director, 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 at Capital régional et coopératif Desjardins. She was a Director and member of various board committees at Ovivo Inc. from 2011 to 2016, the year it was privatized. She was a Director and Chair of the Audit Committee at the Régie des Rentes du Québec from 2009 to 2015 and a Director at the Institut des administrateurs de sociétés from 2009 to 2013. 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 has been a Director at the Société de services financiers Fonds FMOQ Inc. since 2014 and chairs its Audit Committee. Ms. Bélanger is a Fellow of the *Ordre des comptables professionnels agréés du Québec* (FCPA) and holds a certificate in Corporate Governance from the CAS. She is also a qualified corporate director (ASC). Ms. Bélanger has been the Chair of the Board of the CAS from September 2017 to May 2022 and has served on its board since 2016. 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.

**André P. Brosseau**, *Director and member of the Audit and Risk Management Committee.* Mr. Brosseau has been a Director and member of the Audit and Risk Management Committee of Videotron, Quebecor and Quebecor Media since May 12, 2016. He has also been a member of the Human Resources and Corporate Governance Committee of Quebecor and Quebecor Media since May 2017 and has been Chairman of the Executive Committee of Quebecor Media since May 2018. Mr. Brosseau is Chairman 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 was, until the sale of the company in the summer of 2021, a Director, Chair of the Audit Committee and Chair of the Compensation Committee for DMD Digital Health Connections Group Inc., a company of which he was one of the five founders, and that provides digital solutions for pharmaceutical companies. Mr. Brosseau is also Vice Chair and owner of Qintess (formerly Grupo Cimcorp Brazil), an IT company specializing in digital transformation and telecommunication infrastructure management with more than 3,000 employees. Mr. Brosseau was President of Blackmont Capital Markets in Toronto until June 2009 and then served as Chair of Québec Capital Markets until May 2010. From 1994 to 2007, he held various executive positions with CIBC, mostly based in Toronto. 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 holds a bachelor's degree (B.Sc.) in Politics and a master's degree (M.Sc.) in Political Science from the Université de Montréal. Mr. Brosseau is a director of Alithya Group inc. since September 2022.

**Michèle Colpron**, *Director and member of the Audit and Risk Management Committee.* Ms. Colpron has been a Director of Videotron since May 14, 2020. She has served as a Director of Quebecor and Quebecor Media since March 11, 2020. Ms. Colpron has been a member of the Audit and Risk Management Committee of Quebecor, Quebecor Media and Videotron since May 14, 2020. Ms. Colpron has over 30 years experience in leadership roles in the financial services industry. She held senior positions from 2000 to 2012 at Caisse de dépôt et placement du Québec where she was Senior Vice President, Financial Management. She also was Vice President, Investment Administration and Vice President, Finance and Administration Private Equity. From 1993 to 1999, Ms. Colpron held senior positions as Chief Financial Officer at Merrill Lynch Bank (Suisse) S.A. and Finance and Human Resources Manager of Standard Chartered Bank (Switzerland) S.A. Her foray into the international business began in 1989 with Ernst & Young in London followed by Hong Kong in 1991 until 1993 as audit manager. Ms. Colpron is a member of the Board of Directors of the Canada Infrastructure Bank since 2017 and chairs its Finance and Audit Committee. She served on the Board of Directors of the Investment Industry Regulatory Organization of Canada (IIROC) from 2017 to 2022, was Vice Chair from 2020 to 2021 and was Chair and member of various committees during that period. Ms. Colpron also served on the Board of Directors of the Fonds de solidarité FTQ from 2012



to 2022. She was also Vice Chair, corporate Director and member of various committees of the Professional Insurance Liability Fund of the Barreau of Québec between 2012 and 2020. Ms. Colpron is Fellow of the *Ordre des comptables professionnels agréés du Québec* (FCPA, FCA). She is also a qualified corporate director (ASC).

**Sylvie Lalande, Director.** Ms. Lalande has been a Director of Videotron since July 2014 and of Quebecor Media since May 2013. She has served as a Director of Quebecor since May 2011. She was appointed as Lead Director of Quebecor and Quebecor Media on November 8, 2017, as Vice Chair on May 8, 2018 and as Chair of the Human Resources and Corporate Governance Committee on May 12, 2016. She has been a Director of TVA Group since December 2001 and was appointed as Chair of the Board on March 10, 2014. She has also served as Chair of the Human Resources and Corporate Governance Committee of TVA Group since May 2013. She held several senior positions in the media, marketing, communication marketing and corporate communications sectors. Until October 2001, she was the Chief Communications Officer of Bell Canada. From 1994 to 1997, she was President and Chief Executive Officer of UBI Consortium, a consortium formed to develop and manage interactive and transactional communication services. From 1987 to 1994, she occupied several senior positions at TVA Group and at Le Groupe Vidéotron ltée. Ms. Lalande began her career in the radio industry, after which she founded her own consultation firm. In 2006, Ms. Lalande earned a university certificate in corporate governance from the Collège des administrateurs de sociétés de l'Université Laval (CAS). She is also a qualified corporate director (ASC). Ms. Lalande was Director, Lead Director and Chair of the Corporate Governance and Human Resources Committee of Ovivo Inc. until its privatisation in September 2016. From November 2013 to September 2017, Ms. Lalande was Chair of the Board of the CAS. From April 2017 to December 2019, she was Chair of the Board of Capital régional et coopératif Desjardins.

**Lise Croteau, Director and member of the Audit and Risk Management Committee.** Ms. Croteau has been a Director and member of the Audit and Risk Management Committee of Videotron since May 2022 and a Director and member of the Human Resources and Corporate Governance Committee of Quebecor and Quebecor Media since June 16, 2019. She has also been a member of the Audit and Risk Management Committee of Quebecor and Quebecor Media since May 2022. Ms. Croteau has been a chartered professional accountant since 1984 and was named a Fellow of the *Ordre des comptables professionnels agréés du Québec* (FCPA, FCA) in 2008. She is also a qualified corporate director (ASC). She was, from 2015 until March 31, 2018, Executive Vice President and Chief Financial Officer of Hydro-Québec. In this role, her mandate included orienting, developing and overseeing all financial, regulatory and management accounting activities, as well as financial planning, taxation, financial control and risk management. In addition, she was responsible for Hydro-Québec's financial statements and reports. She joined Hydro-Québec in 1986, successively holding management positions. She also served as Acting President and Chief Executive Officer from May to July 2015. In 2016, she ranked among Canada's Most Powerful Women: Top 100 Award Winners, a distinction bestowed by the Women's Executive Network (WXN). In 2017, the Québec Chapter of Financial Executives International Canada (FEI Canada) presented her with the Ace of Finance award in the Financial Executive of a Large Corporation category. Ms. Croteau currently serves as a Director, is the Chair of the Audit Committee and member of the Investment and Risk Management Committee of Boralex Inc. Since May 2019, she has also served as a Director and as a member of the Audit Committee of TotalEnergies SE. Ms. Croteau is governor of the *Université de Sherbrooke's Fondation de recherche en administration* (FRAUS), foundation for which she also served as a Director until May 2019. Ms. Croteau was a Director of the Montréal Heart Institute Foundation and a member of its Audit Committee until April 2019. She also served on the Board of Directors of the Montréal Museum of Fine Arts.

**Pierre Karl Péladeau, President.** Mr. Péladeau was appointed to his current position in June 2021. Mr. Péladeau is also President and Chief Executive Officer of Quebecor and Quebecor Media since February 15, 2017, and is also assuming, on an interim basis, the responsibilities of President of TVA Group. Prior to that, Mr. Péladeau entered politics in 2014. He ran as the Parti Québécois candidate in Saint-Jérôme riding and was elected to Québec's National Assembly in April 2014. He became the party's leader on May 15, 2015 and served as Leader of the Official Opposition in the National Assembly until May 2, 2016. Mr. Péladeau joined Quebecor's communications division in 1985 as Assistant to the President. Since then, he has occupied various positions within the Quebecor group of companies. Namely, Mr. Péladeau was a Director of Quebecor Media from August 2000 to March 2014 and of Quebecor from April 1992 until March 2014. In May 2013, he was appointed Chairman of the Board of Directors of Quebecor Media, Videotron, TVA Group and Sun Media Corporation and was also appointed Vice Chairman of the Board of Directors of Quebecor. Mr. Péladeau was President and Chief Executive Officer of Quebecor Media and of Quebecor from April 2009 until May 2013. Mr. Péladeau has chaired numerous other boards of Directors, namely *La Fondation de l'entrepreneuriat* (2011-2014) and Hydro-Québec (2013-2014). Mr. Péladeau is active in many charitable and cultural organizations. Pierre Karl Péladeau is the brother of Érik and Jean Péladeau.

**Sylvain Brosseau, Senior Vice President, Operations, Customer Service.** Mr. Brosseau was appointed to his current position in May 2013. He has served as Vice President, Customer Service since July 2003. Mr. Brosseau has held various management positions within Videotron since joining Videotron in 1996.

**Frédéric Déry**, *Vice President Sales and Marketing, consumer Market*. Mr. Déry was appointed to his current position in October 2021. In addition to his marketing duties, Mr. Déry is also in charge of business development and sales performance. He is leading the field sales representatives and the network extension team. From January 2018 to September 2021, he was Vice President, CX and Product Innovation. Prior to that, Mr. Déry was Vice President Sales and Marketing for Videotron B2B division. Mr. Déry joined Videotron in February 2007 as General Manager, Marketing for Videotron Business. He was one of the main architects of the new Helix product, the successful commercial launch and brand performance. He also contributed to the roll-out of Fizz new digital mobile and broadband brand in the Québec market. Prior to joining Videotron, Mr. Déry worked for nine years as Sales director in the agro-food sector. Mr. Déry graduated from HEC Montreal with a degree in Marketing.

**Mohamed Drif**, *Senior Vice President and Chief Technology Officer*. Mr. Drif was appointed to his current position in November 2018. Prior to that, he was Vice President and Chief Network Officer. From October 2016 to January 2018, he was Vice President, Engineering, Networks. Prior to that, he was Vice President, Engineering, Wireline Network and Project Management Office. He also served as General Manager; Network Planning, Head Ends and Optics from 2008 to 2011. Mr. Drif joined Videotron in March 1999 as Supervisor Fibre Optics Management. He was appointed Director Fibre Network in June 2000, Director Network Planning, Head Ends and Geomatic in January 2002 and Senior Director Network Planning, Head Ends and Optics in February 2003. Mr. Drif previously worked at Cable Axion as Director of Engineering and has also worked in the field of software development in France. Mr. Drif holds a State Engineer degree from the University of Oran in Algeria. He is member of the *Ordre des ingénieurs du Québec*.

**Jean-François Lescadres**, *Vice President Finance*. Mr. Lescadres was appointed to his current position in December 2021. Prior to his current position, Mr. Lescadres spent the last eighteen years in various positions in the organization, most recently as the General Manager, Corporate development, where he was the lead of the company's investments and partnerships. Prior to this position, he occupied key operations positions both for Videotron business operations as well as for its retail team. Mr. Lescadres holds a bachelor's degree in Business from HEC Montréal and is also a member of the *Ordre des comptables professionnels agréés du Québec*.

**France-Éliane Nolet**, *Vice-President, Business Revenue and Retail Network*, was appointed to this position on October 21, 2021. Starting in June 2018, she acted as Vice-President, Sales and Business Strategies, Videotron Business. Before joining Videotron, Ms. Nolet held various management positions between 2003 and 2018, particularly in the media sector, notably within Transcontinental Media Inc., Quebecor Media and La Presse. Widely involved in various professional associations, she was President of the Junior Chamber of Commerce of Montreal (JCCM) in 2006-2007 then President of the Board of the following year, in addition to having served as a director of the Chamber of Commerce of Metropolitan Montreal (CCMM) the same year. Ms. Nolet is an active director of the Conseil québécois du commerce de détail since June 2022. Ms. Nolet holds a Bachelor's degree in Business Administration in Fashion from the University of Québec in Montreal.

**Jean-François Parent**, *Vice President and Treasurer*. Mr. Parent was appointed Vice President and Treasurer in December 2018. He has also served as Vice President and Treasurer of Quebecor and Quebecor Media since December 2018. Prior to that date, he was Senior Director Financing and M&A of Quebecor Media. Mr. Parent joined Quebecor Media in 2006 and has assumed various responsibilities in treasury, corporate finance and mergers and acquisitions since then. Mr. Parent holds a M.Sc. in Finance from Université de Sherbrooke and is a member of the Montréal chapter of the CFA Institute and a member of the *Ordre des comptables professionnels agréés du Québec*.

## **B- Compensation**

Videotron's directors do not receive any remuneration for acting in their capacity as directors of Videotron. Since July 1, 2013, the Chairman of Videotron's Audit and Risk Management Committee receives an annual fee of \$25,000 while the other three members receive an annual fee of \$10,000. Videotron's Directors are reimbursed for their reasonable out-of-pocket expenses incurred in connection with meetings of Videotron's Board of Directors and Videotron's Audit and Risk Management Committee. During the financial year ended December 31, 2022, the amount of compensation (including benefits in kind) paid to five of Videotron's directors for services in all capacities to Videotron and its subsidiaries was \$52,943. None of Videotron's Directors have contracts with Videotron or any of its subsidiaries that provide for benefits upon termination of employment.

The aggregate amount of compensation Videotron paid for the year ended December 31, 2022 to its executive officers as a group, excluding those who are also executive officers of, and compensated by, Quebecor Media, was approximately \$3.3 million, including salaries, bonuses and benefits in kind.

### ***Quebecor's Stock Option Plan***

Under a stock option plan established by Quebecor, 26,000,000 Quebecor Class B Shares have been set aside for Directors, officers, senior employees and other key employees of Quebecor and its subsidiaries, including Videotron. The exercise price of each option is equal to the weighted average trading price of Quebecor Class B Shares on the Toronto Stock Exchange over the last five trading days immediately preceding the grant of the option. Each option may be exercised during a period not exceeding ten years from the date granted. As per the provisions of the plan, options usually vest as follows:  $\frac{1}{3}$  after one year,  $\frac{2}{3}$  after two years, and 100% three years after the original grant. The Board of Directors of Quebecor may, at its discretion, affix different vesting periods at the time of each grant. Thus, since 2018, when granting options, the Board of Directors has determined that options would vest equally over three years with the first  $\frac{33\frac{1}{3}}{3}\%$  vesting on the third anniversary of the date of the grant. Holders of options under the Quebecor stock option plan have the choice, when they want to exercise their options, to acquire Quebecor Class B Shares at the corresponding option exercise price or to receive a cash payment from Quebecor equivalent to the difference between the market value of the underlying shares and the exercise price of the option. By signing the notice of grant they have received, holders of options have committed to obtaining Quebecor's consent before exercising their right to purchase the shares for which they wish to exercise their options.

During the year ended December 31, 2022, 650,000 options to purchase Quebecor Class B Shares were granted to officers and employees of Videotron (excluding Directors, officers and employees who, at the date of grant, were Directors, officers or employees at multiple Quebecor Media group of companies). As of December 31, 2022, a total of 1,048,934 options to purchase Quebecor Class B Shares, with a weighted average exercise price of \$29.06 per share, were held by officers and employees of Videotron for acting in such capacity. The closing sale price of the Quebecor Class B Shares on the TSX on December 30, 2022, was \$30.20.

### ***Quebecor's DSU plan***

On July 13, 2016, Quebecor established a DSU plan for its employees and those of its subsidiaries based on Quebecor Class B shares. The DSUs vest over six years and will be redeemed for cash only upon the participant's retirement or termination of employment, as the case may be. DSUs entitle the holders to receive additional units when dividends are paid on Quebecor Class B shares. As of December 31, 2022, an aggregate total of 12,294 DSUs granted to officers of Videotron remain outstanding.

### ***Pension Benefits***

Both Quebecor Media and Videotron maintain pension plans for Videotron's non-unionized employees and certain officers.

Videotron's pension plan provides pension benefits to Videotron's executive officers equal to 2.0% of salary (excluding bonuses) for each year of membership in the plan. The pension benefits so calculated are payable at the normal retirement age of 65 years, or sooner at the election of the executive officer, subject to an early retirement reduction. In addition, the pension benefits may be deferred, but not beyond the age limit under the relevant provisions of the *Income Tax Act* (Canada) (the "**Tax Act**"), in which case the pension benefits are adjusted to take into account the delay in their payment in relation to the normal retirement age. The maximum pension benefits payable under such pension plan are as prescribed under the Tax Act. An executive officer contributes to this plan an amount equals to 5% of his or her salary up to a maximum of \$8,767 as of December 31, 2022. Videotron changed this pension plan to a defined contribution plan for new employees hired on and after May 1, 2012. Videotron reserves the right, in exceptional circumstances, to override the above conditions in order to allow an executive officer to join the pension plan as of the date of hire or any subsequent date.

Quebecor Media's pension plan provides greater pension benefits to eligible executive officers than it does to other employees. The higher pension benefits under this plan equal 2.0% of the average salary over the best five consecutive years of salary (including bonuses), multiplied by the number of years of membership in the plan as an executive officer. The pension benefits so calculated are payable at the normal retirement age of 65 years, or sooner at the election of the executive officer, and, from age 61, without early retirement reduction. In addition, the pension benefits may be deferred, but not beyond the age limit under the relevant provisions of the Tax Act, in which case the pension benefits are adjusted to take into account the delay in their payment in relation to the normal retirement age. The maximum pension benefits payable under Quebecor Media's pension plan are as prescribed by the Tax Act and are based on a maximum salary of \$175,334. An executive officer contributes to this plan an amount equals to 5% of his or her salary up to a maximum of \$8,767 as of December 31, 2022. Videotron has no liability regarding Quebecor Media's pension plan. Quebecor Media closed this pension plan to all new employees hired on and after December 27, 2008. However, Quebecor Media reserves the right, in exceptional circumstances, to override the above conditions in order to allow an executive officer to join the pension plan as of the date of hire or any subsequent date. New employees are eligible to enroll in a retirement savings plan.

[Table of Contents](#)

The total amount Videotron contributed for the year ended December 31, 2022 to provide the pension benefits to its senior executives, as a group, was \$228,600. For a description of the amount set aside or accrued for pension plans and post-retirement benefits by Videotron to all participants, refer to Note 27 of its audited consolidated financial statements for the year ended December 31, 2022 included under “Item 18. Financial Statements” of this annual report.

The table below indicates the annual pension benefits that would be payable at the normal retirement age of 65 years under both Quebecor Media’s and Videotron’s pension plans:

Compensation	Years of Participation				
	10	15	20	25	30
\$175,334	\$ 35,067	\$ 52,600	\$ 70,133	\$ 87,667	\$ 105,200

**C- Board Practices**

Reference is made to “A. Directors and Senior Management” above for the current term of office, if applicable, and the period during which Videotron’s directors and senior management have served in that office.

There are no directors’ service contracts with Videotron or any of its subsidiaries providing for benefits upon termination of employment.

Videotron’s Board of Directors is comprised of six directors. Each director is nominated and elected by Quebecor Media, Videotron’s parent corporation, to serve until a successor director is elected or appointed. Videotron’s Board of Directors has an Audit and Risk Management Committee, but Videotron does not have a compensation committee. The Human Resources and Corporate Governance Committee of Quebecor Media decides certain matters relating to the compensation of officers and employees of Videotron.

***Audit and Risk Management Committee***

Videotron’s Audit and Risk Management Committee is currently composed of four Directors, namely Ms. Chantal Bélanger, Ms. Michèle Colpron, Ms. Lise Croteau and Mr. André P. Brosseau. Ms. Bélanger is the Chair of Videotron’s Audit and Risk Management Committee. Videotron’s Board of Directors has determined that more than one of the members of the Audit and Risk Management Committee is an “audit committee financial expert” as defined under SEC rules. See “Item 16A — Audit Committee Financial Expert”. Videotron’s Board of Directors has adopted the mandate of its Audit and Risk Management Committee in light of the Sarbanes-Oxley Act of 2002 and related SEC rulemaking. Videotron’s Audit and Risk Management Committee assists its Board of Directors in overseeing i) the effectiveness of internal and financial controls and reporting, ii) the quality and integrity of the presentation of the financial statements and financial information and iii) the processes of identifying and managing enterprise risks. Videotron’s Audit and Risk Management Committee also oversees its compliance with financial covenants and legal and regulatory requirements governing financial disclosure matters and financial risk management.

The current mandate of Videotron’s Audit and Risk Management Committee provides, among other things, that its Audit and Risk Management Committee reviews Videotron’s annual and quarterly financial statements before they are submitted to its Board of Directors, as well as the financial information contained in its annual reports on Form 20-F, Videotron’s management’s discussion and analysis of financial condition and results of operations, its quarterly reports furnished to the SEC under cover of Form 6-K and other documents containing similar information before their public disclosure or filing with regulatory authorities; reviews Videotron’s accounting policies and practices; and discusses with Videotron’s independent auditors the scope of their audit, as well as its auditors’ recommendations and observations with respect to the audit, its accounting policies and financial reporting, and the responses of its management with respect thereto. Videotron’s Audit and Risk Management Committee is also responsible for ensuring that Videotron has in place adequate and effective internal control and management information systems to monitor its financial information and to ensure that its transactions with related parties are made on terms that are fair for Videotron. Videotron’s Audit and Risk Management Committee pre-approves all audit services and permitted non-audit services and pre-approves all the fees pertaining to those services that are payable to its independent auditor, and submits the appropriate recommendations to Videotron’s Board of Directors in connection with these services and fees. At least every five years, Videotron’s Audit and Risk Management Committee carries out an assessment of the external auditor. It also reviews and approves its Code of Ethics applicable to its President and Chief Executive Officer and principal financial officers. Lastly, it also reviews and oversees risk management, particularly including operational risks related to information technology, cybersecurity as well as financial, fraud and regulatory risks, and oversees the effectiveness of the measures put in place to control these risks.

### **Liability Insurance**

Quebecor Media carries liability insurance for the benefit of its directors and officers, as well as for the directors and officers of its subsidiaries, including Videotron and its subsidiaries, against certain liabilities incurred by them in such capacity. These policies are subject to customary deductibles and exceptions. The premiums in respect of this insurance are entirely paid by Quebecor Media, which is then reimbursed by its subsidiaries, including Videotron, for their rateable portion thereof.

### **D- Employees**

At December 31, 2022, Videotron had 5,455 employees. At December 31, 2021 and 2020, Videotron had 5,841 and 6,538 employees, respectively. Substantially all of Videotron's employees are based and work in the Province of Québec. Videotron had 3,211 unionized employees, and the terms of their employment are governed by one of its five regional collective bargaining agreements. There are two collective bargaining agreements covering unionized employees in the Québec City (402 unionized employees) and Saguenay regions (207 unionized employees), which were both renewed on September 13, 2022 and will expire on December 31, 2026. The collective bargaining agreement covering 2,337 unionized employees in the Montréal region will expire on December 31, 2025. The collective bargaining agreement covering 229 unionized employees in the Gatineau region expired on August 31, 2021. Negotiations are in progress for this agreement. The other collective bargaining agreement covering 36 unionized employees of Videotron's subsidiary, SETTE Inc., was renewed on June 30, 2022 and will expire on December 31, 2023.

### **E- Share Ownership**

No Videotron equity securities are held by any of its Directors or senior executive officers.

## **ITEM 7 – MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

### **A- Major Shareholders**

Videotron is a wholly owned subsidiary of Quebecor Media, a leading Canadian-based media and telecommunications company with interests in newspaper publishing operations, television broadcasting, telecommunications, book and magazine publishing and new media services. Through these interests, Quebecor Media holds leading positions in the creation, promotion and distribution of news, entertainment and Internet related services that are designed to appeal to audiences in every demographic category.

Quebecor owns a 100% voting and equity interest in Quebecor Media. The primary asset of Quebecor, a communications holding company, is its interest in Quebecor Media.

### **B- Related Party Transactions**

Videotron enters into related party transactions from time to time. These related party transactions are further described under "Item 5. Operating and Financial Review and Prospects – Cash Flow and Financial Position – Financial Position as of December 31, 2022" and in Note 26 to Videotron's audited consolidated financial statements included under "Item 18. Financial Statements" in this annual report. These related party transactions have been accounted for at the consideration agreed between parties:

	As of December 31,		
	2022	2021	2020
	(in millions)		
<b>Ultimate Parent and Parent Corporation:</b>			
Revenues	\$ 0.4	\$ 0.4	\$ 0.4
Purchase of goods and services	10.2	10.2	9.6
Operating expenses recovered	(2.3)	(2.3)	(1.4)
<b>Corporations Under Common Control:</b>			
Revenues	4.7	5.3	4.9
Purchase of goods and services	112.3	109.7	95.7
Operating expenses recovered	(0.7)	0.4	1.4

### ***Management fee***

Videotron pays annual management fees to the parent corporation for services rendered to Videotron, including internal audit, legal and corporate, financial planning and treasury, tax, real estate, human resources, risk management, public relations and other services. Management fees amounted to \$27.2 million in 2022, \$40.5 million in 2021 and \$41.0 million in 2020. In addition, the parent corporation is entitled to the reimbursement of out-of-pocket expenses incurred in connection with the services provided under the agreement. These transactions were accounted for at the consideration agreed between the parties.

### ***Income tax transactions***

On December 7, 2022, 9346-9963 Québec Inc., a subsidiary of Quebecor Media, redeemed 2,113,000 preferred shares, Series N for a total cash consideration of \$2,113.0 million. On the same day, Videotron used the total proceeds of \$2,113.0 million to repay its subordinated loans contracted from Quebecor Media Inc.

On October 17, 2022, Videotron contracted a subordinated loan of \$2,113.0 million from Quebecor Media Inc., bearing interest at a rate of 10.5%, payable semi-annually, and maturing on October 17, 2052. On the same day, Videotron invested the total proceeds of \$2,113.0 million into 2,113,000 preferred shares, Series N, of 9346-9963 Québec Inc. These shares carry the right to receive an annual dividend of 10.6%, payable semi-annually.

On December 10, 2021, 9346-9963 Québec Inc. redeemed 1,473,000 preferred shares, Series M for a total cash consideration of \$1,473.0 million. On the same day, the Corporation used the total proceeds of \$1,473.0 million to repay its subordinated loans contracted from Quebecor Media Inc.

On October 1, 2021, the Corporation contracted a subordinated loan of \$1,473.0 million from Quebecor Media Inc., bearing interest at a rate of 8.5%, payable semi-annually, and maturing on October 1, 2051. On the same day, the Corporation invested the total proceeds of \$1,473.0 million into 1,473,000 preferred shares, Series M, of 9346-9963 Québec Inc. These shares carry the right to receive an annual dividend of 8.6%, payable semi-annually.

On December 18, 2020, 9346-9963 Québec Inc. redeemed 1,700,000 preferred shares, Series L for a total cash consideration of \$1,700.0 million, and settled cumulative unpaid dividends of \$15.3 million. On the same day, Videotron used the total proceeds of \$1,700.0 million to repay its subordinated loans contracted from Quebecor Media.

On November 12, 2020, Videotron contracted a subordinated loan of \$1,700.0 million from Quebecor Media, bearing interest at a rate of 9.0%, payable every six months on June 20 and December 20, and maturing on November 12, 2050. On the same day, Videotron invested the total proceeds of \$1,700.0 million into 1,700,000 preferred shares, Series L, of 9346-9963 Québec Inc. These shares carry the right to receive an annual dividend of 9.1%, payable semi-annually.

The above transactions were carried out for tax consolidation purposes of Quebecor Media and its subsidiaries.

### ***Purchase of shares of Quebecor Media and subsidiary subordinated loans***

Unlike corporations in the United States, corporations in Canada are not permitted to file consolidated tax returns. As a result, Videotron enters into certain transactions from time to time that have the effect of using tax losses within the Quebecor Media group. These transactions are described further under “Item 5. Operating and Financial Review and Prospects – Cash Flow and Financial Position – Financial Position as of December 31, 2022” and in Note 26 to Videotron’s audited consolidated financial statements which are included under “Item 18. Financial Statements” in this annual report.

### **C- Interests of Experts and Counsel**

Not applicable.

## ITEM 8 – FINANCIAL INFORMATION

### A- Consolidated Statements and Other Financial Information

Videotron's consolidated balance sheets as of December 31, 2022 and 2021, and its consolidated statements of income, comprehensive income, equity and cash flows for the years ended December 31, 2022, 2021 and 2020, including the notes thereto and together with the report of the Independent Registered Public Accounting Firm, are included beginning on page F-1 of this annual report.

#### Legal Proceedings

Videotron and its subsidiaries are involved in a number of legal proceedings as defendants or plaintiffs which are pending. In the opinion of Videotron's management, the outcome of these proceedings is not expected to have a material adverse effect on Videotron's results or financial position.

#### Dividend Policy

During the years ended December 31, 2022, December 31, 2021 and December 31, 2020, Videotron paid aggregate cash dividends on its common shares of \$671,000,000, \$585,000,000 and \$611,000,000, respectively. Videotron currently expects to pay dividends and other distributions on its common shares in the future. The declaration and payment of dividends and other distributions is in the sole discretion of Videotron's Board of Directors, and any decision regarding the declaration of dividends and other distributions will be made by its Board of Directors depending on, among other things, its financial resources, the cash flows generated by its business, its capital needs, and other factors considered relevant by its Board of Directors, including the terms of its indebtedness and applicable law.

### B- Significant Changes

Except as otherwise disclosed in this annual report, there has been no other significant change in Videotron's financial position since December 31, 2022.

## ITEM 9 – THE OFFER AND LISTING

### A- Offer and Listing Details

Not applicable.

### B- Plan of Distribution

Not applicable.

### C- Markets

#### *Outstanding Notes*

On June 17, 2021, Videotron issued and sold \$750.0 million aggregate principal amount of its 3% Senior Notes due June 15, 2028. Videotron also issued US\$500.0 million aggregated principal amount of its 3% Senior Notes due June 15, 2029, in private placements exempt from the registration requirement of the Securities Act and the prospectus requirements of applicable Canadian securities laws.

On January 22, 2021, Videotron issued and sold \$650.0 million aggregate principal amount of its 3% Senior Notes due January 15, 2031, in private placements exempt from the registration requirement of the Securities Act and the prospectus requirements of applicable Canadian securities laws.

On October 8, 2019, Videotron issued and sold \$800.0 million aggregate principal amount of its 4½% Senior Notes due January 15, 2030, in private placements exempt from the registration requirement of the Securities Act and the prospectus requirements of applicable Canadian securities laws.

[Table of Contents](#)

On April 13, 2017, Videotron issued and sold US\$600.0 million aggregate principal amount of its 5½% Senior Notes due April 15, 2027, in private placements exempt from the registration requirement of the Securities Act and the prospectus requirements of applicable Canadian securities laws.

On September 15, 2015, Videotron issued and sold \$375.0 million aggregate principal amount of its 5¼% Senior Notes due January 15, 2026, in private placements exempt from the registration requirement of the Securities Act and the prospectus requirements of applicable Canadian securities laws.

On April 9, 2014, Videotron issued and sold US\$600.0 million aggregate principal amount of its 5¾% Senior Notes due June 15, 2024, in private placements exempt from the registration requirement of the Securities Act and the prospectus requirements of applicable Canadian securities laws.

On June 17, 2013, Videotron issued and sold \$400.0 million aggregate principal amount of its 5½% Senior Notes due June 15, 2025 in private placements exempt from the registration requirement of the Securities Act and the prospectus requirements of applicable Canadian securities laws.

Videotron is the issuer of all of the Senior Notes. Videotron's obligations under the Senior Notes and the related indentures are fully and unconditionally guaranteed (the "Guarantees") by each of its subsidiaries other than those subsidiaries which represent, in the aggregate, less than 1% of its consolidated assets, liabilities, revenues, net income and intercompany balances. Since these non-guarantor subsidiaries are immaterial, Videotron's summarized financial information and that of the subsidiary guarantors, on a combined basis after elimination of intercompany transactions and balances among them and excluding investments in and equity in the earnings of non-guarantor subsidiaries, is not presented in this annual report.

Under the terms of the Guarantees, the subsidiary guarantors guarantee to each holder the due and punctual payment of any principal, accrued and unpaid interest (and all Additional Amounts, as such term is defined in the applicable indenture, if any) due under the debt securities in accordance with each indenture. The Guarantees are the full, direct, unconditional, unsecured and unsubordinated general obligations of the subsidiary guarantors.

The Guarantees of a subsidiary guarantor will be terminated (and any subsidiary guarantor will automatically and unconditionally be released from all obligations under its Guarantee) at substantially the same time that (i) the relevant subsidiary guarantor is released from its guarantee of Videotron's credit facilities, or (ii) such subsidiary guarantor is sold or designated as an unrestricted subsidiary under the indentures. If the Guarantees by the subsidiary guarantors are released, Videotron is not required to replace them, and the Senior Notes will have the benefit of fewer or no Guarantees for the remaining maturity of such debt securities.

There is currently no established trading market for Videotron's Senior Notes. There can be no assurance as to the liquidity of any market that may develop for its outstanding Senior Notes, the ability of the holders of any such Senior Notes to sell them or the prices at which any such sales may be made. Videotron has not and does not presently intend to apply for a listing of its outstanding Senior Notes on any exchange or automated dealer quotation system.

The record holder of Videotron's 5¾% Senior Notes due 2024, its 5½ Senior Notes due 2027 and its 3½% Senior Notes due 2029 is Cede & Co., a nominee of The Depository Trust Company, and the record holder of its 5¾% Senior Notes due 2025, its 5¼% Senior Notes due 2026, its 3½% Senior Notes due 2028, its 4½% Senior Notes due 2030 and its 3½% Senior Notes due 2031 is CDS Clearing and Depository Services Inc.

**D- Selling Shareholders**

Not applicable.

**E- Dilution**

Not applicable.

**F- Expenses of the Issue**

Not applicable.



## ITEM 10 – ADDITIONAL INFORMATION

### A- Share Capital

Not applicable.

### B- Memorandum and Articles of Association

The Articles of Amalgamation of Videotron, dated as of January 4, 2018 are referred to as Videotron’s “Articles”. Videotron’s Articles are included as exhibits to this annual report. The following is a summary of certain provisions of the Corporation’s Articles and by-laws:

Since its coming into force on February 14, 2011, Videotron is governed by the *Business Corporations Act* (Québec). On January 4, 2018, Vidéotron ltée and 9370-5762 Québec inc. amalgamated, under the *Business Corporations Act* (Québec), into a single corporation using the name “Videotron Ltd.” (or “Vidéotron ltée” in French) with the Designating Number 1173288326. Previously, on July 1, 2006, Vidéotron ltée and 9101-0827 Québec inc. amalgamated, under Part IA of the *Companies Act* (Québec), into a single corporation using the name “Videotron Ltd.” (or “Vidéotron ltée” in French) with the Designating Number 1163819882. The Articles provide no restrictions on the purposes or activities that may be undertaken by Videotron.

1. (a) The Corporation’s by-laws provide that a director must disclose the nature and value of any interest he has in a contract or transaction to which the Corporation is a party. A director must also disclose a contract or transaction to which the Corporation and any of the following are a party:
  - (i) an associate of the director;
  - (ii) a group of which the director is a director or an officer;
  - (iii) a group in which the director or an associate of the director has an interest.

No director may vote on a resolution to approve, amend or terminate the contract or transaction, or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction unless the contract or transaction:

- (i) relates primarily to the remuneration of the director or an associate of the director as a director of Videotron or any of its affiliates;
  - (ii) relates primarily to the remuneration of the director or an associate of the director as an officer, employee or mandatary of Videotron or any of its affiliates, if Videotron is not a reporting issuer;
  - (iii) is for the indemnification of the directors in certain circumstances or liability insurance taken out by Videotron;
  - (iv) is with an affiliate of Videotron, and the sole interest of the director is as a director or officer of the affiliate.
- (b) Neither the Articles nor Videotron’s by-laws contain provisions with respect to directors’ power, in the absence of an independent quorum, to determine their remuneration.
  - (c) Subject to any restriction which may from time to time be included in Videotron’s Articles or by-laws, or the terms, rights or restrictions of any of its shares or securities outstanding, its directors may authorize Videotron, by ordinary resolution, to borrow money and obtain advances upon the credit of the Corporation when they consider it appropriate. Videotron’s directors also may, by ordinary resolution, when they consider it appropriate, (i) issue bonds or other securities of the Corporation and give them in guarantee or sell them for prices and amounts deemed appropriate; (ii) mortgage, pledge or give as surety its present or future movable and immovable property to ensure the payment of these bonds or other securities or give a part only of these guarantees for the same purposes; and (iii) mortgage or pledge its real estate or give as security or otherwise encumber with any charge its movables or give these various

kinds of securities to assure the payment of loans made other than by the issuance of bonds as well as the payment or the execution of other debts, contracts and commitments of its corporation.

Neither Videotron's Articles nor its by-laws contain any provision with respect to (i) the retirement or non-retirement of its directors under an age limit requirement or (ii) the number of shares, if any, required for the qualification of its directors.

2. The rights, preferences and restrictions attaching to the Corporation's common shares and its preferred shares (consisting of its Class "A" Common Shares and its authorized classes of preferred shares, comprised of its Class "B" Preferred Shares, Class "C" Preferred Shares, Class "D" Preferred Shares, Class "E" Preferred Shares, Class "F" Preferred Shares, Class "G" Preferred Shares and Class "H" Preferred Shares) are set forth below:

## **Common Shares**

### ***Class "A" Common Shares***

- (a) *Dividend rights:* Subject to the rights of the holders of preferred shares (including their redemption rights) and subject to applicable law, each Class "A" Common Share is entitled to receive such dividends as the Board of Directors shall determine.
- (b) *Voting rights:* The holders of Class "A" Common Shares are entitled to vote at each shareholders' meeting with the exception of meetings at which only the holders of another class of shares are entitled to vote. Each Class "A" Common Share entitles the holder to one vote. The holders of the Class "A" Common Shares shall elect the directors of the Corporation at an annual or special meeting of shareholders called for that purpose, except that any vacancy occurring in the Board of Directors may be filled, for the remainder of the term, by the Corporation's Directors. At any meeting of shareholders called for such purpose, directors are elected by a majority of the votes cast in respect of such election.
- (c) *Rights to share in the Corporation's profits:* Other than as described in paragraph (a) above (whereby the holders of Class "A" Common Shares are entitled to receive dividends as determined by the Corporation's Board of Directors subject to certain restrictions) and paragraph (d) below (whereby the holders of Class "A" Common Shares are entitled to participation in the remaining property and assets of the Corporation available for distribution in the event of liquidation or dissolution), None.
- (d) *Rights upon liquidation:* In the event of the Corporation's liquidation or dissolution or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Class "A" Common Shares shall be entitled, subject to the rights of the holders of preferred shares, to participate equally, share for share, in the Corporation's residual property and assets available for distribution to its shareholders, without preference or distinction.
- (e) *Redemption provisions:* None.
- (f) *Sinking fund provisions:* None.
- (g) *Liability to further capital calls by the Corporation:* None, provided that the Corporation's directors may make calls upon the shareholders in respect of any moneys unpaid upon their shares.
- (h) *Provisions discriminating against existing or prospective holders of common shares as a result of such holders owning a substantial number of common shares:* None.

## Preferred Shares

### Class “B” Preferred Shares

- (a) *Dividend rights:* When the Corporation’s Board of Directors declares a dividend, the holders of Class “B” Preferred Shares have the right to receive, in priority over the holders of Class “A” Common Shares, Class “C” Preferred Shares, Class “D” Preferred Shares, Class “E” Preferred Shares, Class “F” Preferred Shares and Class “H” Preferred Shares, but subordinated to the holders of Class “G” Preferred Shares, a preferential and non-cumulative dividend at the fixed rate of 1% per month, calculated on the basis of the applicable redemption value of Class “B” Preferred Shares. A dividend may be declared and payable in cash, in kind or through the issuance of fully paid shares of any class of the Corporation.
- (b) *Voting rights:* Subject to applicable law and except as expressly otherwise provided, the holders of Class “B” Preferred Shares do not have the right to receive notice of meetings of shareholders or to attend any such meeting or vote at any such meeting.
- (c) *Rights to share in the Corporation’s profits:* Other than as described in paragraph (a) above (whereby the holders of Class “B” Preferred Shares are entitled to receive certain dividends, if and when declared by the Board of Directors), paragraph (d) below (whereby the holders of Class “B” Preferred Shares are entitled to participate in the distribution of the residual property and assets of the Corporation available for distribution in the event of its liquidation or winding-up) and paragraph (e) below (whereby the holders of Class “B” Preferred Shares have certain redemption rights): None.
- (d) *Rights upon liquidation:* In the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of the Class “B” Preferred Shares shall be entitled to repayment of the amount paid for the Class “B” Preferred Shares in the subdivision of the issued and paid-up share capital account relating to the Class “B” Preferred Shares.

In addition, in the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the rights of holders of Class “B” Preferred Shares as regards to payment of dividends and the right to participate in the distribution of residual assets, shall rank in priority to the rights of the holders of Class “A” Common Shares, Class “C” Preferred Shares, Class “D” Preferred Shares, Class “E” Preferred Shares, Class “F” Preferred Shares and Class “H” Preferred Shares, but subordinated to the rights of holders of Class “G” Preferred Shares.

- (e) *Redemption provisions:* Subject to the provisions of the *Business Corporations Act* (Québec), the holders of Class “B” Preferred Shares have, at any time, the right to require the Corporation to redeem (referred to as a “retraction right”) any or all of their Class “B” Preferred Shares at a redemption price equal to the amount paid for such shares in the subdivision of the issued and paid-up share capital account relating to such shares, plus a specified premium, if applicable, plus the amount of any declared and unpaid dividends.

In addition, the Corporation may, at its option, redeem any or all of the Class “B” Preferred Shares outstanding at any time at an aggregate redemption price equal to the consideration received by the Corporation for these Class “B” Preferred Shares. The Corporation may also, when it deems it appropriate and without giving notice or taking into account the other classes of shares, buy, pursuant to a private agreement, all or some of the Class “B” Preferred Shares outstanding at a purchase price for any such Class “B” Preferred Shares not exceeding the retraction right purchase price described above or the book value of the Corporation’s net assets.

- (f) *Sinking fund provisions:* None.
- (g) *Liability to further capital calls by the Corporation:* None, provided that the Corporation’s directors may make calls upon the shareholders in respect of any moneys unpaid upon their shares.

- (h) *Provisions discriminating against existing or prospective holders of Class “B” Preferred Shares as a result of such holder owning a substantial number of Class “B” Preferred Shares:* None.

**Class “C” Preferred Shares**

- (a) *Dividend rights:* When the Corporation’s Board of Directors declares a dividend, the holders of Class “C” Preferred Shares have the right to receive, in priority over the holders of Class “A” Common Shares, Class “D” Preferred Shares, Class “E” Preferred Shares, Class “F” Preferred Shares and Class “H” Preferred Shares, but subordinated to the holders of Class “B” Preferred Shares and Class “G” Preferred Shares, a preferential and non-cumulative dividend at the fixed rate of 1% per month, calculated on the basis of the applicable redemption value of Class “C” Preferred Shares. A dividend may be declared and payable in cash, in kind or through the issuance of fully paid shares of any class of the Corporation.
- (b) *Voting rights:* Subject to applicable law and except as expressly otherwise provided, the holders of Class “C” Preferred Shares do not have the right to receive notice of meetings of shareholders or to attend any such meeting or vote at any such meeting.
- (c) *Rights to share in the Corporation’s profits:* Other than as described in paragraph (a) above (whereby the holders of the Class “C” Preferred Shares are entitled to receive certain dividends, if and when declared by the Board of Directors), paragraph (d) below (whereby the holders of Class “C” Preferred Shares are entitled to participate in the distribution of the residual property and assets of the Corporation available for distribution in the event of its liquidation or winding-up) and paragraph (e) below (whereby the holders of Class “C” Preferred Shares have certain redemption rights): None.
- (d) *Rights upon liquidation:* In the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of the Class “C” Preferred Shares shall be entitled to repayment of the amount paid for the Class “C” Preferred Shares in the subdivision of the issued and paid-up share capital account relating to the Class “C” Preferred Shares.

In addition, in the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the rights of holders of Class “C” Preferred Shares as regards to payment of dividends and the right to participate in the distribution of residual assets, shall rank in priority to the rights of the holders of Class “A” Common Shares, Class “D” Preferred Shares, Class “E” Preferred Shares, Class “F” Preferred Shares and Class “H” Preferred Shares, but subordinated to the rights of holders of Class “B” Preferred Shares and Class “G” Preferred Shares.

- (e) *Redemption provisions:* Subject to the provisions of the *Business Corporations Act* (Québec), the holders of Class “C” Preferred Shares have, at any time, the right to require the Corporation to redeem (referred to as a “retraction right”) any or all of their Class “C” Preferred Shares at a redemption price equal to the amount paid for such shares in the subdivision of the issued and paid-up share capital account relating to such shares, plus a specified premium, if applicable, plus the amount of any declared and unpaid dividends.

In addition, the Corporation may, at its option, redeem any or all of the Class “C” Preferred Shares outstanding at any time at an aggregate redemption price equal to the consideration received by the Corporation for these Class “C” Preferred Shares. The Corporation may also, when it deems it appropriate and without giving notice or taking into account the other classes of shares, buy, pursuant to a private agreement, all or some of the Class “C” Preferred Shares outstanding at a purchase price for any such Class “C” Preferred Shares not exceeding the retraction right purchase price described above or the book value of the Corporation’s net assets.

- (f) *Sinking fund provisions:* None.
- (g) *Liability to further capital calls by the Corporation:* None, provided that the Corporation’s directors may make calls upon the shareholders in respect of any moneys unpaid upon their shares.

- (h) *Provisions discriminating against existing or prospective holders of Class “C” Preferred Shares as a result of such holder owning a substantial number of Class “C” Preferred Shares:* None.

**Class “D” Preferred Shares**

- (a) *Dividend rights:* When the Corporation’s Board of Directors declares a dividend, the holders of Class “D” Preferred Shares have the right to receive, in priority over the holders of Class “A” Common Shares, Class “E” Preferred Shares, Class “F” Preferred Shares and Class “H” Preferred Shares, but subordinated to the holders of Class “B” Preferred Shares, Class “C” Preferred Shares and Class “G” Preferred Shares, a preferential and non-cumulative dividend at the fixed rate of 1% per month, calculated on the basis of the applicable redemption value of Class “D” Preferred Shares. A dividend may be declared and payable in cash, in kind or through the issuance of fully paid shares of any class of the Corporation.
- (b) *Voting rights:* Subject to applicable law and except as expressly otherwise provided, the holders of the Corporation’s Class “D” Preferred Shares do not have the right to receive notice of meetings of shareholders or to attend any such meeting or vote at any such meeting.
- (c) *Rights to share in the Corporation’s profits:* Other than as described in paragraph (a) above (whereby the holders of Class “D” Preferred Shares are entitled to receive certain dividends, if and when declared by the Board of Directors), paragraph (d) below (whereby the holders of Class “D” Preferred Shares are entitled to participate in the distribution of the residual property and assets of the Corporation available for distribution in the event of its liquidation or winding-up) and paragraph (e) below (whereby the holders of Class “D” Preferred Shares have certain redemption rights): None.
- (d) *Rights upon liquidation:* In the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of the Class “D” Preferred Shares shall be entitled to repayment of the amount paid for the Class “D” Preferred Shares in the subdivision of the issued and paid-up share capital account relating to the Class “D” Preferred Shares.

In addition, in the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the rights of holders of Class “D” Preferred Shares as regards to payment of dividends and the right to participate in the distribution of residual assets, shall rank in priority to the rights of the holders of Class “A” Common Shares, Class “E” Preferred Shares, Class “F” Preferred Shares and Class “H” Preferred Shares, but subordinated to the rights of holders of Class “B” Preferred Shares, Class “C” Preferred Shares and Class “G” Preferred Shares.

- (e) *Redemption provisions:* Subject to the provisions of the *Business Corporations Act* (Québec), the holders of Class “D” Preferred Shares have, at any time, the right to require the Corporation to redeem (referred to as a “retraction right”) any or all of their Class “D” Preferred Shares at a redemption price equal to the amount paid for such shares in the subdivision of the issued and paid-up share capital account relating to such shares, plus a specified premium, if applicable, plus the amount of any declared and unpaid dividends.

In addition, the Corporation may, at its option, redeem any or all of the Class “D” Preferred Shares outstanding at any time at an aggregate redemption price equal to the consideration received by the Corporation for these Class “D” Preferred Shares. The Corporation may also, when it deems it appropriate and without giving notice or taking into account the other classes of shares, buy, pursuant to a private agreement, all or some of the Class “D” Preferred Shares outstanding at a purchase price for any such Class “D” Preferred Shares not exceeding the retraction right purchase price described above or the book value of the Corporation’s net assets.

- (f) *Sinking fund provisions:* None.
- (g) *Liability to further capital calls by the Corporation:* None, provided that the Corporation’s directors may make calls upon the shareholders in respect of any moneys unpaid upon their shares.

- (h) *Provisions discriminating against existing or prospective holders of Class “D” Preferred Shares as a result of such holder owning a substantial number of Class “D” Preferred Shares:* None.

**Class “E” Preferred Shares**

- (a) *Dividend rights:* When the Corporation’s Board of Directors declares a dividend, the holders of Class “E” Preferred Shares have the right to receive, in priority over the holders of Class “A” Common Shares, Class “F” Preferred Shares and Class “H” Preferred Shares, but subordinated to the holders of Class “B” Preferred Shares, Class “C” Preferred Share, Class “D” Preferred Share and Class “G” Preferred Shares, a preferential and non-cumulative dividend at the fixed rate of 1% per month, calculated on the basis of the applicable redemption value of Class “E” Preferred Shares. A dividend may be declared and payable in cash, in kind or through the issuance of fully paid shares of any class of the Corporation.
- (b) *Voting rights:* Subject to applicable law and except as expressly otherwise provided, the holders of Class “E” Preferred Shares do not have the right to receive notice of meetings of shareholders or to attend any such meeting or vote at any such meeting.
- (c) *Rights to share in the Corporation’s profits:* Other than as described in paragraph (a) above (whereby the holders of Class “E” Preferred Shares are entitled to receive certain dividends, if and when declared by the Board of Directors), paragraph (d) below (whereby the holders of Class “E” Preferred Shares are entitled to participate in the distribution of the residual property and assets of the Corporation available for distribution in the event of its liquidation or winding-up) and paragraph (e) below (whereby the holders of Class “E” Preferred Shares have certain redemption rights): None.
- (d) *Rights upon liquidation:* In the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of the Class “E” Preferred Shares shall be entitled to repayment of the amount paid for the Class “E” Preferred Shares in the subdivision of the issued and paid-up share capital account relating to the Class “E” Preferred Shares.

In addition, in the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the rights of holders of Class “E” Preferred Shares as regards to payment of dividends and the right to participate in the distribution of residual assets, shall rank in priority to the rights of the holders of the Corporation’s Class “A” Common Share, Class “F” Preferred Shares and Class “H” Preferred Shares, but subordinated to the rights of holders of its Class “B” Preferred Shares, Class “C” Preferred Shares, Class “D” Preferred Shares and Class “G” Preferred Shares.

- (e) *Redemption provisions:* Subject to the provisions of the *Business Corporations Act* (Québec), the holders of Class “E” Preferred Shares have, at any time, the right to require the Corporation to redeem (referred to as a “retraction right”) any or all of their Class “E” Preferred Shares at a redemption price equal to the amount paid for such shares in the subdivision of the issued and paid-up share capital account relating to such shares, plus a specified premium, if applicable, plus the amount of any declared and unpaid dividends.

In addition, the Corporation may, at its option, redeem any or all of the Class “E” Preferred Shares outstanding at any time at an aggregate redemption price equal to the consideration received by the Corporation for these Class “E” Preferred Shares. The Corporation may also, when it deems it appropriate and without giving notice or taking into account the other classes of shares, buy, pursuant to a private agreement, all or some of the Class “E” Preferred Shares outstanding at a purchase price for any such Class “E” Preferred Shares not exceeding the retraction right purchase price described above or the book value of the Corporation’s net assets.

- (f) *Sinking fund provisions:* None.
- (g) *Liability to further capital calls by the Corporation:* None, provided that the Corporation’s directors may make calls upon the shareholders in respect of any moneys unpaid upon their shares.

- (h) *Provisions discriminating against existing or prospective holders of Class “E” Preferred Shares as a result of such holder owning a substantial number of Class “E” Preferred Shares:* None.

**Class “F” Preferred Shares**

- (a) *Dividend rights:* When the Corporation’s Board of Directors declares a dividend, the holders of Class “F” Preferred Shares have the right to receive, in priority over the holders of Class “A” Common Shares and Class “H” Preferred Shares, but subordinated to the holders of Class “B” Preferred Shares, Class “C” Preferred Shares, Class “D” Preferred Shares, Class “E” Preferred Shares and Class “G” Preferred Shares, a preferential and non-cumulative dividend at the fixed rate of 1% per month, calculated on the basis of the applicable redemption value of Class “F” Preferred Shares. A dividend may be declared and payable in cash, in kind or through the issuance of fully paid shares of any class of the Corporation.
- (b) *Voting rights:* Subject to applicable law and except as expressly otherwise provided, the holders of Class “F” Preferred Shares do not have the right to receive notice of meetings of shareholders or to attend any such meeting or vote at any such meeting.
- (c) *Rights to share in the Corporation’s profits:* Other than as described in paragraph (a) above (whereby the holders of Class “F” Preferred Shares are entitled to receive certain dividends, if and when declared by the Board of Directors), paragraph (d) below (whereby the holders of Class “F” Preferred Shares are entitled to participate in the distribution of the residual property and assets of the Corporation available for distribution in the event of its liquidation or winding-up) and paragraph (e) below (whereby the holders of Class “F” Preferred Shares have certain redemption rights): None.
- (d) *Rights upon liquidation:* In the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of the Class “F” Preferred Shares shall be entitled to repayment of the amount paid for the Class “F” Preferred Shares in the subdivision of the issued and paid-up share capital account relating to the Class “F” Preferred Shares.

In addition, in the event of the Corporation’s liquidation, dissolution or other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the rights of holders of Class “F” Preferred Shares as regards to payment of dividends and the right to participate in the distribution of residual assets, shall rank in priority to the rights of the holders of Class “A” Common Shares and Class “H” Preferred Shares, but subordinated to the rights of holders of Class “B” Preferred Shares, Class “C” Preferred Shares, Class “D” Preferred Shares, Class “E” Preferred Shares and Class “G” Preferred Shares.

- (e) *Redemption provisions:* Subject to the provisions of the *Business Corporations Act* (Québec), the holders of Class “F” Preferred Shares have, at any time, the right to require the Corporation to redeem (referred to as a “retraction right”) any or all of their Class “F” Preferred Shares at a redemption price equal to the amount paid for such shares in the subdivision of the issued and paid-up share capital account relating to such shares, plus a specified premium, if applicable, plus the amount of any declared and unpaid dividends.

In addition, the Corporation may, at its option, redeem any or all of the Class “F” Preferred Shares outstanding at any time at an aggregate redemption price equal to the consideration received by the Corporation for these Class “F” Preferred Shares. The Corporation may also, when it deems it appropriate and without giving notice or taking into account the other classes of shares, buy, pursuant to a private agreement, all or some of the Class “F” Preferred Shares outstanding at a purchase price for any such Class “F” Preferred Shares not exceeding the retraction right purchase price described above or the book value of the Corporation’s net assets.

- (f) *Sinking fund provisions:* None.
- (g) *Liability to further capital calls by the Corporation:* None, provided that the Corporation’s directors may make calls upon the shareholders in respect of any moneys unpaid upon their shares.

- (h) *Provisions discriminating against existing or prospective holders of Class “F” Preferred Shares as a result of such holder owning a substantial number of Class “F” Preferred Shares:* None.

**Class “G” Preferred Shares**

- (a) *Dividend rights:* When the Corporation’s Board of Directors declares a dividend, the holders of Class “G” Preferred Shares have the right to receive, in priority over the holders of common shares and preferred shares of other series, a preferential and cumulative dividend, payable semi-annually, at the fixed rate of 11.25% per year, calculated daily on the basis of the applicable redemption value of Class “G” Preferred Shares. No dividends may be paid on any common shares or preferred shares of other series unless all dividends which shall have become payable on the Class “G” Preferred Shares have been paid or set aside for payment.
- (b) *Voting rights:* Subject to applicable law and except as expressly otherwise provided, the holders of Class “G” Preferred Shares do not have the right to receive notice of meetings of shareholders or to attend any such meeting or vote at any such meeting.

However, in the event that the Corporation shall have failed to pay eight (8) half-yearly dividends, whether or not consecutive, on the Class “G” Preferred Shares, and only for so long as the dividend remains in arrears, the holders of Class “G” Preferred Shares shall have the right to receive notice of meetings of shareholders and to attend and vote at any such meetings, except meetings at which only holders of another specified series or class of shares are entitled to vote. At each such meeting, each Class “G” Preferred Share shall entitle the holder thereof to one vote.

- (c) *Rights to share in the Corporation’s profits:* Except as described in paragraph (a) above (whereby the holders of Class “G” Preferred Shares are entitled to receive a 11.25% cumulative preferred dividend in preference to the holders of common shares and other series of preferred shares), paragraph (d) below (whereby the holders of Class “G” Preferred Shares are entitled to receive, in preference to the holders of common shares and other series of preferred shares, an amount equal to \$1,000 per Class “G” Preferred Share and any accumulated and unpaid dividends with respect thereto in the event of its liquidation, winding-up or reorganization) and paragraph (e) below (whereby the holders of Class “G” Preferred Shares may require the Corporation to redeem the Class “G” Preferred Shares at a redemption price of \$1,000 per share plus any accrued and unpaid dividends with respect thereto): None.
- (d) *Rights upon liquidation:* In the event of the Corporation’s liquidation, dissolution or reorganization or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of its Class “G” Preferred Shares shall be entitled to receive in preference to the holders of its common shares and its preferred shares of other series an amount equal to \$1,000 per Class “G” Preferred Share and any accrued and unpaid dividends with respect thereto.

Class “G” Preferred Shares have priority over common shares and preferred shares of other series as to the order of priority of the distribution of assets in case of the liquidation or dissolution of the Corporation, voluntary or involuntary, or of any other distribution of its assets to its shareholders for the purpose of winding up its affairs.

- (e) *Redemption provisions:* Subject to the provisions of the *Business Corporations Act* (Québec), the holders of Class “G” Preferred Shares have, at any time, the right to require the Corporation to redeem any and all of their shares at a redemption price equal to \$1,000 per share plus any accrued and unpaid dividends with respect thereto. In addition, the Corporation may, at its option, redeem any and all Class “G” Preferred Shares at any time at a redemption price equal to \$1,000 per share plus any accrued and unpaid dividends with respect thereto.
- (f) *Sinking fund provisions:* None.
- (g) *Liability to further capital calls by the Corporation:* None, provided that the Corporation’s directors may make calls upon the shareholders in respect of any moneys unpaid upon their shares.
- (h) *Provisions discriminating against existing or prospective holders of Class “G” Preferred Shares as a result of such holder owning a substantial number of Class “G” Preferred Shares:* None.



**Class “H” Preferred Shares**

- (a) *Dividend rights:* The holders of Class “H” Preferred Shares shall be entitled to receive, every year, in such manner and at such time as the Corporation’s Board of Directors may declare, a non-cumulative dividend at the fixed rate of 1% per month, calculated on the redemption price of the Class “H” Preferred Shares, payable in cash, property or through the issuance of fully paid shares of any class of the Corporation.
  - (b) *Voting rights:* Subject to applicable law and except as expressly otherwise provided, the holders of Class “H” Preferred Shares do not have the right to receive notice of meetings of shareholders or to attend any such meeting or vote at any such meeting.
  - (c) *Rights to share in the Corporation’s profits:* Except as described in paragraph (a) above (whereby the holders of Class “H” Preferred Shares are entitled to receive, every year, in such manner and at such time as the Board of Directors may declare, a non-cumulative dividend at the fixed rate of 1% per month), paragraph (d) below (whereby the holders of Class “H” Preferred Shares are entitled to repayment of the amount paid for the Class “H” Preferred Shares in the event of its liquidation, winding-up or reorganization) and paragraph (e) below (whereby the holders of Class “H” Preferred Shares may require the Corporation to redeem the Class “H” Preferred Shares at a specified redemption price): None.
  - (d) *Rights upon liquidation:* In the event of the Corporation’s liquidation, dissolution or reorganization or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Class “H” Preferred Shares shall be entitled to repayment of the amount paid for the Class “H” Preferred Shares into the subdivision of the issued and paid-up share capital account relating to the Class “H” Preferred Shares.
  - (e) *Redemption provisions:* Subject to the provisions of the *Business Corporations Act* (Québec), the Corporation may elect to redeem the Class “H” Preferred Shares at any time at a price equal to the specified redemption price plus an amount equal to any dividends declared thereon but unpaid up to the date of redemption. The specified redemption price is, subject to certain conditions, equal to the aggregate consideration received for such share.
  - (f) *Sinking fund provisions:* None.
  - (g) *Liability to further capital calls by the Corporation:* None, provided that the Corporation’s directors may make calls upon the shareholders in respect of any moneys unpaid upon their shares.
  - (h) *Provisions discriminating against existing or prospective holders of Class “H” Preferred Shares as a result of such holder owning a substantial number of Class “H” Preferred Shares:* None.
3. **Actions necessary to change the rights of shareholders.** Under the *Business Corporations Act* (Québec), (i) Videotron’s Articles may only be amended by the affirmative vote of the holders of two-thirds ( $\frac{2}{3}$ ) of the votes cast by the shareholders at a special meeting called for that purpose and (ii) its by-laws may be amended by its Board of Directors and ratified by a majority of the votes cast by the shareholders at the next shareholders meeting. Unless they are rejected by the shareholders at the close of the meeting or not submitted to the shareholders, the amended by-laws are effective as of the date of the resolution of the Board of Directors approving them. However, by-law amendments relating to procedural matters with respect to shareholders meetings take effect only once they have received shareholders’ approval. In addition, pursuant to the *Business Corporations Act* (Québec), Videotron may not make any amendments to the Articles that affect the rights, conditions, privileges or restrictions attaching to issued shares of any series outstanding, other than an increase in the share capital or the number of its authorized shares, without obtaining the consent of all the shareholders concerned by the amendment, whether or not they are eligible to vote. In order to change the rights of its shareholders, Videotron would need to amend its Articles to effect the change. Such an amendment would require the approval of holders of two-thirds ( $\frac{2}{3}$ ) of the shares at a duly called special meeting. For amendments affecting the rights of a particular class or series of shares, the holders of such class or series of shares are entitled to a separate vote, whether or not shares of this class or series otherwise carry the right to vote. Such a proposed amendment will be effected only if it receives the approval of two-thirds ( $\frac{2}{3}$ ) of holders of each such affected class

or series of shares. In respect of certain amendments, a shareholder is entitled to dissent and, if the resolution is adopted and Videotron implements the changes, demand that Videotron repurchase all of its shares of such class or series for which a separate vote was carried out at their fair value.

4. **Shareholder Meetings.** Videotron's by-laws and the *Business Corporations Act* (Québec) provide that the annual meeting of its shareholders shall be held within fifteen (15) months after the last preceding annual meeting. All shareholders meetings shall be held within the province of Québec at the place and time determined by its Board of Directors and may be called by order of its Board of Directors.

Videotron's by-laws provide that notice specifying the place, date, time and purpose of any meeting of its shareholders shall be sent to all the shareholders entitled to vote and to each director at least twenty-one (21) days but not more than sixty (60) days before the meeting by any means providing proof of the date of sending at the addresses indicated in its records.

Videotron's chairman of the board or, in his absence, the vice-chair of the board, if any, or in his absence, the president and chief executive officer or any other person that may be named by the board shall preside at all meetings of the shareholders. If the person who is to chair the meeting is not present at the meeting within fifteen (15) minutes after the time appointed for the meeting, the shareholders present choose one of their own to chair the meeting.

Videotron's by-laws provide that a quorum of shareholders is present at a shareholders meeting if, at the opening of the meeting, one or several holders of 50% or more of the shares that carry the right to vote at the meeting are present in person or represented by proxy.

5. **Limitations on right to own securities.** There is no limitation imposed by Canadian law or by the Articles or Videotron's other constituent documents on the right of non-residents or foreign owners to hold or vote shares, other than as provided in the *Investment Canada Act* (Canada) and the Radiocommunication Act. The *Investment Canada Act* (Canada) requires "non-Canadian" (as defined in the *Investment Canada Act* (Canada)) individuals, governments, corporations and other entities who wish to acquire control of a "Canadian business" (as defined in the *Investment Canada Act* (Canada)) to file either an application for review (when certain asset value thresholds are met) or a post-closing notification with the Director of Investments appointed under the *Investment Canada Act* (Canada), unless a specific exemption applies. The *Investment Canada Act* (Canada) requires that, when an acquisition of control of a Canadian business by a "non-Canadian" is subject to review, it must be approved by the Minister responsible for the *Investment Canada Act* (Canada) on the basis that the Minister is satisfied that the acquisition is "likely to be of net benefit to Canada", having regard to criteria set forth in the *Investment Canada Act* (Canada). Radio licenses may be issued under the Radiocommunication Act to radiocommunication service providers ("**Service Providers**") that meet the eligibility criteria of Canadian ownership and control set forth in the *Canadian Telecommunications Common Carrier Ownership and Control Regulations* (the "**CTCCOCR**"). Under the CTCCOCR, the Service Provider may refuse to accept any subscription for or register the transfer of any of its voting shares unless it receives a declaration that such subscription or transfer would not result in the percentage of the total voting shares of the Service Provider that are beneficially owned and controlled by non-Canadians exceeding 33⅓%.
6. **Provisions that could have the effect of delaying, deferring or preventing a change of control.** The Articles provide that Videotron's directors shall refuse to issue (including on the occasion or because of a conversion of shares or in shares), and to allow a transfer of, any share of Videotron's capital stock if this issuance or transfer would, in the opinion of its directors, affect its eligibility or of any other corporation or partnership in which Videotron has or may have an interest, to obtain, preserve or renew a license or authorization required for the operation or continuation of its broadcasting company (as defined in the Broadcasting Act, as amended) (or any part thereof) or of any other activity necessary for the continuation of Videotron. See "Item 4. Information on the Corporation — Regulation — Ownership and Control of Canadian Broadcast Undertakings".
7. Not applicable.
8. Not applicable.
9. Not applicable.

**C- Material Contracts**

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which Videotron or any of its subsidiaries is a party, for the two years preceding publication of this annual report.

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

On March 14, 2012, Videotron issued US\$800,000,000 aggregate principal amount of its 5% Senior Notes due July 15, 2022, pursuant to an Indenture, dated as of March 14, 2012, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee. These senior notes are unsecured and mature on July 15, 2022. Interest on these senior notes is payable in cash semi-annually in arrears on January 15 and July 15 of each year. These senior notes are guaranteed on a senior unsecured basis by most, but not all, of Videotron's subsidiaries. These senior notes are redeemable, at Videotron's option, under certain circumstances and at the make-whole redemption price set forth in the indenture. This indenture contains customary restrictive covenants with respect to Videotron and certain of its subsidiaries, and customary events of default. If an event of default occurs and is continuing, other than Videotron's bankruptcy or insolvency, the trustee or the holders of at least 25% in principal amount at maturity of the then-outstanding senior notes may declare all the senior notes to be due and payable immediately. In 2021, Videotron redeemed and retired the entire principal amount outstanding of its 5% Senior Notes due July 15, 2022.

- (b) **Indenture relating to \$400,000,000 of Videotron's 5% 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% 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.

- (c) **Indenture relating to US\$600,000,000 of Videotron's 5% 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% 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.

- (d) **Indenture relating to \$375,000,000 of Videotron's 5¾% 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 5¾% 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.

- (e) **Indenture relating to US\$600,000,000 of Videotron's 5¼% 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 5¼% 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.

- (f) **Indenture relating to \$800,000,000 of Videotron's 4½% 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.

- (g) **Indenture relating to \$650,000,000 of Videotron's 3½% Senior Notes due January 15, 2031, dated as of January 22, 2021, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee.**

On January 22, 2021, Videotron issued \$650,000,000 aggregate principal amount of its 3½% Senior Notes due January 15, 2031, pursuant to an Indenture, dated as of January 22, 2021, 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, 2031. 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 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.

- (h) **Indenture relating to US\$500,000,000 of Videotron's 3%% Senior Notes due June 15, 2029, dated as of June 17, 2021, by and among Videotron, the guarantors party thereto, and Wells Fargo Bank, National Association, as trustee.**

On June 17, 2021, Videotron issued US\$500,000,000 aggregate principal amount of its 3%% Senior Notes due June 15, 2029, pursuant to an Indenture, dated as of June 17, 2021, 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, 2029. 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 the option of Videotron, in whole or in part, at a price based on a make-whole formula during the first three 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.

- (i) **Indenture relating to \$750,000,000 of Videotron's 3%% Senior Notes due June 15, 2028, dated as of June 17, 2021, by and among Videotron, the guarantors party thereto, and Computershare Trust Company of Canada, as trustee.**

On June 17, 2021, Videotron issued \$750,000,000 aggregate principal amount of its 3%% Senior Notes due June 15, 2028, pursuant to an Indenture, dated as of June 17, 2021, 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, 2028. 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 the option of Videotron, in whole or in part, at a price based on a make-whole formula during the first three 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.

- (j) **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 \$2,000,000,000 secured revolving credit facility that matures on July 20, 2026. 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, as applicable, the Canadian prime rate, the U.S. prime rate, Term SOFR or the bankers' acceptance rate, plus agreed pricing margins. 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, 2026.

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 facility (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.

- (k) **Share Purchase Agreement dated as of August 12, 2022, by and among Quebecor, Videotron, Rogers and Shaw.**

On August 12, 2022, Quebecor, the Corporation, Rogers and Shaw entered into a share purchase agreement for the sale of Freedom to the Corporation, including the Freedom brand's entire wireless and Internet customer base, as well as its owned infrastructure, spectrum and retail outlets, for a purchase price of \$2.85 billion on a cash-free and debt-free basis. According to the terms of the share purchase agreement, the acquisition of Freedom is conditional on (i) clearance under the *Competition Act* (Canada), which has been obtained, and (ii) approval of the Minister of Innovation, Science and Industry, which remains outstanding. The completion of the acquisition of Freedom is further subject to: (i) there not having occurred a Material Adverse Effect (as such term is defined in the share purchase agreement), and (ii) the satisfaction of all conditions or waiver of all conditions precedent to the completion of the purchase by Rogers of all of the issued and outstanding shares in the capital of Shaw by way of a plan of arrangement under the provisions of the *Business Corporations Act* (Alberta).

#### **D- Exchange Controls**

There are currently no laws, decrees, regulations or other legislation in Canada that restrict the export or import of capital, or affect the remittance of dividends, interest or other payments to non-resident holders of Videotron's securities, other than withholding tax requirements. Canada has no system of exchange controls. See "— Taxation — Canadian Material Federal Income Tax Considerations for Residents of the United States" below.

There is no limitation imposed by Canadian law or by the Articles of Incorporation or other charter documents of Videotron on the right of a non-resident to hold voting shares of Videotron, other than as provided by the *Investment Canada Act* (Canada), as amended, in particular, by the *Canada-United States-Mexico Agreement* (Canada) ("CUSMA"), and the *World Trade Organization (WTO) Agreement Implementation Act*. The *Investment Canada Act* (Canada) requires notification and, in certain cases, advance review and approval by the Government of Canada of the acquisition by a "non-Canadian" of "control of a Canadian business", all as defined

in the *Investment Canada Act* (Canada). Generally, the threshold for review will be higher in monetary terms for a member of the WTO or CUSMA.

In addition, there are regulations related to the ownership and control of Canadian broadcast undertakings. See “Item 4 — Information on the Corporation — Regulation”.

## E- Taxation

### Certain U.S. Federal Income Tax Considerations

The following discussion is a summary of certain U.S. federal income tax consequences applicable to the purchase, ownership and disposition of (i) Videotron’s 5 $\frac{3}{8}$ % Senior Notes due June 15, 2024 (the “**5 $\frac{3}{8}$ % Senior Notes**”), (ii) Videotron’s 5 $\frac{3}{8}$ % Senior Notes due June 15, 2025 (the “**5 $\frac{3}{8}$ % Senior Notes**”), (iii) Videotron’s 5 $\frac{3}{4}$ % Senior Notes due January 15, 2026 (the “**5 $\frac{3}{4}$ % Senior Notes**”), (iv) Videotron’s 5 $\frac{1}{8}$ % Senior Notes due April 15, 2027 (the “**5 $\frac{1}{8}$ % Senior Notes**”), (v) Videotron’s 3 $\frac{5}{8}$ % Senior Notes due June 15, 2028 (the “**3 $\frac{5}{8}$ % C\$ Senior Notes**”), (vi) Videotron’s 3 $\frac{3}{8}$ % Senior Notes due June 15, 2029 (the “**3 $\frac{3}{8}$ % US\$ Senior Notes**”), (vii) Videotron’s 4 $\frac{1}{2}$ % Senior Notes due January 15, 2030 (the “**4 $\frac{1}{2}$ % Senior Notes**”), and (viii) Videotron’s 3 $\frac{1}{8}$ % Senior Notes due January 15, 2031 (the “**3 $\frac{1}{8}$ % Senior Notes**”) (collectively, the “**notes**”) by a U.S. Holder (as defined below), but does not purport to be a complete analysis of all potential U.S. federal income tax effects. Videotron’s 5 $\frac{3}{8}$ % Senior Notes, 5 $\frac{3}{4}$ % Senior Notes, 3 $\frac{5}{8}$ % C\$ Senior Notes, 4 $\frac{1}{2}$ % Senior Notes and 3 $\frac{1}{8}$ % Senior Notes are denominated in Canadian dollars (the “**Canadian dollar Notes**”). This summary is based on the Internal Revenue Code of 1986, as amended (the “**Code**”), U.S. Treasury Regulations promulgated thereunder, Internal Revenue Service (“**IRS**”) rulings and judicial decisions now in effect. All of these are subject to change, possibly with retroactive effect, or different interpretations.

This summary does not address all aspects of U.S. federal income taxation that may be relevant to particular U.S. Holders in light of their specific circumstances (for example, U.S. Holders subject to the alternative minimum tax provisions of the Code or U.S. Holders subject to the 3.8% Medicare tax on net investment income) or to U.S. Holders that may be subject to special rules under U.S. federal income tax law, including:

- dealers in stocks, securities or currencies;
- persons using a mark-to-market accounting method;
- banks and financial institutions;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- tax-exempt organizations;
- persons holding notes as part of a hedging or conversion transaction or a straddle;
- persons deemed to sell notes under the constructive sale provisions of the Code;
- persons who or that are, or may become, subject to the expatriation provisions of the Code;
- persons whose functional currency is not the U.S. dollar;
- persons required to accelerate the recognition of any item of gross income with respect to any of the notes as a result of such income being recognized on an applicable financial statement;
- entities taxed as a partnership or the partners therein; and

- direct, indirect or constructive owners of 10% or more, of the voting power or value, of Videotron's outstanding shares.

The summary also does not discuss any aspect of state, local or non-U.S., or U.S. federal estate and gift tax law as applicable to U.S. Holders. Moreover, this discussion is limited to U.S. Holders who acquire and hold the notes as "capital assets" within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, this summary assumes that the notes are properly characterized as debt that is not contingent debt for U.S. federal income tax purposes.

For purposes of this summary, "U.S. Holder" means the beneficial holder of a note who or that for U.S. federal income tax purposes is:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity treated as a corporation, formed or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, (i) if a court within the United States is able to exercise primary supervision over the administration of such trust and one or more "U.S. persons" (within the meaning of the Code) have the authority to control all substantial decisions of the trust, or (ii) if a valid election is in effect to treat the trust as a U.S. person.

Videotron has not sought and will not seek any opinion of U.S. legal counsel or rulings from the IRS with respect to the matters discussed below. There can be no assurance that the IRS will not take a different position concerning the tax consequences of the purchase, ownership or disposition of the notes or that any such position will not be sustained.

If a partnership or other entity or arrangement treated as a partnership for U.S. federal income tax purposes holds the notes, the U.S. federal income tax treatment of a partner generally will depend on the status of the partner and the activities of the partnership. Such partner should consult its own tax advisor as to the tax consequences of the partnership purchasing, owning and disposing of the notes.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH REGARD TO THE APPLICATION OF THE TAX CONSEQUENCES DESCRIBED BELOW TO THEIR PARTICULAR SITUATIONS AS WELL AS THE APPLICATION OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAX LAWS, INCLUDING GIFT AND ESTATE TAX LAWS.
--

### ***Interest on the Notes***

Payments of stated interest on the notes generally will be taxable to a U.S. Holder as ordinary income at the time that such payments are received or accrued, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes. Interest on the notes will constitute income from sources outside the United States and will be "passive category income" which is treated separately from other income for purposes of computing the foreign tax credit allowable to a U.S. Holder under the U.S. federal income tax laws. Due to the complexity of the foreign tax credit rules, U.S. Holders should consult their own tax advisors with respect to the amount of foreign taxes that may be claimed as a credit.

In certain circumstances Videotron may be obligated to pay amounts in excess of stated interest or principal on the notes or may make payments or redeem the notes in advance of their expected maturity. According to U.S. Treasury regulations, the possibility that any such payments or redemptions will be made will not affect the amount of interest income a U.S. Holder recognizes if there is only a remote chance as of the date the notes were issued that such payments will be made, or if such payments are incidental. Videotron believes the likelihood that it will make any such payments is remote and/or that such payment will be incidental. Therefore, Videotron does not intend to treat the potential payments or redemptions pursuant to the provisions related to changes in Canadian laws or regulations applicable to tax-related withholdings or deductions, any registration rights provisions, or the other redemption and repurchase provisions as part of the yield to maturity of the notes or as affecting the tax treatment of the notes. Videotron's determination that these contingencies are remote and/or incidental is binding on a U.S. Holder unless such holder discloses its contrary position in the manner required by applicable U.S. Treasury regulations. Videotron's determination is not, however, binding on the IRS, and if the IRS were to challenge this determination, a U.S. Holder may be required to accrue income on its notes in excess of stated interest and to treat



as ordinary income rather than capital gain any income realized on the taxable disposition of a note before the resolution of the contingencies. In the event a contingency occurs, it would affect the amount and timing of the income recognized by a U.S. Holder. If Videotron pays additional amounts on the notes, U.S. Holders will be required to recognize such amounts as income.

Interest on the Canadian dollar Notes will be included in a U.S. Holder's gross income in an amount equal to the U.S. dollar value of the Canadian dollar amount, regardless of whether the Canadian dollars are converted into U.S. dollars. Generally, a U.S. Holder that uses the cash method of tax accounting will determine such U.S. dollar value using the spot rate of exchange on the date of receipt. A cash method U.S. Holder generally will not realize foreign currency gain or loss on the receipt of the interest payment but may have foreign currency gain or loss attributable to the actual disposition of the Canadian dollars received.

Generally, a U.S. Holder of Canadian dollar Notes that uses the accrual method of tax accounting will determine the U.S. dollar value of accrued interest income using the average rate of exchange for the accrual period (or, with respect to an accrual period that spans two taxable years, at the average rate for the partial period within the U.S. Holder's taxable year). Alternatively, an accrual basis U.S. Holder may make an election (which must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS) to translate accrued interest income at the spot rate of exchange on the last day of the accrual period (or the last day of the taxable year in the case of a partial accrual period) or the spot rate on the date of receipt, if that date is within five business days of the last day of the accrual period. A U.S. Holder that uses the accrual method of accounting for tax purposes will recognize foreign currency gain or loss on the receipt of an interest payment if the exchange rate in effect on the date payment is received differs from the rate applicable to an accrual of that interest. The amount of foreign currency gain or loss to be recognized by such U.S. Holder will be an amount equal to the difference between the U.S. dollar value of the Canadian dollar interest payment (determined on the basis of the spot rate on the date the interest income is received) in respect of the accrual period and the U.S. dollar value of the interest income that has accrued during the accrual period (as determined above). This foreign currency gain or loss will be ordinary income or loss and generally will not be treated as an adjustment to interest income or expense.

Foreign currency gain or loss generally will be U.S. source provided that the residence of a taxpayer is considered to be the United States for purposes of the rules regarding foreign currency gain or loss.

### ***Market Discount and Bond Premium***

#### *Market Discount*

If a U.S. Holder purchases notes for an amount less than the sum of all amounts (other than qualified stated interest) payable with respect to the notes after the date of acquisition, the difference is treated as market discount. Subject to a *de minimis* exception, gain realized on the maturity, sale, exchange or retirement of a market discount note will be treated as ordinary income to the extent of any accrued market discount not previously recognized (including in the case of a note exchanged for a registered note pursuant to a registration offer, any market discount accrued on the related outstanding note). A U.S. Holder may elect to include market discount in income currently as it accrues, on either a ratable or constant yield method. In that case, a U.S. Holder's tax basis in the notes will increase by such income inclusions. An election to include market discount in income currently, once made, will apply to all market discount obligations acquired by the U.S. Holder during the taxable year of the election and thereafter, and may not be revoked without the consent of the IRS. If a U.S. Holder does not make such an election, in general, all or a portion of such holder's interest expense on any indebtedness incurred or continued in order to purchase or carry notes may be deferred until the maturity of the notes, or certain earlier dispositions. Unless a U.S. Holder elects to accrue market discount under a constant yield method, any market discount will accrue ratably during the period from the date of acquisition of the related outstanding note to its maturity date.

In the case of Canadian dollar Notes, market discount is accrued in Canadian dollars, and the amount includible in income by a U.S. Holder upon a sale of such note in respect of accrued market discount will be the U.S. dollar value of the amount accrued. Such U.S. dollar value is generally calculated at the spot rate of exchange on the date such note is sold. Any market discount on a Canadian dollar Note that is currently includible in income under the election noted above will be translated into U.S. dollars at the average exchange rate for the accrual period or portion of such accrual period within the U.S. Holder's taxable year. In such case, a U.S. Holder generally will recognize foreign currency gain or loss with respect to accrued market discount under the rules similar to those that apply to accrued interest on a note received by an accrual basis U.S. Holder, as described above.

#### *Bond Premium*

If a U.S. Holder purchases notes for an amount greater than the sum of all amounts (other than qualified stated interest) payable with respect to the notes after the date of acquisition, such U.S. Holder is treated as having purchased such notes with amortizable bond

premium. Such U.S. Holder generally may elect to amortize the premium from the purchase date to the maturity date of the notes under a constant yield method. Amortizable premium generally may be deducted against interest income on such notes and generally may not be deducted against other income. Such U.S. Holder's basis in a note will be reduced by any premium amortization deductions. An election to amortize premium on a constant yield method, once made, generally applies to all debt obligations held or subsequently acquired by such U.S. Holder during the taxable year of the election and thereafter, and may not be revoked without IRS consent. For a U.S. Holder that did not elect to amortize bond premium, the amount of such premium will be included in such U.S. Holder's tax basis upon the sale of a note. In the case of Canadian dollar Notes, premium is computed in Canadian dollars. At the time amortized bond premium offsets interest income, foreign currency gain or loss (taxable as ordinary income or loss) will be realized on such amortized bond premium based on the difference between the spot rate of exchange on the date or dates such premium is recovered through interest payments on the Canadian dollar Note and the spot rate of exchange on the date on which the U.S. Holder acquired the note. For a U.S. Holder that did not elect to amortize bond premium, the amount of such premium will be included in such U.S. Holder's tax basis upon the sale of the note.

The market discount and bond premium rules are complicated, and U.S. Holders are urged to consult their own tax advisors regarding the tax consequences of owning and disposing of notes with market discount or bond premium, including the availability of certain elections.

### ***Sale, Exchange or Retirement of a Note***

A U.S. Holder generally will recognize gain or loss upon the sale, exchange (other than in a tax-free transaction), redemption, retirement or other taxable disposition of a note, equal to the difference, if any, between:

- the amount realized (or the U.S. dollar value thereof if received in a foreign currency) less any portion allocable to the payment of accrued interest not previously included in income, which amount will be taxable as ordinary interest income; and
- the U.S. Holder's adjusted tax basis in the note.

Except with respect to gains or losses attributable to changes in exchange rates, as described below, gain or loss so recognized generally will be capital gain or loss (except as described under "— Market Discount and Bond Premium" above) and generally will be long-term capital gain or loss if the note has been held or deemed held for more than one year at the time of the disposition. Long-term capital gains of noncorporate U.S. Holders, including individuals, may be taxed at lower rates than items of ordinary income. The ability of a U.S. Holder to offset capital losses against ordinary income is limited. Any capital gain or loss recognized by a U.S. Holder on the sale or other disposition of a note generally will be treated as income from sources within the United States or loss allocable to income from sources within the United States. U.S. Holders should consult their own tax advisors regarding the source of gain attributable to market discount.

A U.S. Holder's adjusted tax basis in a note will generally equal the U.S. Holder's U.S. dollar cost therefor, increased by the amount of market discount, if any, previously included in income in respect of the note and decreased (but not below zero) by the amount of principal payments received by such U.S. Holder in respect of the note, any amounts treated as a return of pre-issuance accrued interest and the amount of amortized bond premium, if any, previously taken into account with respect to the note. If a U.S. Holder purchases a Canadian dollar Note with Canadian dollars, the U.S. dollar cost of the Canadian dollar Note will generally be the U.S. dollar value of the purchase price on the date of purchase calculated at the spot rate of exchange on that date. The amount realized upon the disposition of a Canadian dollar Note will generally be the U.S. dollar value of the amount received on the date of the disposition calculated at the spot rate of exchange on that date. However, if the Canadian dollar Note is traded on an established securities market, a cash basis U.S. Holder (and, if it so elects, an accrual basis U.S. Holder) will determine the U.S. dollar value of the cost of or amount received on the Canadian dollar Note, as applicable, by translating the amount paid or received at the spot rate of exchange on the settlement date of the purchase or disposition. The election available to accrual basis U.S. Holders in respect of the purchase and disposition of Canadian dollar Notes traded on an established securities market must be applied consistently to all debt instruments from year to year and cannot be changed without the consent of the IRS.

Gain or loss recognized by a U.S. Holder on the sale, exchange or retirement of a Canadian dollar Note that is attributable to changes in the rate of exchange between the U.S. dollar and foreign currency generally will be treated as U.S. source ordinary income or loss. Such foreign currency gain or loss will equal the difference between (i) the U.S. dollar value of the U.S. Holder's Canadian dollar purchase price for the Canadian dollar Note calculated at the spot rate of exchange on the date of the sale, exchange, retirement or other disposition and (ii) the U.S. dollar value of the U.S. Holder's Canadian dollar purchase price for the Canadian dollar

Note calculated at the spot rate of exchange on the date of purchase of the Canadian dollar Note. If the Canadian dollar Note is traded on an established securities market, with respect to a cash basis U.S. Holder (and, if it so elects, an accrual basis U.S. Holder), such foreign currency gain or loss will equal the difference between (x) the U.S. dollar value of the U.S. Holder's Canadian dollar purchase price for the Canadian dollar Note calculated at the spot rate of exchange on the settlement date of the disposition and (y) the U.S. dollar value of the U.S. Holder's Canadian dollar purchase price for the Canadian dollar Note calculated at the spot rate of exchange on the settlement date of the purchase of the Canadian dollar Note. Such foreign currency gain or loss is recognized on the sale or retirement of such Note only to the extent of total gain or loss recognized on the sale or retirement of such Note. Prospective investors should consult their own tax advisors regarding certain foreign currency translation elections that may be available with respect to a sale, exchange, or redemption of the Canadian dollar Notes.

#### ***Transactions in Foreign Currency***

Foreign currency received as a payment of interest on, or on the sale or retirement of, a Canadian dollar Note will have a tax basis equal to its U.S. dollar value at the time such interest is received or at the time the note is disposed of or payment is received in consideration of such sale or retirement (as applicable and as discussed in detail above). The amount of gain or loss recognized on a subsequent sale or other disposition of such foreign currency will be equal to the difference between (i) the amount of U.S. dollars, or the fair market value in U.S. dollars of the other currency or property received in such sale or other disposition, and (ii) the tax basis of the recipient in such foreign currency. A U.S. Holder who acquires such Note with previously owned foreign currency will recognize ordinary income or loss in an amount equal to the difference, if any, between such U.S. Holder's tax basis in the foreign currency and the U.S. dollar fair market value of the note on the date of acquisition. Such gain or loss generally will be treated as income or loss from sources within the United States for foreign tax credit limitation purposes.

#### ***Reportable Transaction Reporting***

Under certain U.S. Treasury Regulations, U.S. Holders that participate in "reportable transactions" (as defined in the U.S. Treasury Regulations) must attach to their U.S. federal income tax returns a disclosure statement on IRS Form 8886. Under the relevant rules, a U.S. Holder may be required to treat a foreign currency exchange loss from the Canadian dollar Note as a reportable transaction if this loss exceeds the relevant threshold in the U.S. Treasury Regulations. For individuals and trusts, this loss threshold is US\$50,000 in any single year. U.S. Holders should consult their own tax advisors as to the possible obligation to file IRS Form 8886 with respect to the ownership or disposition of the Canadian dollar Notes, or any related transaction, including without limitation, the disposition of any non-U.S. currency received as interest or as proceeds from the sale, exchange, retirement or other disposition of the Canadian dollar Notes.

#### ***Information Reporting and Backup Withholding***

In general, information reporting requirements may apply to payments of principal and interest on a note and to the proceeds of the sale or other disposition of a note made to U.S. Holders other than certain exempt recipients (such as corporations). A U.S. Holder of the notes may be subject to "backup withholding" with respect to certain "reportable payments", including interest payments and, under certain circumstances, principal payments on the notes or upon the receipt of proceeds upon the sale or other disposition of such notes. These backup withholding rules apply if the U.S. Holder, among other things:

- fails to furnish a social security number or other taxpayer identification number ("TIN") certified under penalty of perjury within a reasonable time after the request for the TIN;
- furnishes an incorrect TIN;
- is notified by the IRS that it has failed to report properly interest or dividends; or
- under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the TIN furnished is the correct number and that such holder is not subject to backup withholding.

A U.S. Holder can generally avoid the application of the backup withholding rules by properly completing and submitting the IRS Form W-9 included with the Letter of Transmittal. A U.S. Holder that does not provide Videotron with its correct TIN also may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules is creditable against the U.S. Holder's U.S. federal income tax liability, and may entitle the U.S. Holder to a refund, *provided* that the required information is properly and timely furnished to the IRS. Backup withholding will

not apply, however, with respect to payments made to certain exempt U.S. Holders, including corporations and tax-exempt organizations, *provided* their exemptions from backup withholding are properly established.

In addition, certain U.S. Holders that hold specified foreign financial assets (including stock and securities of a foreign issuer) with an aggregate value in excess of US\$50,000 on the last day of the taxable year or US\$75,000 at any time during the taxable year are required to report their holdings, along with other information, on their U.S. federal income tax returns, with certain exceptions. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in specified foreign financial assets based on certain objective criteria. If you fail to report the required information, you could be subject to substantial penalties. U.S. Holders should consult their own tax advisors to determine the scope of these disclosure responsibilities.

#### **Certain Canadian Material Federal Income Tax Considerations for Residents of the United States**

The following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder who acquires, as beneficial owner, the Senior Notes, including entitlement to all payments thereunder, pursuant to this offering and who, at all relevant times and for the purposes of the Tax Act and the regulations thereunder, (i) is not, and is not deemed to be, resident in Canada (including as a consequence of the Canada-United States Income Tax Convention (1980), as amended), (ii) deals at arm's length with Videotron and with any transferee resident or deemed resident in Canada to whom the holder disposes of Senior Notes, (iii) does not use or hold and is not deemed to use or hold the Senior Notes in or in the course of carrying on business in Canada, (iv) does not receive any payment of interest (including any amounts deemed to be interest) on the Senior Notes in respect of a debt or other obligation to pay an amount to a person with whom Videotron does not deal at arm's length, (v) is not an "authorized foreign bank", as defined in the Tax Act, (vi) is not a "registered non-resident insurer", as defined in the Tax Act, (vii) is not an insurer carrying on an insurance business in Canada and elsewhere, and (viii) is not a, and deals at arm's length with any, "specified shareholder" of Videotron for purposes of the thin capitalization rules in the Tax Act (a "**Non-Resident Holder**"). A "specified shareholder" for these purposes generally includes a person who (either alone or together with persons with whom that person is not dealing at arm's length for the purposes of the Tax Act) owns or has the right to acquire or control or is otherwise deemed to own 25% or more of Videotron's shares determined on a votes or fair market value basis.

This summary is based on the current provisions of the Tax Act and the regulations thereunder and the current administrative and assessing practices and policies of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act and the regulations thereunder announced by or on behalf of the Minister of Finance of Canada prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted as proposed or at all. This summary does not otherwise take into account or anticipate any changes in law or any administrative or assessing practice, whether by judicial, governmental, regulatory or legislative decision or action, nor does it take into account provincial, territorial or foreign income tax considerations which may differ from the Canadian federal income tax considerations described herein.

THIS SUMMARY IS OF A GENERAL NATURE ONLY AND IS NOT EXHAUSTIVE OF ALL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS THAT MAY BE RELEVANT TO A PARTICULAR HOLDER. THIS SUMMARY IS NOT INTENDED TO BE, AND SHOULD NOT BE INTERPRETED AS, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER, AND NO REPRESENTATION WITH RESPECT TO THE INCOME TAX CONSEQUENCES TO ANY PARTICULAR HOLDER IS MADE. ACCORDINGLY, YOU SHOULD CONSULT YOUR OWN TAX ADVISORS WITH RESPECT TO YOUR PARTICULAR CIRCUMSTANCES.
--

No Canadian withholding tax will apply to interest (including any amounts deemed to be interest), principal or premium paid or credited by Videotron on the Senior Notes to a Non-Resident Holder, or to the proceeds received by a Non-Resident Holder on a disposition of a Senior Note, including a redemption, payment on maturity, repurchase or purchase for cancellation.

No other taxes on income or gains will be payable under the Tax Act by a Non-Resident Holder on interest (including any amounts deemed to be interest), principal or premium or on the proceeds received by such Non-Resident Holder on the disposition of a Senior Note, including a redemption, payment on maturity, repurchase or purchase for cancellation.

#### **F- Dividends and Paying Agents**

Not applicable.

**G- Statement By Experts**

Not applicable.

**H- Documents on Display**

You may read and copy documents referred to in this annual report that have been filed with the SEC at the Public Reference Room at the SEC's Headquarters, located at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, or obtain copies of this information by mail from the Public Reference Room at prescribed rates. You may call the SEC at 1-800-SEC-0330 for further information on the SEC's Public Reference Room. The SEC also maintains an Internet website that contains reports and other information that Videotron has furnished electronically with the SEC. The URL of that website is <http://www.sec.gov>. Any documents referred to in this annual report may also be inspected without charge at Videotron's offices at 612 St. Jacques Street, Montréal, Québec, Canada, H3C 4M8.

**I- Subsidiary Information**

Not applicable.

**ITEM 11 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Videotron uses certain financial instruments, such as cross-currency interest rate swaps and foreign exchange forward contracts, to manage interest rate and foreign exchange risk exposures. These instruments are used solely to manage the financial risks associated with its obligations and are not used for trading or speculation purposes. For more information regarding Videotron's financial instruments and financial risk management, refer to Note 25 to its audited consolidated financial statements for the year ended December 31, 2022 included under "Item 18. Financial Statements" of this annual report.

**Foreign Currency Risk**

Most of Videotron's consolidated revenues and expenses, other than interest expense on U.S.-dollar-denominated debt, purchases of set-top boxes, gateways, modems, mobile devices and certain capital expenditures, are received or denominated in Canadian dollars. A significant portion of the interest, principal and premium, if any, payable on its debt is payable in U.S. dollars. Videotron has entered into transactions to hedge the foreign currency risk exposure on its U.S.-dollar-denominated debt obligations outstanding as of December 31, 2022 and to hedge its exposure on certain purchases of set-top boxes, gateways, modems, mobile devices and certain capital expenditures. Accordingly, Videotron's sensitivity to variations in foreign exchange rates is economically limited.

**Interest Rate Risk**

Videotron's bank credit facilities bear interest at floating rates based on the following reference rates: (i) the bankers' acceptance rate, (ii) Term SOFR, (iii) Canadian prime rate or (iv) U.S. prime rate, as applicable. The Senior Notes issued by Videotron bear interest at fixed rates. Videotron has entered into cross-currency interest rate swap agreements in order to manage cash flow risk exposure. As of December 31, 2022, after taking into account the hedging instruments, long-term debt was comprised of 95.1% fixed rate debt (91.4% in 2021) and 4.9% floating rate debt (8.6% in 2021).

The estimated sensitivity on interest payments of a 100 basis-point variance in the year-end Canadian bankers' acceptance rate as of December 31, 2022 was \$2.5 million.

**Credit Risk**

Credit risk is the risk of financial loss to Videotron if a customer or counterparty to a financial asset fails to meet its contractual obligations and arises principally from amounts receivable from customers, including contract assets.

The carrying amounts of financial assets represent the maximum credit exposure.

In the normal course of business, Videotron continuously monitors the financial condition of its customers and reviews the credit history of each new customer. As of December 31, 2022, no customer balance represented a significant portion of Videotron's consolidated trade receivables. Videotron is using the expected credit losses method to estimate its provision for credit losses, which

[Table of Contents](#)

considers historical terms of payment and acceptable collection periods for each customer class, as well as changes in its customers' credit profiles. As of December 31, 2022, the provision for expected credit losses represented 1.6% of the gross amount of accounts receivable and contract assets (1.9% as of December 31, 2021), while 2.8% of trade receivables were 90 days past their billing date (5.3% as of December 31, 2021).

Videotron believes that its product lines and the diversity of its customer base are instrumental in reducing its credit risk, as well as the impact of fluctuations in product-line demand. Videotron does not believe that it is exposed to an unusual level of customer credit risk.

As a result of its use of derivative financial instruments, Videotron is exposed to the risk of non-performance by a third party. When Videotron enters into derivative contracts, the counterparties (either foreign or Canadian) must have credit ratings at least in accordance with Videotron's risk management policy and are subject to concentration limits. These credit ratings and concentration limits are monitored on an ongoing basis but at least quarterly.

#### **Fair Value of Financial Instruments**

See "Item 5 – Operating and Financial Review and Prospects – Additional Information – Financial Instruments and Financial Risk Management – Fair Value of Financial Instruments" in this annual report.

#### **Material Limitations**

Fair value estimates are made at a specific point in time and are based on relevant market information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

#### **Principal Repayments**

As at December 31, 2022, the aggregate amount of minimum principal payments on long-term debt required in each of the next five years and thereafter based on borrowing levels as at that date, are as follows:

<b>Year ending December 31,</b>	<b>(in millions of dollars)</b>
2023	0.0
2024	813.2
2025	400.0
2026	452.5
2027	<b>813.2</b>
2028 and thereafter	<b>2,877.7</b>
<b>Total</b>	<b>\$ 5,356.6</b>

#### **ITEM 12 – DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

Not applicable.

#### **ITEM 13 – DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

None.

#### **ITEM 14 – MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

##### **Material Modifications to the Rights of Security Holders**

There have been no material modifications to the rights of security holders.

## Use of Proceeds

Not applicable.

## ITEM 15 – CONTROLS AND PROCEDURES

As at the end of the period covered by this report, Videotron’s President and Chief Executive Officer and Videotron’s Senior Vice President and Chief Financial Officer, together with members of Videotron’s senior management, have carried out an evaluation of the effectiveness of Videotron’s disclosure controls and procedures. These are defined (in Rule 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as controls and procedures designed to ensure that information required to be disclosed in reports filed under the Exchange Act is recorded, processed, summarized and reported within specified time periods. As of the date of the evaluation, Videotron’s President and Chief Executive Officer and Videotron’s Senior Vice President and Chief Financial Officer, concluded that Videotron’s disclosure controls and procedures were effective to ensure that information required to be disclosed in the reports that Videotron files or submits under the Exchange Act is accumulated and communicated to management, including Videotron’s principal executive and principal financial officer, to allow timely decisions regarding disclosure.

Videotron’s management is responsible for establishing and maintaining adequate internal control over financial reporting of Videotron (as defined by Rules 13a-15(f) and 15d-15(f) under the Exchange Act). Videotron’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Videotron’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of Videotron’s assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with IFRS, and that receipts and expenditures of Videotron are being made only in accordance with authorizations of management and directors of Videotron; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of Videotron’s assets that could have a material effect on the consolidated financial statements. Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Videotron’s management conducted an evaluation of the effectiveness of internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”). Based on this evaluation, management concluded that Videotron’s internal control over financial reporting was effective as of December 31, 2022.

Pursuant to the *Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010* and related SEC rules, Videotron is not required to include in its annual report an attestation report of Videotron’s independent registered public accounting firm regarding Videotron’s internal control over financial reporting. Videotron management’s report regarding the effectiveness of its internal control over financial reporting was therefore not subject to attestation procedures by its independent registered public accounting firm.

There have been no changes in Videotron’s internal control over financial reporting (as defined in Rule 13a-15 or 15d-15 under the Exchange Act) that occurred during the period covered by this annual report that have materially affected, or are reasonably likely to materially affect, Videotron’s internal control over financial reporting.

## ITEM 16 – [RESERVED]

## ITEM 16A – AUDIT COMMITTEE FINANCIAL EXPERT

Videotron’s Audit and Risk Management Committee has been structured to comply with the requirements of Canadian National Instrument 52-110 - Audit Committee (“NI 52-110”). Videotron’s Board of Directors has determined that more than one “audit committee financial expert” (as defined in Item 16A of Form 20-F) are serving on Videotron’s Audit and Risk Management Committee and that all members of the Audit and Risk Management Committee are “independent” directors, as defined under SEC rules.

**ITEM 16B – CODE OF ETHICS**

Videotron has a Code of Ethics that applies to all directors, officers and employees of Videotron, including its Chief Executive Officer, Vice President Finance, principal accounting officer, controller and persons performing similar functions. Videotron's Code of Ethics is included as an exhibit to this annual report on Form 20-F.

**ITEM 16C – PRINCIPAL ACCOUNTANT FEES AND SERVICES**

Ernst & Young LLP has served as Videotron's independent registered public accounting firm for the fiscal years ended December 31, 2022, 2021 and 2020. The audited consolidated financial statements for each of the fiscal years in the three-year period ended December 31, 2022 are included in this annual report on Form 20-F.

Videotron's Audit and Risk Management Committee establishes the independent auditors' compensation. The Audit and Risk Management Committee adopted a policy relating to the pre-approval of services to be rendered by its independent auditors. The Audit and Risk Management Committee pre-approves all audit services, determines which non-audit services the independent auditors are prohibited from providing, and authorizes permitted non-audit services to be performed by the independent auditors to the extent those services are permitted by the Sarbanes-Oxley Act and Canadian law. For each of the years ended December 31, 2022, 2021 and 2020, none of the non-audit services described below were approved by the Audit and Risk Management Committee of Videotron's Board of Directors pursuant to the "*de minimis* exception" to the pre-approval requirement for non-audit services. The following table presents the aggregate fees billed for professional services and other services rendered by Videotron's independent auditors, Ernst & Young LLP, for the fiscal years ended December 31, 2022, 2021 and 2020.

	2022	2021	2020
Audit Fees <sup>(1)</sup>	\$ 1,221,560	\$ 1,283,320	\$ 1,152,374
Audit related Fees <sup>(2)</sup>	100,400	—	—
Tax Fees <sup>(3)</sup>	173,448	32,800	40,493
All Other Fees <sup>(4)</sup>	—	—	—
<b>Total</b>	<b>\$ 1,495,408</b>	<b>\$ 1,316,120</b>	<b>\$ 1,192,867</b>

- (1) Audit Fees consist of fees approved for the annual audit of Videotron's consolidated financial statements and quarterly reviews of interim financial statements of Videotron with the SEC, including required assistance or services that only the external auditor reasonably can provide and accounting consultations on specific issues and translation. It also includes audit and attestation services required by statute or regulation, such as comfort letters and consents, SEC prospectus and registration statements, other filings and other offerings, including annual reports and SEC forms and statutory audits.
- (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; employee benefit plan audits, and audit or attestation services not required by statute or regulation.
- (3) Tax Fees include fees billed for tax compliance services, including the preparation of original and amended tax returns and claims for refunds, tax consultations, such as assistance and representation in connection with tax audits and appeals, tax advice related to mergers, acquisitions and divestitures, transfer pricing, and requests for advance tax rulings or technical interpretations.
- (4) All Other Fees include fees billed for forensic accounting and occasional training services, assistance with respect to internal controls over financial reporting and disclosure controls and procedures.

**ITEM 16D – EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES**

Not applicable.

**ITEM 16E – PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS**

Not applicable.

**ITEM 16F – CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT**

Not applicable.



**ITEM 16G – CORPORATE GOVERNANCE**

Not applicable.

**ITEM 16H – MINE SAFETY DISCLOSURE**

Not applicable.

**ITEM 16I – DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTION**

Not applicable.

**ITEM 17 – FINANCIAL STATEMENTS**

Not applicable.

**ITEM 18 – FINANCIAL STATEMENTS**

Videotron’s consolidated balance sheets as at December 31, 2022 and 2021 and the related consolidated statements of income, comprehensive income, equity and cash flows for each of the years in the three-year period ended December 31, 2022, including the notes thereto and together with the report of the Independent Registered Public Accounting Firm, are included beginning on page F-1 of this annual report.

**ITEM 19 – EXHIBITS**

The following documents are filed as exhibits to this Form 20-F:

- 1.1 [Certificate and Articles of Amalgamation of Videotron as of January 4, 2018 \(incorporated by reference to Exhibit 1.1 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, filed on March 27, 2018, Commission file No. 033-51000\).](#)
- 1.2 [By-laws of Videotron \(translation\) \(incorporated by reference to Exhibit 1.4 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 21, 2012, Commission file No. 033-51000\).](#)
- 1.3 [Articles of Incorporation of Vidéotron Infrastructures Inc., as amended as of February 17, 2011 \(incorporated by reference to Exhibit 1.7 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2010, filed on March 21, 2011, Commission file No. 033-51000\).](#)
- 1.4 [By-laws of Vidéotron Infrastructures Inc. \(translation\) \(incorporated by reference to Exhibit 1.8 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 21, 2012, Commission file No. 033-51000\).](#)
- 1.5 [Certificate of Incorporation of Videotron US Inc. as of September 20, 2007 \(incorporated by reference to Exhibit 1.9 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2008, filed on March 6, 2009, Commission file No. 033-51000\).](#)
- 1.6 [Amended and Restated Certificate of Incorporation of Videotron US Inc. as of October 1, 2008 \(incorporated by reference to Exhibit 1.10 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2008, filed on March 6, 2009, Commission file No. 033-51000\).](#)
- 1.7 [By-laws of Videotron US Inc. \(incorporated by reference to Exhibit 1.11 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2008, filed on March 6, 2009, Commission file No. 033-51000\).](#)
- 1.8 [Certificate and Articles of Constitution of 9176-6857 Québec Inc. as of December 5, 2006 \(translation\) \(incorporated by reference to Exhibit 1.29 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed on March 21, 2017, Commission file No. 033-51000\).](#)
- 1.9 [Certificate and Articles of Amendment of 9176-6857 Québec Inc. as of June 13, 2014 \(translation\) \(incorporated by reference to Exhibit 1.30 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed on March 21, 2017, Commission file No. 033-51000\).](#)
- 1.10 [By-laws of 9176-6857 Québec Inc. \(translation\) \(incorporated by reference to Exhibit 1.31 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed on March 21, 2017, Commission file No. 033-51000\).](#)
- 1.11 [Certificate and Articles of Incorporation of Fizz Mobile & Internet Inc. as of November 27, 2018 \(translation\) \(incorporated by reference to Exhibit 1.28 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)
- 1.12 [By-laws of Fizz Mobile & Internet Inc. \(translation\) \(incorporated by reference to Exhibit 1.29 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)
- 1.13 [Certificate and Articles of Amalgamation of VMedia Inc. as of November 1, 2018.](#)
- 1.14 [By-laws of VMedia Inc. \(translation\).](#)
- 1.15 [Certificate and Articles of Incorporation of rivertv Inc. as of May 19, 2019.](#)
- 1.16 [By-laws of rivertv Inc. \(translation\).](#)

[Table of Contents](#)

- 1.17 [Certificate and Articles of Incorporation of 2251723 Ontario Inc. as of July 27, 2010.](#)
- 1.18 [By-laws of 2251723 Ontario Inc.](#)
- 2.1 [Form of 5% Senior Notes due July 15, 2022 of Videotron \(incorporated by reference to Exhibit A to Exhibit 2.47 to Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 21, 2012, Commission file No. 033-51000\).](#)
- 2.2 [Form of Notation of Guarantee by the subsidiary guarantors of the 5% Senior Notes due July 15, 2022 of Videotron \(incorporated by reference to Exhibit E of Exhibit 2.47 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 21, 2012, Commission file No. 033-51000\).](#)
- 2.3 [Indenture, dated as of March 14, 2012, by and among Videotron, the subsidiary guarantors signatory thereto and Wells Fargo Bank, National Association, as trustee \(incorporated by reference to Exhibit 2.47 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 21, 2012, Commission file No. 033-51000\).](#)
- 2.4 [Supplemental Indenture, dated as of March 12, 2015, by and among Videotron, 4Degrees Colocation Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of March 14, 2012 \(incorporated by reference to Exhibit 2.9 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000\).](#)
- 2.5 [Supplemental Indenture, dated as of January 8, 2016, by and among Videotron, 9529454 Canada Inc., 8480869 Canada Inc., Fibrenoire Inc. and Canadian P2P Fibre Systems Ltd., as guarantors, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of March 14, 2012 \(incorporated by reference to Exhibit 2.10 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000\).](#)
- 2.6 [Supplemental Indenture, dated as of June 20, 2016, by and among Videotron, 9176-6857 Québec Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of March 14, 2012 \(incorporated by reference to Exhibit 2.12 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed on March 21, 2017, Commission file No. 033-51000\).](#)
- 2.7 [Supplemental Indenture, dated as of December 18, 2019, by and among Videotron, and 9408-8713 Québec Inc. and Fizz Mobile & Internet Inc., as guarantors, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of March 14, 2012 \(incorporated by reference to Exhibit 2.7 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)
- 2.8 [Supplemental Indenture, dated as of January 5, 2021, by and among Videotron, and Télédistribution Amos Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of March 14, 2012 \(incorporated by reference to Exhibit 2.8 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000\).](#)
- 2.9 [Supplemental Indenture, dated as of April 16, 2021, by and among Videotron, and Cablovision Warwick Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of March 14, 2012 \(incorporated by reference to Exhibit 2.9 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.10 [Form of 5%% Senior Notes due June 15, 2025 of Videotron \(incorporated by reference to Exhibit A to Exhibit 2.40 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2013, filed on March 20, 2014, Commission file No. 033-51000\).](#)
- 2.11 [Form of Notation of Guarantee of the subsidiary guarantors of the 5%% Senior Notes due June 15, 2025 of Videotron \(incorporated by reference to Exhibit E to Exhibit 2.40 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2013, filed on March 20, 2014, Commission file No. 033-5100\).](#)

[Table of Contents](#)

- 2.12 [Indenture, dated as of June 17, 2013, by and among Videotron, the subsidiary guarantors party thereto, and Computershare Trust Company of Canada, as trustee \(incorporated by reference to Exhibit 2.40 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2013, filed on March 20, 2014, Commission file No. 033-51000\).](#)
- 2.13 [Supplemental Indenture, dated as of March 12, 2015, by and among Videotron, 4Degrees Colocation Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of June 17, 2013 \(incorporated by reference to Exhibit 2.14 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000\).](#)
- 2.14 [Supplemental Indenture, dated as of January 8, 2016, by and among Videotron, 9529454 Canada Inc., 8480869 Canada Inc., Fibrenoire Inc. and Canadian P2P Fibre Systems Ltd., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of June 17, 2013 \(incorporated by reference to Exhibit 2.5 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000\).](#)
- 2.15 [Supplemental Indenture, dated as of June 20, 2016, by and among Videotron, 9176-6857 Québec Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of June 17, 2013 \(incorporated by reference to Exhibit 2.6 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed on March 21, 2017, Commission file No. 033-51000\).](#)
- 2.16 [Supplemental Indenture, dated as of December 18, 2019, by and among Videotron, and 9408-8713 Québec Inc. and Fizz Mobile & Internet Inc., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of June 17, 2013 \(incorporated by reference to Exhibit 2.14 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)
- 2.17 [Supplemental Indenture, dated as of January 5, 2021, by and among Videotron, and Télédistribution Amos Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of June 17, 2013 \(incorporated by reference to Exhibit 2.16 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000\).](#)
- 2.18 [Supplemental Indenture, dated as of April 16, 2021, by and among Videotron, and Cablovision Warwick Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of June 17, 2013 \(incorporated by reference to Exhibit 2.18 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.19 [Supplemental Indenture, dated as of October 26, 2022, by and among Videotron, VMedia Inc., 2251723 Ontario Inc. and rivertv Inc., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of June 17, 2013.](#)
- 2.20 [Form of 5½% Senior Notes due June 15, 2024 of Videotron \(incorporated by reference to Exhibit A to Exhibit 2.32 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2014, filed on March 23, 2015, Commission file No. 033-51000\).](#)
- 2.21 [Form of Notation of Guarantee of the subsidiary guarantors of the 5½% Senior Notes due June 15, 2024 of Videotron \(incorporated by reference to Exhibit E to Exhibit 2.32 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2014, filed on March 23, 2015, Commission file No. 033-51000\).](#)
- 2.22 [Indenture, dated as of April 9, 2014, by and among Videotron, the subsidiary guarantors party thereto, and Wells Fargo Bank, National Association, as trustee \(incorporated by reference to Exhibit 2.32 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2014, filed on March 23, 2015, Commission file No. 033-51000\).](#)
- 2.23 [Supplemental Indenture, dated as of March 12, 2015, by and among Videotron, 4Degrees Colocation Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 9, 2014 \(incorporated by reference to Exhibit 2.19 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000\).](#)
- 2.24 [Supplemental Indenture, dated as of January 8, 2016, by and among Videotron, 9529454 Canada Inc., 8480869 Canada Inc., Fibrenoire Inc. and Canadian P2P Fibre Systems Ltd., as guarantors, and Wells Fargo Bank, National Association, as](#)

## Table of Contents

- trustee, to the Indenture dated as of April 9, 2014 (incorporated by reference to Exhibit 2.20 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000).
- 2.25 Supplemental Indenture, dated as of June 20, 2016, by and among Videotron, 9176-6857 Québec Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 9, 2014 (incorporated by reference to Exhibit 2.24 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed on March 21, 2017, Commission file No. 033-51000).
- 2.26 Supplemental Indenture, dated as of December 18, 2019, by and among Videotron, and 9408-8713 Québec Inc. and Fizz Mobile & Internet Inc., as guarantors, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 9, 2014 (incorporated by reference to Exhibit 2.21 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000).
- 2.27 Supplemental Indenture, dated as of January 5, 2021, by and among Videotron, and Télédistribution Amos Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 9, 2014 (incorporated by reference to Exhibit 2.24 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000).
- 2.28 Supplemental Indenture, dated as of April 16, 2021, by and among Videotron, and Cablovision Warwick Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 9, 2014 (incorporated by reference to Exhibit 2.27 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000).
- 2.29 Supplemental Indenture, dated as of October 26, 2022, by and among Videotron, and VMedia Inc., 2251723 Ontario Inc. and riverty Inc., as guarantors, and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 9, 2014.
- 2.30 Form of 5¾% Senior Notes due January 15, 2026 of Videotron (incorporated by reference to Exhibit A to Exhibit 2.23 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000).
- 2.31 Form of Notation of Guarantee by the subsidiary guarantors of the 5¾% Senior Notes due January 15, 2026 of Videotron (incorporated by reference to Exhibit E to Exhibit 2.23 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000).
- 2.32 Indenture, dated as of September 15, 2015, by and among Videotron, the subsidiary guarantors signatory thereto and Computershare Trust Company of Canada, as trustee (incorporated by reference to Exhibit 2.23 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000).
- 2.33 Supplemental Indenture, dated as of January 8, 2016, by and among Videotron, 9529454 Canada Inc., 8480869 Canada Inc., Fibrenoire Inc. and Canadian P2P Fibre Systems Ltd., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of September 15, 2015 (incorporated by reference to Exhibit 2.5 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000).
- 2.34 Supplemental Indenture, dated as of June 20, 2016, by and among Videotron, 9176-6857 Québec Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of September 15, 2015 (incorporated by reference to Exhibit 2.6 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed on March 21, 2017, Commission file No. 033-51000).
- 2.35 Supplemental Indenture, dated as of December 18, 2019, by and among Videotron, and 9408-8713 Québec Inc. and Fizz Mobile & Internet Inc., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of September 15, 2015 (incorporated by reference to Exhibit 2.14 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000).

## Table of Contents

- 2.36 [Supplemental Indenture, dated as of January 5, 2021, by and among Videotron, and Télédistribution Amos Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of September 15, 2015 \(incorporated by reference to Exhibit 2.16 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000\).](#)
- 2.37 [Supplemental Indenture, dated as of April 16, 2021, by and among Videotron, and Cablovision Warwick Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of September 15, 2015 \(incorporated by reference to Exhibit 2.18 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.38 [Supplemental Indenture, dated as of October 26, 2022, by and among Videotron, VMedia Inc., 2251723 Ontario Inc. and riverty Inc., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of September 15, 2015 \(incorporated by reference to Exhibit 2.19 above\).](#)
- 2.39 [Form of 5½% Senior Notes due April 15, 2027 of Videotron \(incorporated by reference to Exhibit A to Exhibit 2.26 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, filed on March 27, 2018, Commission file No. 033-51000\).](#)
- 2.40 [Form of Notation of Guarantee by the subsidiary guarantors of the 5½% Senior Notes due April 15, 2027 of Videotron \(incorporated by reference to Exhibit E to Exhibit 2.26 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, filed on March 27, 2018, Commission file No. 033-51000\).](#)
- 2.41 [Indenture, dated as of April 13, 2017, by and among Videotron, the subsidiary guarantors signatory thereto and Wells Fargo Bank, National Association, as trustee \(incorporated by reference to Exhibit 2.26 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, filed on March 27, 2018, Commission file No. 033-51000\).](#)
- 2.42 [Supplemental Indenture, dated as of December 18, 2019, by and among Videotron, and 9408-8713 Québec Inc. and Fizz Mobile & Internet Inc., as guarantors, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 13, 2017 \(incorporated by reference to Exhibit 2.31 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)
- 2.43 [Supplemental Indenture, dated as of January 5, 2021, by and among Videotron, and Télédistribution Amos Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 13, 2017 \(incorporated by reference to Exhibit 2.36 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000\).](#)
- 2.44 [Supplemental Indenture, dated as of April 16, 2021, by and among Videotron, and Cablovision Warwick Inc., as guarantor, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 13, 2017 \(incorporated by reference to Exhibit 2.41 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.45 [Supplemental Indenture, dated as of October 26, 2022, by and among Videotron, and VMedia Inc., 2251723 Ontario Inc. and riverty Inc., as guarantors, and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of April 13, 2017.](#)
- 2.46 [Form of 4½% Senior Notes due January 15, 2030 of Videotron \(incorporated by reference to Exhibit A to Exhibit 2.34 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)
- 2.47 [Form of Notation of Guarantee of the subsidiary guarantors of the 4½% Senior Notes due January 15, 2030 of Videotron \(incorporated by reference to Exhibit E to Exhibit 2.34 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)
- 2.48 [Indenture, dated as of October 8, 2019, by and among Videotron, the subsidiary guarantors signatory thereto and Computershare Trust Company of Canada, as trustee \(incorporated by reference to Exhibit 2.34 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)

[Table of Contents](#)

- 2.49 [Supplemental Indenture, dated as of December 18, 2019, by and among Videotron, and 9408-8713 Québec Inc. and Fizz Mobile & Internet Inc., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of October 8, 2019 \(incorporated by reference to Exhibit 2.14 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000\).](#)
- 2.50 [Supplemental Indenture, dated as of January 5, 2021, by and among Videotron, and Télédistribution Amos Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of October 8, 2019 \(incorporated by reference to Exhibit 2.16 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000\).](#)
- 2.51 [Supplemental Indenture, dated as of April 16, 2021, by and among Videotron, and Cablovision Warwick Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of October 8, 2019 \(incorporated by reference to Exhibit 2.18 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.52 [Supplemental Indenture, dated as of October 26, 2022, by and among Videotron, VMedia Inc., 2251723 Ontario Inc. and rivertv Inc., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of October 8, 2019 \(incorporated by reference to Exhibit 2.19 above\).](#)
- 2.53 [Form of 3¼% Senior Notes due January 15, 2031 of Videotron \(incorporated by reference to Exhibit A to Exhibit 2.44 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000\).](#)
- 2.54 [Form of Notation of Guarantee of the subsidiary guarantors of the 3¼% Senior Notes due January 15, 2031 of Videotron \(incorporated by reference to Exhibit E to Exhibit 2.44 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000\).](#)
- 2.55 [Indenture, dated as of January 22, 2021, by and among Videotron, the subsidiary guarantors signatory thereto and Computershare Trust Company of Canada, as trustee \(incorporated by reference to Exhibit 2.44 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2020, filed on March 25, 2021, Commission file No. 033-51000\).](#)
- 2.56 [Supplemental Indenture, dated as of April 16, 2021, by and among Videotron, and Cablovision Warwick Inc., as guarantor, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of January 22, 2021 \(incorporated by reference to Exhibit 2.18 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.57 [Supplemental Indenture, dated as of October 26, 2022, by and among Videotron, VMedia Inc., 2251723 Ontario Inc. and rivertv Inc., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of January 22, 2021 \(incorporated by reference to Exhibit 2.19 above\).](#)
- 2.58 [Form of 3½% Senior Notes due June 15, 2028 of Videotron \(incorporated by reference to Exhibit A to Exhibit 2.54 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.59 [Form of Notation of Guarantee of the subsidiary guarantors of the 3½% Senior Notes due June 15, 2028 of Videotron \(incorporated by reference to Exhibit E to Exhibit 2.54 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.60 [Indenture, dated as of June 17, 2021, by and among Videotron, the subsidiary guarantors signatory thereto and Computershare Trust Company of Canada, as trustee \(incorporated by reference to Exhibit 2.54 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)

[Table of Contents](#)

- 2.61 [Supplemental Indenture, dated as of October 26, 2022, by and among Videotron, VMedia Inc., 2251723 Ontario Inc. and rivertv Inc., as guarantors, and Computershare Trust Company of Canada, as trustee, to the Indenture dated as of June 17, 2021 \(incorporated by reference to Exhibit 2.19 above\).](#)
- 2.62 [Form of 3½% Senior Notes due June 15, 2029 of Videotron \(incorporated by reference to Exhibit A to Exhibit 2.57 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.63 [Form of Notation of Guarantee of the subsidiary guarantors of the 3½% Senior Notes due June 15, 2029 of Videotron \(incorporated by reference to Exhibit E to Exhibit 2.57 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.64 [Indenture, dated as of June 17, 2021, by and among Videotron, the subsidiary guarantors signatory thereto and Wells Fargo Bank, National Association, as trustee \(incorporated by reference to Exhibit 2.57 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2021, filed on March 24, 2022, Commission file No. 033-51000\).](#)
- 2.65 [Supplemental Indenture, dated as of October 26, 2022, by and among Videotron, and VMedia Inc., 2251723 Ontario Inc. and rivertv Inc., as guarantors, and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee, to the Indenture dated as of June 17, 2021.](#)
- 4.1 [Amended and Restated Credit Agreement, dated as of July 20, 2011, by and among Videotron, Royal Bank of Canada, as administrative agent, and the financial institutions signatory thereto and acknowledged by Le SuperClub Videotron Ltée, Videotron Infrastructures Inc., Jobboom Inc., Videotron US Inc., 9227-2590 Québec Inc., 9230-7677 Québec Inc., Videotron G.P., and Videotron L.P., as guarantors \(incorporated by reference to Exhibit 4.1 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 21, 2012, Commission file No. 033-51000\).](#)
- 4.2 [First Amending Agreement, dated as of June 14, 2013, amending the Amended and Restated Credit Agreement, dated as of July 20, 2011, by and among Videotron, Royal Bank of Canada, as administrative agent, and the financial institutions signatory thereto and acknowledged by Le SuperClub Videotron Ltée, Videotron Infrastructures Inc., Videotron US Inc., 9227-2590 Québec inc., 9230-7677 Québec inc., Videotron G.P., Videotron L.P. and 8487782 Canada Inc. as guarantors \(incorporated by reference to Exhibit 4.2 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2013, filed on March 20, 2014, Commission file No. 033-51000\).](#)
- 4.3 [Second Amending Agreement, dated as of January 28, 2015, amending the Amended and Restated Credit Agreement, dated as of July 20, 2011, as amended, by and among Videotron, Royal Bank of Canada, as administrative agent, and the financial institutions signatory thereto and acknowledged by 9293-6707 Québec Inc., 9227-2590 Québec Inc., 9230-7677 Québec Inc., 8487782 Canada Inc., Videotron G.P., Videotron L.P. and Videotron Infrastructures Inc., as guarantors \(incorporated by reference to Exhibit 4.3 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000\).](#)
- 4.4 [Third Amending Agreement, dated as of June 16, 2015, amending the Amended and Restated Credit Agreement, dated as of July 20, 2011, as amended, by and among Videotron, Royal Bank of Canada, as administrative agent, and the financial institutions signatory thereto and acknowledged by 9293-6707 Québec Inc., 9227-2590 Québec Inc., 9230-7677 Québec Inc., 8487782 Canada Inc., Videotron G.P., Videotron L.P., Videotron Infrastructures Inc. and 4Degrees Colocation Inc., as guarantors \(incorporated by reference to Exhibit 4.4 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2015, filed on March 18, 2016, Commission file No. 033-51000\).](#)
- 4.5 [First Amending Agreement to the Amended and Restated Credit Agreement \(made pursuant to the Third Amendment Agreement dated June 16, 2015 filed as Exhibit 4.4\), dated as of June 24, 2016, amending the Amended and Restated Credit Agreement, dated as of June 16, 2015, by and among Videotron, Royal Bank of Canada, as administrative agent, and the financial institutions signatory thereto and acknowledged by 9293-6707 Québec Inc., 9227-2590 Québec Inc., 9230-7677 Québec Inc., 9176-6857 Québec Inc., Videotron G.P., Videotron L.P., Videotron Infrastructures Inc., 4Degrees Colocation Inc., 9529454 Canada Inc., 8480869 Canada Inc., Fibrenoire Inc. and Canadian P2P Fibre Systems Ltd., as guarantors \(incorporated by reference to Exhibit 4.5 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2016, filed on March 21, 2017, Commission file No. 033-51000\).](#)



[Table of Contents](#)

- 4.6 [Second Amending Agreement to the Amended and Restated Credit Agreement \(made pursuant to the Third Amendment Agreement dated June 16, 2015 filed as Exhibit 4.4\), dated as of January 3, 2018, amending the Amended and Restated Credit Agreement, dated as of June 16, 2015, by and among Videotron, Royal Bank of Canada, as administrative agent, and the financial institutions signatory thereto and acknowledged by 9293-6707 Québec Inc., 9176-6857 Québec Inc., Videotron Infrastructures Inc., 4Degrees Colocation Inc., 9529454 Canada Inc., 8480869 Canada Inc., Fibrenoire Inc. and Canadian P2P Fibre Systems Ltd., as guarantors \(incorporated by reference to Exhibit 4.6 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2017, filed on March 27, 2018, Commission file No. 033-51000\).](#)
- 4.7 [Third Amending Agreement to the Amended and Restated Credit Agreement \(made pursuant to the Third Amendment Agreement dated June 16, 2015 filed as Exhibit 4.4\), dated as of November 26, 2018, amending the Amended and Restated Credit Agreement, dated as of June 16, 2015, by and among Videotron, Royal Bank of Canada, as administrative agent, and the financial institutions signatory thereto and acknowledged by 9293-6707 Québec Inc., 9227-2590 Québec Inc., 9230-7677 Québec Inc., 9176-6857 Québec Inc., Videotron G.P., Videotron L.P., Videotron Infrastructures Inc., 4Degrees Colocation Inc., 9529454 Canada Inc., 8480869 Canada Inc., Fibrenoire Inc. and Canadian P2P Fibre Systems Ltd., as guarantors. \(incorporated by reference to Exhibit 4.7 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2018, filed on March 26, 2019, Commission file No. 033-51000\).](#)
- 4.8 [Fourth Amending Agreement to the Amended and Restated Credit Agreement \(made pursuant to the Third Amendment Agreement dated June 16, 2015 filed as Exhibit 4.4\), dated as of May 20, 2022, amending the Amended and Restated Credit Agreement, dated as of June 16, 2015, by and among Videotron, Royal Bank of Canada, as administrative agent, the financial institutions signatory thereto, 9293-6707 Québec Inc., Videotron Infrastructures Inc., Télédistribution Amos Inc. and Mobile & Internet Fizz Inc., as guarantors, and acknowledged by 9176-6857 Québec Inc. and Cablovision Warwick Inc., as guarantors \[Redacted\].](#)
- 4.9 [Fifth Amending Agreement to the Amended and Restated Credit Agreement \(made pursuant to the Third Amendment Agreement dated June 16, 2015 filed as Exhibit 4.4\), dated as of July 15, 2022, amending the Amended and Restated Credit Agreement, dated as of June 16, 2015, by and among Videotron, Royal Bank of Canada, as administrative agent, the financial institutions signatory thereto, 9293-6707 Québec Inc., Videotron Infrastructures Inc., Télédistribution Amos Inc. and Mobile & Internet Fizz Inc., as guarantors, and acknowledged by 9176-6857 Québec Inc. and Cablovision Warwick Inc., as guarantors.](#)
- 4.10 [Sixth Amending Agreement to the Amended and Restated Credit Agreement \(made pursuant to the Third Amendment Agreement dated June 16, 2015 filed as Exhibit 4.4\), dated as of January 13, 2023, amending the Amended and Restated Credit Agreement, dated as of June 16, 2015, by and among Videotron, Royal Bank of Canada, as administrative agent, the financial institutions signatory thereto, 9293-6707 Québec Inc., Videotron Infrastructures Inc. and Mobile & Internet Fizz Inc., as guarantors, and acknowledged by 9176-6857 Québec Inc., 2251723 Ontario Inc., VMedia Inc. and RiverTV Inc., as guarantors \[Redacted\].](#)
- 4.11 [Form of Guarantee of the Guarantors of the Credit Agreement \(incorporated by reference to Schedule D of Exhibit 4.1 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 21, 2012, Commission file No. 033-51000\).](#)
- 4.12 [Form of Share Pledge of the shares of Videotron and the Guarantors of the Credit Agreement \(incorporated by reference to Schedule E of Exhibit 4.1 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2011, filed on March 21, 2012, Commission file No. 033-51000\).](#)
- 8.1 [Subsidiaries of Videotron.](#)
- 11.1 [Code of Ethics.](#)
- 12.1 [Certification of Pierre Karl Péladeau, President of Videotron, pursuant to 15 U.S.C. Section 78\(m\)\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 12.2 [Certification of Jean-François Lescadres, Vice President Finance of Videotron, pursuant to 15 U.S.C. Section 78\(m\)\(a\), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)

[Table of Contents](#)

- 13.1 [Certification of Pierre Karl Péladeau, President of Videotron, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.](#)
- 13.2 [Certification of Jean-François Lescadres, Vice President Finance of Videotron pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.](#)
- 101 Interactive Data Files.

**SIGNATURE**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

**VIDEOTRON LTD.**

By: /s/ Jean-François Lescadres

Name: Jean-François Lescadres

Title: Vice President Finance

Dated: March 27, 2023

**VIDEOTRON LTD.**  
**CONSOLIDATED FINANCIAL STATEMENTS**

Years ended December 31, 2022, 2021 and 2020

---

<a href="#">Report of independent registered public accounting firm (PCAOB ID:1263)</a>	F-2
<b>Consolidated financial statements</b>	
<a href="#">Consolidated statements of income</a>	F-5
<a href="#">Consolidated statements of comprehensive income</a>	F-6
<a href="#">Consolidated statements of equity</a>	F-7
<a href="#">Consolidated statements of cash flows</a>	F-8
<a href="#">Consolidated balance sheets</a>	F-10
<a href="#">Notes to consolidated financial statements</a>	F-12

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholder and the Board of Directors of **Videotron Ltd.**

### **Opinion on the Financial Statements**

We have audited the accompanying consolidated balance sheets of **Videotron Ltd.** [the “Corporation”] as of December 31, 2022 and 2021, the related consolidated statements of income, comprehensive income, equity and cash flows, for each of the three years in the period ended December 31, 2022, and the related notes [collectively referred to as the “consolidated financial statements”]. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation at December 31, 2022 and 2021, and its financial performance and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with International Financial Reporting Standards [“IFRSs”] as issued by the International Accounting Standards Board.

### **Basis for Opinion**

These financial statements are the responsibility of the Corporation’s management. Our responsibility is to express an opinion on the Corporation’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) [“PCAOB”] and are required to be independent with respect to the Corporation in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Corporation is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Corporation’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### **Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: [1] relate to accounts or disclosures that are material to the financial statements and [2] involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

**Timing of Revenue Recognition from Subscriber Services**

*Description of the matter* As disclosed in note 1 (e) to the consolidated financial statements, the Corporation recognizes revenue from subscriber services, such as television, Internet access and wireline and mobile telephony, when the services are provided. Operating revenues related to service contracts are recognized in income on a straight-line basis over the period in which the services are provided, and the portion of revenues that is invoiced and unearned is presented as deferred revenues. The Corporation recognized \$3,718.2 million of revenues for the year ended December 31, 2022, of which a significant portion is related to these services, and \$277.1 million of deferred revenue as of December 31, 2022.

The Corporation’s revenue recognition process involves several information technology [“IT”] applications responsible for the initiation, processing, and recording of transactions from the Corporation’s various customers, and the calculation and allocation of revenue by service in accordance with the Corporation’s accounting policy. The timing of revenue recognition is considered a critical audit matter due to the complexity in our audit procedures considering the high volume of subscribers, each receiving different services with varying invoicing schedules.

*How we addressed the matter in our audit* To test the timing of revenue recognition from subscriber services and the deferred revenue balance, our audit procedures included, among others, obtaining an understanding, evaluating the design, and testing the operating effectiveness of manual controls, as well as the application controls and the IT general controls with the assistance of our IT specialists, related to the timing of revenue recognition for subscriber services. We reperformed management’s calculation of the deferred revenue balance related to these subscriber services as of December 31, 2022. We tested a sample of the relevant data used for the calculation of the deferred revenue balance related to the subscriber services as of December 31, 2022, by comparing the invoice date, the invoice amount, and the types of services to the invoice and the related cash receipt. We assessed the appropriateness of manual entries posted to the deferred revenue account by agreeing to supporting documentation. Finally, we independently developed expectations of revenue per user by service type and compared it to the average revenue per user by service type.

**Capitalization of Labor Costs to Property, Plant and Equipment and to Intangible Assets**

*Description of the matter* As disclosed in note 2 to the consolidated financial statements, \$141.8 million of labor costs were capitalized to property, plant and equipment and to intangible assets during the year ended December 31, 2022. Given the complexity and high volume of internal projects for which many employees are working on multiple projects, the capitalization of labor costs is considered to be a critical audit matter.

*How we addressed the matter in our audit* To test the capitalization of labor costs to property, plant and equipment and to intangible assets, our audit procedures included, among others, obtaining an understanding, evaluating the design, and testing the operating effectiveness of controls related to the capitalization of labor costs. We discussed with project managers, for a sample of significant projects, the nature of the project and the nature of the costs capitalized, and analyzed variances compared to the budget for each cost category, including labor costs. We corroborated variances compared to the budget to supporting documents such as invoices or employee timesheets. In addition, we corroborated, on a sample basis, labor costs capitalized by comparing the number of hours worked by an employee and their charge out rate on a specific project to the approved timesheet. Finally, we performed analytical procedures by comparing the proportion of internal labor per project to prior year.

/s/ Ernst & Young LLP

We have served as the Corporation's auditor since 2008.

Montreal, Canada  
March 24, 2023

**VIDEOTRON LTD.  
CONSOLIDATED STATEMENTS OF INCOME**

Years ended December 31, 2022, 2021 and 2020  
(in millions of Canadian dollars)

	Note	2022	2021	2020
<b>Revenues</b>				
Internet		\$ 1,238.1	\$ 1,201.4	\$ 1,131.4
Television		799.2	836.1	903.6
Mobile telephony		780.3	712.5	658.5
Wireline telephony		292.5	318.5	338.4
Mobile equipment sales		322.2	276.4	257.2
Wireline equipment sales		92.2	204.0	151.7
Other		193.7	186.1	181.7
		<u>3,718.2</u>	<u>3,735.0</u>	<u>3,622.5</u>
Employee costs	2	397.7	405.9	403.8
Purchase of goods and services	2	1,407.6	1,453.4	1,354.3
Depreciation and amortization	10, 11, 12	699.6	717.8	743.8
Financial expenses	3	244.6	232.1	208.5
Loss on valuation and translation of financial instruments		0.8	0.4	1.2
Restructuring of operations and other items	4	12.7	11.6	29.4
Loss on debt refinancing	5	—	40.1	—
<b>Income before income taxes</b>		<u>955.2</u>	<u>873.7</u>	<u>881.5</u>
Income taxes (recovery):	6			
Current		263.4	235.5	188.5
Deferred		(65.5)	(55.2)	(0.6)
		<u>197.9</u>	<u>180.3</u>	<u>187.9</u>
<b>Income from continuing operations</b>		<u>757.3</u>	<u>693.4</u>	<u>693.6</u>
Income from discontinued operations	28	—	—	34.8
<b>Net income</b>		<u>\$ 757.3</u>	<u>\$ 693.4</u>	<u>\$ 728.4</u>
<b>Income from continuing operations attributable to</b>				
Shareholder		\$ 757.2	\$ 693.3	\$ 693.5
Non-controlling interests		<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
<b>Net income attributable to</b>				
Shareholder		\$ 757.2	\$ 693.3	\$ 728.3
Non-controlling interests		<u>0.1</u>	<u>0.1</u>	<u>0.1</u>

See accompanying notes to consolidated financial statements.



**VIDEOTRON LTD.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

Years ended December 31, 2022, 2021 and 2020  
(in millions of Canadian dollars)

	Note	2022	2021	2020
<b>Income from continuing operations</b>		<b>\$ 757.3</b>	<b>\$ 693.4</b>	<b>\$ 693.6</b>
Other comprehensive income (loss) from continuing operations:				
Items that may be reclassified to income:				
Cash flow hedges:				
(Loss) gain on valuation of derivative financial instruments		(58.9)	4.6	(17.1)
Deferred income taxes		6.2	1.4	4.9
Items that will not be reclassified to income:				
Defined benefit plans:				
Re-measurement gain (loss)	27	77.3	107.9	(61.0)
Deferred income taxes		(20.5)	(28.6)	16.2
Reclassification to income:				
Gain related to cash flow hedges	5	—	(1.0)	—
Deferred income taxes		—	0.6	—
		<b>4.1</b>	<b>84.9</b>	<b>(57.0)</b>
<b>Comprehensive income from continuing operations</b>		<b>761.4</b>	<b>778.3</b>	<b>636.6</b>
Income from discontinued operations	28	—	—	34.8
<b>Comprehensive income</b>		<b>\$ 761.4</b>	<b>\$ 778.3</b>	<b>\$ 671.4</b>
<b>Comprehensive income from continuing operations attributable to</b>				
Shareholder		<b>\$ 761.3</b>	<b>\$ 778.2</b>	<b>\$ 636.5</b>
Non-controlling interests		<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Comprehensive income attributable to</b>				
Shareholder		<b>\$ 761.3</b>	<b>\$ 778.2</b>	<b>\$ 671.3</b>
Non-controlling interests		<b>0.1</b>	<b>0.1</b>	<b>0.1</b>

See accompanying notes to consolidated financial statements.

**VIDEOTRON LTD.**  
**CONSOLIDATED STATEMENTS OF EQUITY**

Years ended December 31, 2022, 2021 and 2020  
(in millions of Canadian dollars)

	Equity attributable to the shareholder			Equity attributable to non-controlling interests	Total equity
	Capital stock (note 19)	Deficit	Accumulated other comprehensive loss (note 21)		
Balance as of December 31, 2019	\$ 1,008.8	\$ (839.1)	\$ (48.7)	\$ 0.5	\$ 121.5
Net income	—	728.3	—	0.1	728.4
Other comprehensive loss	—	—	(57.0)	—	(57.0)
Issuance of common shares	6.8	—	—	—	6.8
Dividends	—	(611.0)	—	(0.2)	(611.2)
Balance as of December 31, 2020	1,015.6	(721.8)	(105.7)	0.4	188.5
Net income	—	693.3	—	0.1	693.4
Other comprehensive income	—	—	84.9	—	84.9
Reduction of paid-up capital	(720.0)	—	—	—	(720.0)
Dividends	—	(585.0)	—	(0.1)	(585.1)
Balance as of December 31, 2021	295.6	(613.5)	(20.8)	0.4	(338.3)
Net income	—	757.2	—	0.1	757.3
Other comprehensive income	—	—	4.1	—	4.1
Issuance of common shares	17.3	—	—	—	17.3
Dividends	—	(671.0)	—	(0.2)	(671.2)
<b>Balance as of December 31, 2022</b>	<b>\$ 312.9</b>	<b>\$ (527.3)</b>	<b>\$ (16.7)</b>	<b>\$ 0.3</b>	<b>\$ (230.8)</b>

See accompanying notes to consolidated financial statements.

**VIDEOTRON LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Years ended December 31, 2022, 2021 and 2020  
(in millions of Canadian dollars)

	Note	2022	2021	2020
<b>Cash flows related to operating activities</b>				
Income from continuing operations		\$ 757.3	\$ 693.4	\$ 693.6
Adjustments for:				
Depreciation of property, plant and equipment	10	516.0	542.4	586.8
Amortization of intangible assets	11	142.4	136.7	122.6
Depreciation of right-of-use assets	12	41.2	38.7	34.4
Loss on valuation and translation of financial instruments		0.8	0.4	1.2
Impairment of assets	4	2.9	0.8	8.4
Loss on debt refinancing	5	—	40.1	—
Amortization of financing costs	3	5.8	6.1	5.8
Deferred income taxes	6	(65.5)	(55.2)	(0.6)
Other		(1.4)	0.5	(2.0)
		<u>1,399.5</u>	<u>1,403.9</u>	<u>1,450.2</u>
Net change in non-cash balances related to operating activities		(49.0)	(163.5)	1.6
Cash flows provided by continuing operating activities		<u>1,350.5</u>	<u>1,240.4</u>	<u>1,451.8</u>
<b>Cash flows related to investing activities</b>				
Additions to property, plant and equipment	8, 10	(369.7)	(407.2)	(429.2)
Deferred subsidies (used) received to finance additions to property, plant and equipment	1(a), 8	(123.1)	162.4	—
		<u>(492.8)</u>	<u>(244.8)</u>	<u>(429.2)</u>
Additions to intangible assets	11	(75.1)	(986.1)	(180.2)
Business acquisitions	7	1.4	(6.7)	(32.9)
Proceeds from disposals of assets		7.0	7.7	3.5
Other		(0.3)	(0.8)	(0.6)
Cash flows used in continuing investing activities		<u>(559.8)</u>	<u>(1,230.7)</u>	<u>(639.4)</u>
<b>Cash flows related to financing activities</b>				
Net change in bank indebtedness		0.4	—	(7.1)
Net change under revolving facility, net of financing costs		(209.6)	285.0	(89.3)
Issuance of long-term debt, net of financing costs	16	—	1,986.8	—
Repayment of long-term debt	5, 16	—	(1,023.3)	—
Repayment of lease liabilities	17	(42.1)	(39.4)	(39.4)
Settlement of hedging contracts	5	—	185.2	—
Dividends		(671.0)	(585.0)	(611.0)
Dividends paid to non-controlling interests		(0.2)	(0.1)	(0.2)
Issuance of common shares	19	—	—	6.8
Reduction of paid-up capital	19	—	(720.0)	—
Cash flows (used in) provided by continuing financing activities		<u>(922.5)</u>	<u>89.2</u>	<u>(740.2)</u>
<b>Cash flows (used in) provided by continuing operations</b>		<u>\$ (131.8)</u>	<u>\$ 98.9</u>	<u>\$ 72.2</u>

**VIDEOTRON LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(in millions of Canadian dollars)

	Note	2022	2021	2020
<b>Cash flows (used in) provided by continuing operations</b>		\$ (131.8)	\$ 98.9	\$ 72.2
Cash flows used in discontinued operations	28	—	—	(0.6)
Cash, cash equivalents and restricted cash at beginning of the year		172.9	74.0	2.4
<b>Cash, cash equivalents and restricted cash at end of the year</b>		<u>\$ 41.1</u>	<u>\$ 172.9</u>	<u>\$ 74.0</u>
<b>Additional information on the consolidated statements of cash flows</b>				
<b>Cash, cash equivalents and restricted cash consist of</b>				
Cash		\$ 1.3	\$ 9.4	\$ 72.8
Cash equivalents		0.5	1.1	1.2
Restricted cash	1(a)	39.3	162.4	—
		<u>\$ 41.1</u>	<u>\$ 172.9</u>	<u>\$ 74.0</u>
<b>Changes in non-cash balances related to operating activities (excluding the effect of business acquisitions and disposals)</b>				
Accounts receivable		\$ (87.1)	\$ (201.3)	\$ (53.9)
Contract assets		86.4	91.5	(25.7)
Amounts receivable from and payable to affiliated corporations		10.6	16.3	2.4
Inventories		(93.1)	(33.5)	10.6
Accounts payable, accrued charges and provisions		44.1	2.5	40.9
Income taxes		(11.0)	(22.7)	72.3
Deferred revenue		(7.4)	13.9	(27.8)
Defined benefit plans		(1.8)	(1.7)	9.7
Other		10.3	(28.5)	(26.9)
		<u>\$ (49.0)</u>	<u>\$ (163.5)</u>	<u>\$ 1.6</u>
<b>Interest and taxes reflected as operating activities</b>				
Cash interest payments		\$ 242.0	\$ 244.8	\$ 211.7
Cash income tax payments (net of refunds)		273.7	257.5	115.8

Non-cash investing transactions are presented in notes 7, 10, 11 and 12.

See accompanying notes to consolidated financial statements.

**VIDEOTRON LTD.  
CONSOLIDATED BALANCE SHEETS**December 31, 2022 and 2021  
(in millions of Canadian dollars)

	Note	2022	2021
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		\$ 1.8	\$ 10.5
Restricted cash	8	39.3	162.4
Accounts receivable	9, 14	619.1	530.4
Contract assets	14	50.2	129.4
Amounts receivable from affiliated corporations	26	13.6	17.8
Inventories		247.2	153.4
Other current assets	14	122.0	116.0
		<u>1,093.2</u>	<u>1,119.9</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	2,610.4	2,761.6
Intangible assets	11	2,162.7	2,212.0
Right-of-use assets	12	128.1	122.9
Goodwill	13	550.1	542.6
Derivative financial instruments	25	199.5	140.5
Investment in an affiliated corporation	26	1,595.0	1,595.0
Promissory note to the parent corporation	26	160.0	160.0
Other assets	14	247.9	251.3
		<u>7,653.7</u>	<u>7,785.9</u>
<b>Total assets</b>		<u>\$ 8,746.9</u>	<u>\$ 8,905.8</u>

**VIDEOTRON LTD.**  
**CONSOLIDATED BALANCE SHEETS (continued)**

December 31, 2022 and 2021  
(in millions of Canadian dollars)

	Note	2022	2021
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Bank indebtedness		\$ 0.4	\$ —
Accounts payable, accrued charges and provisions	15	629.5	568.4
Amounts payable to affiliated corporations	26	95.5	89.2
Deferred revenue		277.1	284.9
Deferred subsidies	8	39.3	162.4
Income taxes		24.5	36.0
Current portion of lease liabilities	17	37.3	35.0
		<u>1,103.6</u>	<u>1,175.9</u>
<b>Non-current liabilities</b>			
Long-term debt	16	5,318.3	5,380.1
Subordinated loan from the parent corporation	26	1,595.0	1,595.0
Lease liabilities	17	121.0	118.8
Derivative financial instruments	25	—	23.3
Deferred income taxes	6	715.5	762.7
Other liabilities	18	124.3	188.3
		<u>7,874.1</u>	<u>8,068.2</u>
<b>Equity</b>			
Capital stock	19	312.9	295.6
Deficit		(527.3)	(613.5)
Accumulated other comprehensive loss	21	(16.7)	(20.8)
Equity attributable to the shareholder		(231.1)	(338.7)
Non-controlling interests		0.3	0.4
		<u>(230.8)</u>	<u>(338.3)</u>
Commitments and contingencies	22, 24		
<b>Total liabilities and equity</b>		<u>\$ 8,746.9</u>	<u>\$ 8,905.8</u>

See accompanying notes to consolidated financial statements.

On March 24, 2023, the Board of Directors approved the consolidated financial statements for the years ended December 31, 2022, 2021 and 2020.

On behalf of the Board of Directors,

/s/ Sylvie Lalande  
**Sylvie Lalande**  
Director

/s/ Chantal Bélanger  
**Chantal Bélanger**  
Director and Chair of Audit and Risk Management Committee

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

Videotron Ltd. (“Videotron” or the “Corporation”) is incorporated under the laws of Québec. The Corporation is a wholly owned subsidiary of Quebecor Media Inc. (“Quebecor Media” or the “parent corporation”) and the ultimate parent corporation is Quebecor inc. Unless the context otherwise requires, Videotron or the Corporation refer to Videotron Ltd. and its subsidiaries. The Corporation’s head office and registered office is located at 612 Saint-Jacques Street, Montreal, Québec, Canada. The percentages of voting rights and equity in its major subsidiaries are as follows:

	<u>% equity and voting</u>
Videotron Infrastructures Inc.	100.0 %
Videotron US Inc.	100.0 %
SETTE Inc.	84.53 %
VMedia Inc.	<u>100.0 %</u>

The Corporation offers Internet access, television distribution, mobile and wireline telephony, business solutions and over-the-top video services in Canada.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of presentation**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments (note 1(i)), the liability related to stock-based compensation (note 1(s)) and the net defined benefit liability (note 1(t)), and they are presented in Canadian dollars (“CAN dollars”), which is the currency of the primary economic environment in which the Corporation operates (“functional currency”).

Comparative figures for the years ended December 31, 2021 and 2020 have been restated to conform to the presentation adopted for the year ended December 31, 2022.

In particular, since the second quarter of 2022, restricted cash is presented with cash and cash equivalents on the consolidated statements of cash flows, in line with the IFRS Interpretations Committee’s agenda decision finalized in the second quarter of 2022 that clarifies the presentation of cash subject to contractual restrictions agreed with a third party (see note 8). Prior period information has been restated to reflect the new presentation. Accordingly, deferred subsidies used to finance additions to property, plant and equipment related to the roll-out of high-speed Internet services in various regions of Québec are now presented under investing activities, which has the effect of increasing cash used in investing activities by \$123.1 million for the year ended December 31, 2022 and decreasing cash used in investing activities by \$162.4 million for the year ended December 31, 2021.

**(b) Consolidation**

The consolidated financial statements include the accounts of the Corporation and its subsidiaries. Intercompany transactions and balances are eliminated on consolidation.

A subsidiary is an entity controlled by the Corporation. Control is achieved when the Corporation is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Non-controlling interests in the net assets and results of consolidated subsidiaries are identified separately from the parent corporation’s ownership interest. Non-controlling interests in the equity of a subsidiary consist of the amount of non-controlling interests calculated at the date of the original business combination and their share of changes in equity since that date. Changes in non-controlling interests in a subsidiary that do not result in a loss of control by the Corporation are accounted for as equity transactions.

**(c) Business acquisition**

A business acquisition is accounted for by the acquisition method. The cost of an acquisition is measured at the fair value of the consideration given in exchange for control of the business acquired at the acquisition date. This consideration can be comprised of cash, assets transferred, financial instruments issued, or future contingent payments. The identifiable assets and liabilities of the acquired business are recognized at their fair value at the acquisition date. Results of operations of an acquired business are included in the Corporation’s consolidated financial statements from the date of the business acquisition. Business acquisition and integration costs are expensed as incurred and included as other items in the consolidated statements of income.



**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(d) Foreign currency translation**

Foreign currency transactions are translated to the functional currency by applying the exchange rate prevailing at the date of the transaction. Translation gains and losses on monetary assets and liabilities denominated in a foreign currency are included in financial expenses, or in gain or loss on valuation and translation of financial instruments.

**(e) Revenue recognition**

The Corporation accounts for a contract with a customer only when all of the following criteria are met:

- the parties to the contract have approved the contract (in writing, orally or in accordance with other customary business practices) and are committed to perform their respective obligations;
- the entity can identify each party's rights regarding the goods or services to be transferred;
- the entity can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance (i.e. the risk, timing or amount of the entity's future cash flows is expected to change as a result of the contract); and
- it is probable that the entity will collect the consideration to which it is entitled in exchange for the goods or services to be transferred to the customer.

The portion of revenues that is invoiced and unearned is presented as "Deferred revenue" on the consolidated balance sheets. Deferred revenue is usually recognized as revenue in the subsequent year.

The Corporation provides services under multiple deliverable arrangements, mainly for mobile contracts in which the sale of mobile devices is bundled with telecommunication services over the contract term. The total consideration from a contract with multiple deliverables is allocated to all performance obligations in the contract based on the stand-alone selling price of each obligation. The total consideration can be comprised of an upfront fee or a number of monthly installments for the equipment sale and a monthly fee for the telecommunication service. Each performance obligation of multiple deliverable arrangements is then separately accounted for based on its allocated consideration amount.

The Corporation does not adjust the amount of consideration allocated to the equipment sale for the effects of a financing component since this component is not significant.

The Corporation recognizes each of its main activities' revenues as follows:

- operating revenues from subscriber services, such as television distribution, Internet access, wireline and mobile telephony, and over-the-top video services are recognized when services are provided;
- revenues from equipment sales to subscribers are recognized when the equipment is delivered;
- operating revenues related to service contracts are recognized in income on a straight-line basis over the period in which the services are provided; and

**VIDEOTRON LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) Revenue recognition (continued)**

- wireline connection and mobile activation revenues are deferred and recognized respectively as revenues over the period of time the customer is expected to remain a customer of the Corporation and over the contract term.

When a mobile device and a service are bundled under a single mobile contract, the term of the contract is generally 24 months.

The portion of mobile revenues earned without being invoiced is presented as contract assets on the consolidated balance sheets. Contract assets are realized over the term of the contract.

**(f) Impairment of assets**

For the purposes of assessing impairment, assets are grouped in cash-generating units (“CGUs”), which represent the lowest levels for which there are separately identifiable cash inflows generated by those assets. The Corporation reviews, at each balance sheet date, whether events or circumstances have occurred to indicate that the carrying amounts of its long-lived assets with finite useful lives may be less than their recoverable amounts. Goodwill, intangible assets having an indefinite useful life, and intangible assets not yet available for use are tested for impairment each financial year, as well as whenever there is an indication that the carrying amount of the asset, or the CGU to which an asset has been allocated, exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the asset or the CGU. Fair value less costs of disposal represents the amount an entity could obtain at the valuation date from the asset’s disposal in an arm’s length transaction between knowledgeable, willing parties, after deducting the costs of disposal. The value in use represents the present value of the future cash flows expected to be derived from the asset or the CGU.

An impairment loss is recognized in the amount by which the carrying amount of an asset or a CGU exceeds its recoverable amount. When the recoverable amount of a CGU to which goodwill has been allocated is lower than the CGU’s carrying amount, the related goodwill is first impaired. Any excess amount of impairment is recognized and attributed to assets in the CGU, prorated to the carrying amount of each asset in the CGU.

An impairment loss recognized in prior periods for long-lived assets with finite useful lives and intangible assets having an indefinite useful life, other than goodwill, can be reversed through the consolidated statement of income to the extent that the resulting carrying value does not exceed the carrying value that would have been the result had no impairment loss been recognized previously.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Income taxes**

Current income taxes are recognized with respect to amounts expected to be paid or recovered under the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income taxes are accounted for using the liability method. Under this method, deferred income tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred income tax assets and liabilities are measured using enacted or substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred income tax assets and liabilities is recognized in income in the period that includes the substantive enactment date. A deferred tax asset is recognized initially when it is probable that future taxable income will be sufficient to use the related tax benefits and may be reduced subsequently, if necessary, to an amount that is more likely than not to be realized. A deferred tax expense or benefit is recognized either in other comprehensive income or directly in equity to the extent that it relates to items that are recognized in other comprehensive income or directly in equity in the same or a different period.

In the course of the Corporation's operations, there are a number of uncertain tax positions due to the complexity of certain transactions and to the fact that related tax interpretations and legislation are continually changing. When a tax position is uncertain, the Corporation recognizes an income tax benefit or reduces an income tax liability only when it is probable that the tax benefit will be realized in the future or when the income tax liability is no longer probable.

**(h) Leases**

The Corporation recognizes, for most of its leases, a right-of-use asset and a lease liability at the commencement of a lease. The right-of-use asset and the lease liability are initially measured at the present value of lease payments over the lease term, less incentive payments received, using the Corporation's incremental borrowing rate at that date or the interest rate implicit in the lease. The term of the lease is comprised of the initial lease term and any additional period for which it is reasonably certain that the Corporation will exercise its extension option.

Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset.

Interest on lease liabilities is recorded in the consolidated statements of income as financial expenses and principal payments on the lease liability are presented as part of financing activities in the consolidated statements of cash flows.

**(i) Financial instruments**

Classification, recognition and measurement

Most financial assets and liabilities are classified as subsequently measured at amortized cost, except for derivative financial instruments, investments in preferred shares of an affiliated corporation and loans from/to the parent corporation, which are measured at fair value through other comprehensive income or through profit or loss. Contingent consideration and future conditional adjustments arising from a business acquisition or disposal are measured at fair value at the transaction date with subsequent changes in fair value recorded in the consolidated statements of income.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Financial instruments (continued)**

Derivative financial instruments and hedge accounting

The Corporation uses various derivative financial instruments to manage its exposure to fluctuations in foreign currency exchange rates and interest rates. The Corporation does not hold or use any derivative financial instruments for speculative purposes. Under hedge accounting, the Corporation documents all hedging relationships between hedging instruments and hedged items, as well as its strategy for using hedges and its risk-management objective. It also designates its derivative financial instruments as either fair value hedges or cash flow hedges when they qualify for hedge accounting. The Corporation assesses the effectiveness of its hedging relationships at initiation and on an ongoing basis.

The Corporation generally enters into the following types of derivative financial instruments:

- The Corporation uses foreign exchange forward contracts to hedge foreign currency rate exposure on anticipated equipment or inventory purchases in a foreign currency. These foreign exchange forward contracts are designated as cash flow hedges.
- The Corporation uses cross-currency swaps to hedge (i) foreign currency rate exposure on interest and principal payments on foreign-currency-denominated debt and/or (ii) fair value exposure on certain debt resulting from changes in interest rates. The cross-currency swaps that set all future interest and principal payments on U.S.-dollar-denominated debt in fixed CAN dollars, in addition to converting an interest rate from a floating rate to a floating rate or from a fixed rate to a fixed rate, are designated as cash flow hedges. The cross-currency swaps are designated as fair value hedges when they set all future interest and principal payments on U.S.-dollar-denominated debt in fixed CAN dollars, in addition to converting the interest rate from a fixed rate to a floating rate.
- The Corporation has established a hedge ratio of one for one for all its hedging relationships as the underlying risks of its hedging derivatives are identical to the hedged item risks.

The Corporation measures and records the effectiveness of its hedging relationships as follows:

- For cash flow hedges, the hedge effectiveness is tested and measured by comparing changes in the fair value of the hedging derivative with the changes in the fair value of a hypothetical derivative that simulates the cash flows of the hedged item.
- For fair value hedges, the hedge effectiveness is tested and measured by comparing changes in the fair value of the hedging derivative with the changes in the fair value of the hedged item attributable to the hedged risk.
- Most of the Corporation's hedging relationships are not generating material ineffectiveness. The ineffectiveness, if any, is recorded in the consolidated statements of income as a gain or loss on valuation and translation of financial instruments.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(i) Financial instruments (continued)**

Derivative financial instruments and hedge accounting (continued)

Under hedge accounting, the Corporation applies the following accounting policies:

- For derivative financial instruments designated as fair value hedges, changes in the fair value of the hedging derivative recorded in income are substantially offset by changes in the fair value of the hedged item to the extent that the hedging relationship is effective. When a fair value hedge is discontinued, the carrying value of the hedged item is no longer adjusted and the cumulative fair value adjustments to the carrying value of the hedged item are amortized to income over the remaining term of the original hedging relationship.
- For derivative financial instruments designated as cash flow hedges, the effective portion of a hedge is reported in other comprehensive income until it is recognized in income during the same period in which the hedged item affects income, while the ineffective portion is immediately recognized in income. When a cash flow hedge is discontinued, the amounts previously recognized in accumulated other comprehensive income are reclassified to income when the variability in the cash flows of the hedged item affects income.

Any change in the fair value of derivative financial instruments recorded in income is included in gain or loss on valuation and translation of financial instruments. Interest expense on hedged long-term debt is reported at the hedged interest and foreign currency rates.

Derivative financial instruments that do not qualify for hedge accounting, including derivatives that are embedded in financial or non-financial contracts that are not closely related to the host contracts, are reported on a fair value basis on the consolidated balance sheets. Any change in the fair value of these derivative financial instruments is recorded in the consolidated statements of income as a gain or loss on valuation and translation of financial instruments.

**(j) Financing costs**

Financing costs related to long-term debt are capitalized in reduction of long-term debt and amortized using the effective interest rate method.

**(k) Tax credits and government assistance**

The Corporation receives tax credits mainly related to its research and development activities and has access to several government programs designed to support large investment projects and the roll-out of high-speed Internet services in various regions of Québec. Government financial assistance is accounted for as a revenue or as a reduction in related costs, whether capitalized and amortized or expensed, in the year the costs are incurred and when management has reasonable assurance that the conditions of the government programs are being met.

**(l) Cash and cash equivalents**

Cash and cash equivalents include highly liquid investments purchased three months or less from maturity and are recorded at fair value. These highly liquid investments consist mainly of Bankers' acceptances and term deposits.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(m) Trade receivables and contract assets**

Trade receivables and contract assets are presented net of a provision for expected credit losses. The Corporation is using the IFRS 9 expected credit losses method to estimate that provision, which considers the specific credit risk of its customers, the expected lifetime of its financial assets, historical trends and economic conditions. Amounts receivable are written off when deemed uncollectible.

**(n) Inventories**

Inventories are valued at the lower of cost, determined by the first-in, first-out method or the weighted-average cost method, and net realizable value. Net realizable value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. When the circumstances that previously caused inventories to be written down below cost no longer exist, the amount of the write-down is reversed.

Inventories related to audiovisual content comprise broadcast rights, which are essentially contractual rights allowing the limited or unlimited broadcast of televisual products or movies. The Corporation records the rights acquired as inventory and the obligations incurred under a licence agreement as a liability when the contractual broadcast period begins and the contractual conditions of the licence are met. Audiovisual content costs are amortized to operating expenses on a straight-line basis over the contractual broadcasting period or a period not exceeding 3 years beginning at the moment that the content is made available on the Corporation's over-the-top video services platforms.

The net realizable value of inventories related to audiovisual content is examined periodically by management and revised as necessary. The carrying value of the related inventories is reduced to the net realizable value, if necessary, based on this assessment.

**(o) Property, plant and equipment**

Property, plant and equipment are recorded at cost. Cost represents the acquisition costs, net of government subsidies and investment tax credits, or construction costs, including preparation, installation and testing costs. In the case of projects to construct wireline and mobile networks, the cost includes equipment, direct labour and related overhead costs. Projects under development may also be comprised of advance payments made to suppliers for equipment under construction.

Borrowing costs are also included in the cost of property, plant and equipment during the development phase. Expenditures, such as maintenance and repairs, are expensed as incurred.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

<u>Assets</u>	<u>Estimated useful lives</u>
Buildings and leasehold improvements	5 to 40 years
Furniture and equipment	3 to 7 years
Telecommunication networks	3 to 20 years

Depreciation methods, residual values, and the useful lives of significant property, plant and equipment are reviewed at least once a year. Any change is accounted for prospectively as a change in accounting estimate.

Leasehold improvements are depreciated over the shorter of the term of the lease and their estimated useful life.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(o) Property, plant and equipment (continued)**

A decommissioning obligation in connection with the Corporation's mobile network is recorded at the net present value of the estimated future expenditures required to settle the estimated future obligation at the consolidated balance sheet date. Changes in estimates of the decommissioning obligation are reflected in property, plant and equipment on the consolidated balance sheets. The Corporation does not record any decommissioning obligations in connection with its wireline distribution networks. The Corporation expects to renew all of its agreements with utility companies to access their support structures in the future, making the retirement date so far into the future that the present value of the restoration costs is insignificant for those assets.

The Corporation is engaged in an agreement to operate a shared LTE network in the Province of Québec and in the Ottawa area.

**(p) Goodwill and intangible assets**

Goodwill

Goodwill initially arising from a business acquisition is measured and recognized as the excess of the fair value of the consideration paid over the fair value of the recognized identifiable assets acquired and liabilities assumed.

Goodwill is allocated as at the date of a business acquisition to a CGU for purposes of impairment testing (note 1(f)). The allocation is made to the CGU or group of CGUs expected to benefit from the synergies of the business acquisition.

Intangible assets

Spectrum licences are recorded at cost. Spectrum licences have an indefinite useful life and are not amortized, in the view of the following facts: (i) the Corporation intends to renew the spectrum licences and believes that they are likely to be renewed by Innovation, Science and Economic Development Canada ("ISED"); (ii) the Corporation has the financial and operational ability to renew these spectrum licences; (iii) currently, the competitive, legal and regulatory landscape does not limit the useful lives of the spectrum licences, and (iv) the Corporation foresees no limit to the period during which these licences can be expected to generate cash flows in the future.

Software is recorded at cost. In particular, internally generated intangible assets such as software and website development are mainly comprised of internal costs in connection with the development of assets to be used internally or to provide services to customers. These costs are capitalized when the development stage of the software application begins and costs incurred prior to that stage are recognized as expenses.

Customer relationships and other intangible assets acquired through a business acquisition are recorded at fair value at the date of acquisition.

Borrowing costs directly attributable to the acquisition, development or production of an intangible asset are also included as part of the cost of that asset during the development phase.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(p) Goodwill and intangible assets (continued)**

Intangible assets with finite useful lives are amortized over their useful lives using the straight-line method over the following periods:

<u>Assets</u>	<u>Estimated useful lives</u>
Software	3 to 7 years
Customer relationships and other	5 to 8 years

Amortization methods, residual values, and the useful lives of significant intangible assets are reviewed at least once a year. Any change is accounted for prospectively as a change in accounting estimate.

**(q) Contract costs**

Incremental and direct costs, such as costs to obtain a contract, mainly sales commissions, or the cost of connecting a subscriber to the Corporation's telecommunication network, are included in contract costs and amortized over the period of time the customer is expected to maintain its service or over the contract term. The amortization of contract costs is included in purchase of goods and services in the consolidated statements of income.

**(r) Provisions**

Provisions are recognized (i) when the Corporation has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation, and (ii) when the amount of the obligation can be reliably estimated.

Restructuring costs, comprised primarily of termination benefits, are recognized when a detailed plan for the restructuring exists and a valid expectation has been raised in those affected, that the plan will be carried out.

Provisions are reviewed at each consolidated balance sheet date and changes in estimates are reflected in the consolidated statements of income in the reporting period in which the changes occur.

**(s) Stock-based compensation**

Stock-based awards to employees that call for settlement in cash, deferred share units ("DSUs") or performance share units ("PSUs"), or that call for settlement in cash at the option of the employee as stock option awards, are accounted for at fair value and classified as a liability. The compensation cost is recognized in expenses over the vesting period. Changes in the fair value of stock-based awards between the grant date and the measurement date result in a change in the liability and compensation cost.

The fair value of DSUs and PSUs is based on the underlying share price at the date of valuation. The fair value of stock option awards is determined by applying an option pricing model, taking into account the terms and conditions of the grant. Key assumptions are described in note 20.



**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(t) Pension plans and postretirement benefits**

The Corporation offers defined contribution pension plans and defined benefit pension plans to some of its employees.

(i) Defined contribution pension plans

Under its defined contribution pension plans, the Corporation pays fixed contributions to participating employees' pension plans and has no legal or constructive obligation to pay any further amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefits in the consolidated statements of income when the contributions become due.

(ii) Defined benefit pension plans and postretirement plans

Defined benefit pension plan costs are determined using actuarial methods and are accounted for using the projected unit credit method, which incorporates management's best estimates of future salary levels, other cost escalations, retirement ages of employees, and other actuarial factors. Defined benefit pension costs recognized in the consolidated statements of income as employee costs, mainly include the following:

- service costs provided in exchange for employee services rendered during the period;
- prior service costs recognized at the earlier of (a) when the employee benefit plan is amended or (b) when restructuring costs are recognized; and
- curtailment or settlement gain or loss.

Interest on net defined benefit liability or asset recognized in the consolidated statements of income as financial expenses, is determined by multiplying the net defined benefit liability or asset by the discount rate used to determine the defined benefit obligation.

Re-measurements of the net defined benefit liability or asset are recognized immediately in other comprehensive income (loss) and in accumulated other comprehensive (loss) income. Re-measurements are comprised of the following:

- actuarial gains and losses arising from changes in financial and demographic actuarial assumptions used to determine the defined benefit obligation or from experience adjustments to liabilities;
- the difference between actual return on plan assets and interest income on plan assets anticipated as part of the interest on net defined benefit liability or asset calculation; and
- changes in the net benefit asset limit or in the minimum funding liability.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(t) Pension plans and postretirement benefits (continued)**

(ii) Defined benefit pension plans and postretirement plans (continued)

Recognition of a net benefit asset is limited under certain circumstances to the amount recoverable, which is primarily based on the present value of future contributions to the plan, to the extent that the Corporation can unilaterally reduce those future contributions. In addition, an adjustment to the net benefit asset or the net benefit liability can be recorded to reflect a minimum funding liability in a certain number of the Corporation's pension plans.

The Corporation also offers discounts on telecommunication services and health, life and dental insurance plans to some of its retired employees. The cost of postretirement benefits is determined using an accounting methodology similar to that for defined benefit pension plans. The benefits related to these plans are funded by the Corporation as they become due.

**(u) Use of estimates and judgments**

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities, related amounts of revenues and expenses, and disclosure of contingent assets and liabilities. Although these estimates are based on management's best judgment and information available at the time of the assessment date, actual results could differ from those estimates.

The following significant areas represent management's most difficult, subjective or complex estimates:

(i) Recoverable amount of an asset or a CGU

When an impairment test is performed on an asset or a CGU, management estimates the recoverable amount of the asset or CGU based on its fair value less costs of disposal or its value in use. These estimates are based on valuation models requiring the use of a number of assumptions such as forecasts of future cash flows, pre-tax discount rate (WACC) and perpetual growth rate. These assumptions have a significant impact on the results of impairment tests and on the impairment charge, as the case may be, recorded in the consolidated statements of income. A description of key assumptions used in the goodwill impairment tests and a sensitivity analysis of recoverable amounts are presented in note 13.

(ii) Costs and obligations related to pension and postretirement benefit plans

Estimates of costs and obligations related to pension and postretirement benefit obligations are based on a number of assumptions, such as the discount rate, the rate of increase in compensation, the retirement age of employees, health care costs, and other actuarial factors. Certain of these assumptions may have a significant impact on employee costs and financial expenses recorded in the consolidated statements of income, the re-measurement gain or loss on defined benefit plans recorded in the consolidated statements of comprehensive income, and the carrying value of other assets or other liabilities on the consolidated balance sheets. Key assumptions and a sensitivity analysis of the discount rate are presented in note 27.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(u) Use of estimates and judgments (continued)**

(iii) Provisions

The recognition of provisions requires management to estimate expenditures required to settle a present obligation or to transfer it to a third party at the date of assessment. It can also require an assessment of the probable outcomes of legal proceedings or other contingencies. Management expectations on the potential effect of the possible outcomes of legal disputes on the consolidated financial statements are presented in note 24.

(iv) Contingent considerations and future conditional adjustments

Contingent considerations and future conditional adjustments arising from business acquisition or disposal are measured and accounted for at their fair value. The fair value is estimated based on a present value model requiring management to assess the probabilities that the conditions on which the contingent considerations and future conditional adjustments are based will be met in the future. The assessment of these contingent potential outcomes requires judgment from management and could have an impact on the initial amount of contingent considerations or future conditional adjustments recognized and on any subsequent changes in fair value recorded in the consolidated statements of income.

(i) Purchase price allocations

As part of the purchase price allocation related to a business acquisition, the identifiable assets and liabilities of the business acquired are recognized at their fair value at the acquisition date. The determination of fair value requires management to make assumptions, estimates and judgments regarding a number of factors. It also requires management to determine the most appropriate valuation method to estimate the fair value of each asset. The determination of a purchase price allocation could have an impact on the carrying value of assets and liabilities on the consolidated balance sheets, on the depreciation and amortization charge recorded in the consolidated statements of income, as well as on the results of impairment tests and on the impairment charge.

The following areas represent management's most significant judgments, apart from those involving estimates:

(i) Useful life periods for the depreciation and amortization of assets with finite useful lives

For each class of assets with finite useful lives, management has to determine over which period the Corporation will consume the assets' future economic benefits. The determination of a useful life period involves judgment and has an impact on the depreciation and amortization charge recorded in the consolidated statements of income.

(ii) Indefinite useful life of spectrum licences

Management has concluded that spectrum licences have an indefinite useful life. This conclusion was based on an analysis of factors, such as the Corporation's financial ability to renew the spectrum licences, the competitive, legal and regulatory landscape, and future expectations regarding the use of the spectrum licences. The determination that spectrum licences have an indefinite useful life therefore involves judgment, which could have an impact on the amortization charge recorded in the consolidated statements of income if management were to change its conclusion in the future.

**VIDEOTRON LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(u) Use of estimates and judgments (continued)**

## (iii) Interpretation of laws and regulations

Interpretation of laws and regulation, including those of the Canadian Radio-television and Telecommunications Commission (CRTC) and tax regulations, requires judgment from management and could have an impact on revenue recognition, provisions, income taxes and capital expenditures in the consolidated financial statements.

**(v) Future changes to accounting standards**

The IASB has issued the following amendments to accounting standards that will become effective for the annual period beginning on January 1, 2023:

- Amendments to IAS 1, *Presentation of financial statements - Disclosure of accounting policies*, to require entities to disclose material accounting policies information rather than significant accounting policies;
- Amendments to IAS 8, *Accounting policies, changes in accounting estimates and errors*, to clarify the definition of the terms "accounting policy" and "accounting estimate";
- Amendments to IAS 12, *Income Taxes - Deferred income taxes related to assets and liabilities arising from a single transaction*, to restrict the scope of the exemption related to the recognition of deferred income taxes.

The Corporation does not expect these amendments to accounting policies to have a material impact on its consolidated financial statements.

**2. EMPLOYEE COSTS AND PURCHASE OF GOODS AND SERVICES**

The main components are as follows:

	2022	2021	2020
Employee costs	\$ 539.5	\$ 574.3	\$ 595.5
Less employee costs capitalized to property, plant and equipment and to intangible assets	(141.8)	(168.4)	(191.7)
	397.7	405.9	403.8
Purchase of goods and services <sup>1</sup> :			
Royalties and rights	416.0	401.0	403.9
Cost of products sold	460.3	497.3	444.6
Subcontracting costs	92.9	147.7	148.8
Marketing and distribution expenses	62.1	61.3	56.0
Other	376.3	346.1	301.0
	1,407.6	1,453.4	1,354.3
	\$ 1,805.3	\$ 1,859.3	\$ 1,758.1

<sup>1</sup> Cost of inventories included in purchase of goods and services amounted to \$444.2 million in 2022 (\$470.7 million in 2021 and \$407.9 million in 2020). Write-downs of inventories totalling \$3.1 million were recognized in purchase of goods and services in 2022 (\$2.0 million in 2021 and \$1.7 million in 2020).

**VIDEOTRON LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**3. FINANCIAL EXPENSES**

	2022	2021	2020
<b>Third parties:</b>			
Interest on long-term debt	\$ 235.3	\$ 228.0	\$ 204.3
Amortization of financing costs	5.8	6.1	5.8
Interest on lease liabilities	5.3	5.4	4.9
Interest on net defined benefit liability	3.1	5.4	4.4
Loss (gain) on foreign currency translation of short-term monetary items	2.8	(1.1)	(2.1)
Other	0.5	(3.7)	(0.9)
	<u>252.8</u>	<u>240.1</u>	<u>216.4</u>
<b>Affiliated corporations:</b>			
Interest expense	182.5	175.5	167.0
Dividend income	(184.4)	(177.4)	(168.8)
Interest on lease liabilities	1.5	1.7	1.8
Interest income	(7.8)	(7.8)	(7.9)
	<u>(8.2)</u>	<u>(8.0)</u>	<u>(7.9)</u>
	<u>\$ 244.6</u>	<u>\$ 232.1</u>	<u>\$ 208.5</u>

**4. RESTRUCTURING OF OPERATIONS AND OTHER ITEMS**

In 2022, a charge of \$3.5 million was recorded in connection with cost reduction initiatives (\$12.3 million in 2021 and \$13.1 million in 2020), while a \$2.9 million impairment charge on assets was also recorded in 2022 (\$0.8 million in 2021 and \$8.4 million in 2020).

In addition, in 2022, the Corporation also recorded \$6.3 million in charges related to other items (a gain of \$1.5 million in 2021 and a charge of \$7.9 million in 2020).

**5. LOSS ON DEBT REFINANCING**

On June 3, 2021, Videotron issued a redemption notice for its Senior Notes in aggregate principal amount of US\$800.0 million, bearing interest at 5.000% and due July 15, 2022, at a redemption price of 104.002% of their principal amount. As a result, a net loss of \$40.1 million was recorded in the consolidated statement of income in 2021, including a gain of \$1.0 million previously recorded in other comprehensive income. In July 2021, the Senior Notes were redeemed, and the related hedging contracts were unwound, for a total cash consideration of \$838.1 million, including the early redemption premium.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

**6. INCOME TAXES**

The following table reconciles income taxes at the Corporation's domestic statutory tax rate of 26.5% in 2022 (26.5% in 2021 and 2020) with income taxes in the consolidated statements of income:

	2022	2021	2020
Income taxes at domestic statutory tax rate	\$ 253.1	\$ 231.5	\$ 233.6
(Reduction) increase resulting from:			
Non-deductible charges, non-taxable income and differences between current and future tax rates	(0.5)	(5.7)	(1.5)
Tax consolidation transactions (note 26)	(48.9)	(47.0)	(44.7)
Other	(5.8)	1.5	0.5
<b>Income taxes</b>	<b>\$ 197.9</b>	<b>\$ 180.3</b>	<b>\$ 187.9</b>

The significant items comprising the Corporation's net deferred income tax liability and their impact on the deferred income tax expense are as follows:

	Consolidated balance sheets		Consolidated income statements		
	2022	2021	2022	2021	2020
Defined benefit plans	\$ 3.4	\$ 23.9	\$ —	\$ (2.3)	\$ (2.5)
Contract assets	(18.3)	(41.2)	(22.9)	(24.3)	6.7
Property, plant and equipment	(400.7)	(435.5)	(34.8)	(24.4)	(15.7)
Goodwill, intangible assets and other assets	(323.9)	(327.6)	(7.7)	7.4	11.7
Long-term debt and derivative financial instruments	(4.8)	(7.1)	3.9	(6.1)	0.6
Other	28.8	24.8	(4.0)	(5.5)	(1.4)
	<b>\$ (715.5)</b>	<b>\$ (762.7)</b>	<b>\$ (65.5)</b>	<b>\$ (55.2)</b>	<b>\$ (0.6)</b>

Changes in the net deferred income tax liability are as follows:

	2022	2021
Balance at beginning of year	\$ (762.7)	\$ (790.6)
Recognized in income as continuing operations	65.5	55.2
Recognized in other comprehensive income	(14.3)	(26.6)
Business acquisitions	(4.0)	(0.7)
<b>Balance at end of year</b>	<b>\$ (715.5)</b>	<b>\$ (762.7)</b>

There are no income tax consequences attached to the payment of dividends or distributions by the Corporation to its shareholder.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**7. BUSINESS ACQUISITIONS**

In 2022, Quebecor Media transferred to Videotron all shares of VMedia Inc., an independent telecommunications service provider acquired in July 2022, in exchange for the issuance of 20,958 common shares with a value of \$17.3 million (note 19) and a contingent balance payable. The cash acquired relating to this transaction amounted to \$1.4 million.

In 2021, the Corporation acquired businesses for a total cash consideration of \$6.7 million.

On December 31, 2020, Videotron closed the acquisition of Télédistribution Amos inc. and its network in Abitibi-Témiscamingue for a cash consideration of \$32.9 million, net of cash acquired of \$0.1 million. The acquired assets consist mainly of the network, intangible assets and goodwill.

**8. RESTRICTED CASH AND DEFERRED SUBSIDIES**

On March 22, 2021, Videotron and the Québec government, jointly with the Canadian government, signed agreements to support the achievement of the government's targets for the roll-out of high-speed Internet services in various regions of Québec. Under these agreements, the government has committed to provide financial assistance in the amount of approximately \$258.0 million, which will be fully invested in Videotron's high-speed Internet network extension. In accordance with the terms of the agreements, an amount of \$216.2 million received in advance from the government in March 2021 was recorded as deferred subsidies on the consolidated balance sheets (balance of \$39.3 million as of December 31, 2022 and \$162.4 million as of December 31, 2021). When the investments required under the program are realized, the corresponding subsidies are recognized as a reduction in additions to property, plant and equipment.

**9. ACCOUNTS RECEIVABLE**

	2022	2021
Trade	\$ 551.6	\$ 479.3
Other	67.5	51.1
	<u>\$ 619.1</u>	<u>\$ 530.4</u>

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

**10. PROPERTY, PLANT AND EQUIPMENT**

Changes in the net carrying amount of property, plant and equipment are as follows:

	Land, buildings and leasehold improvements	Furniture and equipment	Telecom- munication networks	Projects under development	Total
<b>Cost</b>					
Balance as of December 31, 2020	\$ 242.0	\$ 1,563.1	\$ 6,518.4	\$ 87.1	\$ 8,410.6
Additions	5.9	49.0	178.6	173.7	407.2
Net change in additions financed with non-cash balances	—	(0.4)	(1.1)	(11.8)	(13.3)
Decommissioning obligation	—	—	37.1	—	37.1
Reclassification	(8.4)	8.0	153.6	(153.2)	—
Retirement, disposals and other	(5.7)	(236.7)	(45.4)	—	(287.8)
Balance as of December 31, 2021	233.8	1,383.0	6,841.2	95.8	8,553.8
Additions	3.1	66.8	257.1	42.7	369.7
Net change in additions financed with non-cash balances	—	(2.6)	(9.5)	14.7	2.6
Decommissioning obligation	—	—	(2.7)	—	(2.7)
Reclassification	(6.4)	6.8	82.0	(82.4)	—
Retirement, disposals and other	(2.0)	(137.4)	(57.6)	—	(197.0)
<b>Balance as of December 31, 2022</b>	<b>\$ 228.5</b>	<b>\$ 1,316.6</b>	<b>\$ 7,110.5</b>	<b>\$ 70.8</b>	<b>\$ 8,726.4</b>
<b>Accumulated depreciation and impairment losses</b>					
Balance as of December 31, 2020	\$ 94.0	\$ 1,280.9	\$ 4,156.2	\$ —	\$ 5,531.1
Depreciation	6.9	99.4	436.1	—	542.4
Retirement, disposals and other	(5.9)	(230.1)	(45.3)	—	(281.3)
Balance as of December 31, 2021	95.0	1,150.2	4,547.0	—	5,792.2
Depreciation	6.2	78.6	431.2	—	516.0
Retirement, disposals and other	(2.0)	(132.7)	(57.5)	—	(192.2)
<b>Balance as of December 31, 2022</b>	<b>\$ 99.2</b>	<b>\$ 1,096.1</b>	<b>\$ 4,920.7</b>	<b>\$ —</b>	<b>\$ 6,116.0</b>
<b>Net carrying amount</b>					
As of December 31, 2021	\$ 138.8	\$ 232.8	\$ 2,294.2	\$ 95.8	\$ 2,761.6
<b>As of December 31, 2022</b>	<b>\$ 129.3</b>	<b>\$ 220.5</b>	<b>\$ 2,189.8</b>	<b>\$ 70.8</b>	<b>\$ 2,610.4</b>

In 2020, the depreciation of certain components of the Corporation's telecommunication networks was accelerated in order to reflect shorter remaining useful lives as a result of technology changes. Depreciation was increased by \$24.0 million in 2020 to reflect the new useful lives.



**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

**11. INTANGIBLE ASSETS**

Changes in the net carrying amount of intangible assets are as follows:

	Spectrum licences	Software	Customer relationships, projects under development and other	Total
<b>Cost</b>				
Balance as of December 31, 2020	\$ 979.3	\$ 1,268.4	\$ 130.9	\$ 2,378.6
Additions <sup>1</sup>	830.0	87.6	68.5	986.1
Net change in additions financed with non-cash balances	—	(36.2)	45.1	8.9
Business acquisitions	—	—	2.3	2.3
Reclassification	—	34.5	(34.5)	—
Retirement, disposals and other	—	(15.2)	—	(15.2)
Balance as of December 31, 2021	<u>1,809.3</u>	<u>1,339.1</u>	<u>212.3</u>	<u>3,360.7</u>
Additions	—	48.0	27.1	75.1
Net change in additions financed with non-cash balances	—	5.5	(2.6)	2.9
Business acquisitions	—	11.7	6.1	17.8
Reclassification	—	165.2	(165.2)	—
Retirement, disposals and other	—	(29.8)	(0.3)	(30.1)
<b>Balance as of December 31, 2022</b>	<b><u>\$ 1,809.3</u></b>	<b><u>\$ 1,539.7</u></b>	<b><u>\$ 77.4</u></b>	<b><u>\$ 3,426.4</u></b>
<b>Accumulated amortization and impairment losses</b>				
Balance as of December 31, 2020	\$ 247.7	\$ 772.1	\$ 7.4	\$ 1,027.2
Amortization	—	133.2	3.5	136.7
Retirement, disposals and other	—	(15.2)	—	(15.2)
Balance as of December 31, 2021	<u>247.7</u>	<u>890.1</u>	<u>10.9</u>	<u>1,148.7</u>
Amortization	—	139.4	3.0	142.4
Retirement, disposals and other	—	(27.1)	(0.3)	(27.4)
<b>Balance as of December 31, 2022</b>	<b><u>\$ 247.7</u></b>	<b><u>\$ 1,002.4</u></b>	<b><u>\$ 13.6</u></b>	<b><u>\$ 1,263.7</u></b>
<b>Net carrying amount</b>				
As of December 31, 2021	\$ 1,561.6	\$ 449.0	\$ 201.4	\$ 2,212.0
<b>As of December 31, 2022</b>	<b><u>\$ 1,561.6</u></b>	<b><u>\$ 537.3</u></b>	<b><u>\$ 63.8</u></b>	<b><u>\$ 2,162.7</u></b>

<sup>1</sup> In 2021, the Corporation acquired 294 blocks of spectrum in the 3500 MHz band across the country.

The cost of internally generated intangible assets, mainly composed of software, was \$789.9 million as of December 31, 2022 (\$773.2 million as of December 31, 2021). For the year ended December 31, 2022, the Corporation recorded additions of internally generated intangible assets of \$35.7 million (\$154.2 million in 2021 and \$73.1 million in 2020).

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**11. INTANGIBLE ASSETS (continued)**

The accumulated amortization and impairment losses on internally generated intangible assets, mainly composed of software, were \$456.3 million as of December 31, 2022 (\$422.9 million as of December 31, 2021). For the year ended December 31, 2022, the Corporation recorded \$55.5 million in amortization on its internally generated intangible assets (\$46.9 million in 2021 and \$44.0 million in 2020). The net carrying value of internally generated intangible assets was \$333.6 million as of December 31, 2022 (\$350.3 million as of December 31, 2021).

The net carrying value of intangible assets with an indefinite useful life was \$1,562.8 million as of December 31, 2022 and 2021.

**12. RIGHT-OF-USE ASSETS**

Changes in the net carrying amount of right-of-use assets which mainly relate to leases of premises and vehicles, are as follows:

	2022	2021
<b>Cost</b>		
Balance at beginning of year	\$ 352.8	\$ 319.3
Additions financed with lease obligations	45.3	50.9
Retirement and other	(16.6)	(17.4)
Balance at end of year	381.5	352.8
<b>Accumulated depreciation</b>		
Balance at beginning of year	229.9	208.0
Depreciation	41.2	38.7
Retirement and other	(17.7)	(16.8)
Balance at end of year	253.4	229.9
<b>Net carrying amount</b>	<u>\$ 128.1</u>	<u>\$ 122.9</u>

The Corporation does not recognize right-of-use assets and lease liabilities for short-term leases and leases of low value assets.

The net carrying amount includes right-of-use assets with affiliated corporations of \$15.5 million as of December 31, 2022 (\$17.5 million as of December 31, 2021). The depreciation expense on leases with affiliated corporations was \$4.3 million in 2022 (\$3.9 million in 2021).

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

**13. GOODWILL**

Changes in the net carrying amount of goodwill are as follows:

	2022	2021
<b>Cost</b>		
Balance at beginning of year	\$ 611.1	\$ 606.6
Business acquisitions	7.5	4.5
Balance at end of year	<u>618.6</u>	611.1
<b>Accumulated impairment losses</b>		
Balance at beginning and at end of year	<u>68.5</u>	68.5
<b>Net carrying amount</b>	<u>\$ 550.1</u>	<u>\$ 542.6</u>

Recoverable amount

The recoverable amount of the Telecommunications CGU was determined based on the higher of a value in use or a fair value less costs of disposal with respect to the impairment tests performed. The Corporation uses the discounted cash flow method to estimate the recoverable amount, consisting of future cash flows derived primarily from the most recent budget and three-year strategic plan approved by the Corporation's management and the Board of Directors. These forecasts considered the CGU's past operating performance and market share as well as economic trends, along with specific and market industry trends and corporate strategies. In particular, specific assumptions are used for each type of revenue generated by the CGU or for each type of expense, as well as for future capital expenditures. Such assumptions will consider, among many other factors, subscribers, competitive landscape, evolution of product and service offerings, wireless penetration growth, technology evolution, bargaining agreements, Canadian GDP rates and operating cost structures.

A perpetual growth rate is used for cash flows beyond the three-year strategic plan period. The discount rate used by the Corporation is a pre-tax rate derived from the weighted average cost of capital pertaining to the CGU, which reflects the current market assessment of (i) the time value of money, and (ii) the risk specific to the assets for which the future cash flow estimates have not been risk-adjusted. The perpetual growth rate was determined with regard to the specific markets in which the CGU participates. The following key assumptions were used to determine recoverable amounts in the most recent impairment tests performed:

CGU group	2022		2021	
	Pre-tax discount rate (WACC)	Perpetual growth rate	Pre-tax discount rate (WACC)	Perpetual growth rate
Telecommunications <sup>1</sup>	<u>10.5 %</u>	<u>2.0 %</u>	<u>8.5 %</u>	<u>2.0 %</u>

<sup>1</sup> The recoverable amounts was based on value in use, using the discounted cash flow method.

No reasonable changes in the discount rate or in the perpetual growth rate used in the most recent test performed would have caused the recoverable amount of the Telecommunications CGU to equal its carrying value.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**14. OTHER ASSETS**

	2022	2021
Equipment installments receivable	\$ 431.3	\$ 358.6
Contract costs <sup>1</sup>	175.4	174.8
Contract assets <sup>2</sup>	69.1	155.6
Other	20.1	17.1
	<u>695.9</u>	<u>706.1</u>
Less current portion of contract assets	(50.2)	(129.4)
Less current portion of contract costs (included in "Other current assets")	(75.9)	(68.5)
Less current portion of equipment installments receivable (included in "Accounts receivable")	(321.9)	(256.9)
	<u>\$ 247.9</u>	<u>\$ 251.3</u>

<sup>1</sup> Amortization amounted to \$81.4 million in 2022 (\$73.3 million in 2021 and \$65.9 million in 2020).

<sup>2</sup> Impairment loss on contract assets resulting from mobile contracts being cancelled prior to their initial term amounted to \$9.9 million in 2022 (\$17.1 million in 2021 and \$20.5 million in 2020), net of the early termination penalty charged to the customer. In current and comparative periods, there were no significant cumulative catch-up adjustments to revenue that affected the corresponding contract asset, including adjustments arising from a change in an estimate of the transaction price or a contract modification. There were also no significant changes in the time frame for a performance obligation to be satisfied.

**15. ACCOUNTS PAYABLE, ACCRUED CHARGES AND PROVISIONS**

	2022	2021
Trade and accruals	\$ 502.6	\$ 448.2
Salaries and employee benefits	72.1	67.8
Interest payable	42.9	42.7
Provisions and other	11.9	9.7
	<u>\$ 629.5</u>	<u>\$ 568.4</u>

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**16. LONG-TERM DEBT**

	Effective interest rate as of December 31, 2022	2022	2021
Bank credit facility (i)	5.92 %	\$ 77.5	\$ 285.0
Senior Notes (ii)		5,279.1	5,123.2
		<b>5,356.6</b>	5,408.2
Change in fair value related to hedged interest rate risk		(5.6)	8.3
Financing costs, net of amortization		(32.7)	(36.4)
		<b>\$ 5,318.3</b>	\$ 5,380.1

As of December 31, 2022, the carrying value of long-term debt denominated in U.S. dollars, excluding financing costs, was \$2,298.5 million (\$2,156.6 million as of December 31, 2021) while the net fair value of related hedging derivative instruments was in an asset position of \$196.1 million (\$116.3 million as of December 31, 2021).

- (i) The bank credit facility provides for a \$1,500.0 million secured revolving credit facility that matures in July 2026 and bears interest at Bankers' acceptance rate, Secured Overnight Financing Rate ("SOFR"), Canadian prime rate or U.S. prime rate, plus a premium determined by the Corporation's leverage ratio. The bank credit facility is secured by a first ranking hypothec on the universality of all tangible and intangible assets, current and future, of the Corporation and most of its wholly owned subsidiaries. As of December 31, 2022, the bank credit facility was secured by assets with a carrying value of \$8,741.7 million (\$8,900.3 million in 2021). The bank credit facility contains covenants such as maintaining certain financial ratios, as well as limitations on the Corporation's ability to incur additional indebtedness, pay dividends, or make other distributions. As of December 31, 2022, \$77.5 million was drawn on the secured revolving credit facility (\$285.0 million as of December 31, 2021).

On January 13, 2023, Videotron's bank credit facility was amended to increase the secured revolving credit facility from \$1,500.0 million to \$2,000.0 million. Certain terms and conditions of the credit facility were also amended.

- (ii) The Senior Notes are unsecured and contain certain restrictions on the Corporation, including limitations on its ability to incur additional indebtedness, pay dividends, or make other distributions. Some Notes are redeemable at the option of the issuer, in whole or in part, at a price based on a make-whole formula during the first three or five years of the term of the Notes and at a decreasing premium thereafter, while the remaining Notes are redeemable at a price based on a make-whole formula at any time prior to maturity. The Senior Notes are guaranteed by specific subsidiaries of the Corporation. The following table summarizes the terms of the outstanding Senior Notes as of December 31, 2022:

**VIDEOTRON LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**16. LONG-TERM DEBT (continued)**

Principal amount	Annual nominal interest rate	Maturity date	Interest payable every 6 months on
US \$ 600.0	5.375 %	June 15, 2024	June and December 15
\$400.0	5.625 %	June 15, 2025	April and October 15
\$375.0	5.750 %	January 15, 2026	March and September 15
US \$ 600.0	5.125 %	April 15, 2027	April and October 15
\$800.0	4.500 %	January 15, 2030	April and October 15
\$650.0 <sup>1</sup>	3.125 %	January 15, 2031	January and July 15
\$750.0 <sup>2</sup>	3.625 %	June 15, 2028	June and December 15
US \$ 500.0 <sup>3</sup>	3.625 %	June 15, 2029	June and December 15

<sup>1</sup> The Notes were issued in January 2021 for net proceeds of \$644.0 million, net of financing costs of \$6.0 million.

<sup>2</sup> The Notes were issued in June 2021 for net proceeds of \$743.2 million, net of financing costs of \$6.8 million.

<sup>3</sup> The Notes were issued in June 2021 for net proceeds of \$599.6 million, net of financing costs of \$5.8 million.

On December 31, 2022, the Corporation was in compliance with all debt covenants.

Principal repayments of long-term debt over the coming years are as follows:

2023	\$ —
2024	813.2
2025	400.0
2026	452.5
2027	813.2
2028 and thereafter	<u>2,877.7</u>

Changes in long-term debt are as follows:

	2022	2021
Balance at beginning of year	\$ 5,380.1	\$ 4,111.5
Net change under revolving facility, net of financing costs	(209.6)	285.0
Issuance of long-term debt, net of financing costs	—	1,986.8
Repayment of long-term debt, excluding early redemption premium	—	(983.7)
Foreign currency translation	155.9	(18.5)
Amortization of financing costs	5.8	6.1
Change in fair value related to hedged interest rate risk	(13.9)	(8.5)
Other	—	1.4
<b>Balance at end of year</b>	<u>\$ 5,318.3</u>	<u>\$ 5,380.1</u>

**VIDEOTRON LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**17. LEASE LIABILITIES**

Changes in lease liabilities are as follows:

	2022	2021
Balance at beginning of year	\$ 153.8	\$ 142.3
Lease obligations financing right-of-use assets	45.3	50.9
Repayments	(42.1)	(39.4)
Other	1.3	—
	<u>158.3</u>	<u>153.8</u>
Less current portion	(37.3)	(35.0)
	<u>\$ 121.0</u>	<u>\$ 118.8</u>

Lease liabilities with affiliated corporations amounted to \$25.4 million as of December 31, 2022 (\$25.9 million in 2021).

Interest rates on lease liabilities ranged from 1.9% to 8.5% as of December 31, 2022 and 2021.

Repayments of lease liabilities over the coming years are as follows:

2023	\$ 37.3
2024	34.4
2025	26.8
2026	20.2
2027	15.0
2028 and thereafter	<u>24.6</u>

**18. OTHER LIABILITIES**

	Note	2022	2021
Defined benefit plans	27	\$ 20.6	\$ 90.2
Decommissioning obligation		59.0	59.0
Other		44.7	39.1
		<u>\$ 124.3</u>	<u>\$ 188.3</u>

**19. CAPITAL STOCK****(a) Authorized capital stock**

An unlimited number of common shares, without par value, voting and participating.

An unlimited number of preferred shares, Series B, Series C, Series D, Series E, Series F, and Series H, without par value, ranking prior to the common shares with regards to payment of dividends and repayment of capital, non-voting, non-participating, a fixed monthly non-cumulative dividend of 1%, retractable and redeemable.

An unlimited number of preferred shares, Series G, ranking prior to all other shares with regards to payment of dividends and repayment of capital, non-voting, non-participating carrying the rights and restrictions attached to the class as well as a fixed annual cumulative preferred dividend of 11.25%, retractable and redeemable.

**VIDEOTRON LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**19. CAPITAL STOCK (continued)****(b) Issued and outstanding capital stock**

	Common shares	
	Number	Amount
Balance as of December 31, 2020	10,718,327	\$ 1,015.6
Reduction of paid-up capital	—	(720.0)
Balance as of December 31, 2021	10,718,327	295.6
Issuance of common shares	20,958	17.3
<b>Balance as of December 31, 2022</b>	<b>10,739,285</b>	<b>\$ 312.9</b>

Issuance of common shares

In 2022, the Corporation issued 20,958 common shares with a value of \$17.3 million as part of VMedia Inc. transfer from Quebecor Media (note 7).

Reduction of paid-up capital

During the year ended December 31, 2021, the Corporation reduced its paid-up capital for cash considerations of \$720.0 million.

**20. STOCK-BASED COMPENSATION PLANS****(a) Ultimate parent corporation plan****(i) Stock option plan**

Under a stock option plan established by the ultimate parent corporation, 26,000,000 Quebecor Inc. Class B Subordinate Voting Shares (“Quebecor Class B Shares”) have been set aside for directors, officers, senior employees, and other key employees of the ultimate parent corporation and those of the Corporation. The exercise price of each option is equal to the weighted average trading price of the Quebecor Class B Shares on the Toronto Stock Exchange over the last five trading days immediately preceding the granting of the option. Each option may be exercised during a period not exceeding 10 years from the date granted. As per the provisions of the plan, options usually vest as follows: 1/3 after one year, 2/3 after two years, and 100% three years after the original grant. The Board of Directors of the ultimate parent corporation may, at its discretion, affix different vesting periods at the time of each grant. Thus, since 2018, when granting options, the Board of Directors of the ultimate parent corporation has determined that the options would vest equally over three years with the first 33 1/3% vesting on the third anniversary of the date of grant. Holders of options under the stock option plan have the choice, when they exercise their options, of acquiring the Quebecor Class B Shares at the corresponding option exercise price or receiving a cash payment equivalent to the difference between the market value of the underlying shares and the exercise price of the option. Holders of options have committed to obtain the consent of the ultimate parent corporation before exercising their right to subscribe the shares for which they exercise their options.



**VIDEOTRON LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**20. STOCK-BASED COMPENSATION PLANS (continued)****(a) Ultimate parent corporation plan (continued)**

## (i) Stock option plan (continued)

The following table gives details on changes to outstanding options for the years ended December 31, 2022 and 2021:

	2022		2021	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Balance at beginning of year	543,934	\$ 30.58	1,467,700	\$ 30.56
Granted	650,000	27.85	—	—
Transferred	30,000	32.66	—	—
Exercised	(16,666)	26.52	(39,998)	26.52
Cancelled	(158,334)	30.27	(883,768)	30.73
<b>Balance at end of year</b>	<b>1,048,934</b>	<b>\$ 29.06</b>	<b>543,934</b>	<b>\$ 30.58</b>
<b>Vested options at end of year</b>	<b>125,397</b>	<b>\$ 28.48</b>	<b>51,864</b>	<b>\$ 26.52</b>

During the year ended December 31, 2021, 39,998 stock options of the ultimate parent corporation were exercised for a cash consideration of \$0.2 million.

As of December 31, 2022, exercise prices of all outstanding options were from \$26.52 to \$33.19 and the average years to maturity was 8.4.

## (ii) Deferred share unit plan

The DSUs are based on Quebecor Class B Subordinate Voting Shares (“Quebecor Class B Shares”). The DSUs vest over six years and will be redeemed for cash only upon the participant’s retirement or termination of employment, as the case may be. DSUs entitle the holders to receive additional units when dividends are paid on Quebecor Class B Shares.

As of December 31, 2022, 12,294 DSUs were outstanding under this plan (23,293 as of December 31, 2021).

**(b) Parent corporation stock option plan**

During the year ended December 31, 2021, 30,000 stock options of the parent corporation were exercised for a cash consideration of \$2.0 million. As of December 31, 2022 and 2021, there were no outstanding options related to the parent corporation stock option plan.

**VIDEOTRON LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**20. STOCK-BASED COMPENSATION PLANS (continued)**

**(c) Assumptions in estimating the fair value of stock-based awards**

The fair value of stock-based awards under the stock option plans was estimated using the Black-Scholes option pricing model. The following weighted-average assumptions were used to estimate the fair value of all outstanding stock options under the ultimate parent corporation stock option plan:

	December 31, 2022	December 31, 2021
Risk-free interest rate	3.60 %	1.32 %
Distribution yield	3.97 %	3.91 %
Expected volatility	22.07 %	22.35 %
Expected remaining life	4.4 years	3.7 years

The expected volatility is based on the historical volatility of the underlying share price for a period equivalent to the expected remaining life of the options. The expected remaining life of options granted represents the period of time that options granted are expected to be outstanding. The risk-free interest rate over the expected remaining life of the option is based on the Government of Canada yield curve in effect at the time of the valuation. Distribution yield is based on the current average yield.

**(d) Liability for vested options**

As of December 31, 2022, the liability for all vested options was \$0.3 million as calculated using the intrinsic value (\$0.1 million as of December 31, 2021).

**(e) Consolidated stock-based compensation charge**

For the year ended December 31, 2022, a \$0.9 million charge was recorded related to all stock-based compensation plans (a \$1.8 million reversal of the charge in 2021 and a \$1.9 million charge in 2020).

**21. ACCUMULATED OTHER COMPREHENSIVE LOSS ATTRIBUTABLE TO SHAREHOLDER**

	Cash flow hedges <sup>1</sup>	Defined benefit plans	Total
Balance as of December 31, 2019	\$ 33.0	\$ (81.7)	\$ (48.7)
Other comprehensive loss	(12.2)	(44.8)	(57.0)
Balance as of December 31, 2020	20.8	(126.5)	(105.7)
Other comprehensive income	5.6	79.3	84.9
Balance as of December 31, 2021	26.4	(47.2)	(20.8)
Other comprehensive (loss) income	(52.7)	56.8	4.1
<b>Balance as of December 31, 2022</b>	<b>\$ (26.3)</b>	<b>\$ 9.6</b>	<b>\$ (16.7)</b>

<sup>1</sup> No significant amount is expected to be reclassified in income over the next 12 months in connection with derivatives designated as cash flow hedges. The balance is expected to reverse over a 6 1/2-year period.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**22. COMMITMENTS**

The Corporation has entered into long-term commitments to purchase services, tangible and intangible assets, and to pay licences and royalties. The minimum payments for the coming years are as follows:

2023	\$	270.0
2024 to 2027		424.2
2028 and thereafter		94.9

**23. GUARANTEES**

In the normal course of business, the Corporation enters into numerous agreements containing guarantees, including the following:

Business and asset disposals

In the sale of all or part of a business or an asset, in addition to possible indemnification relating to failure to perform covenants and breach of representations or warranties, the Corporation may agree to indemnify against claims related to the past conduct of the business. Typically, the term and amount of such indemnification will be limited by the agreement. The nature of these indemnification agreements prevents the Corporation from estimating the maximum potential liability it could be required to pay to guaranteed parties. The Corporation has not accrued any amount in respect of these items on the consolidated balance sheets.

Outsourcing companies and suppliers

In the normal course of its operations, the Corporation enters into contractual agreements with outsourcing companies and suppliers. In some cases, the Corporation agrees to provide indemnifications in the event of legal procedures initiated against them. In other cases, the Corporation provides indemnification to counterparties for damages resulting from the outsourcing companies and suppliers. The nature of the indemnification agreements prevents the Corporation from estimating the maximum potential liability it could be required to pay. No amount has been accrued on the consolidated balance sheets with respect to these indemnifications.

**VIDEOTRON LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**24. CONTINGENCIES**

There are a number of legal proceedings against the Corporation that are pending. At this stage of proceedings, management of the Corporation does not expect the outcome to have a material adverse effect on the Corporation's results or on its financial position. 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 these legal proceedings.

**25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

The Corporation's financial risk-management policies have been established in order to identify and analyze the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk-management policies are reviewed regularly to reflect changes in market conditions and in the Corporation's activities.

The Corporation uses a number of financial instruments, mainly cash and cash equivalents, restricted cash, trade receivables, contract assets, bank indebtedness, trade payables, accrued liabilities, long-term debt, lease liabilities and derivative financial instruments. As a result of its use of financial instruments, the Corporation is exposed to credit risk, liquidity risk and market risks relating to foreign exchange fluctuations and interest rate fluctuations.

In order to manage its foreign exchange and interest rate risks, the Corporation uses derivative financial instruments (i) to set in CAN dollars future payments on debts denominated in U.S. dollars (interest and principal) and certain purchases of inventories and other capital expenditures denominated in a foreign currency and (ii) to achieve a targeted balance of fixed- and floating-rate debt. The Corporation does not intend to settle its derivative financial instruments prior to their maturity as none of these instruments is held or issued for speculative purposes.

**(a) Description of derivative financial instruments**

- (i) Foreign exchange forward contracts

<u>Maturity</u>	<u>CAN dollar average exchange rate per one U.S. dollar</u>	<u>Notional amount sold</u>	<u>Notional amount bought</u>
Less than 1 year	1.3057	\$ 95.3	US\$ 73.0

**VIDEOTRON LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**(a) Description of derivative financial instruments (continued)**

(ii) Cross-currency swaps

Hedged item	Hedging instrument			
	Period covered	Notional amount	Annual interest rate on notional amount in CAN dollars	CAN dollar exchange rate on interest and capital payments per one U.S. dollar
			Bankers' acceptance 3 months	
5.375% Senior Notes due 2024	2014 to 2024	US\$ 158.6	+ 2.67 %	1.1034
5.375% Senior Notes due 2024	2017 to 2024	US\$ 441.4	5.62 %	1.1039
5.125% Senior Notes due 2027	2017 to 2027	US\$ 600.0	4.82 %	1.3407
3.625% Senior Notes due 2029	2021 to 2029	US\$ 500.0	4.04 %	1.2109

Certain cross-currency swaps entered into by the Corporation include an option that allows each party to unwind the transaction on a specific date at the market value at that date.

**(b) Fair value of financial instruments**

In accordance with IFRS 13, *Fair Value Measurement*, the Corporation considers the following fair value hierarchy, which reflects the significance of the inputs used in measuring its financial instruments:

- Level 1: ☐ quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: ☐ inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: ☐ inputs that are not based on observable market data (unobservable inputs).

The fair value of long-term debt is estimated based on quoted market prices when available or on valuation models using Level 1 and Level 2 inputs. When the Corporation uses valuation models, the fair value is estimated based on discounted cash flows using year-end market yields or the market value of similar instruments with the same maturity.

The fair value of derivative financial instruments recognized on the consolidated balance sheets is estimated as per the Corporation's valuation models. These models project future cash flows and discount the future amounts to a present value using the contractual terms of the derivative financial instrument and factors observable in external market data, such as period-end swap rates and foreign exchange rates (Level 2 inputs). An adjustment is also included to reflect non-performance risk, impacted by the financial and economic environment prevailing at the date of the valuation, in the recognized measure of the fair value of the derivative financial instruments by applying a credit default premium, estimated using a combination of observable and unobservable inputs in the market (Level 3 inputs), to the net exposure of the counterparty or the Corporation. Derivative financial instruments are classified as Level 2.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

**25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**(b) Fair value of financial instruments (continued)**

The carrying value and fair value of long-term debt and derivative financial instruments as of December 31, 2022 and 2021 are as follows:

Asset (liability)	2022		2021	
	Carrying value	Fair value	Carrying value	Fair value
<b>Long-term debt<sup>1</sup></b>	\$ (5,356.6)	\$ (4,800.7)	\$ (5,408.2)	\$ (5,470.2)
<b>Derivative financial instruments<sup>2</sup></b>				
Foreign exchange forward contracts	3.4	3.4	0.9	0.9
Cross-currency swaps	196.1	196.1	116.3	116.3

<sup>1</sup> The carrying value of long-term debt excludes changes in the fair value of long-term debt related to hedged interest rate risk and financing costs.

<sup>2</sup> The net fair value of derivative financial instruments designated as cash flow hedges is an asset position of \$165.5 million as of December 31, 2022 (\$83.0 million in 2021) and the net fair value of derivative financial instruments designated as fair value hedges is an asset position of \$34.0 million as of December 31, 2022 (\$34.2 million in 2021).

The fair value of investments in preferred shares in a subsidiary of the parent corporation and loans from the parent corporation is equivalent to their initial issuance values (note 26) since these financial instruments have only been issued as part of transactions carried out for tax consolidation purposes of Quebecor Media Inc. and its subsidiaries.

**(c) Credit risk management**

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial asset fails to meet its contractual obligations and arises principally from amounts receivable from customers, including contract assets.

The gross carrying amounts of financial assets represent the maximum credit exposure. As of December 31, 2022, the gross carrying amount of trade receivables and contract assets, including their long-term portions, was \$742.3 million (\$751.1 million as of December 31, 2021).

In the normal course of business, the Corporation continuously monitors the financial condition of its customers and reviews the credit history of each new customer. The Corporation uses its customers' historical terms of payment and acceptable collection periods for each customer class, as well as changes in its customers' credit profiles, to define default on amounts receivable from customers, including contract assets.

As of December 31, 2022, no customer balance represented a significant portion of the Corporation's consolidated trade receivables. The Corporation is using the expected credit losses method to estimate its provision for credit losses, which considers the specific credit risk of its customers, the expected lifetime of its financial assets, historical trends and economic conditions. As of December 31, 2022, the provision for expected credit losses represented 1.6% of the gross amount of trade receivables and contract assets (1.9% as of December 31, 2021), while 2.8% of trade receivables were 90 days past their billing date (5.3% as of December 31, 2021).

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)**

**(c) Credit risk management (continued)**

The following table shows changes to the provision for expected credit losses for the years ended December 31, 2022 and 2021:

	2022	2021
Balance at beginning of year	\$ 14.4	\$ 15.7
Changes in expected credit losses charged to income	16.3	16.6
Write-off	(18.6)	(17.9)
<b>Balance at end of year</b>	<b>\$ 12.1</b>	<b>\$ 14.4</b>

The Corporation believes that its product lines and the diversity of its customer base are instrumental in reducing its credit risk, as well as the impact of fluctuations in product-line demand. The Corporation does not believe that it is exposed to an unusual level of customer credit risk.

As a result of its use of derivative financial instruments, the Corporation is exposed to the risk of non-performance by a third party. When the Corporation enters into derivative contracts, the counterparties (either foreign or Canadian) must have credit ratings at least in accordance with the Corporation's risk-management policy and are subject to concentration limits. These credit ratings and concentration limits are monitored on an ongoing basis, but at least quarterly.

**(d) Liquidity risk management**

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due or the risk that those financial obligations will have to be met at excessive cost. The Corporation manages this exposure through staggered debt maturities. The weighted average term of the Corporation's consolidated debt was approximately 5.0 years as of December 31, 2022 (5.8 years as of December 31, 2021).

The Corporation's management believes that cash flows and available sources of financing should be sufficient to cover committed cash requirements for capital investments, working capital, interest payments, income tax payments, debt repayments, pension plan contributions, share repurchases, dividends or distributions to the shareholder. The Corporation has access to cash flows generated by its subsidiaries through dividends (or distributions) and cash advances paid by its wholly owned subsidiaries.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

**25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)****(d) Liquidity risk management (continued)**

As of December 31, 2022, material contractual obligations related to financial instruments included capital repayment and interest on long-term debt and on lease liabilities and obligations related to derivative financial instruments, less estimated future receipts on derivative financial instruments. These obligations and their maturities are as follows:

	Total	Less than 1 year	1-3 years	3-5 years	5 years or more
Accounts payable and accrued charges	\$ 618.6	\$ 618.6	\$ —	\$ —	\$ —
Amounts payable to affiliated corporations	95.5	95.5	—	—	—
Long-term debt <sup>1</sup>	5,356.6	—	1,213.2	1,265.7	2,877.7
Interest payments on long-term debt <sup>2</sup>	1,096.5	196.4	410.4	287.3	202.4
Lease liabilities	158.3	37.3	61.2	35.2	24.6
Interest payments on lease liabilities	18.1	5.9	7.4	3.2	1.6
Derivative financial instruments <sup>3</sup>	(232.1)	—	(151.0)	(8.8)	(72.3)
<b>Total</b>	<b>\$ 7,111.5</b>	<b>\$ 953.7</b>	<b>\$ 1,541.2</b>	<b>\$ 1,582.6</b>	<b>\$ 3,034.0</b>

<sup>1</sup> The carrying value of long-term debt excludes changes in the fair value of long-term debt related to hedged interest rate risk and financing costs.

<sup>2</sup> Estimate of interest payable on long-term debt, based on interest rates, hedging of interest rates and hedging of foreign exchange rates as of December 31, 2022.

<sup>3</sup> Estimated future receipts, net of future disbursements, on derivative financial instruments related to foreign exchange hedging on the principal of U.S.-dollar-denominated debt.

**(e) Market risk**

Market risk is the risk that changes in market prices due to foreign exchange rates, interest rates and/or equity prices will affect the value of the Corporation's financial instruments. The objective of market risk management is to mitigate and control exposures within acceptable parameters while optimizing the return on risk.

Foreign currency risk

Most of the Corporation's consolidated revenues and expenses, other than interest expense on U.S.-dollar-denominated debt, purchases of set-top boxes, gateways, modems, mobile devices and certain capital expenditures, are received or denominated in CAN dollars. A significant portion of the interest, principal and premium, if any, payable on its debt is payable in U.S. dollars. The Corporation has entered into transactions to hedge the foreign currency risk exposure on its U.S.-dollar-denominated debt obligations outstanding as of December 31, 2022, and to hedge its exposure on certain purchases of set-top boxes, gateways, modems, mobile devices and capital expenditures. Accordingly, the Corporation's sensitivity to variations in foreign exchange rates is economically limited.



**VIDEOTRON LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)****(e) Market risk (continued)**

The estimated sensitivity on income and on other comprehensive income, before income taxes, of a variance of \$0.10 in the year-end exchange rate of a CAN dollar per one U.S. dollar used to calculate the fair value of financial instruments as of December 31, 2022 is as follows:

<u>Increase (decrease)</u>	<u>Income</u>	<u>Other comprehensive income</u>
Increase of \$0.10	\$ 0.4	\$ 2.3
Decrease of \$0.10	(0.4)	(2.3)

A variance of \$0.10 in the 2022 average exchange rate of CAN dollar per one U.S. dollar would have resulted in a variance of \$7.9 million on the value of unhedged purchases of goods and services and \$4.4 million on the value of unhedged acquisitions of tangible and intangible assets in 2022.

**Interest rate risk**

Some of the Corporation's bank credit facilities bear interest at floating rates based on the following reference rates: (i) Bankers' acceptance rate, (ii) SOFR, (iii) Canadian prime rate, and (iv) U.S. prime rate. The Senior Notes issued by the Corporation bear interest at fixed rates. The Corporation has entered into cross-currency swap agreements in order to manage cash flow risk exposure. As of December 31, 2022, after taking into account the hedging instruments, long-term debt was comprised of 95.1% fixed-rate debt (91.4% in 2021) and 4.9% floating-rate debt (8.6% in 2021).

The estimated sensitivity on interest payments, of a 100 basis-point variance in the year-end Canadian Bankers' acceptance rate as of December 31, 2022 was \$2.5 million.

The estimated sensitivity on income and on other comprehensive income, before income taxes, of a 100 basis-point variance in the discount rate used to calculate the fair value of financial instruments as of December 31, 2022, as per the Corporation's valuation models, is as follows:

<u>Increase (decrease)</u>	<u>Income</u>	<u>Other comprehensive income</u>
Increase of 100 basis points	\$ (0.5)	\$ (4.3)
Decrease of 100 basis points	0.5	4.3

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

**25. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)****(f) Capital management**

The Corporation's primary objective in managing capital is to maintain an optimal capital base in order to support the capital requirements of its various businesses, including growth opportunities.

In managing its capital structure, the Corporation takes into account the asset characteristics of its subsidiaries and planned requirements for funds, leveraging their individual borrowing capacities in the most efficient manner to achieve the lowest cost of financing. Management of the capital structure involves the issuance and repayment of debt, the issuance and repurchase of shares, the use of cash flows generated by operations, and the level of distributions to the shareholder. The Corporation has not significantly changed its strategy regarding the management of its capital structure since the last financial year.

The Corporation's capital structure is composed of equity, bank indebtedness, long-term debt, lease liabilities, derivative financial instruments, cash and cash equivalents and promissory note to the parent corporation. The capital structure as of December 31, 2022 and 2021 is as follows:

	2022	2021
Bank indebtedness	\$ 0.4	\$ —
Long-term debt	5,318.3	5,380.1
Lease liabilities	158.3	153.8
Derivative financial instruments	(199.5)	(117.2)
Cash and cash equivalents	(1.8)	(10.5)
Promissory note to the parent corporation	(160.0)	(160.0)
Net liabilities	5,115.7	5,246.2
Equity	\$ (230.8)	\$ (338.3)

The Corporation is not subject to any externally imposed capital requirements other than certain restrictions under the terms of its borrowing agreements, which relate, among other things, to permitted investments, inter-corporation transactions, and the declaration and payment of dividends or other distributions.

**26. RELATED PARTY TRANSACTIONS**Compensation of key management personnel

Key management personnel comprises members of the Board of Directors and key senior managers of the Corporation and its main subsidiaries. Their compensation is as follows:

	2022	2021	2020
Salaries and short-term benefits	\$ 2.7	\$ 3.2	\$ 5.6
Share-based compensation	0.5	(1.3)	1.2
Termination and other long-term benefits	0.6	0.9	0.3
	\$ 3.8	\$ 2.8	\$ 7.1

**VIDEOTRON LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**26. RELATED PARTY TRANSACTIONS (continued)**Operating transactions

During the years ended December 31, 2022, 2021 and 2020, the Corporation incurred expenses with affiliated corporations, which are included in purchase of goods and services, and acquired property, plant and equipment and intangible assets from affiliated corporations. The Corporation also made sales to affiliated corporations. These transactions were accounted for at the consideration agreed between parties.

	2022	2021	2020
Ultimate parent and parent corporation			
Revenues	\$ 0.4	\$ 0.4	\$ 0.4
Purchase of goods and services	10.2	10.2	9.6
Operating expenses recovered	(2.0)	(2.3)	(1.4)
Corporations under common control			
Revenues	4.7	5.3	4.9
Purchase of goods and services	112.3	109.7	95.7
Operating expenses recovered	(0.7)	0.4	1.4
Other affiliated corporations			
Purchase of goods and services	21.9	10.6	5.6
Acquisition of property, plant and equipment and intangible assets	8.6	4.6	—

Management arrangements

The Corporation pays annual management fees to the parent corporation for services rendered to the Corporation, including internal audit, legal and corporate, financial planning and treasury, tax, real estate, human resources, risk management, public relations and other services. Management fees amounted to \$27.2 million in 2022 (\$40.5 million in 2021 and \$41.0 million in 2020). In addition, the parent corporation is entitled to the reimbursement of out-of-pocket expenses incurred in connection with the services provided under the agreement. These transactions were accounted for at the consideration agreed between the parties.

Accounts receivable from affiliated corporations

	2022	2021
Ultimate parent and parent corporation		
Accounts receivable	\$ 2.4	\$ 2.8
Dividends receivable	5.0	5.0
Interest receivable	2.6	2.5
Corporations under common control		
Accounts receivable	3.6	7.5
	<u>\$ 13.6</u>	<u>\$ 17.8</u>

**VIDEOTRON LTD.****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**26. RELATED PARTY TRANSACTIONS (continued)**Accounts payable to affiliated corporations

	2022	2021
Ultimate parent and parent corporation		
Accounts payable	\$ 55.4	\$ 21.2
Interest payable	5.0	5.0
Corporations under common control		
Accounts payable	35.1	63.0
	<u>\$ 95.5</u>	<u>89.2</u>

Promissory note receivable

The Corporation has a \$160.0 million promissory note receivable from Quebecor Media bearing interest at 4.90%.

Tax consolidation transactions

	2022	2021
Investment in an affiliated corporation <sup>1</sup>	\$ 1,595.0	\$ 1,595.0
Subordinated loan from the parent corporation <sup>2</sup>	<u>(1,595.0)</u>	<u>(1,595.0)</u>

<sup>1</sup> Investment in 1,595,000 preferred shares, Series C, of 9346-9963 Quebec Inc., a subsidiary of Quebecor Media Inc., carrying the right to receive an annual dividend of 9.6%, payable semi-annually.

<sup>2</sup> Subordinated loan of \$1,595.0 million from Quebecor Media Inc., bearing interest at a rate of 9.5%, payable semi-annually, and maturing on February 27, 2048.

On November 12, 2020, the Corporation contracted a subordinated loan of \$1,700.0 million from Quebecor Media inc, bearing interest at a rate of 9.0%, payable semi-annually, and maturing on November 12, 2050. On the same day, the Corporation invested the total proceeds of \$1,700.0 million into 1,700,000 preferred shares, Series L, of 9346-9963 Quebec Inc. These shares carry the right to receive an annual dividend of 9.1%, payable semi-annually.

On December 18, 2020, 9346-9963 Quebec Inc. redeemed 1,700,000 preferred shares, Series L for a total cash consideration of \$1,700.0 million. On the same day, the Corporation used the total proceeds of \$1,700.0 million to repay its subordinated loans contracted from Quebecor Media Inc.

On October 1, 2021, the Corporation contracted a subordinated loan of \$1,473.0 million from Quebecor Media inc, bearing interest at a rate of 8.5%, payable semi-annually, and maturing on October 1, 2051. On the same day, the Corporation invested the total proceeds of \$1,473.0 million into 1,473,000 preferred shares, Series M, of 9346-9963 Quebec Inc. These shares carry the right to receive an annual dividend of 8.6%, payable semi-annually.

On December 10, 2021, 9346-9963 Quebec Inc. redeemed 1,473,000 preferred shares, Series M for a total cash consideration of \$1,473.0 million. On the same day, the Corporation used the total proceeds of \$1,473.0 million to repay its subordinated loans contracted from Quebecor Media Inc.

On October 17, 2022, the Corporation contracted a subordinated loan of \$2,113.0 million from Quebecor Media inc, bearing interest at a rate of 10.5%, payable semi-annually, and maturing on October 17, 2052. On the same day, the Corporation invested the total

**VIDEOTRON LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

---

proceeds of \$2,113.0 million into 2,113,000 preferred shares, Series N, of 9346-9963 Quebec Inc. These shares carry the right to receive an annual dividend of 10.6%, payable semi-annually.

**26. RELATED PARTY TRANSACTIONS (continued)**

Tax consolidation transactions (continued)

On December 7, 2022, 9346-9963 Quebec Inc. redeemed 2,113,000 preferred shares, Series N for a total cash consideration of \$2,113.0 million. On the same day, the Corporation used the total proceeds of \$2,113.0 million to repay its subordinated loan contracted from Quebecor Media Inc.

All these transactions were carried out for tax consolidation purposes of Quebecor Media Inc. and its subsidiaries.

**27. PENSION PLANS AND POSTRETIREMENT BENEFITS**

The Corporation maintains various defined benefit and defined contribution plans. The Corporation also provides postretirement benefits to eligible retired employees. The Corporation's pension plans are registered with a provincial or federal regulatory authority.

The Corporation's funding policy for its funded pension plans is to maintain its contribution at a level sufficient to cover benefits and to meet requirements of the applicable regulations and plan provisions that govern the funding of the plans. These provisions establish, among others, the future amortization payments when the funding ratio of the pension plans is insufficient as defined by the relevant provincial and federal laws. Payments are determined by an actuarial report performed by an independent company at least every three years or annually, according to the applicable laws and in accordance with plan provisions.

By their design, the defined benefit plans expose the Corporation to the typical risks faced by defined benefit plans, such as investment performance, changes to the discount rates used to value the obligation, longevity of plan participants, and future inflation. The administration of the plans is assured by pension committees composed of members of the plans, members of the Corporation's management and independent members or by the Corporation, in accordance with the provisions of each plan. Under the Corporation's rules of governance, the approval and oversight of the defined benefit plan policies are performed at different levels through the pension committees, the Corporation's management, or the Audit and Risk Management Committee. The risk management of pension plans is also performed under the leadership of these committees at various levels. The custody of securities and management of security transactions are assigned to trustees within a mandate given by the pension committee or the Corporation, as the case may be. Policies include those on investment objectives, risk-mitigation strategies and the mandate to hire investment fund managers and monitor their work and performance. The defined benefit pension plans are monitored on an ongoing basis to assess the benefit, funding and investment policies, financial status, and the Corporation's funding requirement.

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

**27. PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)**

The following tables show a reconciliation of the changes in the plans' benefit obligations and the fair value of plan assets for the years ended December 31, 2022 and 2021:

	Pension benefits		Postretirement benefits	
	2022	2021	2022	2021
<b>Change in benefit obligations</b>				
Benefit obligations at the beginning of the year	\$ 659.0	\$ 686.4	\$ 38.9	\$ 46.0
Service costs	22.7	27.0	0.9	1.7
Interest costs	17.4	18.9	1.0	1.2
Plan participants' contributions	4.7	5.4	—	—
Actuarial (gain) loss arising from:				
Financial assumptions	(215.2)	(74.6)	(12.6)	(5.5)
Demographic assumptions	—	11.3	(2.4)	—
Participant experience	3.5	3.3	(6.2)	—
Benefits and settlements paid	(37.5)	(19.7)	(0.7)	(0.7)
Plan amendments and other	—	1.0	(1.9)	(3.8)
<b>Benefit obligations at the end of the year</b>	<b>\$ 454.6</b>	<b>\$ 659.0</b>	<b>\$ 17.0</b>	<b>\$ 38.9</b>
<b>Change in plan assets</b>				
Fair value of plan assets at the beginning of the year	\$ 607.7	\$ 536.3	\$ —	\$ —
Actual return on plan assets	(69.3)	57.0	—	—
Employer contributions	22.7	29.3	0.7	0.7
Plan participants' contributions	4.7	5.4	—	—
Benefits and settlements paid	(37.5)	(19.7)	(0.7)	(0.7)
Administrative fees	(0.7)	(0.6)	—	—
<b>Fair value of plan assets at the end of the year</b>	<b>\$ 527.6</b>	<b>\$ 607.7</b>	<b>\$ —</b>	<b>\$ —</b>

As of December 31, 2022, the weighted average duration of defined benefit obligations was 16.0 years (18.5 years in 2021). The Corporation expects future benefit payments of \$25.5 million in 2023.

The investment strategy for plan assets takes into account a number of factors, including the time horizon of the pension plans' obligations and the investment risk. For each of the plans, an allocation range by asset class is developed whereby a mix of asset classes is used to optimize the risk-return profile of plan assets and to mitigate asset-liability mismatch.

Plan assets are comprised of:

	2022	2021
Equity securities:		
Canadian	18.3 %	21.0 %
Foreign	26.2	30.2
Debt securities	36.4	39.5
Other	19.1	9.3
	<b>100.0 %</b>	<b>100.0 %</b>

The fair value of securities is based on quoted prices in an active market, while the fair value of other investments is not based on quoted prices in an active market.

**VIDEOTRON LTD.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020

(tabular amounts in millions of Canadian dollars, except for option data)

**27. PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)**

Where funded plans have a net defined benefit asset, the Corporation determines if potential reductions in future contributions are permitted by applicable regulations and by collective bargaining agreements. When a defined benefit asset is created, it cannot exceed the future economic benefit that the Corporation can expect to obtain from the asset. The future economic benefit represents the value of reductions in future contributions and expenses payable to the pension fund. It does not reflect gains that could be generated in the future that would allow reductions in contributions by the Corporation. When there is a minimum funding requirement, this could also limit the amounts recognized on the balance sheet. A minimum funding requirement represents the present value of amortization payments based on the most recent actuarial financing reports filed.

The reconciliation of funded status to the net amount recognized on the consolidated balance sheets is as follows:

	Pension benefits		Postretirement benefits	
	2022	2021	2022	2021
Benefit obligations	\$ (454.6)	\$ (659.0)	\$ (17.0)	\$ (38.9)
Fair value of plan assets	527.6	607.7	—	—
Plan surplus (deficit)	73.0	(51.3)	(17.0)	(38.9)
Asset limit and minimum funding adjustment	(70.7)	—	—	—
<b>Net amount recognized<sup>1</sup></b>	<b>\$ 2.3</b>	<b>\$ (51.3)</b>	<b>\$ (17.0)</b>	<b>\$ (38.9)</b>

<sup>1</sup> The net liability recognized for 2022 is \$14.7 million (\$90.2 million in 2021), of which an amount of \$20.6 million (\$90.2 million in 2021) is included in “Other liabilities” and \$5.9 million (none in 2021) is included in “Other assets”.

Components of re-measurements are as follows:

	Pension benefits			Postretirement benefits		
	2022	2021	2020	2022	2021	2020
Actuarial gain (loss) on benefit obligations	\$ 211.7	\$ 60.0	\$ (82.1)	\$ 21.2	\$ 5.5	\$ (6.3)
Actual return on plan assets, less interest income anticipated in the interest on the net defined benefit liability calculation	(84.9)	42.4	27.4	—	—	—
Asset limit and minimum funding adjustment	(70.7)	—	—	—	—	—
<b>Re-measurement gain (loss) recorded in other comprehensive income (loss)</b>	<b>\$ 56.1</b>	<b>\$ 102.4</b>	<b>\$ (54.7)</b>	<b>\$ 21.2</b>	<b>\$ 5.5</b>	<b>\$ (6.3)</b>

Components of the net benefit costs are as follows:

	Pension benefits			Postretirement benefits		
	2022	2021	2020	2022	2021	2020
Employee costs:						
Service costs	\$ 22.7	\$ 27.0	\$ 26.1	\$ 0.9	\$ 1.7	\$ 1.6
Plan amendments, administrative fees and other	0.6	0.5	0.6	(2.0)	(3.8)	(3.2)
Interest on net defined benefit liability	2.0	4.2	3.2	1.1	1.2	1.2
<b>Net benefit costs (gain)</b>	<b>\$ 25.3</b>	<b>\$ 31.7</b>	<b>\$ 29.9</b>	<b>\$ —</b>	<b>\$ (0.9)</b>	<b>\$ (0.4)</b>

The expense related to defined contribution pension plans amounted to \$16.3 million in 2022 (\$17.6 million in 2021 and \$16.0 million in 2020).

The expected employer contributions to the Corporation’s defined benefit pension plans and postretirement benefit plans will be \$19.5 million in 2023, based on the most recent financial actuarial reports filed (contributions of \$23.4 million were paid in 2022).

**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**27. PENSION PLANS AND POSTRETIREMENT BENEFITS (continued)**Assumptions

The Corporation determines its assumption for the discount rate to be used for purposes of computing annual service and interest costs based on an index of high-quality corporate bond-yield and matched-funding yield curve analysis as of the measurement date.

The actuarial assumptions used in measuring the Corporation's benefit obligations as of December 31, 2022, 2021 and 2020 and current periodic benefit costs are as follows:

	Pension and postretirement benefits		
	2022	2021	2020
<b>Benefit obligations</b>			
Rates as of year-end:			
Discount rate	5.10 %	3.00 %	2.50 %
Rate of compensation increase	3.00	3.00	3.00
<b>Current periodic costs</b>			
Rates as of preceding year-end:			
Discount rate	3.00 %	2.50 %	3.10 %
Rate of compensation increase	3.00	3.00	3.00

The assumed average retirement age of participants used was 62 years in 2022, 2021 and 2020.

The assumed health care cost trend rate used in measuring the accumulated postretirement benefit obligations was 6.10% at the end of 2022. These costs, as per the estimate, are expected to decrease gradually over the next 15 years to 4.10% and to remain at that level thereafter.

Sensitivity analysis

An increase of 10 basis points in the discount rate would have decreased the pension benefit obligation by \$6.7 million and the postretirement benefit obligation by \$0.3 million as of December 31, 2022. There are limitations to this sensitivity analysis since it only considers the impacts of an increase of 10 basis points in the discount rate assumption without changing any other assumptions. No sensitivity analysis was performed on other assumptions as a similar change to those assumptions would not have a significant impact on the consolidated financial statements.

**28. DISCONTINUED OPERATIONS**

In the year ended December 31, 2020, a net gain of \$34.8 million (without any tax consequence) was recorded as certain adjusting conditions were achieved in connection with the sale of 4Degrees Colocation Inc. made in 2019.



**VIDEOTRON LTD.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

Years ended December 31, 2022, 2021 and 2020  
(tabular amounts in millions of Canadian dollars, except for option data)

---

**29. SUBSEQUENT EVENTS**

On January 17, 2023, Quebecor Media issued a \$836.0 million promissory note payable to Videotron, bearing interest at 7.000% with no maturity. Drawings from Videotron's secured revolving credit facility were used to finance this promissory note.

On August 12, 2022, Videotron entered into a definitive agreement with Rogers Communications Inc. ("Rogers") and Shaw Communications Inc. ("Shaw") to acquire Freedom Mobile Inc. ("Freedom Mobile") for \$2.85 billion on a cash-free and debt-free basis. The transaction would close substantially concurrently with the closing of the acquisition of Shaw by Rogers. The acquisition of Freedom Mobile includes the Freedom Mobile brand's entire wireless and Internet customer base, as well as its owned infrastructure, spectrum and retail outlets. It also includes a long-term undertaking by Shaw and Rogers to provide Videotron with transport services (including backhaul and backbone) and roaming services. This transaction will support the expansion of the Corporation's telecommunications services in Ontario and Western Canada. On December 31, 2022, the Competition Tribunal dismissed an application by the Commissioner of Competition to block the acquisition of Freedom Mobile by Videotron as well as the acquisition of Shaw by Rogers. Subsequently, on January 24, 2023, the Federal Court of Appeal dismissed the Commissioner's appeal of the Tribunal's decision. The acquisition of Freedom Mobile by Videotron remains, at this stage, conditional to approval by ISED, which is currently reviewing it. Rogers, Shaw and Videotron announced on February 17, 2023 that they had agreed to extend the outside date for all transactions to March 31, 2023. In anticipation of the acquisition of Freedom Mobile, Videotron has secured financing commitments from a syndicate of financial institutions for a new secured term credit facility of up to \$2.40 billion comprised of three tranches maturing over four years.

## Certificate of Amalgamation

*Canada Business Corporations Act*

## Certificat de fusion

*Loi canadienne sur les sociétés par actions*

VMedia Inc.

Corporate name / Dénomination sociale

1106452-5

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation resulted from an amalgamation, under section 185 of the *Canada Business Corporations Act*, of the corporations set out in the attached articles of amalgamation.

JE CERTIFIE que la société susmentionnée est issue d'une fusion, en vertu de l'article 185 de la *Loi canadienne sur les sociétés par actions*, des sociétés dont les dénominations apparaissent dans les statuts de fusion ci-joints.



Cheryl Ringor

Deputy Director / Directeur adjoint

2018-11-01

Date of Amalgamation (YYYY-MM-DD)  
Date de fusion (AAAA-MM-JJ)



**Canada Business Corporations Act (CBCA)**  
**FORM 9**  
**ARTICLES OF AMALGAMATION**  
**(Section 185)**

**1 - Corporate name of the amalgamated corporation**

VMedia Inc.

**2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)**

Ontario

**3 - The classes and any maximum number of shares that the corporation is authorized to issue**

See attached Schedule I as part of the articles of amalgamation.

**4 - Restrictions, if any, on share transfers**

See attached Schedule II as part of the articles of amalgamation.

**5 - Minimum and maximum number of directors (for a fixed number of directors, indicate the same number in both boxes)**

Minimum number  Maximum number

**6 - Restrictions, if any, on the business the corporation may carry on**

None.

**7 - Other provisions, if any**

See attached Schedule III as part of the articles of amalgamation.

**8 - The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows:**

<input checked="" type="radio"/> 183 - Long form: approved by special resolution of shareholders	<input type="radio"/> 184(1) - Vertical short-form: approved by resolution of directors	<input type="radio"/> 184(2) - Horizontal short-form: approved by resolution of directors
--	---	---

**9 - Declaration**

I hereby certify that I am a director or an authorized officer of the following corporation:

Name of the amalgamating corporations	Corporation number	Signature
VMedia Inc.	1038517 - 4	
10436364 Canada Inc.	1043636 - 4	

**Note:** Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

### Schedule I

The Corporation is authorized to issue an unlimited number of shares of a class designated as "Class A Common Shares", an unlimited number of shares of a class designated as "Class B Common Shares", an unlimited number of shares of a class designated as "Class C Common Shares" and two million seven hundred fourteen thousand nine hundred (2,714,900) shares of a class designated as "Class A Special Shares".

#### I. CLASS A COMMON SHARES

The rights, privileges, restrictions and conditions attaching to the Class A Common Shares are as follows:

##### (a) Voting Rights

The holders of the Class A Common Shares shall be entitled to vote at all meetings of shareholders on the basis of one vote per share, except at meetings at which only holders of a specified class of shares (other than the Class A Common Shares) are entitled to vote;

##### (b) Dividends

The holders of the Class A Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation in such amounts as the Board of Directors may from time to time determine, and the Board of Directors may in its sole discretion declare dividends on the Class A Common Shares to the exclusion of all other classes of Common Shares;

##### (c) Dissolution

In the event of liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the Class A Common Shares shall share ratably in equal amounts per share, without preference or distinction, in the remaining property of the Corporation with the holders of shares of any other class of Common Shares.

#### 2. CLASS B COMMON SHARES

The rights, privileges, restrictions and conditions attaching to the Class B Common Shares are as follows:

##### (a) Voting Rights

The holders of the Class B Common Shares shall be entitled to vote at all meetings of shareholders on the basis of one vote per share, except at meetings at which only holders of a specified class of shares (other than the Class B Common Shares) are entitled to vote;

(b) Dividends

The holders of the Class B Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation in such amounts as the Board of Directors may from time to time determine, and the Board of Directors may in its sole discretion declare dividends on the Class B Common Shares to the exclusion of all other classes of Common Shares;

(c) Dissolution

In the event of liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the Class B Common Shares shall share rateably in equal amounts per share, without preference or distinction, in the remaining property of the Corporation with the holders of shares of any other class of Common Shares.

### 3. CLASS C COMMON SHARES

The rights, privileges, restrictions and conditions attaching to the Class C Common Shares are as follows:

(a) Voting Rights

Except as otherwise provided by law, the holders of the Class C Common Shares shall not be entitled to receive notice of or attend at any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting.

(b) Dividends

The holders of the Class C Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation in such amounts as the Board of Directors may from time to time determine, and the Board of Directors may in its sole discretion declare dividends on the Class C Common Shares to the exclusion of all other classes of Common Shares;

(c) Dissolution

In the event of liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the Class C Common Shares shall share rateably in equal amounts per share, without preference or distinction, in the remaining property of the Corporation with the holders of shares of any other class of Common Shares.

#### 4. CLASS A SPECIAL SHARES

The rights, privileges, restrictions and conditions attaching to the Class A Special Shares are as follows:

- (a) the Class A Redemption Amount for each Class A Special Share shall be determined as follows:
    - (i) one dollar (\$1.00) per Class A Special Shares (the "Class A Redemption Amount");
    - (ii) in the event that the amount standing to the credit of the stated capital account maintained for the Class A Special Shares is reduced and distributed to holders of Class A Special Shares at any time, then the Class A Redemption Amount at that time for each Class A Special Share that is issued and outstanding at that time shall be reduced at that time by the amount that results from dividing the amount of such reduction by the number of Class A Special Shares that are issued and outstanding at that time. For greater certainty it is hereby declared that the Class A Redemption Amount for each Class A Special Share outstanding at any particular time is the amount by which the Class A Redemption Amount for each Class A Special Share exceeds the sum of all amounts each of which is the amount of the reduction in the Class A Redemption Amount for each Class A Special Share arising from a reduction in the amount standing to the credit of the stated capital account maintained for the Class A Special Shares and the distribution of such amount to holders of Class A Special Shares that occurred at or prior to the particular time;
  
  - (b) the holders of the Class A Special Shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the Board of Directors of the Corporation out of the assets and property of the Corporation properly applicable to the payment of dividends, dividends at the rate of eight per cent (8%) per annum on the Class A Redemption Amount thereof. The Board of Directors shall be entitled from time to time to declare part of the said dividend for any fiscal year notwithstanding that such dividend for such fiscal year shall not be declared in full. If within four (4) months after the expiration of any fiscal year of the Corporation the Board of Directors in its discretion shall not declare the said dividend or any part thereof on the Class A Special Shares for such fiscal year, then the rights of the holders of the Class A Special Shares to such dividend or to any undeclared part thereof for such fiscal year shall be forever extinguished. The holders of the Class A Special Shares shall not be entitled to any dividends other than or in excess of the dividends hereinbefore provided;
-

- (c) the Board of Directors shall have the right to declare and pay or set aside for payment a dividend or dividends, from time to time, on the shares of any other class of shares in accordance with the rights attaching to such shares in any fiscal year without declaring and/or paying any dividends on the Class A Special Shares provided that no such dividend will be paid on such other shares if such payment will result in the Corporation having insufficient assets to redeem the Class A Special Shares at their Class A Redemption Amount;
- (d) in the event of liquidation, dissolution or winding-up of the Corporation or other distribution of assets or property of the Corporation among the shareholders for the purpose of winding-up its affairs, the holders of the Class A Special Shares shall be entitled to receive from the assets and property of the Corporation the sum equivalent to the aggregate Class A Redemption Amount of the Class A Special Shares held by them respectively together with all declared and unpaid dividends thereon before any amount shall be paid or any property or assets of the Corporation distributed to the holders shares of any class of Common Shares or shares of any other class ranking junior to the Class A Special Shares. After payment to the holders of the Class A Special Shares of the amounts so payable to them as above provided, they shall not be entitled to share in any further distribution of the assets or property of the Corporation;
- (e) the Corporation may at any time or from time to time purchase for cancellation all or part of the outstanding Class A Special Shares at the lowest price at which, in the opinion of the board of directors, such shares are obtainable but not exceeding the aggregate Class A Redemption Amount thereof. Except where purchase for cancellation is made on the open market or all of the holders of the Class A Special Shares consent to the purchase, the Corporation may purchase such Shares only pursuant to tenders received by the Corporation upon request for tenders addressed to all the holders of Class A Special Shares and the Corporation shall accept only the lowest tenders. Where, in response to the invitation for tenders, two or more shareholders submit tenders at the same price and the tenders are accepted by the Corporation as to part only of the Class A Special Shares offered, the Corporation shall accept part of the Class A Special Shares offered in each tender in proportion as nearly as may be to the total number of Class A Special Shares offered in each tender (disregarding fractions);
- (f) the Corporation may, upon receiving the consent in writing of the holders of all the issued and outstanding Class A Special Shares or upon giving notice as hereinafter provided, redeem at any time the whole or any part of the then outstanding Class A Special Shares on payment for each share to be redeemed of the Class A Redemption Amount together with all declared and unpaid dividends thereon (the "Class A Redemption Price");
- (g) in the case of redemption of the Class A Special Shares under the provisions of clause (f) hercof where the consent in writing of the holders of all issued and outstanding Class A Special Shares has not been obtained, the Corporation shall at least five (5) days before the date specified for redemption, or such greater number of days as may be required under the provisions of the Business Corporations Act, mail to each person who at the date of mailing is a registered holder of Class A Special Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Class A Special Shares. Such notice shall be mailed by letter, postage prepaid, addressed to each shareholder at the shareholder's address as it appears on the records of the Corporation or in the event of the address of any such shareholder not so appearing then to the

last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such shareholders shall not affect the validity of such redemption. Such notice shall set out the Class A Redemption Price and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed, the number thereof so to be redeemed. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the registered holders of the Class A Special Shares to be redeemed the Class A Redemption Price thereof on presentation and surrender at the head office of the Corporation or any other place designated in such notice of the certificate(s) representing the Class A Special Shares called for redemption. If a part only of the shares represented by any certificate are redeemed, a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified in any such notice the Class A Special Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the Class A Redemption Price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the shareholders shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Class A Special Shares to deposit the aggregate Class A Redemption Price of the shares so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or any trust company in Canada, named in such notice, to be paid without interest to or to the order of the respective holders of such Class A Special Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same, and upon such deposit being made or upon the date specified for redemption in such notice, whichever is later, the Class A Special Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the aggregate Class A Redemption Price so deposited against presentation and surrender of the certificates held by them respectively;

(h) a holder of Class A Special Shares shall be entitled to require the Corporation to redeem at any time or times all or any of the Class A Special Shares registered in the name of such holder on the books of the Corporation by tendering to the Corporation at its head office a share certificate or share certificates representing the Class A Special Shares which the registered holder desires to have the Corporation redeem together with a request in writing specifying (i) that the registered holder desires to have all or a specified portion of the Class A Special Shares represented by such certificates) redeemed by the Corporation and (ii) the business day (in this clause (h) referred to as the "Redemption Date") on which the holder desires to have the Corporation redeem such Class A Special Shares. Requests in writing shall specify a Redemption Date which shall be not less than 30 days after the day on which the request in writing is given to the Corporation. Upon receipt of a share certificate or share certificates representing the Class A Special Shares which the registered holder desires to have the Corporation redeem together with such a request the Corporation shall on the Redemption Date redeem such Class A Special Shares by paying to such registered holder the Class A Redemption Price for each such share. Such payments shall be made by cheque payable at par at any branch of the Corporation's bankers for the time being in Canada. The said Class A Special Shares shall be redeemed on the



Redemption Date and from and after the Redemption Date such shares shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of holders of Class A Special Shares in respect thereof unless payment of the Class A Redemption Price is not paid on the Redemption Date, in which event the rights of the holders of the said shares shall remain unaffected;

(i) no shares of any class of Common Shares shall be purchased for cancellation nor shall any payment be made as a return of capital to the holders of such shares if after the payment of the purchase price of such shares or any return of capital, as the case may be, the Corporation will have insufficient assets to redeem all of the Class A Special Shares at their Class A Redemption Amount together with all declared and unpaid dividends thereon; and

(j) except as otherwise provided by law, the holders of the Class A Special Shares shall not be entitled to receive notice of or attend at any meeting of the shareholders of the Corporation and shall not be entitled to vote at any such meeting.

#### Schedule II – Restrictions on Share Transfers

The restrictions upon the right to transfer any shares of the Corporation shall be as follows:

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares of the Corporation without the approval of:

- (a) the directors of the Corporation expressed by resolution passed by the votes cast by a majority of the directors of the Corporation at a meeting of the board of directors or signed by all of the directors of the Corporation; or
  - (b) the shareholders of the Corporation expressed by resolution passed by the votes cast by a majority of the shareholders who voted in respect of the resolution or signed by all shareholders entitled to vote on that resolution.
-

### Schedule III – Other Provisions

The following provisions shall apply to the Corporation:

- (a) The directors of the Corporation may, without the authorization of the shareholders,
  - (i) borrow money on the credit of the Corporation;
  - (ii) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation;
  - (iii) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
  - (iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any of the property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Unless the By-Laws of the Corporation or a Unanimous Shareholders Agreement relating to the Corporation otherwise provide, the Directors of the Corporation may, by resolution, delegate the powers referred to above to a director, a committee of directors or an officer.

Nothing herein limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

- (b) The directors may appoint one or more directors, who shall hold office for a term expiring not later than the close of the next annual general meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual general meeting of shareholders.

[TRANSLATION]

**VMEDIA INC.**  
(the "Corporation")

**GENERAL BY-LAWS**

**BY-LAW ONE**

**SHAREHOLDERS**

ARTICLE 1. **ANNUAL MEETINGS** The annual meeting of shareholders of the Corporation shall be held at such place, on such date and at such time as the Board of Directors may determine from time to time. Annual meetings of shareholders may be called at any time by order of the Board of Directors, the Chairman of the Board or, provided they are directors of the Corporation, the President or any Vice-President.

ARTICLE 2. **SPECIAL GENERAL MEETINGS** Special general meetings of shareholders shall be held at such place, on such date and at such time as the Board of Directors may determine from time to time or at any place where all the shareholders of the Corporation entitled to vote thereat are present in person or represented by proxy or at such other place as all the shareholders of the Corporation shall approve in writing.

Special general meetings of shareholders may be called at any time by order of the Board of Directors, the Chairman of the Board or, provided they are directors of the Corporation, the President or any Vice-President.

ARTICLE 3. **NOTICE OF MEETING** A notice specifying the place, date, time and purpose of any meeting of shareholders shall be given to all the shareholders entitled thereto at least 21 days but not more than 60 days prior to the date fixed for the meeting. The notice may be mailed, postage prepaid, to the shareholders at their respective addresses as they appear on the books of the Corporation or delivered by hand or transmitted by any means of telecommunication.

If the convening of a meeting of shareholders is a matter of urgency, notice of such meeting may be given not less than 48 hours before such meeting is to be held.

In the case of joint holders of a share, the notice of meeting shall be given to that one of them whose name stands first in the books of the Corporation and notice so given shall be sufficient notice to all the joint holders.

---

Irregularities in the notice or in the giving thereof as well as the unintentional omission to give notice to, or the non-receipt of any such notice by, any of the shareholders shall not invalidate any action taken by or at any such meeting.

ARTICLE 4. CHAIRMAN The Chairman of the Board or, in his absence, the President, if he is a director, or, in his absence, one of the Vice-Presidents who is a director of the Corporation (to be designated by the meeting in the event of more than one such Vice-President being present) shall preside at all meetings of shareholders. If all of the aforesaid officers be absent or decline to act, the persons present and entitled to vote may choose one of their number to act as chairman of the meeting. In the event of an equality of votes, the chairman of any meeting shall not be entitled to a casting vote in respect of any matter submitted to the vote of the meeting.

ARTICLE 5. QUORUM, VOTING AND ADJOURNMENTS The holder or holders of not less than 50% of the outstanding shares of the share capital of the Corporation carrying voting rights at such meeting, present in person or represented by proxy, shall constitute a quorum for any meeting of shareholders of the Corporation.

The acts of the holders of a majority of the shares so present or represented and carrying voting rights thereat shall be the acts of all the shareholders except as to matters on which the vote or consent of the holders of a greater number of shares is required or directed by the laws governing the Corporation, the constituting act or the by-laws of the Corporation.

Should a quorum not be present at any meeting of shareholders, those present in person and entitled to be counted for the purpose of forming a quorum shall have power to adjourn the meeting from time to time and from place to place without notice other than announcement at the meeting until a quorum shall be present. At any such adjourned meeting, provided a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

ARTICLE 6. RIGHT TO VOTE AND PROXY At all meetings of shareholders, each shareholder present and entitled to vote thereat shall have on a show of hands one vote and, upon a poll, each shareholder present in person or represented by proxy shall be entitled to one vote for each share carrying voting rights registered in his name in the books of the Corporation unless, under the terms of the constituting act some other scale of voting is fixed, in which event such scale of voting shall be adopted. Any shareholder or proxy may demand a ballot (either before or on the

---

declaration of the result of a vote upon a show of hands) in respect of any matter submitted to the vote of the shareholders.

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the books of the Corporation.

ARTICLE 7. SCRUTINEERS The chairman at any meeting of shareholders may appoint one or more persons, who need not be shareholders, to act as scrutineer or scrutineers at the meeting.

ARTICLE 8. ADDRESSES OF SHAREHOLDERS Every shareholder shall furnish to the Corporation an address to which all notices intended for such shareholder shall be given, failing which, any such notice may be given to him at any other address appearing on the books of the Corporation. If no address appears on the books of the Corporation, such notice may be sent to such address as the person sending the notice may consider to be the most likely to result in such notice promptly reaching such shareholder.

## BY-LAW TWO

### BOARD OF DIRECTORS

ARTICLE 1. ELECTION OF DIRECTORS AND TERM OF OFFICE Except as herein otherwise provided, each director shall be elected at an annual meeting of shareholders or at any special general meeting of shareholders called for that purpose, by a majority of the votes cast in respect of such election. It shall not be necessary that the voting for the election of directors of the Corporation be conducted by ballot unless voting by ballot is requested by a shareholder or proxy. Each director so elected shall hold office until the election of his successor unless he shall resign or his office become vacant by death, removal or other cause.

ARTICLE 2. ACTS OF DIRECTORS All acts done by the directors or by any person acting as a director, until their successors have been duly elected or appointed, shall, notwithstanding that it be afterwards discovered that there was some defect in the election of the directors or such person acting as aforesaid or that they or any of them were disqualified, be as valid as if the directors or such other person, as the case may be, had been duly elected and were qualified to be directors of the Corporation.

ARTICLE 3. POWER TO ALLOT STOCK AND GRANT OPTIONS Subject to the provisions of the constituting act of the Corporation, the shares of the

---

Corporation shall be at all times under the control of the directors who may by resolution, from time to time, accept subscriptions, allot, issue, grant options in respect of or otherwise dispose of the whole or any part of the unissued shares of the share capital of the Corporation on such terms and conditions, for such consideration not contrary to law or to the constituting act of the Corporation and at such times prescribed in such resolutions. The directors may, from time to time, make calls upon the shareholders in respect of any moneys unpaid upon their shares. Each shareholder shall pay the amount called on his shares at the time and place fixed by the directors.

ARTICLE 4. POWER TO DECLARE DIVIDENDS The directors may from time to time as they may deem advisable, declare and pay dividends out of any funds available for dividends to the shareholders according to their respective rights and interest therein.

Any dividend may be paid by cheque or warrant made payable to and mailed to the address on the books of the Corporation of the shareholder entitled thereto and in the case of joint holders to that one of them whose name stands first in the books of the Corporation, and the mailing of such cheque or warrant shall constitute payment unless the cheque or warrant is not paid upon presentation.

ARTICLE 5. PLACE OF MEETINGS AND NOTICES All meetings of the Board of Directors shall be held at such place, on such date and at such time as may be determined from time to time by the Board of Directors or at any place where all the directors are present.

Any meeting of the Board of Directors may be called at any time by or on the order of the Chairman of the Board or, provided they are directors of the Corporation, the President or any Vice-President or by any two directors.

Notice specifying the place, date and time of any meeting of the Board of Directors shall be given to each of the directors at least 72 hours prior to the date fixed for such meeting. The notice may be mailed, postage prepaid, to each director at his residence or usual place of business, or delivered by hand or transmitted by any means of telecommunication.

In any case where the convening of a meeting of directors is a matter of urgency, notice of such meeting may be given not less than 3 hours before such meeting is to be held.

Notwithstanding any other provisions of this ARTICLE 5, immediately after the annual meeting of shareholders in each year, a meeting of such of the newly elected directors as are then present shall be held, provided they

---

shall constitute a quorum, without further notice, for the election or appointment of officers of the Corporation and the transaction of such other business as may come before them.

ARTICLE 6. CHAIRMAN The Chairman of the Board or, in his absence, the President, if he is a director, or, in his absence, one of the Vice-Presidents who is a director of the Corporation (to be designated by the meeting in the event of more than one such Vice-President being present) shall preside at all meetings of the directors. If all of the aforesaid officers are absent or decline to act, the directors present may choose one of their number to act as chairman of the meeting. In the event of an equality of votes, the chairman of any meeting shall be entitled to cast one vote as a director, but not a second or casting vote in respect of any matter submitted to the vote of the meeting.

ARTICLE 7. QUORUM Except when the Corporation has only one director, the directors may from time to time fix by resolution the quorum for meetings of directors, but until otherwise fixed, a majority of the directors in office shall constitute a quorum.

ARTICLE 8. VACANCIES AND RESIGNATION In the case of a vacancy occurring in the Board of Directors, the directors then in office, by the affirmative vote of a majority of said remaining directors, so long as a quorum of the Board remains in office, may from time to time and at any time fill such vacancy for the remainder of the term.

ARTICLE 9. SOLE DIRECTOR In the case where the Corporation has only one director, the acts that may be or are required to be taken by the Board of Directors or by two directors of the Corporation, under the Corporation's by-laws, may be taken by the sole director of the Corporation.

### BY-LAW THREE

#### OFFICERS

ARTICLE 1. OFFICERS The directors shall elect or appoint a President, shall appoint a Secretary and may also elect or appoint as officers a Chairman of the Board, one or more Vice-Presidents, one or more Assistant-Secretaries, a Treasurer and one or more Assistant-Treasurers. Such officers shall be elected or appointed at the first meeting of the Board of Directors after each annual meeting of shareholders. There may also be appointed such other officers as the Board of Directors may from time to time deem necessary. Such officers shall respectively perform such duties, in addition to those specified in the by-laws of the Corporation, as shall from time to time be prescribed by the Board of Directors. The same person

---



may hold more than one office, provided, however, that the same person shall not hold the office of President and Vice-President. None of such officers except the Chairman of the Board need be a director of the Corporation.

ARTICLE 2.     CHAIRMAN OF THE BOARD The Chairman of the Board, if any, shall preside at all meetings of directors and shareholders of the Corporation and he shall have such other powers and duties as the Board of Directors may determine from time to time.

ARTICLE 3.     PRESIDENT The President shall be the chief executive officer of the Corporation and shall exercise a general control of and supervision over its affairs. He shall have such other powers and duties as the Board of Directors may determine from time to time.

ARTICLE 4.     VICE-PRESIDENT OR VICE-PRESIDENTS The Vice-President or Vice-Presidents shall have such powers and duties as may be determined by the Board of Directors from time to time. In case of the absence, disability, refusal or omission to act of the President, a Vice-President designated by the directors may exercise the powers and perform the duties of the President and, if such Vice-President exercises any of the powers or performs any of the duties of the President, the absence, disability, refusal or omission to act of the President shall be presumed.

ARTICLE 5.     TREASURER AND ASSISTANT-TREASURERS The Treasurer shall have general charge of the finances of the Corporation. He shall render to the Board of Directors, whenever directed by the Board and as soon as possible after the close of each financial year, an account of the financial condition of the Corporation and of all his transactions as Treasurer. He shall have charge and custody of and be responsible for the keeping of the books of account required under the laws governing the Corporation. He shall perform all the acts incidental to the office of Treasurer or as may be determined by the Board of Directors from time to time.

Assistant-Treasurers shall perform any of the duties of the Treasurer delegated to them from time to time by the Board of Directors or by the Treasurer.

ARTICLE 6.     SECRETARY AND ASSISTANT-SECRETARIES The Secretary shall attend to the giving of all notices of the Corporation and shall keep the records of all meetings and resolutions of the shareholders and of the Board of Directors in a book to be kept for that purpose. He shall keep in safe custody the seal of the Corporation, if any. He shall have charge of the books containing the names and addresses of the shareholders and directors of the Corporation and such other books and papers as the Board of Directors may direct. He shall perform such other

---

duties incidental to his office or as may be required by the Board of Directors from time to time.

Assistant-Secretaries shall perform any of the duties of the Secretary delegated to them from time to time by the Board of Directors or by the Secretary.

ARTICLE 7. SECRETARY-TREASURER Whenever the Secretary shall also be the Treasurer he may, at the option of the Board of Directors, be designated the "Secretary-Treasurer".

ARTICLE 8. REMOVAL The Board of Directors may, subject to the law and the provisions of any contract, remove and discharge any officer of the Corporation at any meeting called for that purpose and may elect or appoint any other person.

#### BY-LAW FOUR

#### SHARE CAPITAL

ARTICLE 1. SHARE CERTIFICATES Certificates representing shares of the share capital of the Corporation shall be approved by the Board of Directors. Share certificates shall bear the signatures of two directors or two officers of the Corporation or of one director and one officer of the Corporation. Such signatures may be engraved, lithographed or otherwise mechanically reproduced thereon. Any certificate bearing the facsimile reproduction of the signature of any of such authorized persons shall be deemed to have been manually signed by him and shall be as valid to all intents and purposes as if it had been manually signed, notwithstanding that the person whose signature is so reproduced shall, at the time that the certificate is issued or on the date of such certificate, have ceased to be an officer or director of the Corporation, as the case may be.

---

ARTICLE 2.     TRANSFER OF SHARES A register of transfers containing the date and particulars of all transfers of shares of the share capital of the Corporation shall be kept either at the head office or at such other office of the Corporation or at such other place in the Province of Québec or elsewhere in Canada as may be determined, from time to time, by resolution of the Board of Directors. One or more branch registers of transfers may be kept at any office of the Corporation or any other place within the Province of Québec or elsewhere as may from time to time be determined by resolution of the Board of Directors. The date and particulars of all transfers of shares contained in a branch register of transfers must also be entered in the register of transfers. Such register of transfers and branch registers of transfers shall be kept by the Secretary or by such other officer or officers as may be specially charged with this duty or by such agent or agents as may be appointed from time to time for that purpose by resolution of the Board of Directors.

Entry of the transfer of any share of the share capital of the Corporation may be made in the register of transfers or in a branch register of transfers regardless of where the certificate representing the share to be transferred shall have been issued.

If the shares of the share capital of the Corporation to be transferred are represented by a certificate, the transfer of such shares shall not be entered in the register of transfers or the branch register of transfers, unless or until the certificate representing the shares to be transferred has been duly endorsed and surrendered for cancellation.

ARTICLE 3.     CLOSING OF BOOKS The Board of Directors may, from time to time, by resolution close the register of transfers and the branch registers of transfers, if any, for any time or times not exceeding in the whole 60 days in each financial year of the Corporation on giving notice by advertisement in a newspaper published in the place where the register of transfers is kept and in a newspaper published in the place where each of the branch registers of transfers is kept. The Board of Directors may by resolution fix in advance a date not exceeding 60 days preceding the date of any meeting of shareholders of the Corporation or the date for the payment of any dividend or the date for the allotment of any rights as a record date for the determination of the shareholders entitled to receive notice of any such meeting or to receive payment of any such dividend or to be allotted any such rights. Only shareholders of record on the record date so fixed shall be entitled to receive such notice or to receive payment of such dividend or to be allotted such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after such record date.

ARTICLE 4.     TRANSFER AGENTS AND REGISTRARS The Board of Directors may appoint or remove from time to time transfer agents or registrars of transfers of shares of the share capital of the Corporation and, subject to the laws

---

governing the Corporation, make regulations generally, from time to time, with reference to the transfer of the shares of the share capital of the Corporation. Upon any such appointment being made, all certificates representing shares of the share capital of the Corporation thereafter issued shall be countersigned by one of such transfer agents or one of such registrars of transfers and shall not be valid unless so countersigned.

BY-LAW FIVE

FINANCIAL YEAR

The financial year of the Corporation shall end on December 31<sup>st</sup> in each year. Such date may, however, be changed from time to time by resolution of the Board of Directors.

BY-LAW SIX

ARTICLE 1. CONTRACTS All contracts, deeds, agreements, documents, bonds, debentures and other instruments requiring execution by the Corporation may be signed by two directors or two officers of the Corporation or by one director and one officer of the Corporation or by such persons as the Board of Directors may otherwise authorize from time to time by resolution. Any such authorization may be general or confined to specific instances.

ARTICLE 2. CONFLICT OF INTERESTS The Corporation may transact business with one or more of its directors or with any firm of which one or more of its directors are members or employees or with any corporation or association of which one or more of its directors are shareholders, directors, officers or employees. The director who has an interest in such transaction shall disclose it to the Corporation and to the other directors making a decision in respect of such transaction and shall abstain from discussing and voting on the question except if his vote is required to bind the Corporation in respect of such transaction.

---

BY-LAW SEVEN

DECLARATIONS

Any director or officer of the Corporation or any other person nominated for that purpose by any director or officer of the Corporation is authorized and empowered to give instructions to an attorney, for civil or for criminal, to appear and make answer for and on behalf and in the name of the Corporation to all writs, orders and interrogatories upon articulated facts issued out of any court and to declare for and on behalf and in the name of the Corporation any answer to writs of attachment by way of garnishment in which the Corporation is garnishee. Any director, officer or person so nominated is authorized and empowered to make all affidavits and sworn declarations in connection therewith or in connection with any and all judicial proceedings to which the Corporation is a party and to instruct an attorney to make demands of abandonment or petitions for winding-up or bankruptcy orders upon any debtor of the Corporation and to attend and vote at all meetings of creditors of the Corporation's debtors and grant proxies in connection therewith. Any such director, officer or person is authorized to appoint by general or special power or powers of attorney any person or persons, including any person other than those directors, officers and persons hereinbefore mentioned, as attorney or attorneys of the Corporation to do any of the foregoing things.

BY-LAW EIGHT

SEAL

The seal of the Corporation, if any, may be affixed by any director or officer of the Corporation or by any person designated by such director or officer.

BY-LAW NINE

REGULATION 45-106

ARTICLE 1. NUMBER OF HOLDERS OF SHARES AND SECURITIES The beneficial ownership of securities of the Corporation, including its shareholders, shall be limited to fifty (50) persons, not including employees and former employees of the Corporation or its affiliates, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the Corporation in which case each beneficial owner or each beneficiary of the person, as the case may be, must be counted as a separate beneficial owner

---

ARTICLE 2. ISSUE OF SECURITIES The directors, by way of resolution, may accept subscriptions for securities, allot or issue securities of the Company at such times, on such terms and conditions, to such persons and for such consideration as they see fit.

ARTICLE 3. PRIVATE ISSUER STATUS The directors shall use their best efforts to ensure that the Corporation remains a private issuer and complies with the provisions of the *Regulation 45-106*.

ARTICLE 4. DECLARATION OF SUBSCRIBER Any person who subscribes shares or other securities issued by the Corporation shall declare to the Corporation that this subscription is exempted from prospectus and registration requirements pursuant to section 2.4 of the *Regulation 45-106*

ARTICLE 5. DECLARATION OF TRANSFEREE Any person who purchases shares or other securities of the Corporation shall declare that his acquisition is exempted from prospectus and registration requirements pursuant to the *Regulation 45-106*.

ARTICLE 6. COMMISSION No commission or other remuneration, including a finder's fee, shall be paid in connection with the sale of shares or other securities to a director, executive officer, control person or founder of the Corporation or of an affiliate of the Company.

---

ADOPTED on September 15, 2022.

The President,

/s/ Pierre Karl Péladeau

Pierre Karl Péladeau

The Secretary

/s/ Sophie Riendeau

Sophie Riendeau

---

BY-LAW TEN

BORROWING POWERS

The administrators of the Corporation are hereby authorized, when to their best judgment, it is in the best interest of the Corporation to:

- (a) borrow money on the credit of the Corporation from any bank, corporation, firm, association or individual, in the amount and in the conditions the Board of directors sees fit, and in the best interest of the Corporation;
  - (b) increase or decrease the amount to be borrowed;
  - (c) issue or have issued, sell or pledge bonds, debentures, notes or other debt obligations of the Corporation as by the terms, agreements and conditions and for the sums as seen fit by the Board of directors;
  - (d) hypothecate movable and immovable property of the Corporation currently owned or subsequently acquired to secure payment or performance of an obligation or other debt obligations of the Corporation;
  - (e) mortgage, hypothecate, charge, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired movable and immovable property of the Corporation to secure such bonds, debentures, notes or other debt obligations, other than those contracted by the issuing of bonds or other securities;
  - (f) provide a guarantee on behalf of the Corporation to secure payment of all debt obligations such as borrowed monies, debentures, notes, credits, overdraft advances, or other debts in favour of a bank, corporation, firm or person, including interest, hypothecate and provide to any bank, corporation, firm or any individual, all or any one of the Corporation property, movable or immovable, currently owned or subsequently acquired and provide guarantees that may be accepted by a bank in virtue of the different sections of the Bank Act, renew, modify or substitute such guarantees from time to time, with the authority to contract promises, to provide guarantees in virtue of the Bank
-



Act related to any current debt or subsequently contracted by the Corporation with any bank;

- (g) the Board of directors may from time to time, by resolution, delegate to any one or more directors or officers all or any of the powers conferred on the directors by paragraph 1 of this by-law to the full extent thereof or such lesser extent as the directors may in any such resolution provide;

AND the powers hereby conferred shall be deemed to be permanent and not subject to cease after the first exercise. Such powers can be used from time to time as long as they are not revoked by a written resolution.

ADOPTED on September 15, 2022.

The President,

/s/ Pierre Karl Péladeau  
Pierre Karl Péladeau

The Secretary

/s/ Sophie Riendeau  
Sophie Riendeau

---



Innovation, Science and  
Economic Development Canada  
Corporations Canada

Innovation, Sciences et  
Développement économique Canada  
Corporations Canada

**Certificate of Incorporation**

*Canada Business Corporations Act*

**Certificat de constitution**

*Loi canadienne sur les sociétés par actions*

rivertv Inc.

Corporate name / Dénomination sociale

1141859-9

Corporation number / Numéro de société

I HEREBY CERTIFY that the above-named corporation, the articles of incorporation of which are attached, is incorporated under the *Canada Business Corporations Act*.

JE CERTIFIE que la société susmentionnée, dont les statuts constitutifs sont joints, est constituée en vertu de la *Loi canadienne sur les sociétés par actions*.

Raymond Edwards

Director / Directeur

2019-05-19

Date of Incorporation (YYYY-MM-DD)

Date de constitution (AAAA-MM-JJ)



**Form 1**  
**Articles of Incorporation**  
*Canada Business Corporations  
Act (s. 6)*

**Formulaire 1**  
**Statuts constitutifs**  
*Loi canadienne sur les sociétés  
par actions (art. 6)*

1 Corporate name  
Dénomination sociale  
**riverty Inc.**

2 The province or territory in Canada where the registered office is situated  
La province ou le territoire au Canada où est situé le siège social  
**ON**

3 The classes and any maximum number of shares that the corporation is authorized to issue  
Catégories et le nombre maximal d'actions que la société est autorisée à émettre  
**The corporation is authorized to issue an unlimited number of common shares.**

4 Restrictions on share transfers  
Restrictions sur le transfert des actions  
**See attached schedule / Voir l'annexe ci-jointe**

5 Minimum and maximum number of directors  
Nombre minimal et maximal d'administrateurs  
**Min. 1 Max. 10**

6 Restrictions on the business the corporation may carry on  
Limites imposées à l'activité commerciale de la société  
**None**

7 Other Provisions  
Autres dispositions  
**See attached schedule / Voir l'annexe ci-jointe**

8 **Incorporator's Declaration:** I hereby certify that I am authorized to sign and submit this form.  
**Déclaration des fondateurs :** J'atteste que je suis autorisé à signer et à soumettre le présent formulaire.

Name(s) - Nom(s) Original Signed by - Original signé par

**George Burger** George Burger  
George Burger

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the Privacy Act allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la Loi sur les renseignements personnels permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

**Schedule / Annexe**

**Restrictions on Share Transfers / Restrictions sur le transfert des actions**

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares of the Corporation without the approval of:

1. the directors of the Corporation expressed by resolution passed by the votes cast by a majority of the directors of the Corporation at a meeting of the board of directors or signed by all of the directors of the Corporation; OR
  2. the shareholders of the Corporation expressed by resolution passed by the votes cast by a majority of the shareholders who voted in respect of the resolution or signed by all shareholders entitled to vote on that resolution.
-

**Schedule / Annexe**  
**Other Provisions / Autres dispositions**

RESTRICTIONS ON SECURITIES TRANSFER: The corporation's securities, other than non-convertible debt securities, shall not be transferred without either (a) the sanction of a majority of the directors of the corporation, or (b) the sanction of the majority of the shareholders of the corporation, or alternatively (c), if applicable, the restriction contained in security holders' agreements.

APPOINTMENT OF DIRECTORS: The directors may appoint one or more directors, who shall hold office for a term expiring not later than the close of the next annual general meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual general meeting of shareholders.

POWERS OF DIRECTORS: If authorized by by-law which is duly made by the directors and confirmed by ordinary resolution of the shareholders, the directors of the corporation may from time to time:

1. borrow money upon the credit of the corporation;
2. issue, reissue, sell or pledge debt obligations of the corporation; and
3. mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the corporation, owned or subsequently acquired to secure any debt obligation of the corporation.

Any such by-law may provide for the delegation of such powers by the directors to such officers or directors of the corporation to such extent and in such manner as may be set out in the by-law.

Nothing herein limits or restricts the borrowing of money by the corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the corporation.

---

[TRANSLATION]

**RIVERTV INC.**

(the "Corporation")

**GENERAL BY-LAWS**

**BY-LAW ONE**

**SHAREHOLDERS**

ARTICLE 1. ANNUAL MEETINGS The annual meeting of shareholders of the Corporation shall be held at such place, on such date and at such time as the Board of Directors may determine from time to time. Annual meetings of shareholders may be called at any time by order of the Board of Directors, the Chairman of the Board or, provided they are directors of the Corporation, the President or any Vice-President.

ARTICLE 2. SPECIAL GENERAL MEETINGS Special general meetings of shareholders shall be held at such place, on such date and at such time as the Board of Directors may determine from time to time or at any place where all the shareholders of the Corporation entitled to vote thereat are present in person or represented by proxy or at such other place as all the shareholders of the Corporation shall approve in writing.

Special general meetings of shareholders may be called at any time by order of the Board of Directors, the Chairman of the Board or, provided they are directors of the Corporation, the President or any Vice-President.

ARTICLE 3. NOTICE OF MEETING A notice specifying the place, date, time and purpose of any meeting of shareholders shall be given to all the shareholders entitled thereto at least 21 days but not more than 60 days prior to the date fixed for the meeting. The notice may be mailed, postage prepaid, to the shareholders at their respective addresses as they appear on the books of the Corporation or delivered by hand or transmitted by any means of telecommunication.

If the convening of a meeting of shareholders is a matter of urgency, notice of such meeting may be given not less than 48 hours before such meeting is to be held.

In the case of joint holders of a share, the notice of meeting shall be given to that one of them whose name stands first in the books of the Corporation and notice so given shall be sufficient notice to all the joint holders.

---

Irregularities in the notice or in the giving thereof as well as the unintentional omission to give notice to, or the non-receipt of any such notice by, any of the shareholders shall not invalidate any action taken by or at any such meeting.

ARTICLE 4. CHAIRMAN The Chairman of the Board or, in his absence, the President, if he is a director, or, in his absence, one of the Vice-Presidents who is a director of the Corporation (to be designated by the meeting in the event of more than one such Vice-President being present) shall preside at all meetings of shareholders. If all of the aforesaid officers be absent or decline to act, the persons present and entitled to vote may choose one of their number to act as chairman of the meeting. In the event of an equality of votes, the chairman of any meeting shall not be entitled to a casting vote in respect of any matter submitted to the vote of the meeting.

ARTICLE 5. QUORUM, VOTING AND ADJOURNMENTS The holder or holders of not less than 50% of the outstanding shares of the share capital of the Corporation carrying voting rights at such meeting, present in person or represented by proxy, shall constitute a quorum for any meeting of shareholders of the Corporation.

The acts of the holders of a majority of the shares so present or represented and carrying voting rights thereat shall be the acts of all the shareholders except as to matters on which the vote or consent of the holders of a greater number of shares is required or directed by the laws governing the Corporation, the constituting act or the by-laws of the Corporation.

Should a quorum not be present at any meeting of shareholders, those present in person and entitled to be counted for the purpose of forming a quorum shall have power to adjourn the meeting from time to time and from place to place without notice other than announcement at the meeting until a quorum shall be present. At any such adjourned meeting, provided a quorum is present, any business may be transacted which might have been transacted at the meeting adjourned.

ARTICLE 6. RIGHT TO VOTE AND PROXY At all meetings of shareholders, each shareholder present and entitled to vote thereat shall have on a show of hands one vote and, upon a poll, each shareholder present in person or represented by proxy shall be entitled to one vote for each share carrying voting rights registered in his name in the books of the Corporation unless, under the terms of the constituting act some other scale of voting is fixed, in which event such scale of voting shall be adopted. Any shareholder or proxy may demand a ballot (either before or on the

---

declaration of the result of a vote upon a show of hands) in respect of any matter submitted to the vote of the shareholders.

In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the books of the Corporation.

ARTICLE 7. SCRUTINEERS The chairman at any meeting of shareholders may appoint one or more persons, who need not be shareholders, to act as scrutineer or scrutineers at the meeting.

ARTICLE 8. ADDRESSES OF SHAREHOLDERS Every shareholder shall furnish to the Corporation an address to which all notices intended for such shareholder shall be given, failing which, any such notice may be given to him at any other address appearing on the books of the Corporation. If no address appears on the books of the Corporation, such notice may be sent to such address as the person sending the notice may consider to be the most likely to result in such notice promptly reaching such shareholder.

## BY-LAW TWO

### BOARD OF DIRECTORS

ARTICLE 1. ELECTION OF DIRECTORS AND TERM OF OFFICE Except as herein otherwise provided, each director shall be elected at an annual meeting of shareholders or at any special general meeting of shareholders called for that purpose, by a majority of the votes cast in respect of such election. It shall not be necessary that the voting for the election of directors of the Corporation be conducted by ballot unless voting by ballot is requested by a shareholder or proxy. Each director so elected shall hold office until the election of his successor unless he shall resign or his office become vacant by death, removal or other cause.

ARTICLE 2. ACTS OF DIRECTORS All acts done by the directors or by any person acting as a director, until their successors have been duly elected or appointed, shall, notwithstanding that it be afterwards discovered that there was some defect in the election of the directors or such person acting as aforesaid or that they or any of them were disqualified, be as valid as if the directors or such other person, as the case may be, had been duly elected and were qualified to be directors of the Corporation.

ARTICLE 3. POWER TO ALLOT STOCK AND GRANT OPTIONS Subject to the provisions of the constituting act of the Corporation, the shares of the

---



Corporation shall be at all times under the control of the directors who may by resolution, from time to time, accept subscriptions, allot, issue, grant options in respect of or otherwise dispose of the whole or any part of the unissued shares of the share capital of the Corporation on such terms and conditions, for such consideration not contrary to law or to the constituting act of the Corporation and at such times prescribed in such resolutions. The directors may, from time to time, make calls upon the shareholders in respect of any moneys unpaid upon their shares. Each shareholder shall pay the amount called on his shares at the time and place fixed by the directors.

ARTICLE 4. POWER TO DECLARE DIVIDENDS The directors may from time to time as they may deem advisable, declare and pay dividends out of any funds available for dividends to the shareholders according to their respective rights and interest therein.

Any dividend may be paid by cheque or warrant made payable to and mailed to the address on the books of the Corporation of the shareholder entitled thereto and in the case of joint holders to that one of them whose name stands first in the books of the Corporation, and the mailing of such cheque or warrant shall constitute payment unless the cheque or warrant is not paid upon presentation.

ARTICLE 5. PLACE OF MEETINGS AND NOTICES All meetings of the Board of Directors shall be held at such place, on such date and at such time as may be determined from time to time by the Board of Directors or at any place where all the directors are present.

Any meeting of the Board of Directors may be called at any time by or on the order of the Chairman of the Board or, provided they are directors of the Corporation, the President or any Vice-President or by any two directors.

Notice specifying the place, date and time of any meeting of the Board of Directors shall be given to each of the directors at least 72 hours prior to the date fixed for such meeting. The notice may be mailed, postage prepaid, to each director at his residence or usual place of business, or delivered by hand or transmitted by any means of telecommunication.

In any case where the convening of a meeting of directors is a matter of urgency, notice of such meeting may be given not less than 3 hours before such meeting is to be held.

Notwithstanding any other provisions of this ARTICLE 5, immediately after the annual meeting of shareholders in each year, a meeting of such of the newly elected directors as are then present shall be held, provided they

---

shall constitute a quorum, without further notice, for the election or appointment of officers of the Corporation and the transaction of such other business as may come before them.

ARTICLE 6.     CHAIRMAN     The Chairman of the Board or, in his absence, the President, if he is a director, or, in his absence, one of the Vice-Presidents who is a director of the Corporation (to be designated by the meeting in the event of more than one such Vice-President being present) shall preside at all meetings of the directors. If all of the aforesaid officers are absent or decline to act, the directors present may choose one of their number to act as chairman of the meeting. In the event of an equality of votes, the chairman of any meeting shall be entitled to cast one vote as a director, but not a second or casting vote in respect of any matter submitted to the vote of the meeting.

ARTICLE 7.     QUORUM     Except when the Corporation has only one director, the directors may from time to time fix by resolution the quorum for meetings of directors, but until otherwise fixed, a majority of the directors in office shall constitute a quorum.

ARTICLE 8.     VACANCIES AND RESIGNATION     In the case of a vacancy occurring in the Board of Directors, the directors then in office, by the affirmative vote of a majority of said remaining directors, so long as a quorum of the Board remains in office, may from time to time and at any time fill such vacancy for the remainder of the term.

ARTICLE 9.     SOLE DIRECTOR     In the case where the Corporation has only one director, the acts that may be or are required to be taken by the Board of Directors or by two directors of the Corporation, under the Corporation's by-laws, may be taken by the sole director of the Corporation.

### BY-LAW THREE

#### OFFICERS

ARTICLE 1.     OFFICERS     The directors shall elect or appoint a President, shall appoint a Secretary and may also elect or appoint as officers a Chairman of the Board, one or more Vice-Presidents, one or more Assistant-Secretaries, a Treasurer and one or more Assistant-Treasurers. Such officers shall be elected or appointed at the first meeting of the Board of Directors after each annual meeting of shareholders. There may also be appointed such other officers as the Board of Directors may from time to time deem necessary. Such officers shall respectively perform such duties, in addition to those specified in the by-laws of the Corporation, as shall from time to time be prescribed by the Board of Directors. The same person

---

may hold more than one office, provided, however, that the same person shall not hold the office of President and Vice-President. None of such officers except the Chairman of the Board need be a director of the Corporation.

ARTICLE 2. CHAIRMAN OF THE BOARD The Chairman of the Board, if any, shall preside at all meetings of directors and shareholders of the Corporation and he shall have such other powers and duties as the Board of Directors may determine from time to time.

ARTICLE 3. PRESIDENT The President shall be the chief executive officer of the Corporation and shall exercise a general control of and supervision over its affairs. He shall have such other powers and duties as the Board of Directors may determine from time to time.

ARTICLE 4. VICE-PRESIDENT OR VICE-PRESIDENTS The Vice-President or Vice-Presidents shall have such powers and duties as may be determined by the Board of Directors from time to time. In case of the absence, disability, refusal or omission to act of the President, a Vice-President designated by the directors may exercise the powers and perform the duties of the President and, if such Vice-President exercises any of the powers or performs any of the duties of the President, the absence, disability, refusal or omission to act of the President shall be presumed.

ARTICLE 5. TREASURER AND ASSISTANT-TREASURERS The Treasurer shall have general charge of the finances of the Corporation. He shall render to the Board of Directors, whenever directed by the Board and as soon as possible after the close of each financial year, an account of the financial condition of the Corporation and of all his transactions as Treasurer. He shall have charge and custody of and be responsible for the keeping of the books of account required under the laws governing the Corporation. He shall perform all the acts incidental to the office of Treasurer or as may be determined by the Board of Directors from time to time.

Assistant-Treasurers shall perform any of the duties of the Treasurer delegated to them from time to time by the Board of Directors or by the Treasurer.

ARTICLE 6. SECRETARY AND ASSISTANT-SECRETARIES The Secretary shall attend to the giving of all notices of the Corporation and shall keep the records of all meetings and resolutions of the shareholders and of the Board of Directors in a book to be kept for that purpose. He shall keep in safe custody the seal of the Corporation, if any. He shall have charge of the books containing the names and addresses of the shareholders and directors of the Corporation and such other books and papers as the Board of Directors may direct. He shall perform such other

---

duties incidental to his office or as may be required by the Board of Directors from time to time.

Assistant-Secretaries shall perform any of the duties of the Secretary delegated to them from time to time by the Board of Directors or by the Secretary.

ARTICLE 7. SECRETARY-TREASURER Whenever the Secretary shall also be the Treasurer he may, at the option of the Board of Directors, be designated the "Secretary-Treasurer".

ARTICLE 8. REMOVAL The Board of Directors may, subject to the law and the provisions of any contract, remove and discharge any officer of the Corporation at any meeting called for that purpose and may elect or appoint any other person.

#### BY-LAW FOUR

#### SHARE CAPITAL

ARTICLE 1. SHARE CERTIFICATES Certificates representing shares of the share capital of the Corporation shall be approved by the Board of Directors. Share certificates shall bear the signatures of two directors or two officers of the Corporation or of one director and one officer of the Corporation. Such signatures may be engraved, lithographed or otherwise mechanically reproduced thereon. Any certificate bearing the facsimile reproduction of the signature of any of such authorized persons shall be deemed to have been manually signed by him and shall be as valid to all intents and purposes as if it had been manually signed, notwithstanding that the person whose signature is so reproduced shall, at the time that the certificate is issued or on the date of such certificate, have ceased to be an officer or director of the Corporation, as the case may be.

---

ARTICLE 2.     TRANSFER OF SHARES     A register of transfers containing the date and particulars of all transfers of shares of the share capital of the Corporation shall be kept either at the head office or at such other office of the Corporation or at such other place in the Province of Québec or elsewhere in Canada as may be determined, from time to time, by resolution of the Board of Directors. One or more branch registers of transfers may be kept at any office of the Corporation or any other place within the Province of Québec or elsewhere as may from time to time be determined by resolution of the Board of Directors. The date and particulars of all transfers of shares contained in a branch register of transfers must also be entered in the register of transfers. Such register of transfers and branch registers of transfers shall be kept by the Secretary or by such other officer or officers as may be specially charged with this duty or by such agent or agents as may be appointed from time to time for that purpose by resolution of the Board of Directors.

Entry of the transfer of any share of the share capital of the Corporation may be made in the register of transfers or in a branch register of transfers regardless of where the certificate representing the share to be transferred shall have been issued.

If the shares of the share capital of the Corporation to be transferred are represented by a certificate, the transfer of such shares shall not be entered in the register of transfers or the branch register of transfers, unless or until the certificate representing the shares to be transferred has been duly endorsed and surrendered for cancellation.

ARTICLE 3.     CLOSING OF BOOKS     The Board of Directors may, from time to time, by resolution close the register of transfers and the branch registers of transfers, if any, for any time or times not exceeding in the whole 60 days in each financial year of the Corporation on giving notice by advertisement in a newspaper published in the place where the register of transfers is kept and in a newspaper published in the place where each of the branch registers of transfers is kept. The Board of Directors may by resolution fix in advance a date not exceeding 60 days preceding the date of any meeting of shareholders of the Corporation or the date for the payment of any dividend or the date for the allotment of any rights as a record date for the determination of the shareholders entitled to receive notice of any such meeting or to receive payment of any such dividend or to be allotted any such rights. Only shareholders of record on the record date so fixed shall be entitled to receive such notice or to receive payment of such dividend or to be allotted such rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after such record date.

ARTICLE 4.     TRANSFER AGENTS AND REGISTRARS     The Board of Directors may appoint or remove from time to time transfer agents or registrars of transfers of shares of the share capital of the Corporation and, subject to the laws

---

governing the Corporation, make regulations generally, from time to time, with reference to the transfer of the shares of the share capital of the Corporation. Upon any such appointment being made, all certificates representing shares of the share capital of the Corporation thereafter issued shall be countersigned by one of such transfer agents or one of such registrars of transfers and shall not be valid unless so countersigned.

BY-LAW FIVE

FINANCIAL YEAR

The financial year of the Corporation shall end on December 31<sup>st</sup> in each year. Such date may, however, be changed from time to time by resolution of the Board of Directors.

BY-LAW SIX

ARTICLE 1. CONTRACTS All contracts, deeds, agreements, documents, bonds, debentures and other instruments requiring execution by the Corporation may be signed by two directors or two officers of the Corporation or by one director and one officer of the Corporation or by such persons as the Board of Directors may otherwise authorize from time to time by resolution. Any such authorization may be general or confined to specific instances.

ARTICLE 2. CONFLICT OF INTERESTS The Corporation may transact business with one or more of its directors or with any firm of which one or more of its directors are members or employees or with any corporation or association of which one or more of its directors are shareholders, directors, officers or employees. The director who has an interest in such transaction shall disclose it to the Corporation and to the other directors making a decision in respect of such transaction and shall abstain from discussing and voting on the question except if his vote is required to bind the Corporation in respect of such transaction.

---

BY-LAW SEVEN

DECLARATIONS

Any director or officer of the Corporation or any other person nominated for that purpose by any director or officer of the Corporation is authorized and empowered to give instructions to an attorney, for civil or for criminal, to appear and make answer for and on behalf and in the name of the Corporation to all writs, orders and interrogatories upon articulated facts issued out of any court and to declare for and on behalf and in the name of the Corporation any answer to writs of attachment by way of garnishment in which the Corporation is garnishee. Any director, officer or person so nominated is authorized and empowered to make all affidavits and sworn declarations in connection therewith or in connection with any and all judicial proceedings to which the Corporation is a party and to instruct an attorney to make demands of abandonment or petitions for winding-up or bankruptcy orders upon any debtor of the Corporation and to attend and vote at all meetings of creditors of the Corporation's debtors and grant proxies in connection therewith. Any such director, officer or person is authorized to appoint by general or special power or powers of attorney any person or persons, including any person other than those directors, officers and persons hereinbefore mentioned, as attorney or attorneys of the Corporation to do any of the foregoing things.

BY-LAW EIGHT

SEAL

The seal of the Corporation, if any, may be affixed by any director or officer of the Corporation or by any person designated by such director or officer.

BY-LAW NINE

REGULATION 45-106

ARTICLE 1. NUMBER OF HOLDERS OF SHARES AND SECURITIES The beneficial ownership of securities of the Corporation, including its shareholders, shall be limited to fifty (50) persons, not including employees and former employees of the Corporation or its affiliates, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of the Corporation in which case each beneficial owner or each beneficiary of the person, as the case may be, must be counted as a separate beneficial owner

---

ARTICLE 2. ISSUE OF SECURITIES The directors, by way of resolution, may accept subscriptions for securities, allot or issue securities of the Company at such times, on such terms and conditions, to such persons and for such consideration as they see fit.

ARTICLE 3. PRIVATE ISSUER STATUS The directors shall use their best efforts to ensure that the Corporation remains a private issuer and complies with the provisions of the *Regulation 45-106*.

ARTICLE 4. DECLARATION OF SUBSCRIBER Any person who subscribes shares or other securities issued by the Corporation shall declare to the Corporation that this subscription is exempted from prospectus and registration requirements pursuant to section 2.4 of the *Regulation 45-106*

ARTICLE 5. DECLARATION OF TRANSFEREE Any person who purchases shares or other securities of the Corporation shall declare that his acquisition is exempted from prospectus and registration requirements pursuant to the *Regulation 45-106*.

ARTICLE 6. COMMISSION No commission or other remuneration, including a finder's fee, shall be paid in connection with the sale of shares or other securities to a director, executive officer, control person or founder of the Corporation or of an affiliate of the Company.

---



ADOPTED on September 15, 2022.

The President,

/s/ Pierre Karl Péladeau

Pierre Karl Péladeau

The Secretary

/s/ Sophie Riendeau

Sophie Riendeau

---

BY-LAW TEN

BORROWING POWERS

The administrators of the Corporation are hereby authorized, when to their best judgment, it is in the best interest of the Corporation to:

- (a) borrow money on the credit of the Corporation from any bank, corporation, firm, association or individual, in the amount and in the conditions the Board of directors sees fit, and in the best interest of the Corporation;
  - (b) increase or decrease the amount to be borrowed;
  - (c) issue or have issued, sell or pledge bonds, debentures, notes or other debt obligations of the Corporation as by the terms, agreements and conditions and for the sums as seen fit by the Board of directors;
  - (d) hypothecate movable and immovable property of the Corporation currently owned or subsequently acquired to secure payment or performance of an obligation or other debt obligations of the Corporation;
  - (e) mortgage, hypothecate, charge, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired movable and immovable property of the Corporation to secure such bonds, debentures, notes or other debt obligations, other than those contracted by the issuing of bonds or other securities;
  - (f) provide a guarantee on behalf of the Corporation to secure payment of all debt obligations such as borrowed monies, debentures, notes, credits, overdraft advances, or other debts in favour of a bank, corporation, firm or person, including interest, hypothecate and provide to any bank, corporation, firm or any individual, all or any one of the Corporation property, movable or immovable, currently owned or subsequently acquired and provide guarantees that may be accepted by a bank in virtue of the different sections of the Bank Act, renew, modify or substitute such guarantees from time to time, with the authority to contract promises, to provide guarantees in virtue of the Bank
-

Act related to any current debt or subsequently contracted by the Corporation with any bank;

- (g) the Board of directors may from time to time, by resolution, delegate to any one or more directors or officers all or any of the powers conferred on the directors by paragraph 1 of this by-law to the full extent thereof or such lesser extent as the directors may in any such resolution provide;

AND the powers hereby conferred shall be deemed to be permanent and not subject to cease after the first exercise. Such powers can be used from time to time as long as they are not revoked by a written resolution.

ADOPTED on September 15, 2022.

The President,

/s/ Pierre Karl Péladeau  
Pierre Karl Péladeau

The Secretary

/s/ Sophie Riendeau  
Sophie Riendeau

---

Request ID: 012394159  
Demande n°:  
Transaction ID: 041920318  
Transaction n°:  
Category ID: CT  
Catégorie:

Province of Ontario  
Province de l'Ontario  
Ministry of Government Services  
Ministère des Services gouvernementaux

Date Report Produced: 2010/07/27  
Document produit le:  
Time Report Produced: 09:34:28  
Imprimé à:

## Certificate of Incorporation Certificat de constitution

This is to certify that

Ceci certifie que

**2251723 ONTARIO INC.**

Ontario Corporation No.

Numéro matricule de la personne morale en  
Ontario

**002251723**

is a corporation incorporated,  
under the laws of the Province of Ontario.

est une société constituée aux termes  
des lois de la province de l'Ontario.

These articles of incorporation  
are effective on

Les présents statuts constitutifs  
entrent en vigueur le

**JULY 27 JUILLET, 2010**

Director/Directrice

Business Corporations Act/Loi sur les sociétés par actions

Request ID / Demande n°  
12394159

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2251723

FORM 1

FORMULE NUMÉRO 1

BUSINESS CORPORATIONS ACT / LOI SUR LES SOCIÉTÉ PAR ACTIONS

ARTICLES OF INCORPORATION  
STATUTS CONSTITUTIFS

1. The name of the corporation is: *Dénomination sociale de la compagnie:*  
2251723 ONTARIO INC.

2. The address of the registered office is: *Adresse du siège social:*

C/O ALEXEI TCHERNOBRIVETS  
5255 YONGE STREET Suite # 1210

(Street & Number, or R.R. Number & if Multi-Office Building give Room No.)  
(Rue et numéro, ou numéro de la R.R. et, s'il s'agit édifice à bureau, numéro du bureau)

TORONTO ONTARIO  
CANADA M2N 6P4  
(Name of Municipality or Post Office) (Postal Code/Code postal)  
(Nom de la municipalité ou du bureau de poste)

3. Number (or minimum and maximum number) of directors is: *Nombre (ou nombres minimal et maximal) d'administrateurs:*  
MINIMUM 1 MAXIMUM 10

4. The first director(s) is/are: *Premier(s) administrateur(s):*

First name, initials and surname *Resident Canadian State Yes or No*  
*Prénom, initiales et nom de famille Résident Canadien Oui/Non*

Address for service, giving Street & No. *Domicile élu, y compris la rue et le*  
or R.R. No., Municipality and Postal Code *numéro, le numéro de la R.R., ou le nom*  
*de la municipalité et le code postal*

\* ALEXEI Yes  
TCHERNOBRIVETS  
24 REDMOND DRIVE  
THORNHILL ONTARIO  
CANADA L4J 0B6

Request ID / Demande n°  
12394159

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2251723

---

4. The first director(s) is/are:

Premier(s) administrateur(s):

First name, initials and surname  
*Prénom, initiales et nom de famille*

Resident Canadian      State Yes or No  
*Résident Canadien      Oui/Non*

Address for service, giving Street & No.  
or R.R. No., Municipality and Postal Code

*Domicile élu, y compris la rue et le  
numéro, le numéro de la R.R., ou le nom  
de la municipalité et le code postal*

\* IVAN  
SMIRNOV

Yes

372 FLAGSTONE WAY  
NEWMARKET ONTARIO  
CANADA L3X 2R3

\* VADIM  
SLOUTSKY

Yes

226 MARC SANTI BLVD.  
MAPLE ONTARIO  
CANADA L6A 0K8

---

Request ID / Demande n°

12394159

Ontario Corporation Number  
Numéro de la compagnie en Ontario

2251723

---

5. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.

*Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la compagnie.*

There are no restrictions on the business the Corporation may carry on or on the powers the Corporation may exercise.

6. The classes and any maximum number of shares that the corporation is authorized to issue:

*Catégories et nombre maximal, s'il y a lieu, d'actions que la compagnie est autorisée à émettre:*

- A. an unlimited number of common shares; and
  - B. an unlimited number of preferred shares.
-

Request ID / Demande n°

Ontario Corporation Number  
Numéro de la compagnie en Ontario

12394159

2251723

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares, and directors' authority with respect to any class of shares which may be issued:

*Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

(A) The said preferred shares shall have attached thereto the following rights, privileges, restrictions and conditions:

1) The holder of the preferred shares shall in each fiscal year of the Corporation in the discretion of the directors, but always in preference and priority to any payment of dividends on the common shares for such year, be entitled, out of any or all profits or surplus available for dividends, to non-cumulative dividends at a rate to be fixed from time to time by the directors; if in any fiscal year, after providing for the full dividend on the preferred shares, there shall remain any profits or surplus available for dividends, such profits or surplus or any part thereof, may in the discretion of the directors, be applied to dividends on the common shares; the holders of preferred shares shall not be entitled to any dividend other than or in excess of the non-cumulative dividends at the rate hereinbefore provided for.

2) The preferred shares shall rank, both as regards to dividends and return of capital, in priority to all other shares of the Corporation but shall not confer any further right to participate in the profit assets.

3) Subject to the provisions of the Business Corporations Act, the Corporation may redeem, upon giving notice as hereinafter provided, the whole of any part of the preferred shares on payment for each share to be redeemed of the amount per share paid up thereon, together with all dividends declared thereon and unpaid; in case a party only of the then outstanding preferred shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed pro rata, disregarding fractions, and the directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares. Not less than 30 days notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying the date and place or places of redemption; if notice of any such redemption be given by the Corporation in the manner aforesaid and an amount sufficient to redeem the shares to be deposited with any trust company or chartered bank in Canada as specified in the notice on or before the date fixed for redemption, dividends on the preferred shares to be redeemed and the holders thereof shall thereafter have no rights against the Corporation in respect thereof except, upon the surrender of certificates for such shares, to receive payment therefore out of the moneys so deposited. After the redemption price of such shares has been deposited as aforesaid, notice shall be given to the holders of any preferred shares called for redemption who



Request ID / Demande n°  
12394159

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2251723

---

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares, and directors' authority with respect to any class of shares which may be issued:  
*Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

have failed to present the certificates representing such shares within two months of the date specified for redemption that the money has been so deposited and may be obtained by the holders of said preferred shares upon presentation of the certificates representing such shares called for redemption at the said trust company or chartered bank.

4) The Corporation shall have the right at its option at any time and from time to time to purchase the whole or any part of the preferred shares pursuant to tenders received by the Corporation upon request for tenders addressed to all holders of preferred shares, or, with the unanimous consent of all the holders of all issued preferred shares, from any holder or holders thereof, at the lowest price at which, in the opinion of the directors, but not exceeding the amount per share paid upon thereon, together with all dividends declared thereon and unpaid. If in response to an invitation for tenders, two or more shareholders submit tenders at the same price and if such tenders are accepted by the Corporation in whole or in part, then, unless the Corporation shall accept such tenders in proportion as nearly as may be to the number of shares offered in each such tender.

5) In the event of the liquidation, dissolution or winding-up of the Corporation, or other distribution of its assets, whether voluntary or involuntary, the holders of the preferred shares shall be entitled to receive, before any distribution of any part of the assets of the Corporation among the holders of any other shares, an amount per share paid up thereon and any dividends declared thereon and unpaid and no more.

6) Subject to the provisions of the Business Corporations Act, the holders of the preferred shares shall not, as such, have any voting rights for the election of directors or for any other purpose nor shall they be entitled to attend shareholders' meetings.

B) The said common shares shall have attached thereto the following rights, privileges, restrictions and conditions:

1) The holders of the common shares shall be entitled to one vote for each common share held at all meetings of the shareholders, except meetings at which only holders of another specified class of shares are entitled to vote.

2) Subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, the holders of the common shares

---

Request ID / Demande n°  
12394159

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2251723

---

7. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares, and directors' authority with respect to any class of shares which may be issued:  
*Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions que peut être émise en série:*

shall be entitled to receive any dividend declared by the Corporation and to receive the remaining property of the Corporation upon liquidation, dissolution, wind-up or other distribution of assets.

Request ID / Demande n°  
12394159

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2251723

---

8. The issue, transfer or ownership of shares is restricted and the restrictions (if any) are as follows:

*L'émission, le transfert ou la propriété d'actions est/n'est pas restreinte. Les restrictions, s'il y a lieu, sont les suivantes:*

The right to transfer shares of the Corporation shall be restricted in that no share shall be transferred without either:

- a) the consent of the directors expressed by a resolution passed by an instrument or instruments in writing signed by a majority of the directors which consent may be given either prior or subsequent to the time of transfer of such shares; or
- B) the consent of the holders of shares of the Corporation representing at least 51% of the votes attaching to all shares of the Corporation for the time being outstanding carrying a voting right either under all circumstances that have occurred and are continuing, expressed by resolution passed by such shareholders, which consent may be given either prior or subsequent to the time of transfer of such shares.

Request ID / Demande n°

12394159

Ontario Corporation Number  
Numéro de la compagnie en Ontario

2251723

---

9. Other provisions, (if any, are):

*Autres dispositions, s'il y a lieu:*

a) The number of shareholders of the Corporation, exclusive of person who are in its employment and exclusive of persons, who having been formerly in the employment of the Corporation, were, while in that employment, and have continued after the termination of the employment to be shareholders of the Corporation, is limited to not more than 50, 2 or more persons who are the joint registers owners of 1 or more shares being counted as 1 shareholder;

b) any invitation to the public to subscribe for securities of the Corporation is prohibited;

c) the Corporation shall be entitled to a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation; and

d) the directors may, without authorization of the shareholders, by authentic deed, in particular but without limitation, for the purpose of securing any bonds, debentures or debenture stock which the Corporation is by law entitled to issue, hypothecate, mortgage, pledge, cede or transfer any property, moveable or immovable, present or future which the Corporation may own.

Request ID / Demande n°  
12394159

Ontario Corporation Number  
Numéro de la compagnie en Ontario  
2251723

---

10. The names and addresses of the incorporators are  
*Nom et adresse des fondateurs*

First name, initials and last name  
or corporate name

*Prénom, initiale et nom de  
famille ou dénomination sociale*

Full address for service or address of registered office or of principal place of business  
giving street & No. or R.R. No., municipality and postal code

*Domicile élu, adresse du siège social au adresse de l'établissement principal, y compris  
la rue et le numéro, le numéro de la R.R., le nom de la municipalité et le code postal*

\* ALEXEI TCHERNOBRIVETS

24 REDMOND DRIVE  
THORNHILL ONTARIO  
CANADA L4J 0B6

\* IVAN SMIRNOV

372 FLAGSTONE WAY  
NEWMARKET ONTARIO  
CANADA L3X 2R3

\* VADIM SLOUTSKY

226 MARC SANTI BLVD.  
MAPLE ONTARIO  
CANADA L6A 0K8

---

Name of Corporation  
2251723 ONTARIO INC.

Ontario Corporation Number  
2251723

Request ID  
12394159

**ADDITIONAL INFORMATION FOR ELECTRONIC INCORPORATION**

**CONTACT PERSON**

First Name	Last Name
SUSAN	NEWBY
Name of Law Firm	
HALL WEBBER LLP	

**ADDRESS**

Street #	Street Name	Suite #	
1200	BAY STREET	400	
Additional Information		City	
		TORONTO	
Province	Country	Postal Code	
ONTARIO		M5R 2A5	
TELEPHONE #:	416-920-3849 x104		

Name of Corporation  
2251723 ONTARIO INC.

Ontario Corporation Number  
2251723

Request ID  
12394159

## ELECTRONIC INCORPORATION TERMS AND CONDITIONS

The following are the terms and conditions for the electronic filing of Articles of Incorporation under the Ontario *Business Corporations Act* (OBCA) with the Ministry of Government Services. Agreement to these terms and conditions by at least one of the incorporators listed in article 10 of the Articles of Incorporation is a mandatory requirement for electronic incorporation.

- 1) The applicant is required to obtain an Ontario biased or weighted NUANS search report for the proposed name. The applicant must provide the NUANS name searched, the NUANS reservation number and the date of the NUANS report. The NUANS report must be kept in electronic or paper format at the corporation's registered office address.
- 2) All first directors named in the articles must sign a consent in the prescribed form. The original consent must be kept at the corporation's registered office address.
- 3) A Corporation acquiring a name identical to that of another corporation must indicate that due diligence has been exercised in verifying that the Corporation meets the requirements of Subsection 6(1) of Regulation 62 made under the OBCA. Otherwise, the Corporation is required to obtain a legal opinion on legal letterhead signed by a lawyer qualified to practise in Ontario that clearly indicates that the corporations involved comply with Subsection 6(2) of that Regulation by referring to each clause specifically. The original of this legal opinion must be kept at the Corporation's registered office address. The applicant must complete the electronic version of this legal opinion provided by one of the Service Providers under contract with the Ministry.
- 4) The date of the Certificate of Incorporation will be the date the articles are updated to the ONBIS electronic public record database. Articles submitted electronically outside MGS, ONBIS access hours, will receive an endorsement date effective the next business day when the system resumes operation, if the submitted Articles of Incorporation meet all requirements for electronic incorporation. Articles of Incorporation submitted during system difficulties will receive an endorsement date effective the date the articles are updated to the ONBIS system.
- 5) The electronic Articles of Incorporation must be in the format approved by the Ministry and submitted through one of the Service Providers under contract with the Ministry.
- 6) Upon receipt of the Certificate of Incorporation issued by the ONBIS system, a duplicate copy of the Articles of Incorporation with the Ontario Corporation Number and the Certificate of Incorporation must be kept in paper or electronic format. The Ministry will print and microfilm copies of the Certificate of Incorporation, the Articles of Incorporation and any other documentation submitted electronically. These will be considered the true original filed copies.
- 7) The sole responsibility for correctness and completeness of the Articles of Incorporation, and for compliance with the OBCA and all regulations made under it, lies with the incorporator(s) and/or their legal advisor(s), if any.

The incorporator(s) have read the above Terms and Conditions and they understand and agree to them.

I am an incorporator or I am duly authorized to represent and bind the incorporator(s).

First Name  
DANIEL M.

Last Name  
WEBBER

**BY-LAW N0.1**

A by-law relating generally to the conduct of the business and affairs of

**2251723 ONTARIO INC.**

(herein called the "Corporation")

**CONTENTS**

- |                                     |                            |
|-------------------------------------|----------------------------|
| 1. Interpretation                   | 8. Dividends               |
| 2. Directors                        | 9. Financial Year          |
| 3. Meetings of Directors            | 10. Notices                |
| 4. Remuneration and Indemnification | 11. Execution of Documents |
| 5. Officers                         | 12. Effective Date         |
| 6. Meetings of Shareholders         | 13. Repeal                 |
| 7. Shares                           |                            |

BE IT ENACTED as a by-law of the Corporation as follows:

**1. INTERPRETATION**

1.01 In this by-law and all other by-laws and resolutions of the Corporation, unless the context otherwise requires:

- (a) "Act" means the Ontario *Business Corporations Act* together with the Regulations made pursuant thereto and any statute or regulations that may be substituted therefor, as amended from time to time;
- (b) "articles" means the articles of incorporation of the Corporation as amended or restated from time to time;
- (c) "board" means the board of directors of the Corporation;
- (d) "by-laws" means this by-law and all other by-laws of the Corporation as amended from time to time, and from time to time in force and effect;
- (e) "corporation" means this Corporation;
- (f) "meeting of shareholders" means any meeting of the shareholders, whether annual or special; and "special meeting of shareholders" means a special meeting of all shareholders entitled to vote at any annual meeting of shareholders and a meeting of any class or classes of shareholders entitled to vote on the question at issue;



- (g) "person" includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his capacity as trustee, executor, administrator, or other legal representative;
- (h) "recorded address" means, in the case of a shareholder, his address as recorded in the shareholders' register; and, in the case of joint shareholders, the address appearing in the shareholders' register in respect of such joint holding or the first address so appearing if there are more than one; and, in the case of a director, officer, auditor or member of a committee of the board, his latest address recorded in the records of the Corporation; and
- (i) "unanimous shareholder agreement" shall have the meaning ascribed to such term under the Act.

1.02 In this by-law where the context requires, words importing the singular include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

1.03 Save as aforesaid, all the words and terms appearing in this by-law shall have the same definitions and application as in the Act.

## 2. DIRECTORS

2.01 **Powers.** Subject to any unanimous shareholder agreement, the business and affairs of the Corporation shall be managed or supervised by a board of directors.

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided for in the articles.

2.02 **Resident Canadians.** Except where the Corporation is a non-resident Corporation, a majority of the directors shall be resident Canadians but where the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian.

2.03 **Qualifications.** No person shall be qualified for election as a director if he is less than 18 years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not an individual; or if he has the status of a bankrupt.

2.04 **Election and Term.** The election of directors shall take place at the first meeting of shareholders and at each succeeding annual meeting at which an election of directors is required. The directors shall hold office for an expressly stated term, which shall expire not later than the close of the third annual meeting of shareholders following the election. A director not elected for an expressly stated term ceases to hold office at the close of the first annual meeting of shareholders following his election. Incumbent directors, if qualified, shall be eligible for re-election. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

2.05 **Resignation.** A director who is not named in the articles may resign from office upon giving a written resignation to the Corporation and such resignation becomes effective when received by the Corporation or at the time specified in the resignation, whichever is later. A director named in the articles shall not be permitted to resign his office unless at the time the resignation is to become effective a successor is elected or appointed.

2.06 **Removal.** Subject to the provisions of the Act, the shareholders may, by ordinary resolution passed at a meeting of shareholders, remove any director or directors from office before the expiration of his or their respective terms and may, by a majority of the votes cast at the meeting, elect any person in his place for the remainder of his term.

2.07 **Vacation of Office.** A director ceases to hold office when he dies, resigns, is removed from office by the shareholders, or becomes disqualified to serve as a director.

2.08 **Vacancies.** Subject to the provisions of the Act, where a vacancy occurs on the board, a quorum of the directors then in office may appoint a person to fill the vacancy for the remainder of the term. If there is not a quorum of directors or if there has been a failure to elect the number of directors required by the articles or in the case of a variable board as required by special resolution, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

### **3. MEETINGS OF DIRECTORS**

3.01 **Place of Meetings.** Meetings of the board may be held at any place within or outside Ontario and it shall not be necessary that, in any financial year of the Corporation, a majority of the meetings of the board shall be held at place within Canada.

3.02 **Meetings by Telephone.** Where all the directors present at or participating in the meeting have consented thereto, any director may participate in a meeting of the board or of a committee of the board by means of conference telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and a director participating in such a meeting by such means is deemed for the purposes of the Act and these by-laws to be present at the meeting. If a majority of the directors participating in such a meeting are then in Canada, the meeting shall be deemed to have been held in Canada.

3.03 **Calling of Meetings.** Meeting of the board shall be held from time to time at such place, at such time and on such day as the president or a vice-president who is a director or any two directors may determine, and the secretary shall call meetings when directed or authorized by the president or by a vice-president who is a director or by any two directors. Notice of every meeting so called shall be given to each director not less than 48 hours (excluding any part of Sunday and of a holiday defined by the Ontario *Interpretation Act*) before the time when the meeting is to be held, except that no notice of meeting shall be necessary if all the directors are present or if those absent have waived notice of or otherwise signified their consent to the holding of such meeting. A

notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

3.04 **Regular Meetings.** The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board fixing the place and time of regular meetings of the board shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meetings except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

3.05 **First Meeting of New Board.** Each newly elected board may without notice hold its first meeting immediately following a meeting of shareholders at which such board is elected, provided that a quorum of directors is present.

3.06 **Quorum.** Where the Corporation has fewer than three directors, all directors must be present at any meeting of directors to constitute a quorum. Subject to the articles or by-laws of the Corporation, a majority of the number of directors or minimum numbers of directors required by the articles constitutes a quorum at any meeting of directors but in no case shall a quorum be less than two-fifths of the number of directors or less than the minimum number of directors, as the case may be.

3.07 **Resident Canadians.** Directors shall not transact business at a meeting of the board unless a majority of the directors present are resident Canadians or, where the Corporation has fewer than three directors, one of the directors present is a resident Canadian. However, directors may transact business at a meeting of the board where a majority of resident Canadian directors is not present if

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) a majority of resident Canadian directors would have been present had the director been present at the meeting.

3.08 **Chairman.** The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting:

- (a) Chairman of the Board;
- (b) President; or
- (c) a Vice-President.

If no such officer is present, the directors present shall choose one of their number to be chairman.

3.09 **Votes to Govern.** At all meetings of the board, every question shall be decided by a majority of the votes cast on the question.

3.10 **Casting Vote.** In the case of an equality of votes on any question at a meeting of the board, the chairman of the meeting shall not be entitled to a second or casting vote.

3.11 **Disclosure of Interests in Contracts.** Every director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or officer of or has a material interest in any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of the meeting of directors the nature and extent of his interest at the time and in the manner required by the Act. Any such contract or proposed contract shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or the shareholders, and a director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as provided by the Act.

3.12 **Resolution in Lieu of Meeting.** A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors, is as valid as if it had been passed at a meeting of directors or committee of directors. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors.

3.13 **Delegation.** Directors may appoint from their number a managing director who is a resident Canadian or a committee of directors and delegate to such managing director or committee any of the powers of the directors. If the directors appoint a committee of directors, a majority of the members of the committee must be resident Canadians. Unless otherwise determined by the board and subject to the Act, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

#### **4. REMUNERATION AND INDEMNIFICATION**

4.01 **Remuneration.** Subject to the provisions of the Act, the articles, and the by-laws of the Corporation or any unanimous shareholder agreement, the board may fix the remuneration of the directors. Nothing contained herein shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor. In addition, directors shall be paid such sums in respect of their out-of-pocket expenses incurred in attending board, committee or shareholders' meetings or otherwise in respect of the performance by them of their duties as the board may from time to time determine.

4.02 **Limitation of Liability.** Every director and officer of the Corporation, in exercising his powers and discharging his duties, shall act honestly and in good faith with a view to the best interests of the Corporation, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipts or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any

other loss, damage or misfortune whatever, which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own willful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act or from liability for any breach thereof.

4.03 **Indemnity of Directors and Officers.** Subject to the provisions of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of such Corporation or body corporate if

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

4.04 **Insurance.** Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the board may from time to time determine.

## 5. OFFICERS

5.01 **Appointment.** Subject to the provisions of the Act, the articles or any unanimous shareholder agreement, the board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Save for the chairman of the board and the managing director, an officer may but need not be a director and one person may hold more than one office.

5.02 **Term, Remuneration and Removal.** The terms of employment and remuneration of all officers elected or appointed by the board (including the president) shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers, in the absence of agreement to the contrary, shall be subject to removal by resolution of the board at any time with or without cause.

5.03 **Chairman of the Board.** The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this by-law capable of being assigned to the president; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of

the chairman of the board, his duties shall be performed and his powers exercised by the president.

5.04 **Managing Director.** The board may from time to time appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

5.05 **President.** The board may from time to time appoint a president. The president shall be the chief operating officer of the Corporation and, if no managing director has been appointed, and subject to the authority of the board, shall have the general supervision of the business and affairs of the Corporation and he shall have such other powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and the duties of that office.

5.06 **Vice-President.** The board may from time to time appoint one or more vice-presidents. A vice-president so appointed shall have such powers and such duties as the board or the chief executive officer may prescribe.

5.07 **Secretary.** The board may from time to time appoint a secretary. The secretary shall attend all meetings of the directors, shareholders and committees of the board and shall enter or cause to be entered in books kept for that purpose, minutes of all proceedings at such meetings; he shall give, or cause to be given, when instructed, notices required to be given to shareholders, directors, auditors and members of committees; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

5.08 **Treasurer.** The board may from time to time appoint a treasurer. The treasurer shall keep, or cause to be kept, proper accounting records as required by the Act; he shall deposit, or cause to be deposited, all monies received by the Corporation in the Corporation's bank account; he shall, under the direction of the board, supervise the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board, whenever required, an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board.

5.09 **Other Officers.** The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

5.10 **Variation of Duties.** From time to time and subject to the provisions of the Act, the board may vary, add to or limit the powers and duties of any officer.

5.11 **Agents and Attorneys.** The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside of Ontario with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

5.12 **Fidelity Bonds.** The board may require such officers, employees and agents of the Corporation, as it deems advisable, to furnish bonds for the faithful performance of their duties, in such form and with such surety as the board may from time to time prescribe.

5.13 **Conflict of Interest.** An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with Section 3.11 herein.

## **6. MEETINGS OF SHAREHOLDERS**

6.01 **Annual Meetings.** Subject to Section 6.16 herein, the directors shall call the first annual meeting of shareholders not later than eighteen months after the Corporation comes into existence and, subsequently, not later than fifteen months after holding the last preceding annual meeting. The annual meeting of shareholders of the Corporation shall be held at such time and on such day in each year as the board may from time to time determine, for the purposes of receiving the reports and statements required by the Act to be laid before the annual meeting, electing directors, appointing auditors and fixing or authorizing the board to fix their remuneration, and for the transaction of such other business as may properly be brought before the meeting.

6.02 **Special Meetings.** The board may at any time call a special meeting of shareholders for the transaction of any business which may properly be brought before such meeting of shareholders. All business transacted at an annual meeting of shareholders, except consideration of the financial statements, auditor's report, election of directors and reappointment of the incumbent auditor, is deemed to be special business.

6.03 **Place of Meetings.** Meeting of shareholders shall be held at the registered office of the Corporation, or at such other place within or outside of Ontario as the board from time to time determines.

6.04 **Notice of Meetings.** Notice of the time and place of each meeting of shareholders shall be sent not less than 10 days and not more than 50 days before the date of the meeting to the auditor of the Corporation, to each director, and to each person whose name appears on the records of the Corporation at the close of business on the day next preceding the giving of the notice as a shareholder entitled to vote at the meeting. Notice of special meeting of shareholders shall state:

- (a) the nature of the business to be transacted at the meeting in sufficient detail to permit the shareholders to form a reasoned judgement thereon; and
- (b) the text of any special resolution or by law to be submitted to the meeting.

A shareholder and any other person entitled to attend a meeting of shareholder may in any manner and at any time waive notice of or otherwise consent to a meeting of shareholders.

6.05 **Persons Entitled To Be Present.** The only persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who although not entitled to vote are entitled or required under any provision of the Act or by-laws of the Corporation to be present at the meeting. Any other persons may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

6.06 **Quorum.** Subject to the provisions of the Act, the holders of a majority of the shares entitled to vote at a meeting of shareholders present in person or by proxy constitute a quorum for the transaction of business at any meeting of shareholders.

6.07 **One-Shareholder Meeting.** If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

6.08 **Right to Vote.** At any meeting of shareholders, unless the articles otherwise provide, each share of the Corporation entitles the holder thereof to one vote at a meeting of shareholders, subject to the provision of the Act.

6.09 **Joint Shareholders.** Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders may in the absence of the other vote the shares but, if two or more of such persons who are present in person or by proxy, vote, they shall vote as one on the shares jointly held by them.

6.10 **Proxies.** Every shareholder entitled to vote at a meeting of shareholders may, by means of a proxy, appoint a proxy holder or one or more alternate proxy holders who are not required to be shareholders to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. A proxy shall be in writing and executed by the shareholder or by his attorney authorized in writing and shall conform with the requirements of the Act. The board may by resolution fix a time not exceeding 48 hours, excluding Saturdays and holidays, preceding any meeting or adjourned meeting of shareholders, before which time proxies to be used at the meeting must be deposited with the Corporation or an agent thereof, and any period of time so fixed shall be specified in the notice calling the meeting. A proxy shall be acted upon only if, prior to the time specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, where no time is specified in such notice, the proxy has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

6.11 **Scrutineers.** At each meeting of shareholder one or more scrutineers may be appointed by a resolution of the meeting or by the chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.

6.12 **Votes to Govern.** Subject to the provisions of the Act, the articles and the by-laws of the Corporation or any unanimous shareholder agreement, all questions proposed for the consideration of the shareholders at a meeting shall be decided by a majority of the votes cast thereon. In case of an equality of votes either on a show of



hands or on a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

6.13 **Show of Hands.** Subject to the provisions of the Act, at all meetings of shareholders every question shall be decided by a show of hands unless a ballot thereon be required by the chairman or be demanded by a shareholder or proxyholder present and entitled to vote. Upon a show of hands, every person present and entitled to vote has one vote regardless of the number of shares he represents. After a show of hands has been taken upon any question, the chairman may require, or any shareholder or proxyholder present and entitled to vote may demand, a ballot thereon. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon be so required or demanded, a declaration by the chairman that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the question. The result of the vote so taken and declared shall be the decision of the Corporation on the question. A demand for a ballot may be withdrawn at any time prior to the taking of the ballot.

6.14 **Ballots.** If a ballot is required by the chairman of the meeting or is demanded and the demand is not withdrawn, a ballot upon the question shall be taken in such manner as the chairman of the meeting directs.

6.15 **Adjournment.** The chairman of a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place.

6.16 **Resolution in Lieu of Meeting.** Except where a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act,

- (a) a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and
- (b) a resolution in writing dealing with any matter required by the Act to be dealt with at a meeting of shareholders, and signed by all the shareholders entitled to vote at that meeting, satisfies all the requirements of the Act relating to that meeting of the shareholders.

## 7. SHARES

7.01 **Allotment.** Subject to the provisions of the Act, the articles and any unanimous shareholder agreement, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such time and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

7.02 **Lien for Indebtedness.** Subject to the provision of the Act, the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the

Corporation. Such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

7.03 **Share Certificates.** Every holder of one or more shares of the Corporation is entitled, at his option, to a share certificate, or to a non-transferable written acknowledgement of his right to obtain a share certificate, stating the number and class or a series of shares held by him as shown on the records of the Corporation. Share certificates and acknowledgments of a shareholder's right to a share certificate shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with Section 11.01 herein and need not be under the corporate seal.

7.04 **Replacement of Share Certificates.** Subject to the provisions of the Act, the directors may by resolution prescribe, either generally or in a particular case, the conditions upon which a new share certificate may be issued to replace a share certificate which has been defaced, lost, stolen or destroyed.

7.05 **Transfer Agent and Registrar.** The board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch security registrars and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

7.06 **Joint Shareholders.** If two or more persons are registered as joint holders of any shares, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such share.

## **8. DIVIDENDS**

8.01 **Declaration.** Subject to the provisions of the Act, the articles and to any unanimous shareholder agreement, the board may declare and the Corporation may pay dividends to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation or, subject to the provisions of the Act, may be paid in money or property.

8.02 **Payment.** A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared, and mailed by ordinary mail postage prepaid to such registered holder at his recorded address, unless such holder otherwise direct. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded addresses. The mailing of such cheque as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby plus

the amount of any tax which the Corporation is required to and does withhold, unless such cheque be not paid on due presentation.

8.03 **Non-Receipt of Cheque.** In the event of the non-receipt of any cheque for a dividend by the person to whom it is so sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such term as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in a particular case.

## **9. FINANCIAL YEAR**

9.01 **Financial Year.** The financial year of the Corporation shall end on the 31 day of December in each year, until changed by a resolution of the board.

## **10. NOTICES**

10.01 **Method of Giving Notice.** Any notice, communication or other document required by the Act, the regulations, the articles or the by-laws to be given by the Corporation to a shareholder, director, officer, or auditor or member of a committee of the board of the Corporation under any provision of the Act, the articles or by-laws or otherwise shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary mail or if sent to him at his recorded address by any means of any prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or delivered to the recorded address as aforesaid; a notice so mailed shall be deemed to have been received on the fifth day after mailing; and a notice so sent by any means of transmitted or recorded communications shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer or auditor of the Corporation in accordance with any information believed by him to be reliable. The recorded address of a director shall be his latest address as shown in the records of the Corporation or in the most recent notice filed under the Ontario *Corporations Informations Act*, whichever is the more current.

10.02 **Computation of Time.** In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, "day" means a clear day and a period of days shall be deemed to commence on the day following the event that began the period and shall be deemed to terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that it is not a Sunday or a holiday.

10.03 **Omissions and Errors.** The accidental omission to give any notice to any shareholder, director, officer or auditor, or the non-receipt of any notice by any shareholder, director, officer or auditor or any error in any notice not affecting substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

10.04 **Notice to Joint Shareholders.** All notices with respect to any shares registered in more than one name may, if more than one address appears on the records of the

Corporation in respect of such joint holding, be given to such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to all the holders of such shares.

10.05 **Persons Entitled by Death or Operation of Law.** Every person who by operation of law, by transfer or the death of a shareholder or otherwise becomes entitled to shares is bound by every notice in respect of such shares which has been duly given to registered holder from whom he derives title prior to his name and address being entered on the records of the Corporation (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

10.06 **Waiver of Notice.** Any shareholder (or his duly appointed proxy), director, officer or auditor may waive any notice or abridge the time required for any notice required to be given under any provision of the Act, the articles or by-law of the Corporation or otherwise, and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or a committee of the board which may be given in any manner.

10.07 **Signatures to Notices.** The signatures to any notice to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

#### **11. EXECUTION OF DOCUMENTS**

11.01 **Signing Officers.** Deeds, transfers, assignments, contracts and obligations of the Corporation may be signed by the president or a vice-president or a director together with the secretary or treasurer or an assistant secretary or assistant treasurer or another director. Notwithstanding this, the board may at any time and from time to time direct the manner in which and the person or person by whom any particular deed, transfer, contract or obligation or any class of deeds, transfers, contracts or obligations may be signed.

11.02 **Seal.** Any person authorized to sign any document may affix the corporate seal thereto.

#### **12. EFFECTIVE DATE**

12.01 **Effective Date.** This by-law shall come into force when enacted by the directors, subject to the provisions of the Act.

ENACTED by the board the 27<sup>th</sup> day of July, 2010.

/s/ Alexei Tchernobrivets  
President - Alexei Tchernobrivets

/s/ Alexei Tchernobrivets  
Secretary - Alexei Tchernobrivets

CONFIRMED by the sole shareholder the 27<sup>th</sup> day of July, 2010.

/s/ Alexei Tchernobrivets  
Secretary - Alexei Tchernobrivets

**BY-LAW NO. 2**

A by-law respecting the borrowing of money and the issuing of securities by:

**2251723 ONTARIO INC.**

(herein called the "Corporation")

BE IT ENACTED as a by-law of the Corporation as follows:

1. Without limiting the borrowing powers of the Corporation as set forth in the Ontario *Business Corporations Act* (the "Act"), the Directors of the Corporation may, from time to time without the authorization of the Shareholders:

- (a) borrow money upon credit of the Corporation;
- (b) issue, re-issue, sell or pledge debt obligations of the Corporation;
- (c) subject to Section 20 of the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

2. The Directors may, from time to time, by resolution delegate any or all of the powers referred to in paragraph 1 of this by-law to a director, a committee of directors or one or more officers of the Corporation.

ENACTED by the Directors the 27<sup>th</sup> day of July, 2010.

/s/ Alexei Tchernobrivets  
President - Alexei Tchernobrivets

/s/ Alexei Tchernobrivets  
Secretary - Alexei Tchernobrivets

2251723 ONTARIO INC.  
(the « Corporation »)

**BY-LAW N<sup>o</sup> 2022-1**

1. This by-law authorizes amending and replacing the Article 11.01 of the *By-Law No. 1, a by-law relating generally to the conduct of the business and affairs* of the Corporation by the following:

**Article 11.01 CONTRACTS** All contracts, deeds, agreements, documents, bonds, debentures and other instruments requiring execution by the Corporation may be signed by two directors or two officers of the Corporation or by one director and one officer of the Corporation or by such persons as the Board of Directors may otherwise authorize from time to time by resolution. Any such authorization may be general or confined to specific instances.

**[and its French translation]**

**Article 11.01 CONTRATS** Les contrats, actes, conventions, documents, ententes, obligations, débetures ou autres écrits devant être signés par la Société peuvent être signés par deux administrateurs ou deux dirigeants de la Société ou par un administrateur et un dirigeant de la Société ou par les personnes que le conseil d'administration peut, à l'occasion, déterminer par voie de résolution. Une telle autorisation peut être générale ou se limiter à des cas particuliers.

2. The President and the Secretary or the Assistant Secretary of the Corporation are, under the terms of this by-law, authorized, mandated and instructed to sign for and on behalf of the Corporation this by-law, their signature to this by-law constituting a conclusive proof of the approval of this by-law by the board of directors and the shareholders of the Corporation.

ADOPTED by the Board of Directors and ratified by the shareholders of the Corporation on September 15, 2022.

/s/ Pierre Karl Péladeau

\_\_\_\_\_  
Pierre Karl Péladeau  
President

/s/ Sophie Riendeau

\_\_\_\_\_  
Sophie Riendeau  
Secretary

---

**VIDEOTRON LTD. / VIDÉOTRON LTÉE**

---

**SUPPLEMENTAL INDENTURE**

Dated as of October 26, 2022

---

Computershare Trust Company of Canada,  
as Trustee

---

---

Supplemental Indenture – VL/VMedia, 2251723 Ontario, RiverTV

---



**SUPPLEMENTAL INDENTURE**, dated as of October 26, 2022 (this “**Supplemental Indenture**”), by and among Videotron Ltd. / Vidéotron Ltée, a corporation under the laws of the Province of Québec (the “**Corporation**”), VMedia Inc., a corporation under the federal laws of Canada (“**VMedia**”), 2251723 Ontario Inc., a corporation under the laws of the Province of Ontario (“**225**”), and RiverTV Inc., a corporation under the federal laws of Canada (“**RiverTV**” and, collectively with VMedia and 225, the “**Additional Subsidiary Guarantors**”, each an “**Additional Subsidiary Guarantor**”) and Computershare Trust Company of Canada (“**Computershare**” or the “**Trustee**”), as trustee, to each of (i) the Indenture, dated as of June 17, 2013, as supplemented through the date hereof, by and among the Corporation, each of the subsidiary guarantors party thereto, and Computershare, as trustee (the “**2013 Indenture**”), (ii) the Indenture, dated as of September 15, 2015, as supplemented through the date hereof, by and among the Corporation, each of the subsidiary guarantors party thereto, and Computershare, as trustee (the “**2015 Indenture**”), (iii) the Indenture, dated as of October 8, 2019, as supplemented through the date hereof, by and among the Corporation, each of the subsidiary guarantors party thereto, and Computershare, as trustee (the “**2019 Indenture**”), (iv) the Indenture, dated as of January 22, 2021, as supplemented through the date hereof, by and among the Corporation, each of the subsidiary guarantors party thereto, and Computershare, as trustee (the “**January 2021 Indenture**”), and (v) the Indenture, dated as of June 17, 2021, as supplemented through the date hereof, by and among the Corporation, each of the subsidiary guarantors party thereto, and Computershare, as trustee (the “**June 2021 Indenture**” and, collectively with the 2013 Indenture, the 2015 Indenture, the 2019 Indenture and the January 2021 Indenture, the “**Indentures**” and each an “**Indenture**”).

WHEREAS, the Corporation, the existing subsidiary guarantors party thereto, and Computershare, as trustee, have entered into (i) the 2013 Indenture governing the Corporation’s 5½% Senior Notes due June 15, 2025 (the “**2025 Notes**”), (ii) the 2015 Indenture governing the Corporation’s 5¾% Senior Notes due January 15, 2026 (the “**2026 Notes**”), (iii) the 2019 Indenture governing the Corporation’s 4.50% Senior Notes due January 15, 2030 (the “**2030 Notes**”), (iv) the January 2021 Indenture governing the Corporation’s 3.125% Senior Notes due January 15, 2031 (the “**2031 Notes**”), and (v) the June 2021 Indenture governing the Corporation’s 3.625% Senior Notes due June 15, 2028 (the “**2028 Notes**” and, collectively with the 2025 Notes, the 2026 Notes, the 2030 Notes and the 2031 Notes, the “**Notes**”);

WHEREAS, Section 4.19 of each of the Indentures, respectively, provides that under certain circumstances the Corporation shall cause a Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture providing for a Subsidiary Guarantee of the payment of the Notes issued thereunder by such Restricted Subsidiary;

WHEREAS, the parties hereto are desirous of further supplementing each Indenture in the manner hereinafter provided for the purpose of providing a Subsidiary Guarantee by the Additional Subsidiary Guarantors, as applicable, in accordance with the terms of each Indenture;

WHEREAS, Section 9.01(5) of each Indenture, respectively, provides that the Corporation and the Trustee may amend or supplement such Indenture without the consent of any Holder to add additional guarantees with respect to the Notes issued thereunder; and

WHEREAS, all things necessary have been done to make this Supplemental Indenture a valid agreement of the Corporation, each Additional Subsidiary Guarantor and the Trustee, in accordance with its terms.

NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises contained herein, the parties hereto mutually covenant and agree as follows:

1. In respect of each of the Indentures, respectively, terms used in this Supplemental Indenture that are not defined herein shall have the meanings set forth in such Indenture.

2. Each Additional Subsidiary Guarantor hereby agree to provide unconditional Subsidiary Guarantees on the terms and subject to the conditions and limitations set forth in each Indenture, including but not limited to Article 10 of each Indenture.

3. This Supplemental Indenture shall be construed as supplemental to each Indenture, respectively, and shall form a part thereof, and each Indenture is hereby incorporated by reference herein and, as supplemented, modified and restated hereby, is hereby ratified, approved and confirmed.

4. This Supplemental Indenture shall be effective as of the date hereof. On and after the date hereof, each reference in each Indenture to “this Indenture,” “hereunder,” “hereof,” or “herein” shall mean and be a reference to such Indenture as supplemented by this Supplemental Indenture unless the context otherwise requires.

5. Except as provided below, in the event of a conflict between the terms and conditions of each Indenture, respectively, and the terms and conditions of this Supplemental Indenture, the terms and conditions of this Supplemental Indenture shall prevail.

6. If any provision of this Supplemental Indenture limits, qualifies or conflicts with another provision of each Indenture, respectively, that is required to be included by the Trust Indenture Act of 1939, as amended (the “Act”), as in force at the date this Supplemental Indenture is executed, the provision required by said Act shall control.

7. This Supplemental Indenture shall be governed and construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein. The parties hereby acknowledge that they have expressly required this Supplemental Indenture be drawn up in the English language only. *Les parties reconnaissent avoir expressément demandé que la présente convention soit rédigée en anglais seulement.*

8. This Supplemental Indenture may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Supplemental Indenture.

9. The recitals contained in this Supplemental Indenture shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Supplemental Indenture.

*[SIGNATURES ON FOLLOWING PAGES]*

Supplemental Indenture – VL/VMedia, 2251723 Ontario, RiverTV

---

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed as of the day and year first above written.

*CORPORATION:*

**VIDÉOTRON LTÉE**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President, Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

*ADDITIONAL SUBSIDIARY GUARANTORS:*

**VMEDIA, INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President, Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

**2251723 ONTARIO INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President, Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

**RIVERTV INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President, Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

*TRUSTEE:*

**COMPUTERSHARE TRUST COMPANY OF  
CANADA**

By: /s/ Sonya Santolin

Name: Sonya Santolin

Title: Corporate Trust Officer

By: /s/ Ekaterini Galouzis

Name: Ekaterini Galouzis,

Title: Associate Trust Officer

Supplemental Indenture – VL/VMedia, 2251723 Ontario, RiverTV

---

**VIDEOTRON LTD. / VIDÉOTRON LTÉE**

---

**SEVENTH SUPPLEMENTAL INDENTURE**

Dated as of October 26, 2022

---

Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association,  
Trustee

---

**SEVENTH SUPPLEMENTAL INDENTURE**, dated as of October 26, 2022 (this “**Seventh Supplemental Indenture**”), by and among Videotron Ltd. / Vidéotron Ltée, a corporation under the laws of the Province of Québec (the “**Corporation**”), VMedia Inc., a corporation under the federal laws of Canada (“**VMedia**”), 2251723 Ontario Inc., a corporation under the laws of the Province of Ontario (“**225**”), and RiverTV Inc., a corporation under the federal laws of Canada (“**RiverTV**” and, collectively with VMedia and 225, the “**Additional Subsidiary Guarantors**”, each an “**Additional Subsidiary Guarantor**”) and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee (the “**Trustee**”), to the Indenture, dated as of April 9, 2014, as supplemented through the date hereof (the “**Indenture**”), by and among the Corporation, each of the subsidiary guarantors party thereto (collectively referred to as the “**Original Subsidiary Guarantors**”), and the Trustee.

WHEREAS, the Corporation, the Original Subsidiary Guarantors and the Trustee have entered into the Indenture governing the Corporation’s 5¾% Senior Notes due June 15, 2024 (the “**Notes**”);

WHEREAS, Section 4.19 of the Indenture provides that under certain circumstances the Corporation shall cause a Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture providing for a Subsidiary Guarantee of the payment of the Notes by such Restricted Subsidiary;

WHEREAS, the parties hereto are desirous of further supplementing the Indenture in the manner hereinafter provided for the purpose of providing a Subsidiary Guarantee by the Additional Subsidiary Guarantors in accordance with the terms of the Indenture;

WHEREAS, Section 9.01(e) of the Indenture provides that the Corporation and the Trustee may amend or supplement the Indenture without the consent of any Holder to add additional guarantees with respect to the Notes;

WHEREAS, this Seventh Supplemental Indenture shall not result in a material modification of the Notes for purposes of the Foreign Account Tax Compliance Act; and

WHEREAS, all things necessary have been done to make this Seventh Supplemental Indenture a valid agreement of the Corporation, each Additional Subsidiary Guarantor and the Trustee, in accordance with its terms.

NOW, THEREFORE, THIS SEVENTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises contained herein, the parties hereto mutually covenant and agree as follows:

1. Terms used in this Seventh Supplemental Indenture that are not defined herein shall have the meanings set forth in the Indenture.
2. Each Additional Subsidiary Guarantor hereby agrees to provide an unconditional Subsidiary Guarantee on the terms and subject to the conditions and limitations set forth in the Indenture, including but not limited to Article 10 of the Indenture.

3. This Seventh Supplemental Indenture shall be construed as supplemental to the Indenture and shall form a part thereof, and the Indenture is hereby incorporated by reference herein and, as supplemented, modified and restated hereby, is hereby ratified, approved and confirmed.

4. This Seventh Supplemental Indenture shall be effective as of the date hereof. On and after the date hereof, each reference in the Indenture to “this Indenture,” “hereunder,” “hereof,” or “herein” shall mean and be a reference to the Indenture as supplemented by this Seventh Supplemental Indenture unless the context otherwise requires.

5. Except as provided below, in the event of a conflict between the terms and conditions of the Indenture and the terms and conditions of this Seventh Supplemental Indenture, the terms and conditions of this Seventh Supplemental Indenture shall prevail.

6. If any provision of this Seventh Supplemental Indenture limits, qualifies or conflicts with another provision of the Indenture that is required to be included by the Trust Indenture Act of 1939, as amended (the “Act”), as in force at the date this Seventh Supplemental Indenture is executed, the provision required by said Act shall control.

7. This Seventh Supplemental Indenture shall be governed and construed in accordance with the laws of the State of New York.

8. This Seventh Supplemental Indenture may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Seventh Supplemental Indenture.

9. The recitals contained in this Seventh Supplemental Indenture shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Seventh Supplemental Indenture.

*[SIGNATURES ON FOLLOWING PAGES]*

Seventh Supplemental Indenture to VL 2014 Indenture

---



IN WITNESS WHEREOF, the parties hereto have caused this Seventh Supplemental Indenture to be duly executed as of the day and year first above written.

*CORPORATION:*

**VIDÉOTRON LTÉE**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

*ADDITIONAL SUBSIDIARY GUARANTORS:*

**VMEDIA, INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

**2251723 ONTARIO INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

**RIVERTV INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

*TRUSTEE:*

**COMPUTERSHARE TRUST COMPANY,  
N.A. AS SUCCESSOR TO WELLS FARGO  
BANK, NATIONAL ASSOCIATION**

By: /s/ Susan B. Wright

\_\_\_\_\_  
Name: Susan B. Wright  
Title: Assistant Vice President

Seventh Supplemental Indenture to VL 2014 Indenture

---

**VIDEOTRON LTD. / VIDÉOTRON LTÉE**

---

**FOURTH SUPPLEMENTAL INDENTURE**

Dated as of October 26, 2022

---

Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association,  
Trustee

---

**FOURTH SUPPLEMENTAL INDENTURE**, dated as of October 26, 2022 (this “**Fourth Supplemental Indenture**”), by and among Videotron Ltd. / Vidéotron Ltée, a corporation under the laws of the Province of Québec (the “**Corporation**”), VMedia Inc., a corporation under the federal laws of Canada (“**VMedia**”), 2251723 Ontario Inc., a corporation under the laws of the Province of Ontario (“**225**”), and RiverTV Inc., a corporation under the federal laws of Canada (“**RiverTV**” and, collectively with VMedia and 225, the “**Additional Subsidiary Guarantors**”, each an “**Additional Subsidiary Guarantor**”) and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee (the “**Trustee**”), to the Indenture, dated as of April 13, 2017, as supplemented through the date hereof (the “**Indenture**”), by and among the Corporation, each of the subsidiary guarantors party thereto (collectively referred to as the “**Original Subsidiary Guarantors**”), and the Trustee.

WHEREAS, the Corporation, the Original Subsidiary Guarantors and the Trustee have entered into the Indenture governing the Corporation’s 5½% Senior Notes due April 15, 2027 (the “**Notes**”);

WHEREAS, Section 4.19 of the Indenture provides that under certain circumstances the Corporation shall cause a Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture providing for a Subsidiary Guarantee of the payment of the Notes by such Restricted Subsidiary;

WHEREAS, the parties hereto are desirous of further supplementing the Indenture in the manner hereinafter provided for the purpose of providing a Subsidiary Guarantee by the Additional Subsidiary Guarantors in accordance with the terms of the Indenture;

WHEREAS, Section 9.01(e) of the Indenture provides that the Corporation and the Trustee may amend or supplement the Indenture without the consent of any Holder to add additional guarantees with respect to the Notes;

WHEREAS, this Fourth Supplemental Indenture shall not result in a material modification of the Notes for purposes of the Foreign Account Tax Compliance Act; and

WHEREAS, all things necessary have been done to make this Fourth Supplemental Indenture a valid agreement of the Corporation, each Additional Subsidiary Guarantor and the Trustee, in accordance with its terms.

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises contained herein, the parties hereto mutually covenant and agree as follows:

1. Terms used in this Fourth Supplemental Indenture that are not defined herein shall have the meanings set forth in the Indenture.
2. Each Additional Subsidiary Guarantor hereby agrees to provide an unconditional Subsidiary Guarantee on the terms and subject to the conditions and limitations set forth in the Indenture, including but not limited to Article 10 of the Indenture.

3. This Fourth Supplemental Indenture shall be construed as supplemental to the Indenture and shall form a part thereof, and the Indenture is hereby incorporated by reference herein and, as supplemented, modified and restated hereby, is hereby ratified, approved and confirmed.

4. This Fourth Supplemental Indenture shall be effective as of the date hereof. On and after the date hereof, each reference in the Indenture to “this Indenture,” “hereunder,” “hereof,” or “herein” shall mean and be a reference to the Indenture as supplemented by this Fourth Supplemental Indenture unless the context otherwise requires.

5. Except as provided below, in the event of a conflict between the terms and conditions of the Indenture and the terms and conditions of this Fourth Supplemental Indenture, the terms and conditions of this Fourth Supplemental Indenture shall prevail.

6. If any provision of this Fourth Supplemental Indenture limits, qualifies or conflicts with another provision of the Indenture that is required to be included by the Trust Indenture Act of 1939, as amended (the “Act”), as in force at the date this Fourth Supplemental Indenture is executed, the provision required by said Act shall control.

7. This Fourth Supplemental Indenture shall be governed and construed in accordance with the laws of the State of New York.

8. This Fourth Supplemental Indenture may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this Fourth Supplemental Indenture.

9. The recitals contained in this Fourth Supplemental Indenture shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Fourth Supplemental Indenture.

*[SIGNATURES ON FOLLOWING PAGES]*

Fourth Supplemental Indenture to VL 2017 Indenture

---

IN WITNESS WHEREOF, the parties hereto have caused this Fourth Supplemental Indenture to be duly executed as of the day and year first above written.

*CORPORATION:*

**VIDÉOTRON LTÉE**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President, Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

*ADDITIONAL SUBSIDIARY GUARANTORS:*

**VMEDIA, INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President, Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

**2251723 ONTARIO INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President, Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

**RIVERTV INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President, Finance

By: /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

*TRUSTEE:*

**COMPUTERSHARE TRUST COMPANY, N.A. AS  
SUCCESSOR TO WELLS FARGO BANK, NATIONAL  
ASSOCIATION**

By: /s/ Susan B. Wright

Name: Susan B. Wright  
Title: Assistant Vice President

Fourth Supplemental Indenture to VL 2017 Indenture

---

---

**VIDEOTRON LTD. / VIDÉOTRON LTÉE**

---

**FIRST SUPPLEMENTAL INDENTURE**

Dated as of October 26, 2022

---

Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association,

Trustee

---



**FIRST SUPPLEMENTAL INDENTURE**, dated as of October 26, 2022 (this “**First Supplemental Indenture**”), by and among Videotron Ltd. / Vidéotron Ltée, a corporation under the laws of the Province of Québec (the “**Corporation**”), VMedia Inc., a corporation under the federal laws of Canada (“**VMedia**”), 2251723 Ontario Inc., a corporation under the laws of the Province of Ontario (“**225**”), and RiverTV Inc., a corporation under the federal laws of Canada (“**RiverTV**” and, collectively with VMedia and 225, the “**Additional Subsidiary Guarantors**”, each an “**Additional Subsidiary Guarantor**”), and Computershare Trust Company, N.A. as successor to Wells Fargo Bank, National Association, as trustee (the “**Trustee**”), to the Indenture, dated as of June 17, 2021, as supplemented through the date hereof (the “**Indenture**”), by and among the Corporation, each of the subsidiary guarantors party thereto (collectively referred to as the “**Original Subsidiary Guarantors**”), and the Trustee.

WHEREAS, the Corporation, the Original Subsidiary Guarantors and the Trustee have entered into the Indenture governing the Corporation’s 3<sup>5</sup>% Senior Notes due June 15, 2029 (the “**Notes**”);

WHEREAS, Section 4.19 of the Indenture provides that under certain circumstances the Corporation shall cause a Restricted Subsidiary to execute and deliver to the Trustee a supplemental indenture providing for a Subsidiary Guarantee of the payment of the Notes by such Restricted Subsidiary;

WHEREAS, the parties hereto are desirous of further supplementing the Indenture in the manner hereinafter provided for the purpose of providing a Subsidiary Guarantee by the Additional Subsidiary Guarantors in accordance with the terms of the Indenture;

WHEREAS, Section 9.01(e) of the Indenture provides that the Corporation and the Trustee may amend or supplement the Indenture without the consent of any Holder to add additional guarantees with respect to the Notes;

WHEREAS, this First Supplemental Indenture shall not result in a material modification of the Notes for purposes of the Foreign Account Tax Compliance Act; and

WHEREAS, all things necessary have been done to make this First Supplemental Indenture a valid agreement of the Corporation, each Additional Subsidiary Guarantor and the Trustee, in accordance with its terms.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises contained herein, the parties hereto mutually covenant and agree as follows:

1. Terms used in this First Supplemental Indenture that are not defined herein shall have the meanings set forth in the Indenture.

2. Each Additional Subsidiary Guarantor hereby agrees to provide an unconditional Subsidiary Guarantee on the terms and subject to the conditions and limitations set forth in the Indenture, including but not limited to Article 10 of the Indenture.

3. This First Supplemental Indenture shall be construed as supplemental to the Indenture and shall form a part thereof, and the Indenture is hereby incorporated by reference herein and, as supplemented, modified and restated hereby, is hereby ratified, approved and confirmed.

4. This First Supplemental Indenture shall be effective as of the date hereof. On and after the date hereof, each reference in the Indenture to “this Indenture,” “hereunder,” “hereof,” or “herein” shall mean and be a reference to the Indenture as supplemented by this First Supplemental Indenture unless the context otherwise requires.

5. Except as provided below, in the event of a conflict between the terms and conditions of the Indenture and the terms and conditions of this First Supplemental Indenture, the terms and conditions of this First Supplemental Indenture shall prevail.

6. If any provision of this First Supplemental Indenture limits, qualifies or conflicts with another provision of the Indenture that is required to be included by the Trust Indenture Act of 1939, as amended (the “Act”), as in force at the date this First Supplemental Indenture is executed, the provision required by said Act shall control.

7. This First Supplemental Indenture shall be governed and construed in accordance with the laws of the State of New York.

8. This First Supplemental Indenture may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and all such counterparts together shall be deemed an original of this First Supplemental Indenture.

9. The recitals contained in this First Supplemental Indenture shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this First Supplemental Indenture.

*[SIGNATURES ON FOLLOWING PAGES]*

First Supplemental Indenture to VL 2021 Indenture

---

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed as of the day and year first above written.

*CORPORATION:*

**VIDÉOTRON LTÉE**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

By : /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

*ADDITIONAL SUBSIDIARY GUARANTORS:*

**VMEDIA, INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

By : /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

**2251723 ONTARIO INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

By : /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

**RIVERTV INC.**

By: /s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

By : /s/ Jean-François Parent  
Name: Jean-François Parent  
Title: Vice President and Treasurer

First Supplemental Indenture to VL 2021 Indenture

---

*TRUSTEE:*

**COMPUTERSHARE TRUST COMPANY,  
N.A. AS SUCCESSOR TO WELLS FARGO  
BANK, NATIONAL ASSOCIATION**

By: /s/ Susan B. Wright

Name: Susan B Wright

Title: Assistant Vice President

First Supplemental Indenture to VL 2021 Indenture

---

**VIDÉOTRON LTÉE**, as Borrower

-and-

**RBC DOMINION SECURITIES INC.**, as Co-Lead Arranger and Joint Bookrunner  
**NATIONAL BANK OF CANADA**, as Co-Lead Arranger and Joint Bookrunner  
**TD SECURITIES**, as Co-Lead Arranger and Joint Bookrunner

-and-

**BANK OF AMERICA, N.A., CANADA BRANCH**  
**BMO CAPITAL MARKETS**  
**CANADIAN IMPERIAL BANK OF COMMERCE**  
**FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC**  
**THE BANK OF NOVA SCOTIA**  
as Co-Arrangers

-and-

**NATIONAL BANK OF CANADA**  
**TD SECURITIES**  
as Syndication Agents

-and-

**THE BANK OF NOVA SCOTIA**  
as Documentation Agent

-and-

**THE FINANCIAL INSTITUTIONS NAMED**  
**ON THE SIGNATURE PAGES HERETO**  
as Lenders

-and-

**ROYAL BANK OF CANADA**  
as Administrative Agent

---

**FOURTH AMENDING AGREEMENT to the Amended and Restated Credit Agreement dated as of June 16, 2015, as amended by a First Amending Agreement dated as of June 24, 2016, a Second Amending Agreement dated as of January 3, 2018 and a Third Amending Agreement dated as of November 26, 2018**

---

**FASKEN**

---

**FOURTH AMENDING AGREEMENT** to the Amended and Restated Credit Agreement dated as of June 16, 2015, as amended by a First Amending Agreement dated as of June 24, 2016, a Second Amending Agreement dated as of January 3, 2018 and a Third Amending Agreement dated as of November 26, 2018, entered into in the City of Montreal, Province of Quebec, as of May 20, 2022,

**AMONG:** **VIDÉOTRON LTÉE**, a company constituted in accordance with the laws of Quebec, having its registered office at 612 St. Jacques Street, 18<sup>th</sup> floor, in the City of Montreal, Province of Quebec (hereinafter called the “**Borrower**”)

**AND:** **THE LENDERS, AS DEFINED IN THE CREDIT AGREEMENT** (the “**Lenders**”)

**AND:** **ROYAL BANK OF CANADA, AS ADMINISTRATIVE AGENT FOR THE LENDERS**, a Canadian bank, having a place of business at 200 Bay Street, 12<sup>th</sup> floor, South Tower, Royal Bank Plaza, in the City of Toronto, Province of Ontario (hereinafter called the “**Agent**”)

**WHEREAS** the parties hereto are parties to a credit agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, as amended by a First Amending Agreement dated as of June 14, 2013, a Second Amending Agreement dated as of January 28, 2015, a Third Amending Agreement creating an Amended and Restated Credit Agreement dated as of June 16, 2015, a First Amending Agreement dated as of June 24, 2016, a Second Amending Agreement dated as of January 3, 2018 and a Third Amending Agreement dated as of November 26, 2018 (the “**Original Credit Agreement**”, and as amended pursuant to this Agreement, the “**Credit Agreement**”);

**WHEREAS** the Borrower has requested certain amendments to the Original Credit Agreement in order to, *inter alia*, (i) extend the Term in respect of the Revolving Facility until July 20, 2026, (ii) implement Term SOFR as the replacement benchmark for LIBOR, (iii) increase the amount of the accordion from \$500,000,000 to \$1,000,000,000, (iv) remove all references to the Unsecured Facility (as defined in the Original Credit Agreement) given that facility has been repaid in full and cancelled, and (v) amend certain other terms and conditions of the Original Credit Agreement as contemplated herein; and

**WHEREAS** the Lenders have unanimously agreed with the Borrower to the amendments contemplated herein, and as such, the Lenders have complied with the provisions of Section 18.14 and 18.15 of the Original Credit Agreement, as evidenced by the signature of each party hereto on this Agreement;

---

**NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:**

**I. INTERPRETATION**

All of the words and expressions which are capitalized herein, including in the preamble hereto, shall have the meanings ascribed to them in the Original Credit Agreement (as amended hereby) unless otherwise indicated herein.

**II. AMENDMENTS**

1. **General Rule.** Subject to the terms and conditions herein contained, the Original Credit Agreement is hereby amended to the extent necessary to give effect to the provisions of this Agreement and to incorporate the provisions of this agreement into the Existing Credit Agreement.

2. **Amendment of the Original Credit Agreement.** Effective as of the Amendment Effective Date (as defined below), the Original Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold underlined text (indicated textually in the same manner in the following example: underlined text) as set forth in the marked version of the amended Credit Agreement attached hereto as Exhibit A.

3. **Extent of Amendments.** The amendments set forth herein are limited precisely as written and shall not be deemed to (i) be a consent to any amendment, waiver or modification of any of the other terms or conditions of the Original Credit Agreement or the other Loan Documents, or (ii) prejudice any rights that the Agent and the Lenders may now or in the future have under or in connection with the Credit Agreement (as same may be further amended, supplemented, restated or otherwise modified from time to time).

**III. REPRESENTATIONS AND WARRANTIES**

1. The Borrower and Guarantors hereby represent and warrant to the Lenders and the Agent as follows:

- 1.1 the execution, delivery and performance by the Borrower and the Guarantors of this Agreement have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, or notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable;
  - 1.2 this Agreement constitutes a legal, valid and binding obligation of the Borrower and each Guarantor, enforceable against each such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity;
  - 1.3 the representations and warranties of the Borrower and each Guarantor set forth in the Credit Agreement are true and correct in all respects on and as of the
-

Amendment Effective Date (as defined below), except that where such representations and warranties are qualified by reference to a date, they shall be true and correct as at such date; and

- 1.4 no Default or Event of Default has occurred and is continuing or would arise immediately upon this Agreement becoming effective.

**IV. CONDITIONS PRECEDENT**

1. The amendments to the Original Credit Agreement contemplated in Article II of this Agreement shall not come into force until each of the following conditions (collectively, the “**Conditions Precedent**”) shall have been met to the satisfaction of the Lenders or, as the case may be, waived by the Lenders (the date on which conditions shall have been met to the satisfaction of the Lenders or, as the case may be, waived by the Lenders shall be referred to herein as the “**Amendment Effective Date**”):

- 1.1 certified copies of all of the constating documents, borrowing by-laws and resolutions of the Borrower and of each Guarantor shall have been provided to the Agent;
- 1.2 this Agreement shall have been executed and delivered by all of the parties hereto;
- 1.3 the following Security (and the documents ancillary thereto) shall have been executed, delivered to the Agent and published wheresoever required under Applicable Laws:
- (a) the Borrower and each Guarantor shall have granted new hypothecs in favour of the Agent and the Lenders on the universality of their respective assets for a principal amount of \$3,500,000,000 (plus an additional amount equal to 20% thereof) as security for the Secured Obligations, which hypothecs shall be in form and substance acceptable to the Agent, acting reasonably, and shall have been registered wheresoever required under Applicable Law;
  - (b) the Borrower shall have granted new hypothecs with delivery on securities in favour of the Agent and the Lenders for a principal amount of \$3,500,000,000 (plus an additional amount equal to 20% thereof) as security for the Secured Obligations, which hypothecs shall be in form and substance acceptable to the Agent, acting reasonably, and shall have been registered wheresoever required under Applicable Law;
  - (c) the Borrower and Vidéotron Infrastructures Inc. shall each have granted an amended and restated general security agreement in form and substance acceptable to the Agent, acting reasonably, and the security interests granted therein shall have been registered wheresoever required under Applicable Law; and
-



- (d) the Borrower shall have delivered to the Agent the favourable legal opinion(s) of the counsel to the Borrower and each Guarantor, addressed to the Lenders, the Agent and its counsel, in form and substance acceptable to the Agent and its counsel with regard to the enforceability, opposability and perfection of the hypothecs and amended and restated security agreements referred to in paragraphs (a), (b) and (c) of this Section 1.3;
- save and except that, given the amendments made to Section 2.4 of the Original Credit Agreement pursuant to this Agreement, the Conditions Precedent set forth in this Section 1.3 (as they relate solely to the hypothecs referred to in paragraphs (a) and (b) and the legal opinion relating to same) shall automatically be waived by the Lenders if all of the other Conditions Precedent set forth in this Article IV (including, for certainty, the conditions relating to the amended and restated general security agreements referred to in paragraph (c) of Section 1.3 and the legal opinion relating to same) have been met to the satisfaction of the Lenders (or waived by the Lenders, as applicable) and the Borrower has requested to proceed with the closing of the amendments contemplated in this Agreement notwithstanding the fact that such Conditions Precedent set forth in this Section 1.3 have not yet been satisfied;
- 1.4 the Borrower shall have delivered to the Agent the favourable legal opinion(s) of the counsel to the Borrower and each Guarantor, addressed to the Lenders, the Agent and its counsel, in form and substance acceptable to the Agent and its counsel, acting reasonably, including with regard to the enforceability of the Original Credit Agreement, as amended by this Agreement, and the continuing validity of all relevant Existing Security (as defined hereinafter);
- 1.5 the Borrower shall have delivered to the Agent customary movable/personal lien, corporate and insolvency searches in respect of the Borrower and each Guarantor, and the results of such searches shall reveal no Charges other than Permitted Charges;
- 1.6 the Borrower shall have paid to each of the Revolving Facility Lenders an upfront fee in the amount and in the manner as set forth in the letter sent to the Agent by the Borrower dated May 4, 2022;
- 1.7 the Borrower shall pay all fees and costs, including all legal fees associated with this Agreement incurred by the Agent as contemplated and restricted by the provisions of Section 12.14 of the Credit Agreement;
- 1.8 the Borrower shall have delivered to the Agent a certificate of an officer of the Borrower attesting as to certain factual matters, including, without limitation, the matters set forth in paragraphs 1.10 and 1.11 below;
-

- 1.9 the Borrower shall have delivered to the Lenders all documentation and other information required by regulatory authorities under applicable "know your customer", anti-money laundering rules and regulations and anti-corruption laws that has been reasonably requested by the Lenders;
- 1.10 the representations and warranties in Article III of this Agreement shall be true and correct in all material respects as of the date hereof; and
- 1.11 no Default or Event of Default shall have occurred and be continuing.

#### V. EXISTING LOAN OBLIGATIONS

1. Subject to paragraph 3 below, on the Amendment Effective Date, the Loan Obligations owing to HSBC Bank Canada (the "**Exiting Lender**") under the Original Credit Agreement will be paid in full, and the Agent will make such adjustments among the Revolving Facility Lenders as may be necessary to ensure that such payment is made and that Loan Obligations then outstanding be owing to the Lenders pro rata to their Commitments under the Revolving Facility. The provisions of Section 4.5 of the Credit Agreement (adapted accordingly) will apply to the funding then required from any Lender (including any Lender who was not party to the Existing Credit Agreement) whose Commitment percentage under the Revolving Facility has increased.
  2. After payment in full of all Loan Obligations owing to it under the Original Credit Agreement, the Exiting Lender will cease to be a lender and be released from its obligations under the Original Credit Agreement.
  3. Letters of Credit issued prior to the Amendment Effective Date under the Revolving Facility and still outstanding on the Amendment Effective Date (collectively, the "**Existing LCs**") will be allocated to the Revolving Facility Lenders under the Revolving Facility in the proportion of their Commitments under the Revolving Facility and the non-accrued portion of any LC Fee under such Existing LCs will be distributed among the Revolving Facility Lenders pro rata to their Commitments under the Revolving Facility. Any such allocation shall not result in the outstanding Loan Obligations of any Revolving Facility Lender exceeding such Revolving Facility Lender's Commitment under the Revolving Facility. Any Revolving Facility Lender whose Commitment under the Revolving Facility is reduced (including a reduction to zero for the Exiting Lender) on the Amendment Effective Date is released to the extent of such reduction from any liability in respect of such Existing LCs.
  4. The Agent is authorized to confirm to the Exiting Lender the above releases in their favour.
  5. The parties hereto acknowledge and agree that the Exiting Lender is a party to and is signing this agreement solely in its capacity as Exiting Lender (and for certainty, not as a Lender) and that as of the Amendment Effective Date, the Exiting Lender is released and forever discharged in full from all of its liabilities and obligations as a Lender. The parties hereto further acknowledge that (i) the Exiting Lender is no longer a Lender under this Agreement, but in accordance with Section 16.2 of the Credit Agreement, the Exiting Lender shall continue to be entitled to the benefits of Article 7 and Section 17.13 of the Credit Agreement with respect to facts and circumstances occurring prior to the Amendment Effective Date, and (ii) in accordance
-

with Section 18.9.2 of the Credit Agreement, the outstanding Derivative Obligations contracted by the Exiting Lender while it was a Lender under the Original Credit Agreement shall continue to be supported by the Security after the Amendment Effective Date.

#### VI. MISCELLANEOUS

1. On the Effective Date, the Original Credit Agreement shall be modified by the foregoing amendment. The parties hereto agree that the changes to the Original Credit Agreement set out herein and the execution hereof shall not constitute novation and all the Security granted prior to the Amendment Effective Date (the “Existing Security”) shall continue to apply to the Original Credit Agreement, as amended hereby, and all other obligations secured thereby.
  2. Each of the Borrower and Guarantors acknowledges, agrees and confirms that:
    - 2.1 it has taken cognizance of the provisions of this Agreement and is satisfied therewith;
    - 2.2 the Existing Security to which it is a party shall, except as expressly amended hereby, be unaffected by, and shall continue in full force and effect binding upon it in accordance with its terms, notwithstanding the modifications to the Original Credit Agreement contemplated by this Agreement. Without limiting the generality of the foregoing, each of the Borrower and Guarantors hereby further ratifies and confirms its obligations under the Existing Security to which it is a party;
    - 2.3 the Existing Security to which it is a party shall continue to guarantee or secure, as applicable, the Secured Obligations (as amended by this Agreement), notwithstanding the amendment of the Original Credit Agreement contemplated by this Agreement; and
    - 2.4 the amendment of the Original Credit Agreement pursuant to this Agreement shall not in any manner whatsoever reduce, impair or otherwise prejudice or change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive the rights of the Agent and the Lenders (or any one of them) arising under, by reason of or otherwise in respect of the Charges and other obligations constituted by the Existing Security to which it is a party.
  3. Without limiting the generality of the foregoing and to the extent necessary, (i) the Lenders and the Agent reserve all of their rights under each of the Security Documents, and (ii) each of the Borrower and the Guarantors obligates itself again in respect of all present and future obligations under, *inter alia*, the Credit Agreement.
  4. The Borrower shall cause its counsel to provide to the Agent, no later than 30 days following the execution and delivery of the Security contemplated in paragraph (a) of Section 1.3 of Article IV, Quebec land registry sub-search reports covering the immovable hypothecs granted pursuant to such Security, which report shall be in form and substance acceptable to the Agent, acting reasonably, it being understood that no request for New Commitments or a New
-

Facility may be made by the Borrower under Section 2.4 of the Credit Agreement unless such report has been received by the Agent.

5. All of the provisions of the Original Credit Agreement that are not amended hereby shall remain in full force and effect.

6. This Agreement may be signed in any number of counterparts, each of which shall be deemed to constitute an original, but all of the separate counterparts shall constitute one single document.

7. The words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided by Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the *Uniform Law Conference of Canada* or its *Uniform Electronic Evidence Act*, as the case may be.

8. This Agreement shall be governed by and construed in accordance with the Laws of the Province of Quebec.

9. The parties acknowledge that they have required that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. *Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement ou à la suite de la présente convention.*

**[Signature pages follow]**

---

FOURTH AMENDING AGREEMENT – SIGNATURE PAGE

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT ON THE DATE AND AT THE PLACE FIRST  
HEREINABOVE MENTIONED.

**VIDÉOTRON LTÉE**  
as Borrower

Per:  /s/ Hugues Simard

Per:  /s/ Jean-François Parent

---

**ROYAL BANK OF CANADA**  
as Agent

Per:           /s/ Helena Sadowski            
          Helena Sadowski  
          Manager, Agency

Per: \_\_\_\_\_



**ROYAL BANK OF CANADA**  
as Revolving Facility Lender

Per:           /s/ Pierre Bouffard            
          Pierre Bouffard  
          Authorized Signatory

Per: \_\_\_\_\_



**NATIONAL BANK OF CANADA**

as Revolving Facility Lender

Per: /s/ Luc Bernier  
Luc Bernier, Managing Director

Per: /s/ Bruno Lévesque  
Bruno Lévesque, Managing Director

---



**BANK OF AMERICA, N.A., Canada Branch**  
as Revolving Facility Lender

Per:           /s/ James K.G. Campbell            
          James K.G. Campbell  
          Director

Per: \_\_\_\_\_



**THE BANK OF NOVA SCOTIA**

as Revolving Facility Lender

Per: /s/ Lihor Abraham  
Lihor Abraham  
Director, Corporate Banking Quebec

Per: /s/ Gurpreet Sandhu  
Gurpreet Sandhu  
Associate, Corporate Banking Quebec

---

**THE TORONTO-DOMINION BANK**

as Revolving Facility Lender

Per: /s/ Mel Saklatvala  
Mel Saklatvala, Managing Director

Per: /s/ Serge Cloutier  
Serge Cloutier, Director





**FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC**  
as Revolving Facility Lender

Per: /s/ Catherine McCarthy  
Catherine McCarthy  
Director - Corporate Banking

Per: /s/ Jean-Francois Benoit  
Jean-Francois Benoit  
Director - Corporate Banking

---

**CANADIAN IMPERIAL BANK OF COMMERCE**

as Revolving Facility Lender

Per: /s/ Annisa Rabia Zeribi  
Annisa Rabia Zeribi  
Managing Director

Per: /s/ Charles St-Germain  
Charles St-Germain  
Managing Director

---



**LAURENTIAN BANK OF CANADA**

as Revolving Facility Lender

Per: /s/ Geoffrey Ottinger  
Geoffrey Ottinger,  
Senior Portfolio Manager Syndication

Per: /s/ Johanna Londono  
Johanna Londono,  
Managing Director and Head, Syndication

---



**MUFG BANK, LTD., CANADA BRANCH**

as Revolving Facility Lender

Per:  /s/ Philippe Boivin  
Name: Philippe Boivin  
Title: Managing Director

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

---

**CITIBANK, N.A., Canadian Branch**  
as Revolving Facility Lender

Per: /s/ Azita Taravati  
Name: Azita Taravati  
Title: Authorized Signatory

Per: \_\_\_\_\_



**HSBC BANK CANADA**

as Exiting Lender

Per:       /s/ Jossia Belisle        
Name: Jossia Belisle  
Title: Director

Per:       /s/ Gerardo Ganem        
Name: Gerardo Ganem  
Title: Vice President

---

FOURTH AMENDING AGREEMENT – SIGNATURE PAGE

**TÉLÉDISTRIBUTION AMOS INC.**  
as Guarantor

**9293-6707 QUÉBEC INC.**  
as Guarantor

Per:  /s/ Hugues Simard

Per:  /s/ Hugues Simard

Per:  /s/ Jean-François Parent

Per:  /s/ Jean-François Parent

**VIDÉOTRON INFRASTRUCTURES INC.**  
as Guarantor

**MOBILE & INTERNET FIZZ INC.**  
as Guarantor

Per:  /s/ Hugues Simard

Per:  /s/ Hugues Simard

Per:  /s/ Jean-François Parent

Per:  /s/ Jean-François Parent

---

FOURTH AMENDING AGREEMENT – SIGNATURE PAGE

Each of the undersigned (i) acknowledges having taken cognizance of the provisions of the foregoing Fourth Amending Agreement (ii) confirms that the Guarantee granted by it in favour of the Agent and the Lenders as guarantee for the Secured Obligations shall continue in full force and effect binding upon it in accordance with its terms, notwithstanding the modifications to the Original Credit Agreement contemplated by this Agreement, (iii) ratifies and confirms its obligations under such Guarantee and (iv) confirms that such Guarantee shall continue to guarantee the Secured Obligations (as amended by this Agreement), notwithstanding the amendment of the Original Credit Agreement contemplated by this Agreement.

**9176-6857 QUÉBEC INC.**

**CABLOVISION WARWICK INC.**

Per:  /s/ Hugues Simard

Per:  /s/ Hugues Simard

Per:  /s/ Jean-François Parent

Per:  /s/ Jean-François Parent

---

**EXHIBIT "A"**

**AMENDED CREDIT AGREEMENT**

(see attached)

---

the First Amending Agreement dated as of June 24, 2016, Second Amending Agreement dated as of January 3, 2018 Third Amending Agreement dated as of November 26, 2018

**VIDÉOTRON LTÉE, as Borrower**

-and-

**RBC DOMINION SECURITIES INC.**, as Co-Lead Arranger and Joint Bookrunner  
**NATIONAL BANK OF CANADA**, as Co-Lead Arranger and Joint Bookrunner  
**TD SECURITIES**, as Co-Lead Arranger and Joint Bookrunner

-and-

**BANK OF AMERICA, N.A., CANADA BRANCH**  
~~**THE TORONTO DOMINION BANK**~~

**BMO CAPITAL MARKETS**  
**CANADIAN IMPERIAL BANK OF COMMERCE**  
**FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC**  
**THE BANK OF NOVA SCOTIA**  
~~**CAISSE CENTRALE DESJARDINS**~~  
~~**BMO CAPITAL MARKETS**~~

as Co-Arrangers

-and-

**NATIONAL BANK OF CANADA**  
**TD SECURITIES**  
as Syndication Agent

-and-

**THE BANK OF NOVA SCOTIA**  
as Documentation Agent

-and-

**THE FINANCIAL INSTITUTIONS NAMED  
ON THE SIGNATURE PAGES HERETO**

as Lenders

**ROYAL BANK OF CANADA**, as Administrative Agent  
-and-  
**HSBC BANK PLC**, as Finnvera Facility Agent

---

**CREDIT AGREEMENT** originally dated as of November 28, 2000, as Amended and Restated as of July 20, 2011, as amended by a First Amending Agreement dated as of June 14, 2013, a Second Amending Agreement dated as of January 28, 2015, and as Amended and Restated by a

---

Third Amending Agreement dated as of June 16, 2015, as thereafter amended by a first amending agreement dated as of June 24, 2016, a second amending agreement dated as of January 3, 2018, a third amending agreement dated as of November 26, 2018 and a fourth amending agreement dated as of May 20, 2022

1000 De La Gauchetière Blvd. West		Scotia Plaza
Suite 900		40 King Street West, Suite 4400
Montreal (Quebec) H3B 5H4		Toronto, Ontario, Canada M5H 3Y4
Telephone: 514 954 2522	Fax: 514 954 1905	Telephone: 416 367 6332

---



## TABLE OF CONTENTS

1.	INTERPRETATION	<u>21</u>
1.1	Definitions	<u>21</u>
1.2	Interpretation	<u>35</u>
1.3	Currency	<u>35</u>
1.4	Generally Accepted Accounting Principles	35
1.5	Division and Titles	<u>36</u>
1.6	<del>Termination of LIBOR Rates</del>	<u>36</u>
2.	THE CREDIT	36
2.1	Credit Facilities	36
2.2	The Revolving Facility <del>and the Unsecured Facility</del>	<u>37</u>
<del>2.3</del>	<del>The Unsecured Facility Generally, and Transfers of Credit and Commitments in Certain Circumstances</del>	<del>37</del>
<u>2.3</u>	<u>Intentionally deleted.</u>	<u>36</u>
2.4	Incremental Commitments and Facilities	<u>38</u>
2.5	Extension of Term - Revolving <del>and Unsecured Facilities</del>	<u>40</u> <u>Facility 38</u>
2.6	Finnvera Term Facility	<u>41</u> <u>39</u>
3.	PURPOSE	<u>41</u> <u>39</u>
3.1	Purpose of the Advances	<u>41</u> <u>39</u>
4.	ADVANCES, CONVERSIONS AND OPERATION OF ACCOUNTS	<u>41</u> <u>39</u>
4.1	Notice of Borrowing - Direct Advances	<u>41</u> <u>0</u>
4.2	Letters of Credit	<u>41</u> <u>0</u>
4.3	Swing Line Advances	<u>45</u> <u>4</u>
4.4	Operation of Accounts	<u>47</u> <u>6</u>
4.5	Apportionment of Advances	<u>48</u> <u>6</u>
4.6	Limitations on Advances	<u>48</u> <u>6</u>
4.7	Notices Irrevocable	<u>48</u> <u>6</u>
4.8	Limits on BA Advances and Letters of Credit	<u>48</u> <u>6</u>
4.9	Excess Resulting From Exchange Rate Change	<u>48</u> <u>7</u>
<del>4.10</del>	<del>Advances and Repayments—Revolving Facility and Unsecured Facility</del>	<del>49</del>
<u>4.10</u>	<u>Intentionally deleted.</u>	<u>48</u>
4.11	<del>Libor</del> <u>Term SOFR</u> Advances and Conversions	<u>49</u> <u>8</u>
5.	INTEREST AND FEES	<u>50</u> <u>48</u>
5.1	Interest on the Prime Rate Basis and the US Base Rate Basis	<u>50</u> <u>48</u>
5.2	Payment of Interest on the Prime Rate Basis and the US Base Rate Basis	<u>50</u> <u>48</u>

---

5.3	Interest on the <del>Libor</del> <u>Term SOFR</u> Basis	<del>50</del> <u>49</u>
5.4	Payment of Interest on the <del>Libor</del> <u>Term SOFR</u> Basis	<del>50</del> <u>49</u>
5.5	Fixing of <del>LIBOR</del>	<del>51</del> <u>Term SOFR 49</u>
5.6	Derivative Obligations	<del>51</del> <u>49</u>
5.7	Interest on the Loan Obligations	<del>51</del> <u>49</u>
5.8	Arrears of Interest	<del>51</del> <u>0</u>
5.9	Maximum Interest Rate	<del>51</del> <u>0</u>
5.10	Fees	<del>52</del> <u>0</u>
5.11	Interest Act	<del>51</del> <u>1</u>
<u>5.12</u>	<u>Term SOFR Conforming Changes</u>	<u>51</u>
<u>5.13</u>	<u>Inability to Determine Rates (Term SOFR)</u>	<u>51</u>
6.	BANKERS' ACCEPTANCES	<del>52</del> <u>4</u>
6.1	Advances by Bankers' Acceptances and Conversions into Bankers' Acceptances	<del>53</del> <u>4</u>
6.2	Acceptance Procedure	<del>54</del> <u>5</u>
6.3	Purchase of Bankers' Acceptances and Discount Notes	<del>55</del> <u>6</u>
6.4	Maturity Date of Bankers' Acceptances	<del>55</del> <u>7</u>
6.5	Deemed Conversions on the Maturity Date	<del>56</del> <u>7</u>
6.6	Conversion and Extension Mechanism	<del>56</del> <u>7</u>
6.7	Prepayment of Bankers' Acceptances	<del>56</del> <u>8</u>
6.8	Apportionment Amongst the Lenders	<del>57</del> <u>8</u>
6.9	Cash Deposits	<del>57</del> <u>8</u>
6.10	Days of Grace	<del>57</del> <u>8</u>
6.11	Obligations Absolute	<del>57</del> <u>9</u>
6.12	Depository Bills and Notes Act	<del>58</del> <u>9</u>
<del>6.13</del>	<del>Advances and Repayments — Revolving Facility and Unsecured Facility</del>	<del>58</del>
<u>6.13</u>	<u>Intentionally deleted.</u>	<u>59</u>
<u>6.14</u>	<u>Inability to Determine Rates (CDOR)</u>	<u>59</u>
7.	ILLEGALITY, INCREASED COSTS, INDEMNIFICATION AND MARKET DISRUPTIONS	<del>58</del> <u>61</u>
7.1	Illegality	<del>58</del> <u>61</u>
7.2	Increased Costs	<del>59</del> <u>62</u>
7.3	Taxes	<del>60</del> <u>3</u>
7.4	Breakage Costs, Failure to Borrow or Repay After Notice	<del>62</del> <u>5</u>
7.5	Mitigation Obligations: Replacement of Lenders.	<del>63</del> <u>6</u>
7.6	Market Disruption	<del>64</del> <u>7</u>

---

8.	PAYMENT, REPAYMENT AND PREPAYMENT	<u>658</u>
8.1	Repayment of the Loan Obligations	<u>658</u>
8.2	Voluntary Repayment and Prepayment of the Loan Obligations or Cancellation of the Credit	<u>669</u>
8.3	Cash Collateralization of BA Advances and Payment of Losses Resulting From a Prepayment	<u>669</u>
8.4	Currency of Payments	<u>669</u>
8.5	Payments by the Borrower to the Agent	<u>670</u>
8.6	Payment on a Business Day	<u>670</u>
8.7	Payments by the Lenders to the Agent	<u>670</u>
8.8	Payments by the Agent to the Borrower	<u>670</u>
8.9	Netting	<u>670</u>
8.10	Application of Payments	<u>670</u>
8.11	No Set-Off or Counterclaim by Borrower	<u>6871</u>
8.12	Debit Authorization	<u>6871</u>
9.	SECURITY	<u>6871</u>
9.1	Security for Advances	<u>6871</u>
9.2	ECA Guarantee	<u>703</u>
9.3	Guarantors – Exception	<u>703</u>
9.4	Release of Security in Certain Circumstances	<u>713</u>
	<del>9.5 Limitation on Aggregate Principal Amount of Loan Obligations Secured by the Security Documents</del>	<del>71</del>
	<u>9.5 Intentionally deleted.</u>	<u>74</u>
10.	CONDITIONS PRECEDENT	<u>744</u>
10.1	Initial Advance Under the Revolving Facility After the Closing Date	<u>744</u>
10.2	Conditions Precedent to any Advance	<u>725</u>
10.3	Waiver of Conditions Precedent	<u>735</u>
11.	REPRESENTATIONS AND WARRANTIES	<u>735</u>
11.1	Incorporation	<u>736</u>
11.2	Authorization	<u>736</u>
11.3	Compliance with Applicable Law and Contracts	<u>746</u>
11.4	Core Business	<u>746</u>
11.5	Financial Statements	<u>747</u>
11.6	Contingent Liabilities and Indebtedness	<u>747</u>

---

11.7	Title to Assets	<u>747</u>
11.8	Litigation	<u>757</u>
11.9	Taxes	<u>758</u>
11.10	Insurance	<u>758</u>
11.11	No Adverse Change	<u>758</u>
11.12	Regulatory Approvals	<u>758</u>
11.13	Compliance with Applicable Law and Licences	<u>768</u>
11.14	Pension and Employment Liabilities	<u>768</u>
11.15	Priority	<u>768</u>
11.16	Complete and Accurate Information	<u>769</u>
11.17	Share Capital	<u>769</u>
11.18	Absence of Default	<u>769</u>
11.19	Agreements with Third Parties	<u>769</u>
11.20	Anti-Terrorism <del>and</del> Money Laundering Laws <u>and Sanctions</u>	<u>779</u>
11.21	Environment	<u>7780</u>
11.22	Survival of Representations and Warranties	<u>781</u>
12.	COVENANTS	<u>781</u>
12.1	Preservation of Juridical Personality	<u>781</u>
12.2	Preservation of Licences	<u>781</u>
12.3	Compliance with Applicable Laws	<u>782</u>
12.4	Maintenance of Assets	<u>7982</u>
12.5	Business	<u>7982</u>
12.6	Insurance	<u>7982</u>
12.7	Payment of Taxes and Duties	<u>7982</u>
12.8	Access and Inspection	<u>7982</u>
12.9	Maintenance of Account	<u>803</u>
12.10	Performance of Obligations	<u>803</u>
12.11	Maintenance of Ratios	<u>803</u>
12.12	Ownership by the Borrower and Guarantors	<u>803</u>
12.13	Maintenance of Security	<u>804</u>
12.14	Payment of Legal Fees and Other Expenses	<u>814</u>
12.15	Financial Reporting	<u>814</u>
12.16	Notice of Certain Events	<u>847</u>
12.17	Accuracy of Reports	<u>847</u>

---

13.	NEGATIVE COVENANTS	<a href="#">847</a>
13.1	Liquidation and Amalgamation	<a href="#">848</a>
13.2	Charges	<a href="#">858</a>
13.3	Asset Dispositions	<a href="#">858</a>
13.4	Preservation of Capital	<a href="#">862</a>
13.5	Restrictions on Subsidiaries	<a href="#">862</a>
13.6	Acquisitions	<a href="#">8690</a>
13.7	Debt and Guarantees	<a href="#">8790</a>
13.8	Financial Assistance by the VL Group	<a href="#">8891</a>
13.9	Subordinated Debt	<a href="#">8891</a>
13.10	Members of the VL Group, Related Party Transactions	<a href="#">892</a>
13.11	Derivative Instruments	<a href="#">892</a>
13.12	Anti-Terrorism Laws	<a href="#">892</a>
14.	EVENTS OF DEFAULT AND REALIZATION	<a href="#">893</a>
14.1	Event of Default	<a href="#">893</a>
14.2	Remedies	<a href="#">925</a>
14.3	Bankruptcy and Insolvency	<a href="#">925</a>
14.4	Notice	<a href="#">936</a>
14.5	Costs	<a href="#">936</a>
14.6	Relations with the Borrower	<a href="#">936</a>
14.7	Application of Proceeds	<a href="#">936</a>
15.	JUDGMENT CURRENCY	<a href="#">937</a>
15.1	Rules of Conversion	<a href="#">937</a>
15.2	Determination of an Equivalent Currency	<a href="#">947</a>
16.	ASSIGNMENT	<a href="#">948</a>
16.1	Assignment by the Borrower	<a href="#">958</a>
16.2	Assignments and Transfers by the Lenders	<a href="#">958</a>
16.3	Register	<a href="#">97100</a>
16.4	Electronic Execution of Assignments	<a href="#">97100</a>
16.5	Participations	<a href="#">97100</a>
16.6	Limitations Upon Participant Rights	<a href="#">98101</a>
16.7	Certain Pledges and Special Provisions	<a href="#">98101</a>
17.	MISCELLANEOUS	<a href="#">98101</a>
17.1	Notices	<a href="#">98101</a>
17.2	Amendment and Waiver	<a href="#">99102</a>

---

17.3	Determinations Final	<u>99</u> <u>102</u>
17.4	Entire Agreement	<u>99</u> <u>102</u>
17.5	Indemnification and Compensation	<u>99</u> <u>102</u>
17.6	Benefit of Agreement	<u>10</u> <u>03</u>
17.7	Counterparts	<u>10</u> <u>03</u>
17.8	Applicable Law	<u>10</u> <u>03</u>
17.9	Severability	<u>10</u> <u>03</u>
17.10	Further Assurances	<u>10</u> <u>03</u>
17.11	Good Faith and Fair Consideration	<u>10</u> <u>44</u>
17.12	Responsibility of the Lenders	<u>10</u> <u>44</u>
17.13	Indemnity	<u>10</u> <u>44</u>
17.14	Language	<u>10</u> <u>45</u>
17.15	Anti-Terrorism Legislation	<u>10</u> <u>25</u>
<u>17.16</u>	<u>Electronic Signatures.</u>	<u>105</u>
<u>17.17</u>	<u>Acknowledgement Regarding Any Supported QFCs.</u>	<u>105</u>
18.	THE AGENT AND THE LENDERS	<u>1027</u>
18.1	Authorization of Agent	<u>1027</u>
18.2	Agent's Responsibility	<u>1038</u>
18.3	Rights of Agent as Lender	<u>1049</u>
18.4	Indemnity	<u>1049</u>
18.5	Notice by Agent to Lenders	<u>1059</u>
18.6	Protection of Agent	<u>1059</u>
18.7	Notice by Lenders to Agent	<u>1106</u>
18.8	Sharing Among the Lenders	<u>10611</u>
18.9	Derivative Obligations	<u>10811</u>
18.10	Procedure with respect to Advances	<u>10913</u>
18.11	Accounts kept by each Lender	<u>10913</u>
18.12	Binding Determinations	<u>1103</u>
18.13	Amendment of Article 18	<u>1104</u>
18.14	Decisions, Amendments and Waivers of the Lenders	<u>1104</u>
18.15	Authorized Waivers, Variations and Omissions	<u>1104</u>
18.16	Provisions for the Benefit of Lenders Only <del>Power of Attorney</del> <u>Hypothecary Representative</u> for Quebec Purposes	<u>1146</u>
18.17	Defaulting Lenders	<u>1126</u>
18.18	Provisions for the Benefit of Lenders Only	<u>1137</u>
18.19	Resignation of Agent	<u>1138</u>

---

18.20	No Novation	1148
<u>18.21</u>	<u>Erroneous Payments</u>	<u>118</u>
19.	CERTAIN PROVISIONS RELATING TO THE FINNVERA TERM FACILITY	11422
19.1	Application of Article 18	11422
19.2	Notice by Agent to the Finnvera Facility Agent	11422
19.3	Confirmation of Sharing	11422
20.	FORMAL DATE	11422
20.1	Formal Date	1122

Schedule "A" - LIST OF LENDERS AND COMMITMENTS 2

Schedule "B"- NOTICE OF BORROWING AND CERTIFICATE 4

~~SCHEDULE "A" - LIST OF LENDERS AND COMMITMENTS~~  
~~SCHEDULE "B" - NOTICE OF BORROWING AND CERTIFICATE~~  
~~SCHEDULE "B 1" - NOTICE OF REPAYMENTS~~  
~~SCHEDULE "B 2" - NOTICE OF CONVERSION OF COMMITMENTS~~  
~~SCHEDULE "C" - ASSIGNMENT AND ASSUMPTIONS~~  
~~SCHEDULE "C-1" - LOAN MARKET DATA TEMPLATES~~  
~~SCHEDULE "D" - FORM OF GUARANTEES~~  
~~SCHEDULE "E" - FORM OF SHARE PLEDGES~~  
~~SCHEDULE "F" - OFFICER'S CERTIFICATE~~  
~~SCHEDULE "G" - INTENTIONALLY DELETED~~  
~~SCHEDULE "H" - EXISTING DEBT FROM ADDITIONAL OFFERINGS, AT THE CLOSING DATE~~  
~~SCHEDULE "I" - PROPERTY OF THE VL GROUP~~  
~~SCHEDULE "J" - OFFICER'S COMPLIANCE CERTIFICATE~~  
~~SCHEDULE "K" - INTENTIONALLY DELETED~~  
~~SCHEDULE "L" - GUARANTORS AND MEMBERS OF THE VL GROUP AS AT THE THIRD AMENDMENT CLOSING DATE~~  
~~SCHEDULE "M" - INTENTIONALLY DELETED~~  
~~SCHEDULE "N" - FORM OF SUBORDINATION AGREEMENT FOR BACK-TO-BACK SECURITIES~~  
~~SCHEDULE "O" - JOINDER AGREEMENTS~~  
~~SCHEDULE "P" - FINNVERA TERM FACILITY~~

Schedule "B-1"- NOTICE OF REPAYMENT 5

Schedule "C"- ASSIGNMENT AND ASSUMPTION 7

Schedule "C-1"- - LOAN MARKET DATA TEMPLATE 12

<u>Schedule “D” – FORM OF GUARANTEE</u>	<u>13</u>
<u>Schedule “E” – FORM OF SHARE PLEDGE</u>	<u>22</u>
<u>Schedule “F” - OFFICER'S CERTIFICATE</u>	<u>30</u>
<u>Schedule “G” - INTENTIONALLY DELETED</u>	<u>31</u>
<u>Schedule “H” – EXISTING DEBT FROM ADDITIONAL OFFERINGS, AT THE CLOSING DATE</u>	<u>32</u>
<u>Schedule “I” – PROPERTY OF THE VL GROUP</u>	<u>33</u>
<u>Schedule “J” - OFFICER'S COMPLIANCE CERTIFICATE</u>	<u>50</u>
<u>Schedule “K” - INTENTIONALLY DELETED</u>	<u>54</u>
<u>Schedule “L” - GUARANTORS AND MEMBERS OF THE VL GROUP AS AT THE Fourth AMENDMENT CLOSING DATE</u>	<u>55</u>
<u>Schedule “M” – INTENTIONALLY DELETED</u>	<u>56</u>
<u>Schedule “N” – FORM OF SUBORDINATION AGREEMENT FOR BACK-TO-BACK SECURITIES</u>	<u>1</u>
<u>Schedule “O” – JOINDER AGREEMENT</u>	<u>1</u>
<u>Schedule “P” – FINNVERA TERM FACILITY</u>	<u>1</u>

---



**AMENDED AND RESTATED CREDIT AGREEMENT** originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, entered into in the City of Montreal, Province of Quebec, as amended by a First Amending Agreement dated as of June 14, 2013, a Second Amending Agreement dated as of January 28, 2015, and as amended and restated by a Third Amending Agreement dated as of June 16, 2015, [as thereafter amended by a first amending agreement dated as of June 24, 2016, a second amending agreement dated as of January 3, 2018, a third amending agreement dated as of November 26, 2018 and a fourth amending agreement dated as of May 20, 2022](#)

**AMONG:** **VIDÉOTRON LTÉE**, a company constituted in accordance with the laws of Quebec, having its registered office at 612 St-Jacques Street, 18<sup>th</sup> floor, in the City of Montreal, Province of Quebec (hereinafter called the “**Borrower**”)

**AND:** **THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGE HEREOF OR FROM TIME TO TIME PARTIES HERETO** (hereinafter called the “**Lenders**”)

**AND:** **ROYAL BANK OF CANADA, AS ADMINISTRATIVE AGENT FOR THE LENDERS**, a Canadian bank, having a place of business at 20 King Street West, 4th Floor, Toronto, Province of Ontario, M5H 1C4 (hereinafter called the “**Agent**”)

**AND:** **HSBC BANK PLC, AS FINNVERA FACILITY AGENT**, a bank governed by the laws of England and Wales, having a place of business at 8 Canada Square, Canary Wharf, London, UK, E14 5HQ (hereinafter called the “**Finnvera Facility Agent**”)

WHEREAS the Borrower wishes to borrow certain amounts from the Lenders and the Lenders have agreed to lend such amounts to the Borrower, subject to and in accordance with the provisions hereof;

NOW THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

**1. INTERPRETATION**

**1.1 Definitions**

The following words and expressions, when used in this Agreement or in any agreement supplementary hereto, unless the contrary is stipulated, have the following meaning:

1.1.1 “**Acquisition**” means, with respect to any Person, any transaction or series of related transactions whereby such Person acquires, directly or indirectly,

---

(a) a business, division, or all or a substantial portion of the assets of any other Person; (b) any Investment; or (c) by way of reorganization, consolidation, amalgamation, winding-up, merger, transfer, sale, lease or other combination, the assets or shares of any other Person; and “Acquire” and “Acquired” have meanings correlative thereto.

1.1.2 “Additional Offering” means an Offering of unsecured Debt incurred or issued by the Borrower having, at the time of incurrence of any such Debt, a maturity date (meaning the ultimate maturity date on which repayment can be required by the lender, not the date of any initial maturity leading to an automatic conversion or replacement into different Debt, or Equity Interests) expiring after the expiry of the Term of the Revolving Facility, the terms and conditions of which Offering (including any automatic conversion or replacement as aforesaid and excluding, for greater certainty, (a) pricing, and (b) the right to require a replacement via an unsecured term loan or an offering of unsecured high yield Debt in an amount equal to the Additional Offering being replaced (“AO Replacement Debt”)) are no more favourable to the Persons providing such Debt, in all material respects, than the provisions hereof applicable to the Revolving Facility; for greater certainty, for the purposes of paragraph (f) of Section 13.7, any such AO Replacement Debt will not be considered a new incurrence of Debt.

1.1.3 “Adjusted Consolidated” means produced by commencing with the consolidated financial statements or accounts of the Borrower and subtracting the assets, Debt, EBITDA and other results of any Subsidiary of the Borrower that is not a member of the VL Group, all as otherwise determined in accordance with GAAP.

1.1.4 “Administrative Questionnaire” means an administrative questionnaire in the form provided by the Agent from time to time.

1.1.5 “Advance” means any advance by a Lender under this Agreement, including, with respect to (a) the Revolving Facility, direct Advances by way of Prime Rate Advances, Swing Line Advances, US Base Rate Advances and ~~Libor Advances, and indirect Advances by way of BA Advances and the issuance of Letters of Credit,~~ (b) ~~the Unsecured Facility, direct Advances by way of Prime Rate Advances, US Base Rate Advances and Libor~~ Term SOFR Advances, and indirect Advances by way of BA Advances and the issuance of Letters of Credit, and (e**b**) the Finnvera Term Facility, the “Tranche A CDOR Advances” as defined in Schedule “P”.

1.1.6 “Affected Lender” has the meaning ascribed to it in Section 18.15.

1.1.7 “Affiliate” has the meaning ascribed thereto in the Canada Business Corporations Act.

1.1.8 “Agency Branch” means the branch of the Agent located at Royal Bank Plaza, South Tower, 12th Floor, in the City of Toronto, Province of Ontario, M5J

---

2W7, or such other address in Canada of which the Agent may notify the Borrower from time to time.

1.1.9 “**Agent**” means Royal Bank of Canada in its capacity as agent for all of the Lenders under the Revolving Facility and the Unsecured Facility, and as collateral agent for all of the Lenders ~~(provided that the Agent will act as collateral agent on behalf of the Unsecured Facility Lenders solely in connection with all Guarantees, since the Unsecured Facility Lenders do not benefit from the Security other than the Guarantees)~~, and “**Agents**” means the Agent together with the Finnvera Facility Agent.

1.1.10 “**Agreement**”, “**Credit Agreement**”, “**these presents**”, “**herein**”, “**hereby**”, “**hereunder**” and other similar expressions refer collectively to this Amended and Restated Credit Agreement and the Schedules and appendices hereto as same may be amended or amended and restated from time to time, and include any deed or document which is supplementary or accessory or which is made in order to complete this Agreement, as all of same may subsequently be amended, amended and restated, modified, supplemented or replaced from time to time.

1.1.11 “**Annual Business Plan**” means, for any financial year, (a) detailed projected balance sheets, income statements, statements of cash flows and Capital Expenditures budgets of the Borrower, prepared on a consolidated basis, in respect of such financial year and each financial quarter therein and in respect of, and as at the last day of, each of the next two following financial years, in each case supported by appropriate explanations, notes and information and commentary, and (b) a detailed narrative of the businesses of the Borrower for the financial year then ended and for the following financial year which shall include a management discussion and analysis, in sufficient detail, all as approved by the board of directors of the Borrower.

1.1.12 “**Applicable Law**” or “**Applicable Laws**” means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person.

~~1.1.13 “**Applicable Percentage**” means, with respect to any Lender, the Secured Applicable Percentage or the Unsecured Applicable Percentage, as the case may be.~~

1.1.13

~~1.1.14~~ “**Approved Fund**” means any Person (other than a natural Person) that (a) is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its

---

business, and (b) is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

1.1.14 ~~1.1.15~~ “**Asset Disposition**” means the sale, lease, transfer, assignment or other disposition or alienation of any of the property (including Equity Interests) of any member of the Relevant Group.

1.1.15 ~~1.1.16~~ “**Assignment**” means an assignment of all or a portion of a Revolving Facility Lender's ~~or an Unsecured Facility Lender's~~ rights and obligations under this Agreement in accordance with Section 16.2, and “**Assignee**” means an Eligible Assignee who has entered into an Assignment and Assumption Agreement.

1.1.16 ~~1.1.17~~ “**Assignment and Assumption Agreement**” means an agreement substantially in the form annexed hereto as Schedule “C”.

1.1.17 ~~1.1.18~~ “**Associate**” has the meaning ascribed thereto in the Canada Business Corporations Act.

1.1.18 ~~1.1.19~~ “**BA Advance**” means at any time the part of the Advances under the Revolving ~~Facility or the Unsecured~~ Facility which the Borrower has chosen to borrow by Bankers' Acceptances, calculated based on the face amount of such Bankers' Acceptances.

1.1.19 ~~1.1.20~~ “**BA Proceeds**” means, (a) for any Bankers' Acceptance issued hereunder, an amount calculated on the applicable Acceptance Date (as defined in subsection 6.1.1) by multiplying: i) the face amount of the Bankers' Acceptance by ii) the following fraction:

$$\frac{1}{1 + (\text{Bankers' Acceptance Discount Rate} \times \text{Designated Period (in days)} \div 365)},$$

with such fraction being rounded up or down to the fifth decimal place and .00005 being rounded up; and (b) with respect to Assignees that are not banks or that do not accept Bankers' Acceptances, the face amount of Discount Notes issued to them, less a discount established in the same manner as provided in (a) above (with references to “Bankers' Acceptances” being replaced by references to “Discount Notes”).

1.1.20 ~~1.1.21~~ “**BA Schedule I Reference Lender**” means Royal Bank of Canada or such other Lender which is a Schedule I bank under the *Bank Act* (Canada) appointed by the Agent with the consent of the Borrower in replacement of the said Lender.

1.1.21 ~~1.1.22~~ “**BA Schedule II Reference Lenders**” means Bank of America, N.A. Canada Branch and Caisse centrale Desjardins, or such other Lenders which are Schedule II or Schedule III banks under the *Bank Act* (Canada) appointed by the Agent with the consent of the Borrower in replacement of such Lenders.

---

1.1.22

~~1.1.23~~ **“Back-to-Back Debt”** means any loans made or debt instruments issued as part of a Back-to-Back Transaction and in which each party to such Back-to-Back Transaction, other than the Borrower or a Guarantor, executes a subordination agreement in favour of the Agent in substantially the form attached hereto as Schedule “N”

1.1.23

~~1.1.24~~ **“Back-to-Back Preferred Shares”** means preferred shares issued:

- (a) to a member of the Relevant Group by an Affiliate of the Borrower in circumstances where, immediately prior to the issuance of such preferred shares, an Affiliate of such member of the Relevant Group has loaned on an unsecured basis to such member of the Relevant Group, or an Affiliate of such member of the Relevant Group has subscribed for preferred shares of such member of the Relevant Group in an amount equal to, the requisite subscription price for such preferred shares;
- (b) by a member of the Relevant Group to one of its Affiliates in circumstances where, immediately prior to or immediately after, as the case may be, the issuance of such preferred shares, such member of the Relevant Group has loaned an amount equal to the proceeds of such issuance to an Affiliate on an unsecured basis; or
- (c) by a member of the Relevant Group to one of its Affiliates in circumstances where, immediately after the issuance of such preferred shares, such member of the Relevant Group has used all of the proceeds of such issuance to subscribe for preferred shares issued by an Affiliate;

in each case on terms whereby:

- (i) the aggregate redemption amount applicable to the preferred shares issued to or by such member of the Relevant Group is identical:
    - (A) in the case of (a) above, to the principal amount of the loan made or the aggregate redemption amount of the preferred shares subscribed for by such Affiliate prior to the issuance thereof;
    - (B) in the case of (b) above, to the principal amount of the loan made to such Affiliate with the proceeds of the issuance thereof; or
    - (C) in the case of (c) above, to the aggregate redemption amount of the preferred shares issued by such Affiliate with the proceeds of the issuance thereof;
  - (ii) the dividend payment date applicable to the preferred shares issued to or by such member of the Relevant Group will:
    - (A) in the case of (a) above, be immediately prior to the interest payment date relevant to the loan made or the dividend
-

payment date on the preferred shares subscribed for by such Affiliate immediately prior to the issuance thereof;

(B) in the case of (b) above, be immediately after the interest payment date relevant to the loan made to such Affiliate with the proceeds of the issuance thereof; or

(C) in the case of (c) above, be immediately after the dividend payment date on the preferred shares issued by such Affiliate with the proceeds of the issuance thereof;

(iii) the amount of dividends provided for on any payment date in the share conditions attaching to the preferred shares issued:

(A) to a member of the Relevant Group in the case of (a) above, will be equal to or in excess of the amount of interest payable in respect of the loan made or the amount of dividends provided for in respect of the preferred shares subscribed for by such Affiliate prior to the issuance thereof;

(B) by a member of the Relevant Group in the case of (b) above, will be equal to or less than the amount of interest payable in respect of the loan made to such Affiliate with the proceeds of the issuance thereof; or

(C) by a member of the Relevant Group in the case of (c) above, will be equal to the amount of dividends in respect of the preferred shares issued by such Affiliate with the proceeds of the issuance thereof.

Provided, for greater certainty, that in all cases, (I) the redemption of any preferred shares by a member of the Relevant Group, (II) the repayment of any Back-to-Back Debt by a member of the Relevant Group, (III) the payment of any dividends by a member of the Relevant Group in respect of its preferred shares, and (IV) the payment of any interest on Back-to-Back Debt of a member of the Relevant Group, may, in each case, be made by a member of the Relevant Group solely by delivering the relevant Back-to-Back Securities to the Affiliate in question, or by paying to the Affiliate an amount in cash not in excess of the amount already received in cash from such Affiliate. Notwithstanding the foregoing, the requirement set out above with respect to the timing and order of events or to the effect that certain amounts stipulated in (ii) and (iii) above must be equal to or not in excess of or not less than certain other amounts stipulated thereunder shall not apply to Back-to-Back Transactions between members of the Relevant Group provided the exchange of payments relating to such transactions are completed on the same day absent administrative, technical or technological constraints.

1.1.24

~~1.1.25~~ “**Back-to-Back Securities**” means the Back-to-Back Preferred Shares or the Back-to-Back Debt or both, as the context requires.

---

1.1.25 ~~1.1.26~~ “**Back-to-Back Transactions**” means any of the transactions described under the definition of Back-to-Back Preferred Shares.

1.1.26 ~~1.1.27~~ “**Bankers' Acceptance**” means a non-interest bearing draft or bill of exchange in Canadian Dollars drawn and endorsed by the Borrower and accepted by a Lender in accordance with the provisions of Article 6, and includes a Discount Note where the context permits. In cases where the Lenders elect to use a clearing house as contemplated by the Depository Bills and Notes Act (S.C. 1998 c. 13) (the “Act”), “**Bankers' Acceptance**” shall mean a depository bill (as defined in the Act) in Canadian Dollars signed by the Borrower and accepted by a Lender. Drafts or bills of exchange that become depository bills may nevertheless be referred to herein as “drafts”.

1.1.27 ~~1.1.28~~ “**Bankers' Acceptance Discount Rate**” means (a) in respect of Bankers' Acceptances to be purchased by the Lenders which are Schedule I banks under the *Bank Act* (Canada), the average rate for Canadian Dollar bankers' acceptances having Designated Periods of 1, 2, or 3, ~~or 6~~ months quoted on ~~Reuters Service, page CDOR “Canadian Interbank Bid BA Rates”~~ Refinitiv Benchmark Services (UK) Limited Canadian Dollar Offered Rate (CDOR) page (or such other page as is a replacement page for such Bankers' Acceptances) (the “**CDOR Page**”) at 10:00 a.m. (Toronto time) (the “**CDOR Rate**”), having an identical Designated Period to that of the Bankers' Acceptance to be issued on such day, and (b) in respect of Bankers' Acceptances to be purchased by the Lenders which are Schedule II or Schedule III banks under the *Bank Act* (Canada) and in respect of Discount Notes, the lesser of (i) the arithmetic average (rounded upward to the nearest one hundredth of one percent (.01%)) of the discount rates for Canadian Dollar bankers' acceptances quoted by the BA Schedule II Reference Lenders, and (ii) the rate specified in (a) above plus 10 basis points (.10%) (in each of cases (a) and (b), the “**Discount Rates**”). In all cases, the Discount Rates shall be quoted at approximately 10:00 a.m. (Montreal time) on the Acceptance Date calculated on the basis of a year of 365 days.

In the absence of any such quote, the Bankers' Acceptance Discount Rate which would have been determined in accordance with paragraph (a) or paragraph (b) above, respectively, shall be equal to the rate determined from time to time by the Agent as the discount rates for bankers' acceptances of:

- (A) in the case of paragraph (a), the BA Schedule I Reference Lender; and
- (B) in the case of paragraph (b), the BA Schedule I Reference Lender plus 10 basis points (.10%);

established in accordance with its normal practices in amounts equal to the Selected Amount, having an identical Designated Period to that of the proposed Bankers' Acceptances to be issued on such day. For greater certainty, if the CDOR Rate as determined above shall ever

---

be less than the Floor, then the CDOR Rate shall be deemed to be the Floor;

- 1.1.28 ~~1.1.29~~ “**Banking Day**” means any day which is at the same time a Business Day and a day on which banking institutions are not authorized by law or by local proclamation to close for business in New York (USA) ~~and in London (England)~~.
- 1.1.29 ~~1.1.30~~ “**Branch**” means the branch of Royal Bank of Canada located at 1 Place Ville Marie, or any other branch designated by the Agent from time to time by notice to the Borrower.
- 1.1.30 ~~1.1.31~~ “**Business Day**” means any day, except Saturdays, Sundays and other days which in Montreal or Toronto (Canada) are holidays or a day upon which banking institutions are not authorized or required by law or by local proclamation to close, provided that where such term is used in the context of a Term SOFR Advance, such day must also be a US Government Securities Business Day.
- 1.1.31 ~~1.1.32~~ “**Canadian Dollars**”, “Cdn. \$” or “\$” means the lawful currency of Canada.
- 1.1.32 ~~1.1.33~~ “**Capital Expenditures**” means the aggregate amount actually paid in cash in any period by the Relevant Group for or in connection with the acquisition or maintenance of assets required to be capitalized, including expenditures of the type described in the last sentence of Section 13.8, determined in accordance with GAAP, other than, for greater certainty, expenditures for Acquisitions permitted by Section 13.6.
- 1.1.33 ~~1.1.34~~ “**Capital Lease**” means any lease which is required to be capitalized on a balance sheet of the lessee in accordance with GAAP.
- 1.1.34 ~~1.1.35~~ “**Cash Equivalents**” means, as of the date of any determination thereof, instruments of the following types:
- 1.1.34.1 ~~1.1.35.1~~ obligations of or unconditionally guaranteed by the governments of Canada or the United States of America (“USA”), or any agency of any of them backed by the full faith and credit of the governments of Canada or the USA, respectively, maturing within 364 days of acquisition;
  - 1.1.34.2 ~~1.1.35.2~~ marketable direct obligations of the governments of one of the provinces of Canada, one of the states of the USA, or any agency thereof, or of any county, department, municipality or other political subdivision of Canada or the USA, the payment or guarantee of which constitutes a full faith and credit obligation of such province, state, municipality or other political subdivision, which matures within 364 days of acquisition and which is currently accorded a short-term credit rating of at least A-1 by Standard & Poor’s Rating Services, a division of The McGraw-Hill
-



Companies, Inc. (“S & P”) or at least Prime-1 by Moody’s Investors Service, Inc. (“Moody’s”) or the equivalent thereof from Dominion Bond Rating Service Inc. (“DBRS”);

1.1.34.3 ~~1.1.35.3~~ commercial paper, bonds, notes, debentures and bankers’ acceptances issued by a Person residing in Canada or the USA and not referred to in subsections 1.1.35.4.1, 1.1.35.4.2 or 1.1.35.4.4, and maturing within 364 days from the date of issuance which, at the time of acquisition, is accorded a short-term credit rating of at least A-1 by S & P or at least Prime-1 by Moody’s or the equivalent thereof from DBRS;

1.1.34.4 ~~1.1.35.4~~ (a) certificates of deposit maturing within 364 days from the date of issuance thereof, issued by a bank or trust company organized under the laws of the USA, any state thereof, or Canada or any province thereof, or (b) US Dollar certificates of deposit maturing within 364 days of acquisition and issued by a bank in western Europe or the United Kingdom, in all cases having capital, surplus and undivided profits aggregating at least US \$500,000,000 (or its equivalent in Canadian Dollars) and whose short-term credit rating is, at the time of acquisition thereof, rated A-1 or better by S & P or Prime-1 or better by Moody’s (or the equivalent thereof from DBRS).

1.1.35 “CDOR Page” has the meaning ascribed to it in subsection 1.1.27.

1.1.36 “CDOR Rate” has the meaning ascribed to it in subsection 1.1.27.

1.1.37 ~~1.1.36~~ **“Change in Control”** means (a) the acquisition by any Person or group of Persons acting in concert (other than Quebecor Inc. or any of its subsidiaries or the Péladeau Group) of a majority of the votes attached to the outstanding Equity Interests of the Borrower or any other member of the VL Group (unless, in the case of a member of the VL Group, resulting from a permitted Asset Disposition), or (b) any event which results in more than a majority of the votes attached to the outstanding Equity Interests of Quebecor Media Inc. being held by a Person other than Quebecor Inc. or any of its subsidiaries or the Péladeau Group.

1.1.38 ~~1.1.37~~ **“Change in Law”** means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Applicable Law, including without limitation the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority, including any such change resulting from any quashing by a Governmental Authority of an interpretation of any Applicable Law, (c) the making or issuance of any Applicable Law by any Governmental Authority, or (d) the implementation of the recommendations of the

---

Bank for International Settlements or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar entity).

- 1.1.39 ~~1.1.38~~ **“Charge”** means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, prior claim, charge, assignment by way of security, hypothecation, or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person’s property (including any servitude, usufruct or other real right encumbering such property), or any consignment of property by such Person as consignee or lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligation. Solely for the purposes of determining whether a Charge exists for the purposes of this Agreement, a Person shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, Capital Lease, Synthetic Lease or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes and such retention or vesting shall constitute a Charge.
- 1.1.40 ~~1.1.39~~ **“Closing Date”** means July 20, 2011.
- 1.1.41 **“CME”** means CME Group Benchmark Administration Limited.
- 1.1.42 ~~1.1.40~~ **“Commitment”** means the portion of the Credit for which a Lender is responsible, as set out in Schedule “A” hereof (as same may be increased or cancelled from time to time pursuant to terms of this Agreement, including under Sections ~~2.3, 2.4~~ or 8.2).
- 1.1.43 ~~1.1.41~~ **“Compliance Certificate”** has the meaning ascribed to it in subsection 12.15.1.
- 1.1.44 **“Conforming Changes (CAD)”** means, with respect to the use, administration of or any conventions associated with any proposed Successor Rate (CAD), any conforming changes to the definitions of “Bankers’ Acceptance Discount Rate”, “CDOR Rate”, “CDOR Page” and “Designated Period”, Section 6.1.1, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of “Business Day” and timing of drawing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).
-

- 1.1.45 "Conforming Changes (USD)" means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate (USD) or Term SOFR, as applicable, any conforming changes to the definitions of "SOFR", "Term SOFR" and "Designated Period", Section 4.11, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "US Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).
- 1.1.46 ~~1.1.42~~ **"Contingent Obligation"** of any Person means all contingent liabilities required to be included in the financial statements of such Person in accordance with GAAP, excluding any notes thereto.
- ~~1.1.43~~ **"Conversion Date Partial"** has the meaning ascribed to it in Section 2.3.
- ~~1.1.44~~ **"Conversion Date Total"** has the meaning ascribed to it in Section 2.3.
- ~~1.1.45~~ **"Conversion Notice Partial"** has the meaning ascribed to it in Section 2.3.
- ~~1.1.46~~ **"Conversion Notice Total"** has the meaning ascribed to it in Section 2.3.
- 1.1.47 **"Core Business"** means the business described in Section 11.4.
- 1.1.48 **"Credit"** means the aggregate amount available to the Borrower under all of the Facilities, or under any particular Facility, depending on the context.
- 1.1.49 **"CRTC"** means the Canadian Radio-television and Telecommunications Commission, or a successor regulatory body, commission or agency.
- 1.1.50 "Daily Simple SOFR" with respect to any applicable determination date means SOFR published on such date on the Federal Reserve Bank of New York's website (or any successor source).
- 1.1.51 ~~1.1.50~~ **"Debentures"** means the Debentures issued by the Borrower and the Guarantors in favour of a collateral agent designated by the Agent in accordance with the provisions of subsection 9.1.3.
-

1.1.52 ~~1.1.51~~ “**Debenture Pledge**” means the pledge of the Debenture in favour of the Agent or any designated collateral agent by the Borrower and the Guarantors.

1.1.53 ~~1.1.52~~ “**Debt**” includes, for any Person or with respect to the Relevant Group,

- 1.1.53.1 ~~1.1.52.1~~ obligations in respect of borrowed money, whether or not evidenced by notes, bonds, debentures or similar evidences of indebtedness of such Person;
- 1.1.53.2 ~~1.1.52.2~~ obligations in respect of borrowed money and the Hedging Exposure, but without duplication of any underlying Debt that may be hedged by same, and, in particular, without taking into account the currency hedging in respect of the US\$ denominated Debt referred to in the final paragraph of this definition;
- 1.1.53.3 ~~1.1.52.3~~ obligations representing the deferred purchase price of goods and services, other than such obligations incurred in the ordinary course of business of the Relevant Group and payable within a period not exceeding 150 days from the date of their incurrence;
- 1.1.53.4 ~~1.1.52.4~~ the obligations, whether or not assumed, which are secured by Charges on the property belonging to such Person or payable out of the proceeds flowing therefrom;
- 1.1.53.5 ~~1.1.52.5~~ Contingent Obligations;
- 1.1.53.6 ~~1.1.52.6~~ obligations under Capital Leases and Synthetic Leases; and
- 1.1.53.7 ~~1.1.52.7~~ obligations under letters of credit, letters of guarantee, bankers’ acceptances or Guarantees;

but shall not include Debt under the Back-to-Back Securities. In addition, any Debt denominated in US\$ which is validly and effectively hedged through the use of one or more Derivative Instruments will be calculated at the exchange rate applicable to such US\$ Debt under the applicable Derivative Instrument. Finally, for the purpose of calculating the Leverage Ratio only, the amount of cash and Cash Equivalents of the Relevant Group on the date of determination shall be deducted from the amount of any Debt (for greater certainty, other than Debt under the Revolving Facility, ~~the Unsecured Facility~~, or any other revolving facility not resulting in a permanent reduction of such Debt) required to be repaid following the issuance of an irrevocable repayment notice, if and only to the extent that such Debt would have been included in the computation of the Leverage Ratio.

---

1.1.54 ~~1.1.53~~ “**Default**” means an event or circumstances, the occurrence or non-occurrence of which would, with the giving of a notice, lapse of time or combination thereof, constitute an Event of Default unless remedied within the prescribed delays or renounced to in writing by the Agent, as authorized by the Lenders.

1.1.55 ~~1.1.54~~ “**Defaulting Lender**” means any Lender, as determined by the Agent (with respect to the Revolving ~~Facility or the Unsecured~~ Facility) or the Finnvera Facility Agent (with respect to the Finnvera Term Facility), that:

1.1.55.1 ~~1.1.54.1~~ has failed to fully fund its share of any Advance or fulfill its obligations under Section 4.2 or 4.3 within 2 Banking Days of the date it is required to do so under this Agreement;

1.1.55.2 ~~1.1.54.2~~ has notified the Borrower, the Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent) or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement (including Sections 4.2 and 4.3), has issued financial statements containing a "going concern" or similar qualification or indicating a potential inability to comply with funding obligations generally, or has made a public statement to the effect that it does not intend or is unable to comply with its funding obligations under this Agreement or generally under other agreements in which it commits to extend credit;

1.1.55.3 ~~1.1.54.3~~ has failed, within 2 Banking Days after request by the Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent), to confirm that it will comply with its funding obligations under this Agreement (including Sections 4.2 and 4.3);

1.1.55.4 ~~1.1.54.4~~ has otherwise failed to pay over to the Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent) or any other Lender any other amount required to be paid by it under this Agreement within 3 Banking Days of the date when due, unless payment is the subject of a good faith dispute;

1.1.55.5 ~~1.1.54.5~~ has become or is insolvent, is deemed to be insolvent, or is controlled by a Person that has become or is insolvent or deemed to be insolvent; or

1.1.55.6 ~~1.1.54.6~~ has itself or is controlled by a Person that has (i) become the subject of a bankruptcy or insolvency proceeding, (ii) had a receiver, conservator, trustee, administrator,

---

assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or (iii) taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment;

provided that, for the avoidance of doubt, a Lender shall not be a Defaulting Lender solely by virtue of the ownership, control or acquisition of any Equity Interest in or control of such Lender by a Governmental Authority.

- [1.1.56](#) ~~1.1.55~~ **“Derivative Instrument”** means an agreement entered into from time to time by a Person in order to control, fix or regulate currency exchange fluctuations, or the rate of interest payable on borrowings, including a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or index equity swap, equity or index equity option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions and any combination of these transactions).
- [1.1.57](#) ~~1.1.56~~ **“Derivative Obligations”** means the Hedging Exposure and all other obligations of the Borrower to one or more Revolving Facility Lenders under Derivative Instruments.
- [1.1.58](#) ~~1.1.57~~ **“Designated Period”** means, with respect to a ~~Libor~~ [Term SOFR](#) Advance or a BA Advance, a period designated by the Borrower in accordance with Sections 4.11, 6.1 and 6.4.
- [1.1.59](#) ~~1.1.58~~ **“Disbursement Period”** means, with respect to (a) the Revolving Facility, the period from the Original Closing Date until the expiry of the Term, subject to satisfying the applicable conditions precedent set out in Article 10, ~~(b) the Unsecured Facility, the period from the Third Amendment Closing Date until the expiry of the Term, subject to satisfying the applicable conditions precedent set out in Article 10;~~ and ~~(e)~~ [\(e\)](#) the Finnvera Term Facility, the “Availability Period” as defined in Schedule “P” hereof.
- [1.1.60](#) ~~1.1.59~~ **“Discount Note”** means a non-interest bearing promissory note denominated in Canadian Dollars issued by the Borrower to a Revolving Facility Lender, ~~an Unsecured Facility Lender~~ or a sub-participant which is a Non-BA Lender (as defined in subsection 6.1.2(b)), such note to be in the form normally used by such Lender or sub-participant.
- [1.1.61](#) ~~1.1.60~~ **“EBITDA”** means, with respect to any Person or the Relevant Group during a financial period, earnings before non-controlling interests, earnings from equity-accounted investments, extraordinary items, non-recurring gains or losses on debt extinguishment and asset sales and restructuring, Interest Expense, Taxes (to the
-

extent taken into account for the purposes of determining net income), depreciation and amortization, foreign exchange translation gains or losses not involving the payment of cash, other non-cash financial charges, reconnection costs, subscribers' subsidies revenues net of related costs, deferred installation revenues net of related costs without taking into account any goodwill adjustments, and amortization of contract assets and contract acquisition costs, calculated in accordance with GAAP; for greater certainty, there shall be excluded from the calculation of EBITDA, to the extent included in such calculation, (a) the amount of any income or expense relating to Back-to-Back Securities, and (b) the EBITDA from any Subsidiary that is not a member of the Relevant Group except to the extent of the cash dividends or other distributions received from such Subsidiary that is not a member of the Relevant Group, net of any reinvestments by the Relevant Group in such Subsidiary.

EBITDA shall (A) exclude the EBITDA of (a) any Person and (b) every division, line of business or group of operating assets used in carrying on a distinct business (collectively called an "**Operating Business**") that (in the case of either (a) or (b) above) no longer belong to a member of the Relevant Group (a "**Former Contributor**") on the last day of such period which would otherwise be included in such results of operations of the Borrower because such Former Contributor or Operating Business, as the case may be, has been disposed of during such period; and (B) include the EBITDA for such period of each Person and of every Operating Business that, during such period, became (or, in the case of an Operating Business, became part of) a member of the Relevant Group and which is (or is comprised within) a member of the Relevant Group on the last day of such period on a *pro forma* basis for such period, based on audited historical results of operations, or, if unavailable, reasonable projections satisfactory to the Agent.

[1.1.62](#) ~~1.1.61~~ "**Eligible Assignee**" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person), in respect of each of which the consent of any party whose consent is required by Section 16.2.1 has been obtained; provided that notwithstanding the foregoing, "**Eligible Assignee**" shall not include any member of the VL Group or any Affiliate thereof.

[1.1.63](#) ~~1.1.62~~ "**Environmental Laws**" means all applicable Canadian and other applicable jurisdictions' federal, state, provincial, local and other foreign statutes and codes or regulations, rules or ordinances issued, promulgated or approved thereunder, as well as all other Applicable Laws, and all common laws under which environmental liabilities can arise, now or hereafter in effect (including those with respect to asbestos or asbestos-containing material or exposure to asbestos or asbestos-containing material, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas), to the extent relating to pollution or protection of the environment and public health and relating to (a) emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or industrial toxic or

---

hazardous constituents, substances or wastes (including any Hazardous Substance, petroleum including crude oil or any fraction thereof, any petroleum product or other waste, chemicals or substances regulated by any such statute, codes, regulations, rules or ordinances) into the environment (including ambient air, surface water, ground water, land surface or subsurface strata), and (b) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of any Hazardous Substance, petroleum including crude oil or any fraction thereof, any petroleum product or other waste, chemicals or substances regulated by any such statute, codes, regulations, rules or ordinances, and (c) underground storage tanks and related piping, and emissions, discharges and releases or threatened releases therefrom.

1.1.64 ~~1.1.63~~ **“Equity Interests”** means, with respect to any Person, all shares, interests, units, participations or other equivalent equity interests (however designated, whether voting or non-voting) of such Person’s capital, whether now outstanding or issued after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, trust units, or any other equivalent of such ownership interests.

1.1.65 ~~1.1.64~~ **“Equivalent Amount”** has the meaning ascribed to it in Section 15.2.

1.1.66 **“Erroneous Payment”** has the meaning ascribed to it in Section 18.21.1.

1.1.67 **“Erroneous Payment Deficiency Assignment”** has the meaning ascribed to it in Section 18.21.4.

1.1.68 **“Erroneous Payment Impacted Class”** has the meaning ascribed to it in Section 18.21.4.

1.1.69 **“Erroneous Payment Return Deficiency”** has the meaning ascribed to it in Section 18.21.4.

1.1.70 **“Erroneous Payment Subrogation Rights”** has the meaning ascribed to it in Section 18.21.4.

1.1.71 ~~1.1.65~~ **“Event of Default”** means one or more of the events described in Section 14.1, as well as one or more of the Events of Default as described in Section 9 of Schedule “P”.

1.1.72 ~~1.1.66~~ **“Excess Cash Flow”** means, with respect to the Relevant Group, the EBITDA calculated as at the end of each financial quarter, plus an amount equal to any spread paid to a member of the Relevant Group resulting from Back-to-Back Securities, to the extent not previously included in EBITDA, and less:

1.1.72.1 ~~1.1.66.1~~ the amount of Taxes paid or otherwise due during the period in question;

---



- 1.1.72.2 ~~1.1.66.2~~ the amount of any Interest Expense paid in cash (and not accrued); however, for the purposes of this definition alone, “Interest Expense” shall include all fees and expenses relating to any Offering and premiums paid to retire Debt, except to the extent that the fees and expenses in question are paid for out of the proceeds of such Offering and not out of the Relevant Group’s cash flow;
- 1.1.72.3 ~~1.1.66.3~~ the amount of all voluntary prepayments of Debt, other than (a) payments under the Revolving ~~Facility and under the Unsecured~~ Facility, (b) voluntary prepayments using the proceeds of Asset Dispositions and Offerings, and (c) voluntary prepayments of the QMI Subordinated Debt made in accordance with Section 13.9 hereof;
- 1.1.72.4 ~~1.1.66.4~~ the amount of extraordinary items not included in earnings but which required the payment of cash;
- 1.1.72.5 ~~1.1.66.5~~ the amount of any mandatory principal repayment of Debt that is permitted hereunder; and
- 1.1.72.6 ~~1.1.66.6~~ the amount of Capital Expenditures (adjusted for the inclusion of reconnection costs, video rental inventories, deferred charges in connection with subscriber subsidies, reclassification of telephony modems and the proceeds from disposal of subscriber equipment) made during such period that has not been financed separately out of (i) the proceeds of Debt permitted hereunder; (ii) equity obtained after the date hereof; or (iii) the Net Proceeds arising out of Asset Dispositions made during the period;

provided, however, that no amount will be so deducted if such amount has already been deducted from EBITDA.

- 1.1.73 ~~1.1.67~~ **“Excluded Taxes”** means, with respect to the Agent, any Lender (which term, for the avoidance of doubt, shall include the Issuing Lender and the Swing Line Lender when used in this definition of “Excluded Taxes”) or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes or any similar Tax imposed by any jurisdiction in which the Agent or such Lender is located and (c) in the case of a Foreign Lender (other than (i) a Foreign Lender that is a party hereto on the Closing Date, (ii) an Assignee pursuant to a request by the Borrower under Section 7.5.2, (iii) an Assignee pursuant to an
-

Assignment made when an Event of Default has occurred and has not been waived or (iv) any other Assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 7.3.5, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 7.3. For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto.

1.1.74 ~~1.1.68~~ **“Facility”** means the Revolving Facility, ~~the Unsecured Facility~~, the Finnvera Term Facility or a New Facility, and **“Facilities”** means all of them.

1.1.75 ~~1.1.69~~ **“Federal Funds Effective Rate”** means, for any period, a fluctuating interest rate per annum equal, for each day during such period, to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers as published for such day (or, if such day is not a Banking Day, for the immediately preceding Banking Day) by the Federal Reserve Bank of New York or, for any day on which such rate is not so published for such day by the Federal Reserve Bank of New York, the average of the quotations for such day for such transactions received by the Agent from three Federal Funds brokers of recognized standing selected by the Agent. If for any reason the Agent shall have determined (which determination shall be conclusive, absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including without limitation, the inability or failure of the Agent to obtain sufficient bids or publications in accordance with the terms hereof, Royal Bank of Canada's announced US Base Rate will apply.

1.1.76 ~~1.1.70~~ **“Fees”** means the Revolving Facility Fees, ~~the Unsecured Facility Fees~~ and the Finnvera Fees.

1.1.77 ~~1.1.71~~ **“Finnvera Facility Agent”** has the meaning ascribed to it in Schedule “P”.

1.1.78 ~~1.1.72~~ **“Finnvera Facility Lender”** means a “Tranche A Lender”, as such term is defined in Schedule “P”.

1.1.79 ~~1.1.73~~ **“Finnvera Fees”** means the “Tranche A Fees”, the Commitment Fees and the Finnvera Handling Fee, as such terms are defined in Schedule “P”.

1.1.80 ~~1.1.74~~ **“Finnvera Term Facility”** means the Facility under which the portion of the Credit described in subsection 2.1.32 is available, which Facility is more fully described in Schedule “P”.

1.1.81 ~~1.1.75~~ **“First Currency”** has the meaning ascribed to it pursuant to Section 15.1.

---

- [1.1.82](#) [“Floor” means a rate of interest per annum equal to 0%;](#)
- [1.1.83](#) ~~1.1.76~~ **“Foreign Lender”** means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For purposes of this definition, Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.
- [1.1.84](#) [“Fourth Amending Agreement” means the fourth amending agreement to this Agreement dated as of May 20, 2022 entered into among the parties hereto;](#)
- [1.1.85](#) [“Fourth Amendment Closing Date” has the meaning ascribed to “Amendment Effective Date” in the Fourth Amending Agreement;](#)
- [1.1.86](#) ~~1.1.77~~ **“Generally Accepted Accounting Principles”** or **“GAAP”** means the generally accepted accounting principles in effect in Canada from time to time, consistently applied, and including for greater certainty IFRS as and from its implementation in Canada effective January 1, 2011.
- [1.1.87](#) ~~1.1.78~~ **“Governmental Authority”** means the government of Canada or any other nation, or of any political subdivision thereof, whether provincial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union, the Bank for International Settlements or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.
- [1.1.88](#) ~~1.1.79~~ **“Guarantees”** by any Person means all obligations (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend or other obligation of any other Person (the **“Primary Obligor”**) in any manner, whether directly or indirectly, including all obligations incurred through an agreement, contingent or otherwise, by such Person: (a) to purchase such Indebtedness or obligation or any property or assets constituting security therefor, (b) to advance or supply funds (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition or otherwise to advance or make available funds for the purchase or payment of such Indebtedness or obligation against loss, (c) to lease property or to purchase securities or other property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation, or (d) otherwise to assure the owner of the Indebtedness or obligation of the Primary Obligor against loss in respect thereof. For the purposes of all computations made under this Agreement, a Guarantee in respect of any Indebtedness for borrowed money, and a Guarantee in respect of any
-

other obligation or liability or any dividend, shall be deemed to be Indebtedness equal to the maximum aggregate amount of such obligation, liability or dividend, unless the Guarantee is limited in amount, in which case such limit shall be used for such computation.

1.1.89 ~~1.1.80~~ “**Guarantors**” means subject to the provisions of Section 9.3, ~~9293-6707-Quebec Inc., 9227-2590-Quebec Inc., 9230-7677-Quebec Inc., 8487782-Canada Inc. (formerly known as Jobboom Inc.), Videotron G.P., Videotron L.P., Vidéotron Infrastructures Inc., 4Degrés Colocation Inc. / 4Degrees Colocation Inc.~~ and all of the wholly-owned Subsidiaries of the Borrower and the Guarantors ~~created or acquired after the Closing Date~~. A list of the Guarantors and of all of the members of the VL Group as of the ~~Third~~Fourth Amendment Closing Date is provided in Schedule “L” hereto.

1.1.90 ~~1.1.81~~ “**Hazardous Substances**” shall mean any (a) substance, waste, liquid, gaseous or solid matter, fuel, micro-organism, sound, vibration, ray, heat, odour, radiation, energy vector, plasma and organic or inorganic matter which may alter and diminish or deteriorate the quality of the environment, or which by reason of its qualities is a hazard to health or to the environment, or is or is deemed to be, alone or in any combination, hazardous, hazardous waste, hazardous material, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any applicable Environmental Laws; and (b) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority.

1.1.91 ~~1.1.82~~ “**Hedging Exposure**” means the aggregate amount that would be payable to all Persons by the Relevant Group on the date of determination pursuant to (a) Section 6(e)(i)(3) of each ISDA Master Agreement entered into using the 1992 ISDA Master Agreement and (b) Section 6(e)(i) of each ISDA Master Agreement entered into using the 2002 ISDA Master Agreement, between the Borrower and such Persons as if all Derivative Instruments under such ISDA Master Agreements were being terminated on that day; provided that, for the purpose of such determination, with respect to the Derivative Instruments between each Lender and the Borrower entered into using (w) the 1992 ISDA Master Agreement, each Lender will be deemed to be the Non-defaulting Party (as such term is defined in the ISDA Master Agreement) and will determine Market Quotation (as such term is defined in the ISDA Master Agreement) using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as such term is defined in the 1992 ISDA Master Agreement), and (x) the 2002 ISDA Master Agreement, each Lender will be deemed to be the Non-defaulting Party (as such term is defined in the ISDA Master Agreement) and will determine the Close-Out Amount (as such term is defined in the ISDA Master Agreement).

1.1.92 ~~1.1.83~~ “**IFRS**” means the International Financial Reporting Standards (formerly known as the International Accounting Standards), as set and promoted by the International Accounting Standards Board (formerly known as the International Accounting Standards Committee) and implemented in Canada through the

---

Accounting Recommendations in the *Handbook of the Canadian Institute of Chartered Accountants*.

[1.1.93](#) ~~1.1.84~~ “**Immaterial Subsidiary**” means any wholly-owned Subsidiary of the Borrower that holds less than 1.5% of (a) the Adjusted Consolidated EBITDA on a rolling four-quarter basis, and (b) the Adjusted Consolidated assets, of the VL Group, provided that the aggregate EBITDA, on a rolling four-quarter basis, and assets held by all of the Immaterial Subsidiaries cannot at any time exceed 3% of the (i) Adjusted Consolidated EBITDA on a rolling four-quarter basis, or (ii) Adjusted Consolidated assets of, in each case, the VL Group.

[1.1.94](#) ~~1.1.85~~ “**Indebtedness**” of any Person means (without duplication) all obligations of such Person which in accordance with GAAP should be classified upon a balance sheet of such Person as liabilities of such Person, and in any event includes all Debt of such Person.

[1.1.95](#) ~~1.1.86~~ “**Indemnified Taxes**” means all Taxes other than Excluded Taxes.

[1.1.96](#) ~~1.1.87~~ “**Interest Coverage Ratio**” means, for any period, the ratio of EBITDA to Interest Expense for such period.

[1.1.97](#) ~~1.1.88~~ “**Interest Expense**” for any period means all interest and all amortization of debt discount and expense on any particular Indebtedness for which such calculations are being made in respect of the Relevant Group, excluding (a) fees and expenses relating to any Offering of Debt and premiums paid to retire Debt, (b) interest on the Back-to-Back Debt to the extent offset by an equal amount of dividends on the Back-to-Back Preferred Shares, (c) interest not paid in cash or other assets of the Relevant Group on the QMI Subordinated Debt, including the interest component of Capital Leases, and discounts and fees payable in respect of bankers’ acceptances or accounts receivable sold in connection with any asset securitization program approved by the Lenders.

In circumstances where the proceeds of disposition of a Former Contributor (as defined in the definition of “**EBITDA**”) or its property, or of an Operating Business, (as defined in the definition of “**EBITDA**”) have been used to permanently repay Debt during such period, for the purpose of calculating Interest Expense, the amounts so repaid shall be deducted from the Debt of the Relevant Group on which the calculation of Interest Expense for such period would otherwise have been made, and Interest Expense shall be reduced accordingly on a *pro forma* basis. Similarly, in circumstances where Debt of the Relevant Group was incurred or assumed in connection with the acquisition of a Person or Operating Business (as defined in the definition of “**EBITDA**”), the amounts so incurred or assumed shall be added to the Debt of the Relevant Group on which the calculation of Interest Expense for such period would otherwise have

---

been made, and Interest Expense shall be increased accordingly on a *pro forma* basis.

- [1.1.98](#) ~~1.1.89~~ **“Investments”** means all investments, in cash or by delivery of property, made directly or indirectly in any Person, whether by acquisition of shares of capital stock, Indebtedness or other obligations or securities or by loan, advance, capital contribution or otherwise; *provided, however*, that “Investments” shall not mean or include investments in cash or Cash Equivalents or routine investments in inventory, equipment and supplies to be used or consumed, or trade credit granted, in the ordinary course of business.
- [1.1.99](#) ~~1.1.90~~ **“ISDA Master Agreement”** means either the ISDA Master Agreement (Multi-Currency - Cross Border - 1992) (the **“1992 ISDA Master Agreement”**) or the ISDA 2002 Master Agreement (the **“2002 ISDA Master Agreement”**), each as published by the International Swaps and Derivatives Association, Inc. and, where the context permits or requires, includes all schedules, supplements, annexes and confirmations attached thereto or incorporated therein, as such agreement may be amended, supplemented or replaced from time to time.
- [1.1.100](#) ~~1.1.91~~ **“Issuing Lender”** means each or all of (a) the Lender(s) selected by the Borrower and accepted by such Lender(s), for which the Agent has been advised that such Lender(s) will be the issuer of Letters of Credit (in that capacity) under the Revolving Facility ~~or under the Unsecured Facility, as applicable~~, and (b) the Swing Line Lender as the issuer of Letters of Credit under the Swing Line Commitment (in that capacity), or any successor issuers of Letters of Credit. For greater certainty, where the context permits, references to “Lenders” herein include the Issuing Lender.
- [1.1.101](#) ~~1.1.92~~ **“Joinder Agreement”** means an agreement substantially in the form of Schedule “O”.
- [1.1.102](#) ~~1.1.93~~ **“LC Fees”** has the meaning ascribed to such term in subsection 4.2.2.
- [1.1.103](#) ~~1.1.94~~ **“Lender”** or **“Lenders”** means the Revolving Facility Lenders, ~~the Unsecured Facility Lenders, and~~ the Lenders under the Finnvera Term Facility, (all of which are listed in Schedule “A”) and the Lenders under any New Facility, together with any Assignee(s) and Tranche A Assignee(s) (as such term is defined in Schedule “P”), or, as the context permits, any of them alone. When used in connection with “Derivative Instruments”, the term “Lender” shall include any Affiliate of a Revolving Facility Lender. When used in connection with the Security, the term “Lender” shall include any counterparty to a Derivative Instrument, provided that the counterparty was a Revolving Facility Lender or an Affiliate of a Revolving Facility Lender at the time any such Derivative Instrument was entered into.
- [1.1.104](#) ~~1.1.95~~ **“Letter of Credit”** means any stand-by letter of credit or letter of guarantee issued by the Issuing Lender in accordance with the provisions hereof, and includes
-

any stand-by letter of credit or letter of guarantee issued by the Issuing Lender in connection with the Spectrum Auction and Purchase in accordance with the provisions hereof.

1.1.105

~~1.1.96~~ “**Leverage Ratio**” means, as of any date of determination, the ratio of Debt (excluding the QMI Subordinated Debt) of the Relevant Group as of such date to EBITDA for the preceding four quarters ending on such date.

~~1.1.96A~~ “**LIBOR**” means, with respect to any Designated Period of 1, 2, 3 or 6 months relating to a Libor Advance under the Revolving Facility or the Unsecured Facility, the average rate for deposits in US\$ for a period comparable to the Designated Period which is quoted on Reuters Screen Libor01 Page, at or about 11:00 a.m. (London, England time), determined two Banking Days prior to the date on which a Libor Advance is to be made in accordance with Section 5.5, provided that if such rate is negative, it shall be deemed to be nil; if such quote is unavailable, then LIBOR shall be determined by the Agent as the average of the rate at which deposits in US\$ for a period similar to the Designated Period and in amounts comparable to the amount of such Libor Advance are offered by the Libor Reference Lenders to prime banks in the London inter-bank market at or about 11:00 a.m. London, England time on the date of such determination.

~~In any event, the rate determined in accordance with the above-mentioned Reuter’s page or inter-bank offered rate (the “Quoted Rate”) shall be adjusted for reserve requirements of any affected Lender in accordance with the following formula to obtain the applicable LIBOR:~~

$$\text{LIBOR} = \frac{\text{Quoted Rate}}{1.00 - \text{Reserve Percentage}}$$

~~where “Reserve Percentage” means the rate (expressed as a decimal) applicable to the Agent, during the relevant Designated Period under regulations, directives or guidelines issued from time to time by the Board of Governors of the Federal Reserve System (in the USA), by the Office of the Superintendent of Financial Institutions (in Canada) or by any other applicable regulatory agency, for determining the reserve requirement applicable to the Facilities or to facilities similar thereto (including any basic, supplemental, emergency or marginal reserve requirement) of the Agent, respectively, with respect to “Eurocurrency liabilities”, as that term is defined under such regulations or for the purposes of complying with such directives or guidelines. All adjustments to the Quoted Rate shall occur and be effective as of the effective date of any change in the Reserve Percentage (to the extent that the Lenders claiming entitlement to such adjustment are affected thereby), and the Agent will use reasonable efforts to advise the Borrower of any such change as soon as practicable (provided that the Agent shall not be liable if it fails to do so).~~



~~1.1.96B “**Libor Advance**” means, at any time, the part of the Advances with respect to which the Borrower has chosen to pay interest on the Libor Basis.~~

~~1.1.96C “**Libor Basis**” means the basis of calculation of interest on Libor Advances, or any part thereof, made in accordance with the provisions of Sections 5.3 and 5.4.~~

~~1.1.96D “**Libor Reference Lenders**” means Royal Bank of Canada, The Toronto Dominion Bank and Bank of America, N.A., Canada Branch, or such other Lender(s) appointed by the Agent with the consent of the Borrower in replacement of the said Lender(s).~~

1.1.106 ~~1.1.97~~ “**Licences**” means all licences, permits and authorizations issued to the VL Group by the CRTC pursuant to the *Broadcasting Act* (Canada) and the orders, rules, regulations and directions promulgated pursuant to such Act.

1.1.107 ~~1.1.98~~ “**Loan Documents**” means this Agreement, the Security Documents, any Derivative Instruments entered into with one or more Revolving Facility Lenders or any of their respective Affiliates, and any undertaking or other agreement executed in connection with this Agreement.

1.1.108 ~~1.1.99~~ “**Loan Obligations**” means all obligations of the VL Group to the Agents and Lenders under or in connection with the Loan Documents (provided that “Loan Obligations” shall not include “Derivative Obligations”), including the aggregate of Advances outstanding under this Agreement (and further including the face amount of any Bankers' Acceptances and all reimbursement obligations under subsection 4.2.3 in respect of Letters of Credit issued in accordance with the provisions hereof), together with interest thereon (including, without limitation, interest accruing after the maturity of the Advances due under any Facility hereunder and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to a member of the VL Group, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the VL Group to the Agents and Lenders in any currency under or in connection with the Loan Documents, and all interest, Fees, fees, commissions, legal and other costs, charges and expenses incurred under or in connection with the Loan Documents, and includes the Erroneous Payment Subrogation Rights. In this definition, “the Agents and Lenders” means “the Agents and Lenders, or any of them”.

1.1.109 ~~1.1.100~~ “**Majority Lenders**” means (i) with respect to matters that relate to all Facilities, Lenders holding at least 51% of the combined Commitments; under all Facilities, provided that if the Commitments under the Revolving ~~Facility and the Unsecured~~ Facility have expired, “Majority Lenders” shall mean Revolving Facility Lenders, ~~Unsecured Facility Lenders and Finnvera Facility Lenders~~ and Lenders under any New Facility to whom are owed at least 51% of the combined Loan Obligations under ~~the Revolving~~ all Facilities, and (ii) with respect to matters that

---



relate solely to a particular Facility, Lenders holding at least 51% of the Commitments under such Facility, provided that if the Unsecured Commitments under such Facility and the ~~Finvera Term~~ have expired, "Majority Lenders" shall mean Lenders under such Facility to whom are owed at least 51% of the Loan Obligations under such Facility.

1.1.110

~~1.1.101~~ "Margin" means, ~~(a)~~ under the Revolving Facility, for Prime Rate Advances, US Base Rate Advances, ~~-, Libor~~ Term SOFR Advances, Stamping Fees, LC Fees and Standby Fees, the following annual percentages depending on the then-applicable Leverage Ratio ("x" in the table below), determined at the times and in the manner set out below the tables:

**Revolving Facility**

<u>Leverage Ratio</u>	<u>Standby Fee</u>	<u>Prime Rate/US Base Rate plus</u>	<u>Stamping Fees / LC Fees / <del>LIBOR</del> <u>Term SOFR</u> plus</u>
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

~~and (b), under the Unsecured Facility, for Prime Rate Advances, US Base Rate Advances, Libor Advances, Stamping Fees, LC Fees and Standby Fees, the following annual percentages depending on the then-applicable Leverage Ratio ("x" in the table below), determined at the times and in the manner set out below the table:~~

**Unsecured Facility**

<u>Leverage Ratio</u>	<u>Standby Fee</u>	<u>Prime Rate/US Base Rate plus</u>	<u>Stamping Fees / LC Fees / <del>LIBOR</del></u>
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

Each change resulting from a change in the Leverage Ratio shall be effective with respect to all outstanding Loan Obligations retroactively from the first day of each fiscal quarter of the Borrower, and shall be based on the financial statements and Compliance Certificates required by subsections 12.15.1 and 12.15.2, as applicable, and the Leverage Ratio derived from such financial statements. Thus,



the financial statements and Compliance Certificates which shall be delivered 60 days after quarter-end and 90 days after year-end (based on unaudited results and subject to readjustment upon delivery of a second Compliance Certificate in accordance with the provisions of subsection 12.15.2(b)) will be used to calculate the Leverage Ratio applicable from the first day of the quarter in which such financial statements and Compliance Certificates were to be delivered. For example, the financial statements and Compliance Certificates to be delivered in respect of the quarter ending May 31 of any year of the Term shall be delivered by July 30 of that year, and shall be used to calculate the Leverage Ratio for the period from June 1 of that year to August 31 of that year. If, as a result of an increase in the Leverage Ratio, the Margin has increased, the Agent will advise the Borrower and the [Revolving Facility](#) Lenders and the Borrower will pay all additional amounts that may be due to the [Revolving Facility](#) Lenders within 2 Business Days of being advised of the amount due. If, as a result of a reduction in the Leverage Ratio, the Margin has been reduced, the Agent shall advise the Borrower and the Lenders and the amounts owed to the Borrower (a) will be deducted from the Stamping Fees otherwise payable in the case of a BA Advance, on the next Rollover Date of the relevant BA Advance, or (b) in the case of Prime Rate Advances, US Base Rate Advances or ~~Libor~~ [Term SOFR](#) Advances, will be deducted from the interest otherwise payable by the Borrower on the next interest payment date contemplated by Section 5.2 or Section 4.11, or (c) in the case of Letters of Credit, will be deducted from the LC Fees otherwise payable by the Borrower on the next LC Fee payment date contemplated by subsection 4.2.2, and (d) if no interest or Stamping Fees are payable during that period, the Lenders shall remit the necessary amounts to the Agent for payment to the Borrower.

- [1.1.111](#) ~~1.1.102~~ “**Market Disruption Event**” has the meaning ascribed to it in Section 7.6.
- [1.1.112](#) ~~1.1.103~~ “**Market Disruption Prime Rate**” means the average of the Prime Rates of the Market Disruption Reference Lenders, calculated as set out in the definition of “Prime Rate” as if each such Market Disruption Reference Lender was the bank referred to in such definition; provided that such Market Disruption Prime Rate shall not exceed the Prime Rate (as defined herein) at such time by more than 0.50%.
- [1.1.113](#) ~~1.1.104~~ “**Market Disruption Reference Lenders**” means, for the purposes of Section 7.6, Royal Bank of Canada, The Toronto-Dominion Bank and Bank of America, N.A., Canada Branch.
- [1.1.114](#) ~~1.1.105~~ “**Market Disruption US Base Rate**” means the average of the US Base Rates of the Market Disruption Reference Lenders, calculated as set out in the definition of “US Base Rate” as if each such Market Disruption Reference Lender was the bank referred to in such definition; provided that such Market Disruption US Base Rate shall not exceed the US Base Rate (as defined herein) at such time by more than 0.50%.
- [1.1.115](#) ~~1.1.106~~ “**Material Adverse Change**” means (i) a material adverse change in the business, assets, liabilities, financial position, operating results or business prospects of the VL Group, taken as a whole, or (ii) a material adverse change in the ability of the Borrower and the Guarantors to perform any of their material obligations hereunder or under the Security Documents, or (iii) the impairment, in any material respect, of the validity or enforceability of this Agreement or the Security Documents or of the rights and remedies of the Agents or the Lenders hereunder or under the Security Documents.
- [1.1.116](#) ~~1.1.107~~ “**Net Proceeds**” means the gross amount of proceeds payable in cash or Cash Equivalents arising from any Asset Disposition, less (a) amounts payable to discharge or radiate Permitted Charges on the assets being disposed of, (b) the amount of Taxes arising from each such Asset Disposition and which cannot be offset against losses, depreciation or otherwise such that same must actually be paid in cash, and (c) reasonable out-of-pocket costs, fees and expenses incurred in connection with such Asset Disposition, including commissions but excluding any amounts paid to Affiliates.
- [1.1.117](#) ~~1.1.108~~ “**New Facility**” means one or more credit facilities created from time to time as permitted under Section 2.4 and benefitting from the Security.
-

- [1.1.118](#) ~~1.1.109~~ “**Notice of Borrowing**” means, (i) with respect to the Revolving ~~Facility or the Unsecured~~ Facility, a notice substantially in the form of Schedule “B” transmitted to the Agent by the Borrower in accordance with the provisions of Section 4.1, 4.2 or 4.11, or of subsection 6.1.1, and (ii) with respect to the Finnvera Term Facility, a Tranche A Notice of Borrowing, as defined in Schedule “P”.
- [1.1.119](#) “**OFAC**” means [The Office of Foreign Assets Control of the US Department of Treasury](#).
- [1.1.120](#) ~~1.1.110~~ “**Offering**” means any public or private offering of Equity Interests or Debt permitted hereunder.
- [1.1.121](#) ~~1.1.111~~ “**Original Closing Date**” means November 28, 2000.
- [1.1.122](#) ~~1.1.112~~ “**Other Taxes**” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.
- [1.1.123](#) “**Payment Recipient**” has the meaning ascribed to it in [Section 18.21.1](#).
- [1.1.124](#) ~~1.1.113~~ “**Péladeau Group**” means any (i) individual who is related by blood, adoption or marriage to the late Pierre Péladeau; (ii) any trust (whether testamentary or otherwise) the beneficiaries of which are all individuals described in (i); or (iii) any corporation or partnership which is controlled, directly or indirectly, by one or more individuals referred to in (i) or a trust referred to in (ii), or any combination thereof.
- [1.1.125](#) ~~1.1.114~~ “**Permitted Charges**” means the Charges created by the Security Documents and, with respect to any Person:
- [1.1.125.1](#) ~~1.1.114.1~~ any Charge created by law that is assumed in the ordinary course of business and in order to exercise same, which, in the case of construction Charges in favour of contractors, sub-contractors, workmen, suppliers of materials, engineers and architects, has not at such date been registered in accordance with Applicable Law against such Person, which relates to obligations which are not yet due or delinquent, which is not related to any loan of money or obtaining of credit and which, in the aggregate, do not affect in a material way the use, the income or the benefits flowing from the property so charged in the conduct of the business of such Person; any Charge resulting from judgments or decisions which such Person has, at such date, appealed or in respect of which it has sought revision and obtained a suspension of execution pending the appeal or the revision; any Charge for Taxes, assessments or governmental claims or
-

other impositions not yet due or matured or in respect of which the validity at such date has been contested in good faith by such Person before a Governmental Authority in accordance with the provisions of Section 12.7; or which relates to a deposit of monies or securities in the ordinary course of business with respect to any Charge referred to in this paragraph, or to secure workmen's compensation, surety or appeal bonds or security for costs of litigation; or any Charge in favour of a landlord on movable or personal property to secure the payment of rent and other amounts owing under leases for immovable or real property, provided the Charge is limited to property situated on the leased premises;

[1.1.125.2](#) ~~1.1.114.2~~ any right of a municipality or other Governmental Authority pursuant to any lease, license, franchise, grant or permit obtained by such Person, or any right resulting from a legislative provision, to terminate such lease, license, franchise, grant or permit, or requiring an annual or periodic payment as a condition of its extension;

[1.1.125.3](#) ~~1.1.114.3~~ Charges in favour of a municipality, public utility or other Governmental Authority, or which may be imposed by one or the other, when required by such body or authority with respect to the operations of such Person or in the ordinary course of its business;

[1.1.125.4](#) ~~1.1.114.4~~ Charges granted in favour of municipal authorities or public utilities on immovables acquired from time to time by such Person which do not adversely affect the value or marketability of such Person's immovable property in any material respect;

[1.1.125.5](#) ~~1.1.114.5~~ title defects, homologated lines, zoning and building by-laws, ordinances, regulations and other governmental restrictions on the use of property, or servitudes, easements or other similar encumbrances, provided that none of the foregoing adversely affect the value or marketability of such Person's immovable property in any material respect;

[1.1.125.6](#) ~~1.1.114.6~~ Charges (i) under any Capital Lease or Synthetic Lease, and (ii) to secure the payment of the purchase price incurred in connection with the acquisition of assets, in each case to be used in carrying on the Core Business, including Charges existing on such assets at the time of the acquisition thereof or at the time of the acquisition by a member of the

---

VL Group of any business entity then owning such assets, whether or not such existing Charges were given to secure the payment of the purchase price of the assets to which they attach, provided that such Charges are limited to the assets purchased and that the amount guaranteed by such Charges does not exceed 100% of the acquisition price of the assets so acquired, and, in the aggregate for (i) and (ii) above, shall not exceed, at the time of incurrence, the greater of (a) 7.5% of Shareholders Equity and (b) \$750,000,000, outstanding at any time;

1.1.125.7 ~~1.1.114.7~~—bankers' liens, rights of set-off or similar rights to deposit accounts or the funds maintained with a credit or deposit-taking institution; and

1.1.125.8 ~~1.1.114.8~~—other Charges, not ranking in priority to the Security, incurred in the ordinary course of the Core Business, in an aggregate amount not at any time exceeding, the greater of (a) 7.5% of Shareholders Equity and (b) \$75,000,000.

1.1.126 ~~1.1.115~~—“**Person**” means a legal person, a natural person, a joint venture, a partnership, a trust, an entity without juridical personality, a Governmental Authority or any ministry, organization or intermediary of such Governmental Authority.

1.1.127 ~~1.1.116~~—“**Prime Rate**” means, on any day, the reference rate of interest, expressed as an annual rate, publicly announced or posted from time to time by the Lender then acting as Agent (or, in the case of Swing Line Advances, the Swing Line Lender) as being its reference rate then in effect for determining interest rates on demand commercial loans granted in Canada in Canadian Dollars to its clients (whether or not any such loans are actually made); provided that in the event that the Prime Rate is, at any time, less than the average one month Bankers' Acceptance rate quoted on Reuters Service, page CDOR, as at approximately 10:00 a.m. on such day plus 1% (the “**BA Rate**”), “Prime Rate” shall be equal to the BA Rate. For greater certainty, if the Prime Rate as determined above shall ever be less than the Floor, then the Prime Rate shall be deemed to be the Floor;

1.1.128 ~~1.1.117~~—“**Prime Rate Advance**” means, at any time, the portion of the Advances in Canadian Dollars with respect to which the Borrower has chosen, or, in accordance with the provisions hereof, is obliged, to pay interest on the Prime Rate Basis.

1.1.129 ~~1.1.118~~—“**Prime Rate Basis**” means the basis of calculation of interest on the Prime Rate Advances, or any part thereof, made in accordance with the provisions of Sections 5.1 and 5.2.

---

1.1.130 ~~1.1.119~~ “**Proceeds of Crime Act**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the regulations promulgated thereunder.

1.1.131 ~~1.1.120~~ “**QMI Subordinated Debt**” has the meaning ascribed to it in Section 13.7.

1.1.132 ~~1.1.121~~ “**Relevant Group**” means:

- (a) when used for the purposes of Article 12 (other than Section 12.11 and subsection 12.15.3(b)), Article 13 (other than Section 13.4) and Article 14, including to the extent used in any defined term used therein (or any defined term used within such definitions or any component thereof), the VL Group, and
- (b) when used for the purposes of Section 12.11, subsection 12.15.3(b) or Section 13.4, including to the extent used in any defined term used therein (or any defined term used within such definitions or any component thereof),
  - i) the VL Group on an Adjusted Consolidated basis if, at the relevant time, (x) the Adjusted Consolidated (A) EBITDA on a rolling four-quarter basis, or (B) assets (excluding Back-to-Back Securities), or (C) Debt, in each case, of the VL Group, is less than ~~98~~5% of, as applicable, (y) the EBITDA on a rolling four-quarter basis, or the assets (excluding Back-to-Back Securities), or the Debt, in each case of the Borrower on a consolidated basis, or
  - ii) otherwise, the Borrower on a consolidated basis.

Accordingly, assets, EBITDA, Debt, and Excess Cash Flow shall be calculated on an Adjusted Consolidated basis when such terms apply to the VL Group and on a consolidated basis when such terms apply to the Borrower.

1.1.133 ~~1.1.122~~ “**Required Lenders-Acceleration**” means no less than three (3) Lenders holding at least 51% of the combined Loan Obligations under all Facilities, unless there are two or less Lenders, in which case, “Required Lenders-Acceleration” means all Lenders.

1.1.134 ~~1.1.123~~ “**Requisite Disruption Lenders**” means, at any time, Revolving Facility Lenders representing at such time more than 35% of the total Commitments under the Revolving ~~Facility and the Unsecured~~ Facility at such time.

1.1.135 ~~1.1.124~~ “**Revolving Facility**” means the Facility under which the portion of the Credit described in subsection 2.1.1 is available.

---

- 1.1.136 ~~1.1.125~~ “**Revolving Facility Fees**” means the fees payable to the Agent and to the Revolving Facility Lenders, as set out in Section 5.10.
- 1.1.137 ~~1.1.126~~ “**Revolving Facility Lender**” means a Lender having a Commitment under the Revolving Facility.
- 1.1.138 ~~1.1.127~~ “**Rollover Date**” means, with respect to a ~~Libor~~ Term SOFR Advance or a BA Advance, the date of any such Advance, or the first day of any Designated Period.
- 1.1.139 “**Sanctioned Person**” means a Person named on the list of “Specially Designated Nationals” maintained by OFAC or otherwise designated under Sanctions Laws.
- 1.1.140 “**Sanctions Event**” is used with the defined meaning assigned in Section 11.20.
- 1.1.141 “**Sanctions Laws**” means any economic, trade or financial sanctions or trade embargoes imposed, administered or enforced from time to time under laws and executive orders of the Canadian government (including without limitation under the *Special Economic Measures Act (Canada)*, the *United Nations Act (Canada)*, the *Freezing Assets of Corrupt Foreign Officials Act (Canada)*, the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* and the *Criminal Code (Canada)* and, in each case, the regulations promulgated thereunder), the United States government, or any other relevant sanctions authority.
- 1.1.142 “**Scheduled Unavailability Date-CDOR**” has the meaning specified in clause (b) of Section 6.14.2.
- 1.1.143 “**Scheduled Unavailability Date-Term SOFR**” has the meaning specified in clause (b) of Section 5.13.2.
- 1.1.144 ~~1.1.128~~ “**Second Currency**” has the meaning ascribed to it pursuant to Section 15.1.
- 1.1.145 ~~1.1.129~~ “**Secured Applicable Percentage**” means, with respect to (a) any Revolving Facility Lender, the percentage of the total Commitments under the Revolving Facility represented by such Lender’s Revolving Facility Commitment, ~~or~~ (b) any Finnvera Facility Lender, the percentage of the total Commitments under the Finnvera Term Facility represented by such Lender’s Commitment under the Finnvera Term Facility, or (c) any Lender under a New Facility, the percentage of the total Commitments under such New Facility represented by such Lender’s Commitment under such New Facility. If the Revolving Facility Commitments have been cancelled, terminated or expired, or if the calculation is required under the provisions of Section 18.8, the Secured Applicable Percentage of a Revolving Facility Lender ~~or~~ a Finnvera Facility Lender or a Lender under a New Facility shall be calculated by dividing (a) (i) the portion of the Loan Obligations under the Revolving Facility owed to such Revolving Facility Lender plus the amount owed to such Revolving Facility Lender on account of Derivative Obligations, ~~or~~ (ii) the portion of the Loan Obligations under the Finnvera Term Facility owed to such Finnvera Facility Lender or (iii) the portion of the Loan Obligations under such New
-

Facility owed to such Lender under such New Facility, by (b) the aggregate amount of the Secured Obligations, giving effect to any Assignments pursuant to the provisions of Article 16 or Section 10 of Schedule "P". If there is a Defaulting Lender, the "Secured Applicable Percentage" shall be adjusted in accordance with the provisions of Section 18.17 without increasing the Commitment of any Lender.

1.1.146 ~~1.1.130~~ **"Secured Obligations"** means, collectively, all of the Loan Obligations under the Revolving Facility ~~and~~ the Finnvera Term Facility and any New Facility, and all of the Derivative Obligations.

1.1.147 ~~1.1.131~~ **"Security Documents"** means all of the guarantees and security documents described in Article 9, and **"Security"** means the security created thereby.

1.1.148 ~~1.1.132~~ **"Selected Amount"** means, with respect to a BA Advance, the amount of the Advances in Canadian Dollars which the Borrower has asked to obtain by the issuance of Bankers' Acceptances in accordance with Section 6.1, and with respect to a ~~Libor~~ Term SOFR Advance, the amount of the Advances in US Dollars in respect of which the Borrower has asked, in accordance with Section 4.11, that the interest payable thereon be calculated on the ~~Libor~~ Term SOFR Basis.

~~1.1.133~~ **"Senior Note Indentures"** means ~~the indentures governing the Senior Notes issued by the Borrower.~~

~~1.1.134~~ **"Senior Notes"** means ~~the 9<sup>1</sup>/<sub>8</sub>% Senior Notes due 2018, the 7<sup>1</sup>/<sub>8</sub>% Senior Notes due 2020, and the 6<sup>7</sup>/<sub>8</sub>% Senior Notes due 2021.~~

1.1.149 ~~1.1.135~~ **"Shareholders Equity"** means, with respect to the VL Group at any time and calculated on an Adjusted Consolidated basis, the amount of paid-up capital in respect of all issued and fully-paid and non-assessable shares of share capital, together with the contributed surplus, retained earnings and translation adjustment (if applicable), all as otherwise calculated in accordance with GAAP.

1.1.150 ~~1.1.136~~ **"Share Pledge"** has the meaning ascribed to it in subsection 9.1.2.

1.1.151 **"SOFR"** means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

1.1.152 **"SOFR Adjustment"** means

(a) with respect to Daily Simple SOFR, 0.10% (10 basis points); and

(b) with respect to Term SOFR, 0.10% (10 basis points) for a Designated Period of one-month's duration, 0.15% (15 basis points) for a Designated Period of three-months' duration, and 0.25% (25 basis points) for a Designated Period of six-months' duration.

1.1.153 ~~1.1.137~~ **"Solvency Certificate"** means a certificate attesting that a Person is Solvent, delivered in accordance with the provisions of Section 13.6.



- [1.1.154](#) ~~1.1.138~~ “**Solvent**” means, with respect to any Person, as of any date of determination, that such Person is not an “insolvent person”, as defined in the *Bankruptcy and Insolvency Act* (Canada), a “debtor company”, as defined in the *Companies’ Creditors Arrangement Act* (Canada), and is not insolvent under any analogous defined term as used in any other Applicable Laws.
- [1.1.155](#) ~~1.1.139~~ “**Spectrum Auction and Purchase**” means any process by Industry Canada, the CRTC or another Governmental Authority in connection with the auction of spectrum licences for advanced wireless services and other spectrum to be used in the Core Business.
- [1.1.156](#) ~~1.1.140~~ “**Stamping Fees**” means, with respect to BA Advances, including BA Advances made by way of Discount Notes, the fee calculated by (a) multiplying the percentage referred to in the definition of “Margin” by the face amount of the Bankers’ Acceptances being issued and stamped in connection with the BA Advance being made, (b) dividing the product so obtained by 365 or, in a leap year, 366, and (c) multiplying the result so obtained by the number of days in the relevant Designated Period.
- [1.1.157](#) ~~1.1.141~~ “**Standby Fee**” has the meaning ascribed to it in subsection 5.10.1.
- [1.1.158](#) ~~1.1.142~~ “**Subordinated Debt**” means, in respect of any Person, unsecured Debt of such Person that has no required redemption provisions and matures at least 6 months after the expiry of the Term hereof and that has been subordinated in right of payment to the obligations of the VL Group hereunder and under the Security Documents in form and substance acceptable to the Lenders and their counsel.
- [1.1.159](#) ~~1.1.143~~ “**Subsidiary**” means any Person in respect of which the majority of the issued and outstanding capital stock (including securities convertible into voting shares and options to purchase voting shares) granting a right to vote in all circumstances is at the relevant time owned by the Borrower or one or more of its Subsidiaries, and includes any partnership and limited partnership that would be an Affiliate if it was a corporation.
- [1.1.160](#) “**Successor Rate (CAD)**” has the meaning specified in Section 6.14.2.
- [1.1.161](#) “**Successor Rate (USD)**” has the meaning specified in Section 5.13.2.
- [1.1.162](#) ~~1.1.144~~ “**Swing Line Advances**” means a Prime Rate Advance, a US Base Rate Advance or the issuance of a Letter of Credit (in the latter case, subject to prior notice as required by the Swing Line Lender in accordance with its normal practice) under the Revolving Facility by the Swing Line Lender to the Borrower in an aggregate principal amount outstanding at any time not exceeding the Swing Line Commitment. All Swing Line Advances are available only by way of Prime Rate Advances, US Base Rate Advances or the issuance of Letters of Credit, and may not be converted into any other form of borrowing.
- [1.1.163](#) ~~1.1.145~~ “**Swing Line Commitment**” means \$55,000,000.
-

- [1.1.164](#) ~~1.1.146~~ “**Swing Line Lender**” means The Toronto-Dominion Bank and any successor thereof appointed pursuant to Section 4.3. For greater certainty, where the context permits, references to “Lenders” herein include the Swing Line Lender.
- [1.1.165](#) ~~1.1.147~~ “**Swing Line Loan**” means, at any time, the aggregate of the Swing Line Advances outstanding at any time in accordance with the provisions hereof, together with any other amount in interest and accessory costs payable to the Swing Line Lender by the Borrower pursuant hereto.
- [1.1.166](#) ~~1.1.148~~ “**Synthetic Lease**” means any synthetic lease or similar off-balance sheet financing product where such transaction is considered borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP.
- [1.1.167](#) ~~1.1.149~~ “**Tax Benefit Transaction**” means, for so long as the Borrower is a direct or indirect subsidiary of Quebecor Inc. (“**Quebecor**”), any transaction between a member of the VL Group and Quebecor or any of its Affiliates, the primary purpose of which is to create tax benefits for any member of the VL Group or for Quebecor or any of its Affiliates; provided, however, that (1) the member of the VL Group involved in the transaction obtains a favourable tax ruling from a competent tax authority or a favourable tax opinion from a nationally recognized Canadian law or accounting firm having a tax practice of national standing as to the tax efficiency of the transaction for such member of the VL Group (except that such ruling or opinion shall not be required in respect of a transaction with substantially similar tax and transactional attributes as a previous Tax Benefit Transaction in respect of which such a tax ruling or opinion was obtained as certified by the Vice President Taxation of the Borrower (or any officer having similar functions)); (2) the Borrower delivers to the Agent a resolution of the board of directors of the Borrower to the effect the transaction will not prejudice the Lenders and certifying that such transaction has been approved by a majority of the disinterested members of such board of directors; (3) such transaction is set forth in writing; (4) such transaction either (a) causes all of the Security creating a Charge on any transferred assets to remain in full force and effect, or (b) provides for the replacement of such assets by different assets of a value, nature and kind acceptable to each of the Lenders, and which shall in any event be subject to the Security (and the assets so transferred that were previously Charged shall be released); and (5) the EBITDA is not reduced after giving pro forma effect to the transaction as if the same had occurred at the beginning of the most recently ended four fiscal quarter period of the Borrower for which internal financial statements are available; provided, however, that if such transaction shall thereafter cease to satisfy the preceding requirements as a Tax Benefit Transaction, it shall thereafter cease to be a Tax Benefit Transaction for purposes of this Agreement and shall be deemed to have been effected as of such date and, if the transaction is not otherwise permitted by this Agreement as of such date, the Borrower will be in Default hereunder if such transaction does not comply with the preceding requirements or is not otherwise unwound within 30 days of that date.
-

- 1.1.168 ~~1.1.150~~ **“Tax Consolidation Transaction”** means a transaction in which (i) a member of the VL Group (the **“Initiator”**) borrows an amount by way of a daylight loan, (ii) the same amount is then used to lend to another member of the VL Group (**“Lossco”**) by way of an interest bearing loan (the **“Lossco Loan”**), (iii) Lossco subscribes to an equivalent amount of preferred shares of another VL Group member (**“Newco”**), (iv) Newco lends the same amount by way of an interest free loan to the Initiator (the **“Newco Loan”**), and (v) the Initiator reimburses the daylight loan. Subject to the last sentence of this paragraph, interest on the Lossco Loan would accrue on a daily basis and be payable periodically and at the maturity of the Lossco Loan along with the principal of such loan. Such interest payments and principal repayments would be funded from periodic preferred dividend payments, the redemption of preferred shares and a preferred dividend payment at the maturity of the Lossco Loan, in each case received from Newco. To fund Newco’s aforesaid dividend payments and share redemptions, the Initiator would make periodic cash contributions to Newco’s contributed surplus and, at maturity of the Lossco Loan, would make a cash contribution to Newco’s contributed surplus and reimburse the Newco Loan. For the purposes of the foregoing, the Initiator would borrow by way of daylight loans the required amounts to pay each contribution and to reimburse the Newco Loan and would reimburse each daylight loan using the proceeds of the interest and principal paid to it under the Lossco Loan. Any lender who is not the Borrower or a Guarantor shall execute a subordination agreement in favour of the Agent in substantially the form attached hereto as Schedule “N” if at all times during the Tax Consolidation Transaction such lender is an operating entity or has Debt other than Debt contemplated by the Tax Consolidation Transaction.
- 1.1.169 ~~1.1.151~~ **“Taxes”** means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.
- 1.1.170 ~~1.1.152~~ **“Term”** means (i) with respect to the Revolving Facility, the period commencing on the Closing Date and terminating on July 20, 2023~~6~~, ~~with respect to the Unsecured Facility, the period commencing on the Third Amendment Closing Date and terminating on the earlier of the Conversion Date Total and July 20, 2021, and~~ (ii) with respect to the Finnvera Term Facility, the period commencing on November 13, 2009 and terminating on the “Maturity Date” as defined in Schedule “P”.
- 1.1.171 **“Term SOFR”** means, for any Designated Period with respect to a Term SOFR Advance, the rate per annum equal to the Term SOFR Screen Rate two US Government Securities Business Days prior to the commencement of such Designated Period with a term equivalent to such Designated Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first US Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Designated Period; and provided that if the Term SOFR determined in
-

accordance with the foregoing would otherwise be less than the Floor, the Term SOFR shall be deemed to be the Floor for purposes of this Agreement.

1.1.172 “Term SOFR Advance” means, at any time, the part of the Advances with respect to which the Borrower has chosen to pay interest on the Term SOFR Basis.

1.1.173 “Term SOFR Basis” means the basis of calculation of interest on Term SOFR Advances, or any part thereof, made in accordance with the provisions of Sections 5.3 and 5.4.

1.1.174 “Term SOFR Replacement Date” has the meaning specified in Section 5.13.2.

1.1.175 “Term SOFR Screen Rate” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Agent) and published by CME (or any successor administrator satisfactory to the Agent) or such other commercially available source providing such quotations as may be designated by the Agent from time to time.

1.1.176 ~~1.1.153~~ “Third Amendment Closing Date” means June 16, 2015.

~~1.1.154~~ “Threshold Amount” means, at any time prior to the Conversion Date Total, an amount equal to (a) the amount of the total Commitments under the Revolving Facility (as increased or cancelled pursuant to the terms of this Agreement, including pursuant to Sections 2.3, 2.4 and 8.2) at such time, less (b) the amount of the Swing Line Commitment at such time, less (c) the minimum Selected Amount of \$5,000,000 set forth in subsection 6.1.1.

1.1.177 ~~1.1.155~~ “Tranche A Advance” has the meaning ascribed to it in Schedule “P”.

1.1.178 ~~1.1.156~~ “Tranche A CDOR Advance” has the meaning ascribed to it in Schedule “P”.

1.1.179 ~~1.1.157~~ “Tranche A Designated Period” has the meaning ascribed to it in Schedule “P”.

~~1.1.158~~ “Unsecured Applicable Percentage” means, with respect to any Unsecured Facility Lender, the percentage of the total Commitments under the Unsecured Facility represented by such Lender’s Commitment under the Unsecured Facility. If there is a Defaulting Lender, the “Unsecured Applicable Percentage” shall be adjusted in accordance with the provisions of Section 18.17 without increasing the Commitment of any Lender.

~~1.1.159~~ “Unsecured Facility” means the Facility under which the portion of the Credit described in subsection 2.1.2 is available.

~~1.1.160~~ “Unsecured Facility Fees” means the fees payable to the Agent and to the Unsecured Facility Lenders, as set out in Section 5.10.

---

- ~~1.1.161~~ ~~“Unsecured Facility Lender” means a Lender having a Commitment under the Unsecured Facility.~~
- 1.1.180 ~~1.1.162~~ “US Base Rate” means, on any day, the greater of (a) the rate of interest, expressed as an annual rate, publicly announced or posted from time to time by the Swing Line Lender as being its reference rate then in effect for determining interest rates on demand commercial loans granted in Canada in US Dollars to its clients (whether or not such loans are actually made); and (b) the Federal Funds Effective Rate plus .50% per annum. For greater certainty, if the US Base Rate as determined above shall ever be less than the Floor, then the US Base Rate shall be deemed to be the Floor;
- 1.1.181 ~~1.1.163~~ “US Base Rate Advance” means, at any time, the part of the Advances in US Dollars with respect to which the Borrower has chosen, or, in accordance with the provisions hereof, is obliged, to pay interest on the US Base Rate Basis.
- 1.1.182 ~~1.1.164~~ “US Base Rate Basis” means the basis of calculation of interest on the US Base Rate Advances, or any part thereof, made using the US Base Rate, plus the Margin applicable to Prime Rate Advances.
- 1.1.183 ~~1.1.165~~ “US Dollars” or “US \$” means the lawful currency of the United States of America in same day immediately available funds or, if such funds are not available, the currency of the United States of America which is ordinarily used in the settlement of international banking operations on the day on which any payment or any calculation must be made pursuant to this Agreement.
- 1.1.184 ~~“US Government Securities Business Day” means any business day on any day of the year, other than a Saturday, Sunday, except any business day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.~~
- 1.1.185 ~~1.1.166~~ “VL Group” means, collectively, the Borrower and all of its wholly-owned Subsidiaries, and a reference to a “member of the VL Group” means any of them; a list of the members of the VL Group as of the ~~Third~~Fourth Amendment Closing Date is provided in Schedule “L” hereto.

## **1.2 Interpretation**

Unless stipulated to the contrary, the words used herein which indicate the singular include the plural and vice versa and the words indicating masculine include the feminine and vice versa. In addition, the word “includes” (or “including”) shall be interpreted to mean “includes (or including) without limitation”. Finally, any reference to a time shall mean local time in the City of Montreal, Province of Quebec.

---

### **1.3** **Currency**

Unless the contrary is indicated, all amounts referred to herein are expressed in Canadian Dollars.

### **1.4** **Generally Accepted Accounting Principles**

Unless the Lenders and the Borrower shall otherwise expressly agree or unless otherwise expressly provided herein (for example, in connection with the definition of "Adjusted Consolidated"), all of the terms of this Agreement which are defined under the rules constituting Generally Accepted Accounting Principles shall be interpreted, and all financial statements and reports to be prepared hereunder shall be prepared, in accordance with Generally Accepted Accounting Principles in effect from time to time.

If at any time any change in GAAP would affect any requirement set forth in any Loan Document, and either the Borrower or the Majority Lenders shall so request, the Agent, the Lenders and the Borrower shall negotiate in good faith to amend such requirement with the intent of having the respective positions of the Borrower and the Lenders after the coming into force of such change in GAAP conform as nearly as possible to their respective positions under the Credit Agreement immediately prior to January 1, 2014~~22~~; provided that (A) until so amended, (i) such requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Agent and the Lenders a reconciliation between calculations of such requirement made before and after giving effect to such change in GAAP, and (B) no fees (other than reasonable legal fees incurred by the Lenders to amend any such Loan Document to evidence any such amendment), premiums, increases in pricing or other costs shall be charged to, or borne by, the Borrower in connection with any such amendment. For greater certainty, it is hereby understood and agreed that any reconciliation between calculations of such requirement before and after giving effect to such change in GAAP made by or on behalf of the Borrower for purposes of determining compliance with any such requirement set forth in any Loan Document shall be unaudited. However, if it so requires, the Agent shall be entitled to obtain, at the expense of the Borrower, a confirmation in form and substance acceptable to the Agent, acting reasonably, from the Borrower's auditors or another expert confirming the substance of the reconciliation so provided.

### **1.5** **Division and Titles**

The division of this Agreement into Articles, Sections and subsections and the insertion of titles are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

### **1.6** **Termination of LIBOR Rates**

~~In the event that the LIBOR ceases to be made available or the supervisor for the administrator of the LIBOR or a Governmental Authority having jurisdiction over~~

---

~~the Agent has made a public statement identifying a specific date after which the LIBOR shall no longer be used for determining interest rates for loans, then the Borrower and the Agent shall enter into discussions with a view to determining a comparable successor or alternative interbank rate for deposits in US Dollars that is, at such time, broadly accepted as the prevailing market practice for syndicated leveraged loans of this type; provided that, if such alternative rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement. Upon the Borrower and the Agent agreeing on such a rate, the Borrower and the Lenders party hereto shall enter into documentation to amend the provisions of this Agreement to refer to such rate and make all other adjustments incidental thereto, provided that no fee shall then be payable by the Borrower to the Agent and the Lenders in connection with such amendment. The parties hereto agree that such amendment shall require the consent of the Majority Lenders, notwithstanding anything contrary set forth in Sections 18.14 and 18.15.~~

~~Until an alternative rate of interest shall be determined in accordance with this Section 1.6, any Notice of Borrowing or notice of conversion requesting to convert or continue any Advance as a Libor Advance shall be ineffective and the Borrower shall be deemed to have chosen to have the interest on the amount of such Advance calculated on the US Base Rate Basis~~

The Agent does not warrant, nor accept responsibility, nor shall the Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate (USD) or Successor Rate (CAD)) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes (USD) or Conforming Changes (CAD). The Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate (USD) or Successor rate (CAD)) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate (USD) or Successor rate (CAD)) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

---

## 2. THE CREDIT

### 2.1 Credit Facilities

Subject to the provisions hereof, and in particular, to the provisions of Article 3, each Lender agrees to make available to the Borrower, individually and not jointly and severally or solidarily, its Commitment in the Credit, which Credit consists of:

2.1.1 the Revolving Facility, in a maximum amount equal to \$1,500,000,000 (subject to increases in accordance with ~~Sections 2.3 and~~ Section 2.4), including the Swing Line Commitment which forms part of the Revolving Facility;

~~2.1.2 the Unsecured Facility, in a maximum amount equal to \$350,000,000;~~ and

2.1.2 ~~2.1.3~~ the Finnvera Term Facility, in a maximum amount as at the Third Amendment Closing Date equal to \$32,142,857.16.

Irrespective of whether or not any Swing Line Advances have been made or remain outstanding, the amount available under the Revolving Facility (other than for the purposes of the calculation under subsection 5.10.1) shall be deemed to be reduced by an amount equal to the Swing Line Commitment.

### 2.2 ~~The Revolving Facility and the Unsecured Facility~~

All Advances under the Revolving Facility and the Swing Line Advances shall be in Canadian Dollars or US\$ and may be repaid and re-borrowed by the Borrower at all times during the Term. ~~All Advances under the Unsecured Facility shall be in Canadian Dollars or US\$ and, subject to the provisions of Sections 4.1, 4.2, 4.10, 4.11, 6.1, and 6.13, may be repaid and re-borrowed by the Borrower at all times during the Term.~~

### 2.3 ~~The Unsecured Facility Generally, and Transfers of Credit and Commitments in Certain Circumstances~~ Intentionally deleted.

~~2.3.1 Intention of the Parties. The Unsecured Facility is intended to be used to supplement the Credit available under the Revolving Facility, which is limited due to the restrictions described in the first sentence of subsection 2.3.2. Accordingly, as noted in Sections 4.1, 4.2, 4.10, 4.11, 6.1, and 6.13, the Revolving Facility is intended to be drawn up to the Threshold Amount at all times prior to any utilization of the Unsecured Facility, provided, however, that notwithstanding said intention and the aforementioned Sections, the Lenders and the Agents hereby acknowledge and agree that if at any time prior to the occurrence of a Default that is continuing or an Event of Default that has not been waived, the aggregate principal amount of the Advances outstanding under the Revolving Facility is less than the Threshold Amount, the Borrower shall not be required to repay, cash collateralize or cancel, as the case may be, any Bankers Acceptances, Libor Advances or Letters of Credit outstanding under the Unsecured Facility prior to their respective maturity or expiry dates.~~

---



~~2.3.2 Total Conversion of Credit Under Unsecured Facility. The Borrower has advised that the amount of Debt of the VL Group that can be subject to Charges (subject to permitted liens) is limited by the provisions of the Senior Note Indentures. Within fifteen (15) days following the date on which the Senior Notes have been repaid in full and the Senior Note Indentures cancelled, the Borrower shall provide 3 Business Days' prior notice to the Agent for the Lenders in the form set out in Schedule "B-2" (a "Conversion Notice Total") pursuant to which the entire amount of the Credit under the Unsecured Facility shall be added to the amount of the Credit under the Revolving Facility on the third Business Day following such notice (such date being the "Conversion Date Total"), and the Commitments of the Unsecured Facility Lenders shall be transferred into the Revolving Facility and shall be converted into Commitments under the Revolving Facility, such that the Unsecured Facility Lenders will become Revolving Facility Lenders, and all of the Loan Obligations under the Unsecured Facility shall become Loan Obligations under the Revolving Facility. If the Borrower fails to provide such Conversion Notice Total within the aforesaid fifteen (15) day period, the Borrower will be deemed to have provided such Conversion Notice Total on the Business Day immediately following the expiry of the fifteen (15) day period, and the Conversion Date Total shall occur 3 Business Days from the date on which such Conversion Notice Total was deemed to have been sent.~~

~~2.3.3 Partial Conversion of Credit Under Unsecured Facility. In addition, if the Borrower is permitted to do so under the Senior Note Indentures prior to repayment and cancellation thereof (which fact shall be certified by the Borrower to the Agent with any requested explanations provided), the Borrower may voluntarily convert a portion of the Commitments under the Unsecured Facility to Commitments under the Revolving Facility upon 3 Business Days' prior written notice to the Agent in the form set out in Schedule "B-2" (a "Conversion Notice Partial"), and the amount of such portion of the Credit under the Unsecured Facility shall be added to the amount of the Credit under the Revolving Facility on the third Business Day following such notice (such date being the "Conversion Date Partial").~~

#### **2.4 Incremental Commitments and Facilities**

The Borrower may, ~~on up to three occasions~~ at any time (with a minimum of \$25,000,000 of New Commitments each time, but without any minimum for a New Facility) during the Term of the Revolving Facility, by written notice to the Agent, elect to request an increase to the existing Commitments under the Revolving Facility (any such increase, the "New Commitments") or elect to create a New Facility, in accordance with the provisions of this Section.

2.4.1 The aggregate amount of any such New Commitments and available commitments under any New Facility shall not exceed an amount equal to ~~\$51,000,000,000~~ \$1,000,000,000 minus the amount of any ~~previous~~ New Commitments and New Facility (in each case, drawn and undrawn) made after the Fourth Amendment Closing Date that remain in effect. The notice shall specify the date (the "Increased Amount Date") on which the Borrower proposes that the New Commitments or New Facility shall be effective, which shall be a date not less than 15 Business Days after the date on which such notice is delivered to the Agent. The notice in respect of New Commitments shall provide that the Borrower is first offering the

---

opportunity to provide each New Commitment to the then-existing Revolving Facility Lenders, who may accept same on a pro rata basis or as they may otherwise agree. Any Revolving Facility Lender approached to provide all or a portion of the New Commitments may elect or decline, in its sole discretion, to provide a New Commitment.

2.4.2 The existing Revolving Facility Lenders shall advise the Agent within 10 Business Days following receipt of the Borrower's request for New Commitments as to the extent, if any, to which they wish to provide the New Commitments, and the Agent shall so advise the Borrower. The Borrower shall then identify each Person that is an Eligible Assignee (each, a "New Lender") to whom the Borrower proposes any portion of such New Commitments not accepted by an existing Revolving Facility Lender be allocated and the amounts of such allocations, within 2 Business Days from receipt of the Agent's notice referred to in the preceding sentence.

2.4.3 The New Commitments and any New Facility shall become effective as of the Increased Amount Date, provided that (a) no Default or Event of Default shall exist on the Increased Amount Date before or after giving effect to such New Commitments or New Facility; (b) the Borrower shall be in *pro forma* compliance with each of the covenants set forth in Section 12.11 as of the last day of the most recently ended fiscal quarter after giving effect to such New Commitments or New Facility; (c) the New Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower, the Guarantors, the New Lenders and the Agent, each of which shall be recorded in the Register (as defined in Section 16.3), and each New Lender shall be subject to the requirements set forth in Section 7.3; (d) the New Facility shall be effected pursuant to one or more amendments referred to in subsection 2.4.7; (e) the Borrower shall make any payments required pursuant to Section 7.4 in connection with the New Commitments; and (f) the Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Agent in connection with any such transaction.

2.4.4 On or before the Increased Amount Date (with effect as of the Increased Amount Date), subject to the satisfaction of the foregoing terms and conditions, (a) with respect to all New Commitments, each of the Revolving Facility Lenders shall assign to each of the New Lenders, who shall purchase same, at the principal amount thereof (together with accrued interest), such interests in the Loan Obligations under the Revolving Facility outstanding on the Increased Amount Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Loan Obligations under the relevant Facility will be held by existing Revolving Facility Lenders and New Lenders ratably in accordance with their Commitments after giving effect to the addition of such New Commitments to the Commitments, (b) each New Commitment and commitment under a New Facility shall be deemed for all purposes a Commitment and each Advance made thereunder (a "New Advance") shall be deemed, for all purposes, a Loan Obligation under the Facilities, (c) each New Lender shall become a Lender with respect to the New Commitment and all matters relating thereto, and (d) each Lender under a New Facility shall become a Lender with respect to the New Facility and all matters relating thereto.

2.4.5 The Agent shall notify the Lenders, promptly upon receipt, of the Borrower's notice of the Increased Amount Date, the New Commitments and New Lenders in respect thereof,

---

and any New Facility, as well as the effect of same as contemplated by the preceding paragraph.

2.4.6 The terms and provisions of the New Commitments under the Revolving Facility and New Advances thereunder shall be identical to the terms and provisions of the Loan Obligations, except in respect of any upfront fees or other similar fees to be paid in respect of New Commitments under the Revolving Facility. The terms and provisions of the New Commitments and New Advances not intended to simply be increases in the amount of the Revolving Facility shall be identical to the terms and provisions of the Loan Obligations, except as they relate to pricing, term, and amortization and repayment. For greater certainty, in respect of any increase contemplated in the first two sentences above, no additional Fees shall be payable in respect of any then-existing Commitments. Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Agent, to give effect to the provisions of this Section 2.4.

2.4.7 With respect to any New Facility and notwithstanding any other provision of this Agreement to the contrary, only the Borrower, the applicable lenders and agents under such New Facility and the Agent shall enter into an amendment to this Agreement to reflect all changes necessary or appropriate, in the opinion of the Agent, as a result of such New Facility, without the need to obtain the signatures of each of the existing Lenders to such amendment.

2.4.8 Notwithstanding anything to the contrary in this Section 2.4, no request for New Commitments or a New Facility may be made by the Borrower unless the Security contemplated in Section 1.3 of Article IV of the Fourth Amending Agreement shall have been granted in favour of the Agent and the Lenders and registered wheresoever required under Applicable Laws, and the documents ancillary thereto (including the applicable legal opinions and the Quebec land registry sub-search reports contemplated in Section 4 or Article VI of the Fourth Amending Agreement) shall have been delivered to the Agent.

## **2.5 Extension of Term - Revolving ~~and Unsecured Facilities~~ Facility.**

By notice in writing to the Agent for delivery to the Revolving Facility Lenders ~~and the Unsecured Facility Lenders (in this Section, the "Facility Lenders")~~ given at any time during ~~the period commencing April 21 and terminating on May 21 of each year after 2016~~ any financial year of the Borrower (but not more often than once in every financial year and no later than 90 days prior to the end of the then current Term), the Borrower may request (a "Renewal Request") that the Revolving Facility Lenders extend the Term of the Revolving Facility ~~and the Unsecured Facility (the "Relevant Facilities")~~ for an additional period of one year no greater than four years from the date ~~on~~ upon which the ~~Term of the Relevant Facilities would otherwise have expired.~~ Each Renewal Request must be made in respect of both of the Relevant Facilities, and any Facility Lender that responds to the Renewal Request shall be required to give the same decision (consent or no consent) in respect of both of the Relevant Facilities requested extension takes effect.

The Revolving Facility Lenders undertake to respond to the Renewal Request not more than 30 days from receipt. If any Revolving Facility Lender fails to so respond, such Revolving

---

Facility Lender shall be deemed to be an Extension Non-Consenting Lender, as defined below. Each Renewal Request must be consented to by Revolving Facility Lenders holding not less than  $\frac{2}{3}$  of the Commitments under ~~each of the Revolving Facilities~~ (herein the “**Special Majority Lenders**”), failing which it will be deemed to have been refused.

At the option and expense of the Borrower (including the fee payable under subsection 16.2.2(f) hereof), and provided the Special Majority Lenders have consented to the Renewal Request, any Revolving Facility Lender not consenting thereto (~~an~~ “**Extension Non-Consenting Lender**”) may be replaced, in whole or in part, by one or more Revolving Facility Lenders, or by a new Revolving Facility Lender satisfactory to the Borrower, the Agent, the Issuing Lenders and the Swing Line Lenders, in each case acting reasonably. In such case, such Extension Non-Consenting Lender shall promptly assign its rights, benefits and obligations as a Revolving Facility Lender to such other or new Revolving Facility Lender in accordance with the provisions of Section 16.2.2. If, and to the extent that, the full amount of the Commitments of any Extension Non-Consenting Lender is not so assumed, (a) all Loan Obligations owed to such Extension Non-Consenting Lender shall be fully repaid (together with interest and fees related thereto) by the Borrower to such Extension Non-Consenting Lender on, and (b) the Commitments of such Extension Non-Consenting Lender will terminate on, the then-applicable expiry date of the Term, without regard to the extension sought in the Renewal Request, and the Credit under the Revolving Facilities shall be reduced accordingly on that date.

## **2.6 Finnvera Term Facility**

All Advances under the Finnvera Term Facility shall be in the currencies and shall be made and repaid in the manner described in Schedule “P”.

### **3. PURPOSE**

#### **3.1 Purpose of the Advances**

All Advances made by the Revolving Facility Lenders to the Borrower under the Revolving Facility in accordance with the provisions hereof from and after the Closing Date, ~~and all Advances made by the Unsecured Facility Lenders to the Borrower under the Unsecured Facility in accordance with the provisions hereof from and after the Third Amendment Closing Date,~~ shall be used by the Borrower for general corporate purposes, including, without limitation, to issue Letters of Credit and to pay dividends to QMI from time to time, subject to and in accordance with the terms and conditions of this Agreement. All Advances made under the Finnvera Term Facility shall be for the purposes described in Section 2 of Schedule “P”.

### **4. ADVANCES, CONVERSIONS AND OPERATION OF ACCOUNTS**

None of the provisions of Article 4 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 3 of Schedule “P”.

---

#### **4.1 Notice of Borrowing - Direct Advances**

Subject to the applicable provisions of this Agreement, ~~including Section 4.10,~~ on any Business Day during the Disbursement Period, the Borrower shall be entitled to request Advances under the Revolving Facility, ~~and/or, if the aggregate principal amount of the Advances outstanding under the Revolving Facility will not be less than the Threshold Amount (on the date said requested Advances under the Unsecured Facility are made),~~ under the Unsecured Facility, on one or more occasions, up to the maximum amount of the Credit under the Revolving Facility ~~and/or under the Unsecured Facility, as applicable,~~ by way of Prime Rate Advances and US Base Rate Advances in minimum amounts of Canadian \$1,000,000 or US\$1,000,000 respectively, and whole multiples thereof, provided that at least one (1) Business Day prior to the day on which any Prime Rate Advance or US Base Rate Advance is required (other than a Swing Line Advance, which shall be made in accordance with the provisions of Section 4.3), the Borrower shall have provided to the Agent an irrevocable telephone notice at or before 12:00 p.m. on any Business Day, followed by the immediate delivery of a written Notice of Borrowing. Notices of Borrowing in respect of Letters of Credit, Swing Line Advances, ~~Libor~~ Term SOFR Advances and BA Advances shall be given in accordance with the provisions of Sections 4.2, 4.3, 4.11, and 6.1, respectively.

#### **4.2 Letters of Credit**

4.2.9 Issuance. Subject to the applicable provisions of this Agreement, ~~including Section 4.10,~~ on any Business Day during the Disbursement Period, as part of the Credit available under the Revolving Facility, ~~and/or, if the aggregate principal amount of the Advances outstanding under the Revolving Facility will not be less than the Threshold Amount (on the date said requested Advances under the Unsecured Facility are made),~~ as part of the Credit available under the Unsecured Facility, upon three (3) Business Days' prior written Notice of Borrowing to the Agent, the Borrower may cause to be issued by the Issuing Lender on behalf of the Revolving Facility Lenders ~~under the relevant Facility~~ one or more Letters of Credit in a maximum aggregate amount outstanding at any time not exceeding the available Credit under the Revolving Facility (minus the Swing Line Commitment) ~~and the Unsecured Facility~~ to support a bid in the Spectrum Auction and Purchase, provided that the Security will extend to the property of the entity that will own the auctioned spectrum if it is a member of the VL Group (subject to the provisions of Section 9.3) and to its Equity Interests if held by a member of the VL Group (subject to the provisions of Section 9.3 and if not so held, the provisions of Section 13.10 shall apply), unless, with respect to such Equity Interests, such owner is the Borrower. Letters of Credit issued for other purposes hereunder shall not exceed a maximum amount outstanding at any time of \$50,000,000. Each Letter of Credit shall be issued in Canadian Dollars (although Letters of Credit issued under the Swing Line may also be in US Dollars). Concurrently with the delivery of a Notice of Borrowing requesting a Letter of Credit under the Revolving Facility ~~or the Unsecured Facility, as the case may be,~~ the Borrower shall execute and deliver to the Issuing Lender the documents required by the Issuing Lender in respect of the requested type of Letter of Credit, including a Letter of Credit application and indemnity on the Issuing Lender's standard forms. In the event of any conflict between the provisions of this Agreement and the provisions of any document relating to a Letter of Credit, the provisions

---

of this Agreement shall govern and prevail. The term of each Letter of Credit shall expire prior to the end of the Term and shall not be more than 364 days and shall otherwise be in form and substance satisfactory to the Issuing Lender. If the Borrower wishes to cause the issuance of a Letter of Credit that has a maturity date expiring after the expiry of the Term, the Borrower undertakes to provide the Agent with LC Escrowed Funds (as defined in Section 4.2.5) no later than one (1) Business Day prior to the expiry of the Term.

4.2.10 Fee. The Borrower shall pay fees in respect of any such Letters of Credit (“**LC Fees**”) issued or renewed equal to the aggregate of: (i) for the Lenders under the relevant Facility under which the Letter of Credit was issued, an amount equal to (A) the face amount of the Letter of Credit on the date that the fee is payable multiplied by (B) a fraction (1) the numerator of which shall equal the product resulting from multiplying the applicable LC Fee percentage provided for in the table contained in the definition of “Margin” by the number of days in the term of the Letter of Credit selected by the Borrower, and (2) the denominator of which shall consist of 365 days or 366 days (as the case may be), which fees shall be payable quarterly in arrears on the last Business Day of each calendar quarter and (ii) for the Issuing Lender (other than the Swing Line Lender), the percentage per annum agreed upon by the Issuing Lender and the Borrower of the face amount thereof and for the number of days in the term of the Letter of Credit selected by the Borrower, payable quarterly in arrears on the last Business Day of each calendar quarter, or on such other date as the Agent may determine from time to time.

4.2.11 Reimbursement Obligations. In the event of any drawing under a Letter of Credit, the Issuing Lender shall promptly notify the Borrower who shall immediately reimburse the amount to the Issuing Lender in same day funds. In the event that the Borrower fails to reimburse the Issuing Lender immediately upon a drawing and fails to provide a Notice of Borrowing with a different option, the Borrower shall be deemed to have requested from the Agent a Prime Rate Advance under the relevant Facility under which the Letter of Credit was issued on the date and in the amount of the drawing, the proceeds of which will be used to satisfy the reimbursement obligations of the Borrower to the Lenders under such Facility in respect of the drawing. The reimbursement obligations of the Borrower hereunder shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of:

- 4.2.11.1 any lack of validity or enforceability of any Letter of Credit or this Agreement or any term or provision therein or herein;
  - 4.2.11.2 the existence of any claim, set-off, compensation, defence or other right that the Borrower, any member of the VL Group or any other Person may at any time have against the beneficiary under any Letter of Credit, the Issuing Lender, the Agents, any Lender or any other Person, whether in connection with this Agreement or any other related or unrelated agreement or transaction;
-

- 4.2.11.3 any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;
- 4.2.11.4 any dispute between or among the members of the VL Group and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the members of the VL Group against any beneficiary of such Letter of Credit or any such transferee; and
- 4.2.11.5 the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or any of the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason.

The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions that result directly from the intentional or gross fault of the Issuing Lender, as determined by a final judgment of a court of competent jurisdiction.

In furtherance and extension and not in limitation of the specific provisions of this Section 4.2, (A) any action taken or omitted by the Issuing Lender or any of its respective correspondents under or in connection with any of the Letters of Credit, if taken or omitted in good faith and without gross or intentional fault, as determined by a final judgment of a court of competent jurisdiction, shall be binding upon the Borrower and shall not put the Issuing Lender or its respective correspondents under any resulting liability to the Borrower and (B) the Issuing Lender may, without gross or intentional fault as determined by a final judgment of a court of competent jurisdiction, accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit, without responsibility for further investigation, regardless of any notice or information to the contrary (other than an injunction granted by a court of competent jurisdiction during the period for which such injunction is enforced), and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit, provided that the Issuing Lender shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit.

---

#### 4.2.12 Indemnification.

- 4.2.12.1 The Borrower agrees to indemnify and hold harmless the Issuing Lender and each of its officers, directors, affiliates, employees, advisors and agents (the “**Indemnitees**”) from and against any and all losses, claims, damages and liabilities which the Indemnitees may incur (or which may be claimed against any Indemnitee) by any Person by reason of or in connection with the issuance or transfer of or payment or failure to pay under any Letter of Credit, provided that the foregoing indemnity will not, as to an Indemnitee, apply to losses, claims, damages, liabilities or related expenses to the extent they are found by a final, non-appealable judgment of a court to arise from the gross or intentional fault of such Indemnitee.
- 4.2.12.2 The Borrower agrees, as between the Borrower and the Issuing Lender, that the Borrower shall assume all risks of the acts, omissions or misuse by the beneficiary of any Letter of Credit.
- 4.2.12.3 Neither the Issuing Lender nor the Agent or any other Lender shall, in any way, be liable for any failure by the Issuing Lender or anyone else to pay any drawing under any Letter of Credit as a result of any action by any governmental authority or any other cause beyond the control of the Issuing Lender.
- 4.2.12.4 The obligations of the Borrower under this Section 4.2 shall survive the termination of this Agreement. No acts or omissions of any current or prior beneficiary of a Letter of Credit shall in any way affect or impair the rights of the Issuing Lender to enforce any right, power or benefit under this Agreement.

4.2.13 LC Escrowed Funds. Upon the occurrence of an Event of Default, the Borrower will forthwith, upon request from the Issuing Lender under ~~either the Revolving Facility or the Unsecured~~ Facility or the Agent, pay to the Agent for deposit into an escrow account maintained by and in the name of the Agent, an amount equal to the Issuing Lender’s maximum potential exposure under the then outstanding Letters of Credit (the “**LC Escrowed Funds**”). The LC Escrowed Funds will be held by the Agent for compensation or set-off against future Indebtedness owing by the Borrower to the Issuing Lender in respect of such Letters of Credit and pending such application will bear interest at the rate declared by the Agent from time to time as that payable by it in respect of deposits for such amount and for the period from the date of deposit to the maturity date of the Letters of Credit. If such Event of Default is waived in compliance with the terms of this Agreement, then the remaining LC Escrowed Funds, if any, together with any accrued interest to the date of release, will be released to the Borrower. The deposit of the LC Escrowed Funds by the Borrower with the Agent as herein provided will not operate as a repayment on account of the Loan Obligations until such time as the LC Escrowed Funds are actually paid to the Issuing Lender as a repayment of principal hereunder. The Borrower shall sign and remit as

---



Security with regard thereto all appropriate documents that the Agent or the Issuing Lender might judge necessary or desirable.

4.2.14 **Resignation.** The Issuing Lender may resign as such (a “**Resigning Issuing Lender**”) upon 15 days' prior written notice to the Agent and the Borrower, in which event the Borrower shall designate another Lender under the relevant Facility as Issuing Lender. Upon acceptance by such other Lender of the appointment as Issuing Lender (the “**Successor Issuing Lender**”), the Successor Issuing Lender shall succeed to the rights, powers and duties of the Resigning Issuing Lender and shall have all the rights and obligations of the Resigning Issuing Lender under this Agreement and the other Loan Documents. Upon request by any of the Resigning Issuing Lender, the Successor Issuing Lender, the Agent or the Borrower, each of the Resigning Issuing Lender, the Agent, the Borrower and the Successor Issuing Lender shall enter into an agreement evidencing the appointment of the Successor Issuing Lender and dealing with such other matters as the parties may agree including any reallocation of fees paid in relation to outstanding Letters of Credit which may be necessary. Following the resignation of the Resigning Issuing Lender, the Resigning Issuing Lender shall continue to have all the rights and obligations of an Issuing Lender under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but the Resigning Issuing Lender shall not be required to issue additional Letters of Credit. For avoidance of doubt, the provisions of this Agreement relating to the Issuing Lender shall inure to the benefit of the Resigning Issuing Lender as to any actions taken or omitted to be taken by it (a) while it was the Issuing Lender under this Agreement or (b) at any time with respect to Letters of Credit issued by the Issuing Lender.

### **4.3 Swing Line Advances**

4.3.15 Subject to the terms and conditions of this Agreement, the Swing Line Lender agrees to make Swing Line Advances to the Borrower on any Business Day from time to time prior to the expiry of the Term. Swing Line Advances (other than by Letters of Credit) may be made or drawn by way of overdrafts on the Borrower's account with the Swing Line Lender or by way of irrevocable same Business Day telephone notice at or before 12:00 p.m. followed by the delivery on the same day of a written notice of confirmation. Swing Line Advances by Letter of Credit shall be subject to the prior notice as required by the Swing Line Lender in accordance with its normal practices and shall not exceed \$1,000,000 in the aggregate outstanding at any time.

4.3.16 The proceeds of Swing Line Advances may be used by the Borrower for any purpose for which other Advances under the Revolving Facility may be used.

4.3.17 The Swing Line Loan shall be immediately repaid by the Borrower if at any time (and to the extent) it exceeds the maximum of the Swing Line Advances permitted hereunder, either by the Borrower submitting a Notice of Borrowing to request a new Advance or by the Agent advising the Lenders of a deemed Notice of Borrowing for the same purpose, which Notice of Borrowing the Agent is hereby expressly authorized (but in no way obliged unless requested to do so by the Swing Line Lender) to issue.

---

4.3.18 If the Swing Line Lender no longer wishes to act as such, it shall notify the Borrower, the other Revolving Facility Lenders and the Agent not less than 15 days prior to the date on which it proposes to cease acting as a Swing Line Lender. In such event, the Borrower may designate a different Swing Line Lender by sending a notice to (a) the Swing Line Lender who will no longer act as such (the "**Retiring Swing Line Lender**"), (b) the new Swing Line Lender who has agreed to act as such and (c) the Agent, not less than five (5) days prior to the date on which the replacement is to occur. The new Swing Line Lender shall make a Prime Rate Advance or US Base Rate Advance, as applicable, available to the Agent for the purpose of repaying the Swing Line Loan owed to the Retiring Swing Line Lender on the date such replacement is to occur.

4.3.19 If an Event of Default shall have occurred, other than an Event of Default under subsection 14.1.4, or if no Revolving Facility Lender wishes to act as a replacement for the Retiring Swing Line Lender (in such case, the Swing Line Lender is herein referred to as the "**Former Swing Line Lender**"), the Borrower shall be deemed to have made a request for, and each Revolving Facility Lender shall make, a Prime Rate Advance or US Base Rate Advance, as applicable, available to the Agent for the purpose of repaying the principal amount of the Swing Line Loan owed to the Former Swing Line Lender, in the amount of such Revolving Facility Lender's Secured Applicable Percentage multiplied by the amount of the outstanding Swing Line Loan owing to the Former Swing Line Lender (the "**Lender Swing Line Repayments**"). In such event, the Borrower's right to obtain Swing Line Advances will cease, the amount of the Swing Line Commitment shall be nil, and the amounts outstanding thereunder will continue to form part of the Secured Obligations. However, if an Event of Default under subsection 14.1.4 shall have occurred, the Revolving Facility Lenders shall not make such Lender Swing Line Repayments and the provisions of subsection 4.3.6 shall apply.

4.3.20 If, before the making of a Lender Swing Line Repayment under subsection 4.3.5, a Default under subsection 14.1.4 shall have occurred and be continuing or an Event of Default under subsection 14.1.4 shall have occurred, each Revolving Facility Lender will, on the date such Lender Swing Line Repayment was to have been made, purchase from the Former Swing Line Lender an undivided participating interest in the Swing Line Loans to be repaid, in an amount equal to its Secured Applicable Percentage multiplied by the amount of the outstanding Swing Line Loans, and immediately transfer such amount to the Agent for the benefit of the Former Swing Line Lender, in immediately available funds. In such event, the Borrower's right to obtain Swing Line Advances will cease and the amounts outstanding thereunder will continue to form part of the Secured Obligations. If at any time after any Lender Swing Line Repayment has been made, the Former Swing Line Lender receives any payment on account of the Swing Line Loans in respect of which such Lender Swing Line Repayment has been made, the Former Swing Line Lender will distribute to the Agent for the benefit of each Revolving Facility Lender an amount equal to such Revolving Facility Lender's Secured Applicable Percentage multiplied by such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Facility Lender's portion was outstanding and funded) in like funds as received; provided, however, that if such payment received by the Former Swing Line Lender is required to be returned, such Revolving Facility Lender will return to the Agent for the benefit of the Former Swing Line Lender any portion thereof previously distributed by the

---

Former Swing Line Lender to the Agent for the benefit of such Revolving Facility Lender in like funds as such payment is required to be returned by such Former Swing Line Lender.

4.3.21 Each Revolving Facility Lender's obligation to make Lender Swing Line Repayments or to purchase a participating interest in accordance with subsections 4.3.5 and 4.3.6 shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (1) any set-off, compensation, counterclaim, recoupment, defense or other right which such Revolving Facility Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever; (2) the occurrence or continuance of any Default or Event of Default; (3) any adverse change in the condition (financial or otherwise) of the Borrower or any other Person; (4) any breach of this Agreement by the Borrower or any other Person; (5) any inability of the Borrower to satisfy the conditions precedent to borrowing set forth in this Agreement on the date upon which such Prime Rate Advance is to be made or participating interest is to be purchased or (6) any other circumstances, happening or event whatsoever, whether or not similar to any of the foregoing. If any Revolving Facility Lender does not make available the amount required under subsection 4.3.5 or 4.3.6, as the case may be, the Former Swing Line Lender shall be entitled to recover such amount on demand from such Revolving Facility Lender, together with interest thereon at the Prime Rate Basis or the US Base Rate Basis, as the case may be, from the date of non-payment until such amount is paid in full.

#### **4.4 Operation of Accounts**

The Agent shall maintain in its books at the Agency Branch a record of the Loan Obligations, including the Bankers' Acceptances issued by the Borrower, attesting as to the total of the Borrower's indebtedness to the Lenders in accordance with the provisions hereof and with the provisions of the Security Documents. These accounts or registers shall constitute, in the absence of manifest error, *prima facie* proof of the total amount of the indebtedness of the Borrower to the Lenders in accordance with the provisions hereof and of the Security Documents, of the date of any Advance made to the Borrower and of the total of all amounts paid by the Borrower from time to time with respect to principal and interest owing on the Loan Obligations and the fees and other sums payable in accordance with the provisions hereof or of the Security Documents.

#### **4.5 Apportionment of Advances**

The amount of each Advance will be apportioned among the relevant Lenders by the Agent by reference to the relevant [Secured](#) Applicable Percentage of each such Lender, as such [Secured](#) Applicable Percentage shall be immediately prior to the making of any Advance, subject to the provisions of subsections 4.3.5 and 4.3.6 hereof with respect to Swing Line Advances, and of Section 6.8 hereof with respect to BA Advances. If any amount is not in fact made available to the Agent by a Lender, the Agent shall be entitled to recover such amount (together with interest thereon at the rate determined by the Agent as being its cost of funds in the circumstances) on demand from such Lender or, if such Lender fails to reimburse the Agent for such amount on demand, from the Borrower.

---

**4.6 Limitations on Advances**

The undrawn Credit available under the Revolving ~~Facility and under the Unsecured~~ Facility shall cease to be available at the expiry of the Disbursement Period.

**4.7 Notices Irrevocable**

Any notice given to the Agent in accordance with Articles 4 or 6 may not be revoked or withdrawn.

**4.8 Limits on BA Advances and Letters of Credit**

Nothing in this Agreement shall be interpreted as authorizing the Borrower to issue Bankers' Acceptances or borrow by way of ~~Libor~~ Term SOFR Advances for a Designated Period expiring or, subject to subsection 4.2.1, to cause to be issued Letters of Credit maturing, on a date which is after the expiry of the Term.

**4.9 Excess Resulting From Exchange Rate Change**

Any time that, following one or more fluctuations in the exchange rate of the US Dollar against the Canadian Dollar, the sum of:

- 4.9.1 the Equivalent Amount in Canadian Dollars of Loan Obligations under the Revolving Facility ~~or the Unsecured Facility~~ in US Dollars; and
- 4.9.2 the Loan Obligations under the Revolving ~~Facility or the Unsecured~~ Facility in Canadian Dollars;

exceeds the amount of the Credit under the Revolving ~~Facility or the Unsecured~~ Facility then available, the Borrower shall promptly either (i) make the necessary payments or repayments to the Agent to reduce the Loan Obligations under the Revolving Facility ~~or the Unsecured Facility, as applicable,~~ to an amount equal to or less than the available amount of the Credit under the Revolving Facility ~~or the Unsecured Facility, as the case may be,~~ or (ii) maintain or cause to be maintained with the Agent, deposits of Canadian Dollars in an amount equal to or greater than the amount by which the Loan Obligations under the Revolving Facility ~~or the Unsecured Facility, as the case may be,~~ exceed the available amount of the Credit under the Revolving Facility ~~or the Unsecured Facility, as the case may be,~~ such deposits to be maintained in such form and upon such terms as are acceptable to the Agent. Without in any way limiting the foregoing provisions, the Agent shall, on the date of each request for an Advance or on the date of any interest payment or on each Acceptance Date or Rollover Date, make the necessary exchange rate calculations to determine whether any such excess exists on such date and, if there is an excess, it shall so notify the Borrower.

**4.10 ~~Advances and Repayments—Revolving Facility and Unsecured Facility~~**

---

~~The Borrower agrees that if, at any time when the aggregate principal amount of the Advances outstanding under the Revolving Facility is less than the Threshold Amount:~~

~~4.10.1 a Letter of Credit under the Unsecured Facility remains outstanding on the last Business Day of a calendar quarter; or~~

~~4.10.2 there are Prime Rate Advances or US Base Rate Advances outstanding under the Unsecured Facility;~~

~~the Borrower shall cause the portion of the Advances under the Unsecured Facility equal to the amount by which the Threshold Amount exceeds the aggregate principal amount of Advances under the Revolving Facility, to become Advances under the Revolving Facility. If the Borrower does not do so, the Agent, may, in its discretion, upon notice to the Borrower, transfer any portion of the principal amount of the Advances under the Unsecured Facility to the Revolving Facility, provided that in any such case the principal amount of the Advances then outstanding under the Revolving Facility does not exceed the Threshold Amount.~~

---

#### 4.10 Intentionally deleted.

#### 4.11 ~~Libor~~Term SOFR Advances and Conversions

Subject to the applicable provisions of this Agreement, ~~including Section 4.10,~~ on any Business Day during the Disbursement Period, upon an irrevocable telephone notice to the Agent given prior to 12:00 p.m., at least three Business Days prior to the date of a proposed ~~Libor~~Term SOFR Advance, followed by the immediate delivery of a written Notice of Borrowing, the Borrower may request that (a) a ~~Libor~~Term SOFR Advance be made, (b) that one or more US Base Rate Advances not borrowed as ~~Libor~~Term SOFR Advances be converted into one or more ~~Libor~~Term SOFR Advances, or (c) that a ~~Libor~~Term SOFR Advance or any part thereof be extended, as the case may be, in each case, under the Revolving Facility. ~~If the aggregate principal amount of the Advances outstanding under the Revolving Facility will not be less than the Threshold Amount on the date of a requested Libor Advance under the Unsecured Facility, the Borrower may also make such request under the Unsecured Facility.~~ Each Selected Amount with respect to each Designated Period shall be in an amount of not less than US\$1,000,000, and shall be in whole multiples of US\$1,000,000. The Agent shall determine the ~~LIBOR~~Term SOFR which will be in effect on the Rollover Date (which in such case must be a ~~Banking~~Business Day), with respect to the Selected Amount or to each of the Selected Amounts, as the case may be, having a Designated Period of ~~10 to 180 days,~~ 3 or 6 months (or such other period as may be available and acceptable to the Agent) from the Rollover Date. However, if the Borrower has not delivered a notice to the Agent in a timely manner in accordance with the provisions of this Section 4.11, the Borrower shall be deemed to have chosen to have the interest on the amount of such Advance calculated on the US Base Rate Basis. No tenor that has been removed from this Section 4.11 pursuant to Section 5.13 shall be available for specification in a Notice of Borrowing.

### 5. INTEREST AND FEES

None of the provisions of Article 5 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 4 of Schedule "P".

#### **5.1 Interest on the Prime Rate Basis and the US Base Rate Basis**

The principal amount of the Loan Obligations which at any time and from time to time remains outstanding and in respect of which the Borrower has chosen or, in accordance with the provisions hereof, is obliged to pay interest on the Prime Rate Basis or the US Base Rate Basis, shall bear interest, calculated daily, on the daily balance of such Loan Obligations, from the date of each Advance up to and including the day preceding the date of repayment thereof in full at the annual rate (calculated based on a 365 or 366 day year, as the case may be) applicable to each of such days which corresponds to the Prime Rate or the US Base Rate, respectively, at the close of business on each of such days, plus the Margin.

---

**5.2 Payment of Interest on the Prime Rate Basis and the US Base Rate Basis**

The interest payable in accordance with Section 5.1 and calculated in the manner described therein shall be payable to the Agent monthly, in arrears, on the last day of each month or on such other date (limited to once per month) as the Agent may determine and advise the Borrower from time to time, the first payment of which shall be payable on the last day of the month in which the first Prime Rate Advance or US Base Rate Advance, respectively, was made.

**5.3 Interest on the ~~Libor~~Term SOFR Basis**

The principal amount of any of the ~~Libor~~Term SOFR Advances which at any time and from time to time remains outstanding shall bear interest, calculated daily, on the daily balance of such ~~Libor~~Term SOFR Advance, from the date of each ~~Libor~~Term SOFR Advance or Rollover Date, at the annual rate (calculated based on a 360-day year) applicable to each of such days which corresponds to the ~~LIBOR~~Term SOFR applicable to each Selected Amount, plus the Margin, and shall be effective as and from the date of each ~~Libor~~Term SOFR Advance or Rollover Date up to but excluding the last day of the Designated Period of such ~~Libor~~Term SOFR Advance.

**5.4 Payment of Interest on the ~~Libor~~Term SOFR Basis**

The interest payable in accordance with the provisions of Section 5.3 and calculated in the manner described therein on the amount outstanding from time to time is payable to the Agent for the account of the Lenders, in arrears,

- 5.4.1 on the last day of the applicable Designated Period when the Designated Period is 1 to 3 months,
- 5.4.2 when the applicable Designated Period exceeds 3 months, on the last Business Day of each period of 3 months during such Designated Period and on the last day of the applicable Designated Period.

provided that if any Designated Period would otherwise end on a day that is not a Business Day, such Designated Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Designated Period into another calendar month, in which event such Designated Period shall end on the immediately preceding Business Day.

**5.5 Fixing of ~~LIBOR~~Term SOFR**

~~LIBOR~~Term SOFR shall be notified to the Borrower at approximately 11:00 a.m., two ~~Banking~~US Government Securities Business Days prior to the relevant Rollover Date.

---

### **5.6 Derivative Obligations**

The Borrower agrees that any amounts due to the Agent or the Lenders on account of Derivative Obligations shall be secured by the Security.

### **5.7 Interest on the Loan Obligations**

Where no specific provision with respect to interest on an outstanding portion of the Loan Obligations is contained in this Agreement, the interest on such portion of the Loan Obligations shall be calculated and payable on the Prime Rate Basis.

### **5.8 Arrears of Interest**

Any arrears of interest or principal shall bear interest at a rate that is two percent (2%) per annum higher than the rate of interest payable in respect of the relevant principal amount of the Loan Obligations and shall be calculated and payable on the same basis.

### **5.9 Maximum Interest Rate**

The amount of the interest or fees payable in applying this Agreement shall not exceed the maximum rate permitted by Applicable Law.

Where the amount of such interest or such fees is greater than the maximum rate, the amount shall be reduced to the highest rate that may be recovered in accordance with the applicable provisions of Applicable Law.

In determining whether the interest contracted for, charged or received by an Agent or a Lender exceeds the maximum rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated Term of the Loan Obligations hereunder.

### **5.10 Fees**

The Borrower shall pay the following fees (the "~~Revolving Facility Fees~~" and the "~~Unsecured Facility Fees~~") to the Agent (for the benefit of the Revolving Facility Lenders ~~and the Unsecured Facility Lenders, as applicable~~) and the Swing Line Lender, as applicable:

- 5.10.1 for the Revolving ~~Facility Lenders and the Unsecured~~ Facility Lenders, a standby fee (the "**Standby Fee**") calculated daily by multiplying the amount of the unused Credit (calculated based on the maximum amount that could be available under the Revolving Facility ~~or the Unsecured Facility, respectively~~, irrespective of compliance with any conditions precedent or other restrictions) under the Revolving Facility (including the Swing Line Commitment) ~~or the Unsecured Facility~~ each day by the
-



applicable rate set out in the definition of “Margin”, and dividing the result by 365 (or 366 in a leap year), and then multiplying that result by the number of days in the relevant quarter, payable quarterly in arrears two Business Days following the last day of each calendar quarter, or on such other date as the Agent or the Swing Line Lender, as applicable, may determine, acting reasonably; and

- 5.10.2 for ~~each of the Revolving Facility Lenders and the Unsecured~~ Facility Lenders, the upfront fees referred to in the Third Amending Agreement dated as of June 16, 2015; and
- 5.10.3 for the Agent, an annual agency fee in the amount and payable in accordance with the provisions of a letter agreement dated as of June 16, 2015, entered into between the Borrower and the Agent.

#### **5.11 Interest Act**

- 5.11.1 For the purposes of the *Interest Act* (Canada), any amount of interest or fees calculated herein using 360, 365 or 366 days per year and expressed as an annual rate is equal to the said rate of interest or fees multiplied by the actual number of days comprised within the calendar year, divided by 360, 365 or 366, as the case may be.
- 5.11.2 The parties agree that all interest in this Agreement will be calculated using the nominal rate method and not the effective rate method, and that the deemed re-investment principle shall not apply to such calculations. In addition, the parties acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates.

#### **5.12 Term SOFR Conforming Changes**

In connection with the use or administration of Term SOFR, the Agent will have the right to make Conforming Changes (USD) from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes (USD) will become effective without any further action or consent of any other party to this agreement or any other Loan Document, provided that, with respect to any such amendment effected in connection with the use or administration of Term SOFR, the Agent shall post each such amendment implementing such Conforming Changes (USD) to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

#### **5.13 Inability to Determine Rates (Term SOFR)**

- 5.13.1 If in connection with any request for a Term SOFR Advance or a conversion of a US Base Rate Advance to a Term SOFR Advance, as applicable, the Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate (USD) has
-

been determined in accordance with Section 5.13.2, and the circumstances under clause (a) of Section 5.13.2 or the Scheduled Unavailability Date-Term SOFR has occurred, or (B) adequate and reasonable means do not otherwise exist for determining Term SOFR for any requested Designated Period with respect to a proposed Term SOFR Advance, the Agent will promptly so notify the Borrower and each Lender.

Thereafter, the obligation of the Lenders to make or maintain Term SOFR Advances, or to convert US Base Rate Advances to Term SOFR Advances, shall be suspended (to the extent of the affected Term SOFR Advances or Designated Periods) until the Agent revokes such notice.

Upon receipt of such notice, (i) the Borrower may revoke any pending request for an Advance of, or conversion to Term SOFR Advances (to the extent of the affected Term SOFR Advances or Designated Periods) or, failing that, will be deemed to have converted such request into a request for a US Base Rate Advances in the amount specified therein and (ii) any outstanding Term SOFR Advances shall be deemed to have been converted to US Prime Rate Advances immediately at the end of their respective applicable Designated Period.

5.13.2

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, if the Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or the Majority Lenders notify the Agent (with, in the case of the Majority Lenders, a copy to the Borrower) that the Borrower or the Majority Lenders (as applicable) have determined, that:

- (a) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or
  - (b) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the interest rate of US Dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Agent, that will continue to provide such interest periods of
-

Term SOFR after such specific date (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the "Scheduled Unavailability Date-Term SOFR");

then, on a date and time determined by the Agent (any such date, the "Term SOFR Replacement Date"), which date shall be at the end of a Designated Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (b) above, no later than the Scheduled Unavailability Date-Term SOFR, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR plus the SOFR Adjustment for any payment period for interest calculated that can be determined by the Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the "Successor Rate (USD)").

If the Successor Rate (USD) is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a monthly basis.

Notwithstanding anything to the contrary herein, (i) if the Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, or (ii) if the events or circumstances of the type described in clause (a) of Section 5.13.2 or clause (b) of Section 5.13.2 have occurred with respect to the Successor Rate (USD) then in effect, then in each case, the Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate (USD) in accordance with this Section 5.13 at the end of any Designated Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar US Dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar US Dollar denominated credit facilities syndicated and agented in the United States for such benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a Successor Rate (USD). Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Majority Lenders have

---

delivered to the Agent written notice that such Majority Lenders object to such amendment.

The Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate (USD).

Any Successor Rate (USD) shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Agent, such Successor Rate (USD) shall be applied in a manner as otherwise reasonably determined by the Agent.

Notwithstanding anything else herein, if at any time any Successor Rate (USD) as so determined would otherwise be less than the Floor, the Successor Rate (USD) will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate (USD), the Agent will have the right to make Conforming Changes (USD) from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes (USD) will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Agent shall post each such amendment implementing such Conforming Changes (USD) to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

## 6. BANKERS' ACCEPTANCES

None of the provisions of Article 6 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Schedule "P".

### **6.1 Advances by Bankers' Acceptances and Conversions into Bankers' Acceptances**

- 6.1.1 Subject to the applicable provisions of this Agreement, ~~including Section 6.13,~~ on any Business Day during the Disbursement Period, as part of the Credit available under the Revolving Facility, ~~and/or, if the aggregate principal amount of the Advances outstanding under the Revolving Facility will not be less than the Threshold Amount (on the date said requested Advances under the Unsecured Facility are made), as part of the Credit available under the Unsecured Facility,~~ by providing to the Agent an irrevocable telephone notice at or before 12:00 p.m. on any Business Day followed by the immediate delivery of a written Notice of Borrowing to the Agent, given at least two (2) Business Days prior to the date of the Advance or the Rollover Date (for the purposes of this Article 6 called the "**Acceptance Date**"), the Borrower may request that a BA Advance be made, that one or more Advances not borrowed as BA Advances be converted into one or more BA Advances or that a BA
-

Advance or any part thereof be extended, as the case may be (the “**BA Request**”).

Bankers' Acceptances shall be issued on each Acceptance Date or Rollover Date, in a minimum Selected Amount, with respect to each Designated Period, of \$5,000,000 or such greater amount which is an integral multiple of \$1,000,000, shall have a Designated Period of ~~10 to 180 days~~, 2 or 3 months (or such other period as may be available and acceptable to the Agent), subject to availability, and shall, in no event, mature on a date after the expiry of the applicable Term.

6.1.2 Prior to making any BA Request, the Borrower shall deliver:

- (a) to the Lenders, in the name of each Lender which is a bank that accepts bankers' acceptances (a “**BA Lender**”), drafts in form and substance acceptable to the Agent and the Lenders; and
- (b) to the Lenders in the name of each Lender which is not a bank or does not accept bankers' acceptances (a “**Non-BA Lender**”), Discount Notes;

completed and executed by its authorized signatories in sufficient quantity for the Advance requested and in appropriate denominations to facilitate the sale of the Bankers' Acceptances in the financial markets. No Lender shall be responsible or liable for its failure to accept a Bankers' Acceptance hereunder if such failure is due, in whole or in part, to the failure of the Borrower to give appropriate instructions to the Agent on a timely basis, nor shall the Agent or any Lender be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except a loss or improper use arising by reason of the gross negligence or wilful misconduct of the Agent, such Lender, or their respective employees. In order to facilitate issuances of Bankers' Acceptances pursuant hereto, in accordance with the instructions given from time to time by the Borrower, the Borrower hereby authorizes each Lender, and for this purpose appoints each Lender its lawful attorney, to complete and sign Bankers' Acceptances on behalf of the Borrower, in handwritten or facsimile or mechanical signature or otherwise, and once so completed, signed and endorsed, and following acceptance of them as Bankers' Acceptances, to purchase, discount or negotiate such Bankers' Acceptances in accordance with the provisions of this Article 6, and to provide the Available Proceeds (as defined in subsection 6.2.4(d)) to the Agent in accordance with the provisions hereof.

Drafts so completed, signed, endorsed and negotiated on behalf of the Borrower by any Lender shall bind the Borrower as fully and effectively as if so performed by an authorized officer of the Borrower. Each Lender shall maintain a record with

---

respect to such instruments (i) received by it hereunder, (ii) voided by it for any reason, (iii) accepted by it hereunder and (iv) cancelled at their respective maturities. Each Lender agrees to provide such records to the Borrower promptly upon request and, at the request of the Borrower, to cancel such instruments which have been so completed and executed and which are held by such Lender and have not yet been issued hereunder.

## **6.2 Acceptance Procedure**

With respect to any BA Advance:

- 6.2.1 The Agent shall promptly notify in writing each Lender of the details of the proposed issue, specifying:
  - 6.2.2
    - (a) For each BA Lender, (i) the principal amount of the Bankers' Acceptances to be accepted by such Lender, and (ii) the Designated Period of such Bankers' Acceptances; and
    - (b) For each Non-BA Lender, (i) the principal amount of the Discount Notes to be issued to such Lender, and (ii) the Designated Period of such Discount Notes.
  - 6.2.3 The Agent shall establish the Bankers' Acceptance Discount Rate at or about 10:00 a.m. on the Acceptance Date, and the Agent shall promptly determine the amount of the BA Proceeds.
  - 6.2.4 Forthwith, and in any event not later than 11:30 A.M. on the Acceptance Date, the Agent shall indicate to each Lender, in the manner set out in Section 18.5:
    - (a) the Bankers' Acceptance Discount Rate;
    - (b) the amount of the Stamping Fee applicable to those Bankers' Acceptances to be accepted by such Lender on the Acceptance Date, calculated by multiplying the appropriate percentage set out in the definition of "Stamping Fee" by the face amount of each Bankers' Acceptance (taking into account the number of days in the Designated Period), any such Lender being authorized by the Borrower to collect the Stamping Fee out of the BA Proceeds of those Bankers' Acceptances;
    - (c) the BA Proceeds of the Bankers' Acceptances to be purchased by such Lender on such Acceptance Date; and
    - (d) the amount obtained (the "**Available Proceeds**") by subtracting the Stamping Fee mentioned in subsection 6.2.4(b) from the BA Proceeds mentioned in subsection 6.2.4(c).
-

- 6.2.5 Not later than 1:00 P.M. on the Acceptance Date, each Lender shall make available to the Agent its Available Proceeds.
- 6.2.6 Not later than 4:00 P.M. on the Acceptance Date, the Agent shall transfer the Available Proceeds to the Borrower in accordance with Section 8.8 and shall notify the Borrower on such day either by telex, fax or telephone (if by telephone, to be confirmed subsequently in writing) of the details of the issue.

### **6.3 Purchase of Bankers' Acceptances and Discount Notes**

Before giving value to the Borrower, the Lenders or the sub-participants which:

- 6.3.1 are BA Lenders shall, on the Acceptance Date, accept the Bankers' Acceptances by inserting the appropriate principal amount, Acceptance Date and maturity date in accordance with the BA Request relating thereto and affixing their acceptance stamps thereto, and shall purchase or sell same; and
- 6.3.2 are Non-BA Lenders shall, on the Acceptance Date, complete the Discount Notes by inserting the appropriate principal amount, Acceptance Date and maturity date in accordance with the BA Request relating thereto.

### **6.4 Maturity Date of Bankers' Acceptances**

Subject to the applicable notice provisions, at or prior to the maturity date of each Bankers' Acceptance, the Borrower shall:

- 6.4.1 give to the Agent a notice in the form of Schedule "B" requesting that the Lenders convert all or any part of the BA Advance then outstanding by way of Bankers' Acceptances which are maturing into a Prime Rate Advance; or
  - 6.4.2 give to the Agent a notice in the form of Schedule "B" requesting that the Lenders extend all or any part of the BA Advance outstanding by way of Bankers' Acceptances which are maturing into another BA Advance by issuing new Bankers' Acceptances, subject to compliance with the provisions of subsection 6.1.1 with respect to the minimum Selected Amount and Designated Period; or
  - 6.4.3 at latest at 12:00 p.m. two (2) Business Days prior to the Rollover Date of each Bankers' Acceptance then outstanding and reaching maturity, notify the Agent by way of a notice substantially in the form of Schedule "B-1" (but omitting paragraphs 3) thereof) that it intends to deposit in its account for the account of the Lenders on the Rollover Date an amount equal to the principal amount of each such Bankers' Acceptance.
-

**6.5 Deemed Conversions on the Maturity Date**

If the Borrower does not deliver to the Agent one or more of the notices contemplated by subsections 6.4.1 or 6.4.2 or does not give the notice and make the deposit contemplated by subsection 6.4.3, the Borrower shall be deemed to have requested that the part of the BA Advance then outstanding which is reaching maturity be converted into a Prime Rate Advance.

**6.6 Conversion and Extension Mechanism**

If under the conditions

- 6.6.1 of subsection 6.4.1 and of Section 6.5, the Borrower requests or is deemed to have requested, as the case may be, that the Agent convert the portion of the BA Advance which is maturing into a Prime Rate Advance, the Lenders shall pay the Bankers' Acceptances which are outstanding and maturing. Such payments by the Lenders will constitute an Advance within the meaning of this Agreement and the interest thereon shall be calculated and payable as the Borrower may request or may be deemed to have requested;
- 6.6.2 of subsection 6.4.3, the Borrower makes a deposit in its account, without limiting in any way the generality of Section 17.5, the Borrower hereby expressly and irrevocably authorizes the Agent to make any debits necessary in its account in order to pay the Bankers' Acceptances which are outstanding and maturing.

**6.7 Prepayment of Bankers' Acceptances**

Notwithstanding any provision hereof, the Borrower may not prepay any Bankers' Acceptance other than on its maturity date; however, this provision shall not prevent the Borrower from acquiring, in its discretion but subject to the other provisions of this Agreement, any Bankers' Acceptance in circulation from time to time.

**6.8 Apportionment Amongst the Lenders**

The Agent is authorized by the Borrower and each Lender to allocate amongst the Lenders the Bankers' Acceptances to be issued and purchased in such manner and amounts as the Agent may, in its sole discretion, but acting reasonably, consider necessary, so as to ensure that no Lender is required to accept and purchase a Bankers' Acceptance for a fraction of \$100,000, and in such event, the Lenders' respective Commitments in any such Bankers' Acceptances and repayments thereof shall be altered accordingly. Further, the Agent is authorized by the Borrower and each Lender to cause the proportionate share of one or more Lender's Advances (calculated based on its Commitment) to be exceeded by no more than \$100,000 each as a result of such allocations provided that the principal amount of outstanding Advances, including Bankers' Acceptances, shall not thereby exceed the maximum amount of the respective Commitment of each Lender. Any resulting amount by

---



which the requested face amount of any such Bankers' Acceptance shall have been so reduced shall be advanced, converted or continued, as the case may be, as a Prime Rate Advance, to be made contemporaneously with the BA Advance.

#### **6.9 Cash Deposits**

Each Lender may, in its discretion, at any time, in the absence of any demand by the Borrower to such effect, grant an Advance to the Borrower, the amount of which shall be equivalent to the face value of all Bankers' Acceptances then in circulation which have been accepted, which Advance shall not bear interest. The amount of the Advance shall not be taken into account in order to calculate the amount of the Credit used pursuant hereto. The Agent shall retain the amount of the Advance in a non-interest bearing cash collateral account as security, for the benefit of the Borrower, which amount may be entirely set-off against the amount of the Advance and the amount of the Bankers' Acceptances in circulation which such Lender has accepted and may be imputed, in the Lender's discretion, to the payment of the Bankers' Acceptances at their maturity. The Borrower shall sign and remit as security with regard thereto all appropriate documents which the Lenders might judge necessary or desirable, specifically including an assignment of the credit balance of the deposit account held as security.

#### **6.10 Days of Grace**

The Borrower shall not claim from the Lenders any days of grace for the payment at maturity of any Bankers' Acceptances presented and accepted by the Lenders pursuant to the provisions of this Agreement. Further, the Borrower waives any defence to payment which might otherwise exist if for any reason a Bankers' Acceptance shall be held by any Lender in its own right at the maturity thereof.

#### **6.11 Obligations Absolute**

The obligations of the Borrower with respect to Bankers' Acceptances shall be unconditional and irrevocable and shall be paid strictly in accordance with the provisions of this Agreement under all circumstances, including the following circumstances:

- 6.11.1 any lack of validity or enforceability of any draft accepted by any Lender as a Bankers' Acceptance; or
- 6.11.2 the existence of any claim, set-off, defence or other right which the Borrower may have at any time against the holder of a Bankers' Acceptance, the Lenders, or any other person or entity, whether in connection with this Agreement or otherwise.

#### **6.12 Depository Bills and Notes Act**

Bankers' Acceptances may be issued in the form of a depository bill and deposited with a clearing house, both terms as defined in the *Depository Bills and Notes Act*.

---

The Agent and the Borrower shall agree on the procedures to be followed, acting reasonably. The Lenders are also authorized to issue depository bills as replacements for previously issued Bankers' Acceptances, on the same terms as those replaced, and deposit them with a clearing house against cancellation of the previously issued Bankers' Acceptances.

**6.13 ~~Advances and Repayments—Revolving Facility and Unsecured Facility~~ Intentionally deleted.**

~~The Borrower agrees that if, at any time when the aggregate principal amount of the Advances outstanding under the Revolving Facility is less than the Threshold Amount, a Rollover Date in respect of Bankers Acceptances under the Unsecured Facility occurs, the Borrower shall cause the portion of the BA Advances (or, at the option of the Borrower, other Advances if any) under the Unsecured Facility equal to the amount by which the Threshold Amount exceeds the aggregate principal amount of Advances under the Revolving Facility to become Advances under the Revolving Facility. If the Borrower does not do so, the Agent, may, in its discretion, upon notice to the Borrower, transfer any such portion of the principal amount of the BA Advances under the Unsecured Facility to the Revolving Facility, provided that in any such case the principal amount of the Advances then outstanding under the Revolving Facility does not exceed the Threshold Amount~~

**6.14 Inability to Determine Rates (CDOR)**

6.14.1 If in connection with any request for a BA Advance or a conversion of a Prime Rate Advance to a BA Advance, as applicable, the Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate (CAD) has been determined in accordance with Section 6.14.2, and the circumstances under clause (a) of Section 6.14.2 or the Scheduled Unavailability Date-CDOR has occurred, or (B) adequate and reasonable means do not otherwise exist for determining the CDOR Rate for any requested Designated Period with respect to a proposed BA Advance, the Agent will promptly so notify the Borrower and each Lender.

Thereafter, the obligation of the Lenders to make or maintain BA Advances, or to convert Prime Rate Advances to BA Advances, shall be suspended (to the extent of the affected BA Advances or Designated Periods) until the Agent revokes such notice.

Upon receipt of such notice, (i) the Borrower may revoke any pending request for a BA Advance of, or conversion to a BA Advance (to the extent of the affected BA Advances or Designated Periods) or, failing that, will be deemed to have converted such request into a request for a Prime Rate Advance in the amount specified therein and (ii) any outstanding BA Advances shall be deemed to have been converted to Prime Rate Advances immediately at the end of their respective applicable Designated Periods.

---

6.14.2 Notwithstanding anything to the contrary in this Agreement or any other Loan Document, if the Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or the Majority Lenders notify the Agent (with, in the case of the Majority Lenders, a copy to the Borrower) that the Borrower or the Majority Lenders (as applicable) have determined, that:

- (a) adequate and reasonable means do not exist for ascertaining one month, two month and three month terms of the CDOR Rate, including, without limitation, because the CDOR Page is not available or published on a current basis and such circumstances are unlikely to be temporary; or
- (b) Refinitiv Benchmark Services (UK) Limited or any successor administrator of CDOR Page or a Governmental Authority having jurisdiction over the Agent or such administrator with respect to its publication of the CDOR Rate, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, two month and three month terms of the CDOR Rate or the CDOR Page shall or will no longer be made available, or permitted to be used for determining the interest rate of Canadian Dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Agent, that will continue to provide such terms of CDOR after such specific date (the latest date on which one month, two month and three month terms of the CDOR Rate or the CDOR Page are no longer available permanently or indefinitely, the "**Scheduled Unavailability Date-CDOR**");

then the Agent and the Borrower may amend this Agreement solely for the purpose of the CDOR Rate or any then current Successor Rate (CAD) in accordance with this Section 6.14 at the end of any Designated Period, with an alternative benchmark rate giving due consideration to any evolving or then existing convention for similar Canadian Dollar denominated credit facilities syndicated and agented in Canada for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar Canadian Dollar denominated credit facilities syndicated and agented in Canada for such benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Agent from time to time in its reasonable discretion and may be periodically updated (any such proposed rate and adjustments, a "**Successor Rate (CAD)**"). Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Majority Lenders have delivered to the Agent written notice that such Majority Lenders object to such amendment.

---

The Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate (CAD).

Any Successor Rate (CAD) shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Agent, such Successor Rate (CAD) shall be applied in a manner as otherwise reasonably determined by the Agent.

Notwithstanding anything else herein, if at any time any Successor Rate (CAD) as so determined would otherwise be less than the Floor, the Successor Rate (CAD) will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate (CAD), the Agent will have the right to make Conforming Changes (CAD) from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes (CAD) will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Agent shall post each such amendment implementing such Conforming Changes (CAD) to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

## 7. ILLEGALITY, INCREASED COSTS, INDEMNIFICATION AND MARKET DISRUPTIONS

### 7.1 Illegality

If any Lender determines that any law (whether or not as a result of a Change in Law) has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to (a) make any Advance or maintain any Loan Obligations (or to maintain its obligation to make any Advance, including any BA Advance, Term SOFR Advance, Letter of Credit or participation in a Letter of Credit), or (b) determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Agent (in the case of a Revolving ~~Facility Lender or an Unsecured~~ Facility Lender) or the Finnvera Facility Agent (in the case of a Finnvera Facility Lender), any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Agent or the Finnvera Facility Agent, as the case may be, and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Agent), prepay or, if conversion would avoid the unlawful activity, convert any affected Loan Obligations, or take any necessary steps with respect to any Letter of Credit, in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different lending office if such designation will avoid the need

---

for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

## **7.2** **Increased Costs**

### 7.2.1 **General.** If any Change in Law shall:

- (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;
- (b) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Advance made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 7.3 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or
- (c) impose on any Lender or the applicable interbank market any other condition, cost or expense affecting this Agreement or Advances by or Loan Obligations owed to such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making any Advance or maintaining any Loan Obligations (or of maintaining its obligation to make any such Advance), or to increase the cost to such Lender or the Issuing Lender of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Lender hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

### 7.2.2 **Capital Requirements.** If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of increasing the cost to such Lender of making or maintaining its Commitment or any Advance or Loan Obligation, or reducing any amount otherwise receivable by such Lender hereunder with respect thereto, then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.

---

- 7.2.3 Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsections 7.2.1 or 7.2.2 hereof, including reasonable detail of the basis of calculation thereof, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 Business Days after receipt thereof.
- 7.2.4 Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

### 7.3 Taxes

- 7.3.1 Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes. If any member of the VL Group, the Agent, the Finnvera Facility Agent or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of such payments by or on account of any obligation of a member of the VL Group hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that member of the VL Group when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this Section) the Agent, the Finnvera Facility Agent or the Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the member of the VL Group shall make any such deductions required to be made by it under Applicable Law and (iii) the member of the VL Group shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.
- 7.3.2 Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.
-

- 7.3.3 Indemnification by the Borrower. The Borrower shall indemnify the Agent, the Finnvera Facility Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Agent, the Finnvera Facility Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent or the Finnvera Facility Agent, as applicable), or by the Agent or the Finnvera Facility Agent, as applicable, on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.
- 7.3.4 Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a member of the VL Group to a Governmental Authority, such member of the VL Group shall deliver to the Agent or the Finnvera Facility Agent, as applicable, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent or the Finnvera Facility Agent, as applicable.
- 7.3.5 Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or under any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Agent or the Finnvera Facility Agent, as applicable), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower, the Agent or the Finnvera Facility Agent, as applicable, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, (a) any Lender, if requested by the Borrower, the Agent or the Finnvera Facility Agent, as applicable, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower, the Agent or the Finnvera Facility Agent, as applicable, as will enable the Borrower, the Agent or the Finnvera Facility Agent, as applicable, to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for the purposes of Part XIII of the Income Tax Act (Canada) or any successor provision thereto shall, within five days thereof, notify the Borrower and the Agent or the Finnvera Facility Agent, as applicable, in writing.
-

- 7.3.6 Treatment of Certain Refunds. If the Agent, the Finnvera Facility Agent (as applicable) or a Lender determines, acting reasonably, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which a member of the VL Group has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or other member of the VL Group, as applicable, an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or other member of the VL Group under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Agent, the Finnvera Facility Agent or such Lender, as the case may be (without duplication of any such expenses if previously reimbursed), and without interest (other than an amount equal to the net after-Tax amount of any interest paid by the relevant Governmental Authority, if any, with respect to such refund). The Borrower or the other member of the VL Group, as applicable, upon the request of the Agent or such Lender, agrees to repay the amount paid over to the Borrower or other member of the VL Group (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent, the Finnvera Facility Agent or such Lender if the Agent, the Finnvera Facility Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This subsection shall not be construed to require the Agent, the Finnvera Facility Agent or any Lender to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

#### **7.4 Breakage Costs, Failure to Borrow or Repay After Notice**

The Borrower shall indemnify each Lender against any loss or expense (including any loss or expense arising from interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain any Advance and any loss or expense incurred in liquidating or re-employing deposits from which such funds were obtained) which such Lender may sustain or incur as a consequence of any: (a) default by the Borrower in the payment when due of the amount of or interest on any Loan Obligations or in the payment when due of any other amount hereunder, (b) default by the Borrower in obtaining an Advance after the Borrower has given notice hereunder that it desires to obtain such Advance, (c) default by the Borrower in making any voluntary reduction of the outstanding amount of any Loan Obligations after the Borrower has given notice hereunder that it desires to make such reduction, and (d) payment of any Bankers' Acceptance, ~~Libor~~ Term SOFR Advance or Tranche A CDOR Advance otherwise than on the maturity date thereof (including without limitation any such payment required pursuant to Section 8.1 or upon acceleration pursuant to Section 14.2). A certificate of the Agent or the

---



Finnvera Facility Agent, as applicable providing reasonable particulars of the calculation of any such loss or expense shall be conclusive and binding in the absence of manifest error. If any Lender becomes entitled to claim any amount pursuant to this Section 7.4, it shall promptly notify the Borrower, through the Agent or the Finnvera Facility Agent, as applicable, of the event by reason of which it has become so entitled and reasonable particulars of the related loss or expense, provided that the failure to do so promptly shall not prejudice the Lenders' right to claim hereunder.

Without prejudice to the survival or termination of any other agreement of the Borrower under this Agreement, the obligations of the Borrower under this Section 7.4 shall survive the payment of principal and interest on all Loan Obligations and the termination of the Credit.

**7.5 Mitigation Obligations: Replacement of Lenders.**

- 7.5.1 Designation of a Different Lending Office. If any Lender requests compensation under Section 7.2, or requires the Borrower to pay any additional amount to it or to any Governmental Authority for its account pursuant to Section 7.3, then such Lender shall (in the case of a Finnvera Facility Lender, subject to the consent of Finnvera, as applicable) use reasonable efforts to designate a different lending office for funding or booking its Loan Obligations hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (a) would eliminate or reduce amounts payable pursuant to Section 7.2 or 7.3, as the case may be, in the future and (b) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.
- 7.5.2 Replacement of Lenders. If (a) any Lender requests compensation under Section 7.2, or (b) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 7.3, or (c) any Lender is a Defaulting Lender and has not remedied such default within 2 Business Days, or (d) if any Lender's obligations are suspended under Section 7.1, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Agent or the Finnvera Facility Agent, as applicable, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Article 16 and Article 10 of Schedule "P", as applicable), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an Eligible Assignee, a Tranche A Assignee or other assignee permitted under Schedule "P", as applicable that shall assume
-

such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such Assignment), provided that:

- (a) the Borrower pays the Agent the assignment fee specified in subsection 16.2.2(f), in the case of an Assignment;
- (b) the Borrower pays the Finnvera Facility Agent the transfer fee specified in Section 10.3 of Schedule "P", in the case of an assignment under the Finnvera Term Facility;
- (c) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loan Obligations and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the Assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
- (d) in the case of any such Assignment resulting from a claim for compensation under Section 7.2 or payments required to be made pursuant to Section 7.3, such assignment will result in a reduction in such compensation or payments thereafter; and
- (e) such Assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such Assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such Assignment and delegation cease to apply.

## **7.6 Market Disruption**

If, at any time or from time to time, the Requisite Disruption Lenders provide notice to the Agent that:

- 7.6.1 (a) with respect to BA Advances, there no longer exists a market for Bankers' Acceptances, or (b) with respect to ~~Libor~~Term SOFR Advances, as a result of market conditions, (i) there exists no appropriate or reasonable method to establish ~~LIBOR~~Term SOFR, for a Selected Amount or a Designated Period, or (ii) US Dollar deposits are not available to the Lenders in such market in the ordinary course of business in amounts sufficient to permit them to make a ~~Libor~~Term SOFR Advance, for a Selected Amount or a Designated Period, or (c) with respect to BA Advances or Prime Rate Advances, (i) the Bankers' Acceptance Discount Rate is unavailable and the Agent is unable to provide the alternative rate described in the definition of "Bankers'
-

Acceptance Discount Rate”, or (ii) the Bankers’ Acceptance Discount Rate does not adequately and fairly reflect the cost to each such Requisite Disruption Lender of funding such Advance as determined by each such Requisite Disruption Lender in good faith, or (iii) the Prime Rate or the US Base Rate at such time does not adequately and fairly reflect the cost to each such Requisite Disruption Lender of funding such Advance as determined by each such Requisite Disruption Lender in good faith;

any of the foregoing, a “**Market Disruption Event**”, then in any such case:

- 7.6.2 the Borrower and the Agent shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing to a substitute basis for determining the applicable Bankers’ Acceptance Discount Rate or ~~LIBOR~~Term SOFR. Any alternate basis (which may include having recourse to the Market Disruption Prime Rate and/or the Market Disruption US Base Rate) agreed upon pursuant to the foregoing sentence shall, with the prior consent of each of the Lenders affected by the Market Disruption Event and the Borrower, be binding on all of them;
- 7.6.3 failing such agreement, the substitute basis for determining the applicable Bankers’ Acceptance Discount Rate or ~~LIBOR~~Term SOFR shall be as notified to the Borrower by each affected Lender, accompanied by a certificate of such affected Lender setting out the appropriate substitute rate for the particular form of Advance in question, and accompanied by reasonable explanations and calculations, provided that such substitute rate shall not exceed the relevant rate of non-affected Lenders by more than 1.50%; and
- 7.6.4 to the extent that the Advances affected by the Market Disruption Event are (a) US Base Rate Advances, the applicable US Base Rate for all affected Lenders shall be the Market Disruption US Base Rate, and (b) Prime Rate Advances, the applicable Prime Rate for all affected Lenders shall be the Market Disruption Prime Rate.

## **8. PAYMENT, REPAYMENT AND PREPAYMENT**

None of the provisions of Article 8 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 5 of Schedule “P”. However, Section 18.8 hereof shall apply to all payments made in respect of the Finnvera Term Facility.

### **8.1 Repayment of the Loan Obligations**

The Borrower hereby agrees to repay the amount of the Loan Obligations outstanding under the Revolving ~~Facility and under the Unsecured~~ Facility on the last day of the Term.

---

## **8.2 Voluntary Repayment and Prepayment of the Loan Obligations or Cancellation of the Credit**

On any Business Day during the Term, after having given notice to the Agent substantially in the form of Schedule "B-1" of one (1) Business Day with respect to the repayment of Prime Rate Advances and US Base Rate Advances and two (2) Business Days with respect to BA Advances and LiborTerm SOFR Advances, ~~and subject to Sections 4.10 and 6.13~~, the Borrower may repay in minimum amounts of \$1,000,000 or US\$1,000,000, or in whole multiples of such amount, all or part of the principal amount of the Loan Obligations under the Revolving Facility ~~or under the Unsecured Facility~~, for the account of the Revolving Facility Lenders ~~or the Unsecured Facility Lenders, respectively~~, provided that in respect of any LiborTerm SOFR Advance, no repayment may be made on a day other than on the maturity date of such LiborTerm SOFR Advance, save as permitted by the terms of Section 8.3, and in respect of a BA Advance, no repayment shall be made on a date other than a maturity date of the Bankers' Acceptances outstanding at that time, save as provided in Section 8.3, with, in each case, all interest accrued and unpaid on the amounts so prepaid.

In addition, the Borrower may, upon the same notice, cancel any portion of the Credit that has not been drawn by the Borrower, ~~provided that the Credit under the Unsecured Facility must be cancelled in full before any cancellation of the Credit under the Revolving Facility may occur~~. No Standby Fee shall be payable in respect of any portion of the Credit so cancelled as and from the effective date of its cancellation. The Borrower shall not be permitted to draw Advances in respect of any portion of the Credit so cancelled.

## **8.3 Cash Collateralization of BA Advances and Payment of Losses Resulting From a Prepayment**

If a prepayment to be made would require the repayment of outstanding Bankers' Acceptances prior to their maturity, the Borrower shall provide to the Agent cash collateral in an amount equal to the face amount of such Bankers' Acceptances which cash collateral shall be held by the Agent in an interest bearing account and used to repay same at maturity.

If a prepayment in respect of a LiborTerm SOFR Advance is made on a date other than its maturity date, contrary to the provisions of this Agreement, simultaneously with such prepayment the Borrower shall pay to the Lenders the losses, costs and expenses suffered or incurred by the Lenders with respect to such prepayment, which are referred to in Section 7.4.

## **8.4 Currency of Payments**

All payments, repayments and prepayments, as the case may be:

- 8.4.1 of principal of the Loan Obligations, or any part thereof, shall be made in the same currency as that in which they are outstanding;
-

- 8.4.2 of interest, shall be made in the same currency as the principal amount outstanding to which they relate;
- 8.4.3 of Fees, shall be made in Canadian Dollars alone; and
- 8.4.4 of the amounts referred to in Section 7.4, shall be made in the same currency as the losses, costs and expenses suffered or incurred by the Lenders.

**8.5 Payments by the Borrower to the Agent**

All payments to be made by the Borrower in connection with this Agreement shall be made in funds having same day value to the Agent, at the Agency Branch, or at any other office or account in Toronto or Montreal designated by the Agent. Any such payment shall be made on the date upon which such payment is due, in accordance with the terms hereof, no later than 12:00 p.m.

**8.6 Payment on a Business Day**

Each time a payment, repayment or prepayment is due on a day that is not a Business Day, it shall be made on the following Business Day, subject to Section 5.4 with respect to interest payments on ~~Libor~~ Term SOFR Advances.

**8.7 Payments by the Lenders to the Agent**

Any amounts payable to the Agent by a Lender shall be paid in funds having same day value to the Agent by the Lenders on a Business Day at the Agency Branch.

**8.8 Payments by the Agent to the Borrower**

Any payment received by the Agent for the account of the Borrower shall be paid in funds having same day value to the Borrower on the date of receipt, or if such date is not a Business Day, on the next Business Day, at the Branch.

**8.9 Netting**

On the date of any Advance or on a Rollover Date (a “**Transaction Date**”), the Agent shall be entitled to net amounts payable on such date by the Agent to a Lender against amounts payable in the same currency on such date by such Lender to the Agent, for the account of the Borrower. Similarly, on any Transaction Date, the Borrower hereby authorizes each Lender to net amounts payable in one currency on such date by such Lender to the Agent, for the account of the Borrower, against amounts payable in the same currency on such date by the Borrower to such Lender in accordance with the Agent's calculations made in accordance with the provisions of this Agreement.

---

**8.10 Application of Payments**

- 8.10.1 Except as otherwise indicated herein, all payments made to the Agent by the Borrower for the account of the Revolving ~~Facility Lenders or the Unsecured~~ Facility Lenders shall be distributed the same day by the Agent, in accordance with its normal practice, in funds having same day value, among the Revolving Facility Lenders ~~or the Unsecured Facility Lenders, as the case may be,~~ to the accounts last designated in writing by each Revolving ~~Facility Lender or Unsecured~~ Facility Lender to the Agent, *pro rata* in accordance with their respective Secured Applicable Percentage, and notice thereof shall be given to the Borrower by the Agent within a reasonable delay.
- 8.10.2 Except as otherwise indicated herein or as otherwise determined by the Revolving Facility Lenders ~~or the Unsecured Facility Lenders, as applicable,~~ all payments made by the Borrower to the Agent on behalf of the Revolving Facility Lenders ~~or the Unsecured Facility Lenders~~ shall be applied by the Revolving Facility Lenders ~~or the Unsecured Facility Lenders, as the case may be,~~ as follows:
- (a) to the fees, costs, expenses and accessories contemplated by Article 7, Section 14.5 and Section 17.5 and by the Security Documents;
  - (b) to all amounts due under Article 5 hereunder;
  - (c) to the repayment of the principal amount of the Loan Obligations;
  - (d) to any other amounts due pursuant to this Agreement.

**8.11 No Set-Off or Counterclaim by Borrower**

All payments by the Borrower shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

**8.12 Debit Authorization**

The Agent is hereby authorized to debit the Borrower's and the Guarantors' account or accounts maintained from time to time at the Branch or elsewhere, and to set off and compensate against any and all accounts, credits and balances maintained at any time by the Borrower or the Guarantors for the amount of any interest or any other amounts due and owing hereunder from time to time payable by the Borrower, in order to obtain payment thereof.

---

## 9. SECURITY

### 9.1 Security for Advances

As general and continuing security for the performance by the Borrower of its obligations to the Agents and the Lenders hereunder, including its obligations under the Swing Line and the other Loan Documents, its obligation to perform and pay the Loan Obligations and all Derivative Obligations ~~(provided that the Loan Obligations under the Unsecured Facility shall not benefit from any Security Documents other than the Guarantees described in subsection 9.1.1)~~, as such agreements are, from time to time, amended, restated, amended and restated, extended or renewed, the Borrower shall:

- 9.1.1 cause to be executed by each of the Guarantors an unconditional solidary (joint and several) Guarantee in favour of the Agent on behalf of the Lenders, of the obligations of the Borrower under this Agreement, all Derivative Obligations and the Loan Documents, substantially in the form annexed as Schedule “D”;
  - 9.1.2 execute and cause to be executed by each of the Guarantors an agreement pledging the Equity Interests of each of their respective Subsidiaries to the Agent on behalf of the Lenders, which agreement shall be substantially in form of Schedule “E” (the “**Share Pledge**”);
  - 9.1.3 execute and cause to be executed by each of the Guarantors first-ranking security (subject only to Permitted Charges) in favour of the Agent on behalf of the Lenders, by way of a hypothec on the universality of all of its movable and immovable property located in the Province of Quebec (and/or, at the option of the Agent, by way of a hypothec securing Debentures granted in favour of the Agent or a collateral agent designated by the Agent as the ~~power of attorney (“*fondé de pouvoir*”)~~Hypothecary Representative of the Lenders within the meaning of Article 2692 of the *Civil Code of Quebec*, as contemplated by Section 18.16), the whole subject to the waivers contained in the letters referred to in Section 17.4. Notwithstanding the foregoing, the Borrower and the Guarantors shall only be obliged to make additional registrations of the foregoing security after the date of this Agreement ~~against any network in the land registry of Quebec on every second anniversary of the date of this Agreement~~the Fourth Amendment Closing Date;
  - 9.1.4 execute and cause to be executed by each of the Guarantors a Debenture Pledge of the Debentures referred to in subsection 9.1.3;
  - 9.1.5 execute first-ranking security (subject only to Permitted Charges) in favour of each Revolving Facility Lender that is a bank, within the meaning of the Bank Act (Canada), under Sections 427 and following of the Bank Act (Canada);
-

- 9.1.6 execute and cause to be executed by each of the Guarantors in favour of the Agent on behalf of the Lenders, a first-ranking (subject only to Permitted Charges) General Security Agreement and mortgage charging all of its property and assets, personal (movable) and real (immovable), if any, located elsewhere in Canada or in the USA (and/or, at the option of the Agent, by way of a debenture or other instrument containing the same Charges);
- 9.1.7 execute and cause to be executed by each of the Guarantors a first-ranking assignment, by way of collateral security, of the contracts governing or evidencing intellectual property rights (subject to Permitted Charges, and to the extent not prohibited by the terms of the agreements governing such rights) in favour of the Agent on behalf of the Lenders; and
- 9.1.8 cause the Agent on behalf of the Lenders to be named in all insurance policies protecting the members of the VL Group and their movable property, activities, business interruption and third party liability against any form of loss as a named insured as its interest may appear, and deliver to the Agent certificates of insurance in form and substance satisfactory to the Agent.

## **9.2 ECA Guarantee**

Notwithstanding any provision in this Agreement to the contrary, the ECA Guarantee (as defined in Schedule “P”), any replacement guarantee or instrument delivered pursuant to the provisions of Section 8.3 of Schedule “P”, and all proceeds derived therefrom shall be for the sole benefit of the Finnvera Facility Lenders.

## **9.3 Guarantors – Exception**

After the Closing Date, any member of the VL Group may create or acquire one or more Subsidiaries that are or are not wholly-owned by a member of the VL Group, including as a result of its participation in a joint venture with another Person. Such Subsidiary shall not be required to provide a Guarantee pursuant to subsection 9.1.1 or to provide the Security, provided that the absence of such Guarantee does not cause the Borrower to breach the provisions of Section 12.12 at the time of the creation or Acquisition or at any time thereafter, and shall not be considered a Guarantor. If such Subsidiary is wholly-owned, it will be a member of the VL Group. In addition, the Borrower may at any time request to the Agent that one or more of its Subsidiaries (each, a “**Released Guarantor**”) shall cease to be considered a Guarantor and that its Guarantee provided pursuant to subsection 9.1.1 and its Security be discharged and terminated if the following conditions are satisfied on the effective date on which such Released Guarantor shall so cease to be considered a Guarantor (the “**Release Date**”): (i) the release of the Released Guarantor as a Guarantor on the Release Date shall not cause the Borrower to breach the provisions of Section 12.12, (ii) no Default or Event of Default exists on

---



the Release Date, and (iii) contemporaneously with the Release Date, all existing Guarantees granted by the Released Guarantor in respect of obligations of the Borrower under Additional Offerings permitted by paragraphs (f) and (g) of Section 13.7, and unsecured Debt permitted by paragraph (i) of Section 13.7, shall also be terminated substantially contemporaneously. In the event that a Released Guarantor ceases to be considered a Guarantor by satisfying all of the conditions of the previous sentence of this Section 9.3, the Security on the property of such Released Guarantor and the Guarantee given by it pursuant to subsection 9.1.1 shall be discharged and terminated by the Agent without any requirement to obtain the consent of the Lenders (and such Person shall thereafter cease to be considered a Guarantor).

**9.4 Release of Security in Certain Circumstances**

The Lenders agree to instruct the Agent to release all of the Security at the request of the Borrower if the Borrower's senior unsecured debt rating obtained from any 2 of DBRS, S&P or Moody's has been and remains not less than BBB(low)/BBB-/Baa3 for a period of not less than 6 months.

~~9.5 Limitation on Aggregate Principal Amount of Loan Obligations Secured by the Security Documents~~

~~Notwithstanding any terms of any Loan Documents (including all Security Documents) to the contrary, the Agents and all Lenders confirm and agree that:~~

~~9.5.1 The Debt of the VL Group to the Agents and the Lenders pursuant to and arising under the Unsecured Facility shall not form part of the Loan Obligations secured by the Security Documents and the Security (other than the Guarantees described in subsection 9.1.1);~~

~~9.5.2 from and after any Conversion Date-Partial, all Loan Obligations described in the relevant Conversion Notice-Partial shall be secured by the Security Documents; and~~

~~9.5.3 from and after the Conversion Date-Total, all Loan Obligations shall be secured by the Security Documents~~

**9.5 Intentionally deleted.**

**10. CONDITIONS PRECEDENT**

None of the provisions of Section 10.1 or 10.2 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 6 of Schedule "P".

---

**10.1 Initial Advance Under the Revolving Facility After the Closing Date**

The obligation of the Lenders to make the initial Advance under the Revolving Facility after the Closing Date is conditional upon the fulfilment of each of the conditions set out in this Section 10.1 and in Section 10.2 to the entire satisfaction of the Agent and the Lenders:

- 10.1.1 certified copies of all of the constating documents, borrowing by-laws and resolutions of the Borrower and of each other member of the VL Group not previously provided to the Agent shall have been provided to the Agent;
  - 10.1.2 all Charges on the property of each member of the VL Group, other than Permitted Charges, shall have been discharged;
  - 10.1.3 this Agreement shall have been executed and delivered, and each of the Security Documents shall have been amended, executed, delivered, issued or assigned and registered or published, as the case may be, wherever required;
  - 10.1.4 all of the issued and outstanding Equity Interests of the Subsidiaries referred to in subsection 9.1.2 owned, directly or indirectly by the Borrower and any of its Subsidiaries at the relevant time, shall have been pledged in accordance with the Share Pledge executed by the Borrower and the relevant Subsidiaries and all of the pledged Equity Interests shall have been remitted to the Agent;
  - 10.1.5 the Borrower shall have delivered to the Agent a certificate in the form of Schedule "F" signed by an officer stipulating and certifying that:
    - (a) such officer has taken cognizance of all the terms and conditions of this Agreement and of all contracts, agreements and deeds pertaining hereto;
    - (b) no Default or Event of Default has occurred or exists hereunder;
    - (c) the corporate structure of the VL Group is as set out in the diagram attached to the certificate;
    - (d) each member of the VL Group holds the permits, Licences, licences and authorizations required in order to permit it to possess its property and its real estate and to carry on its business in the manner in which it is being carried on at present;
    - (e) all property to be charged by the Security Documents is located in the jurisdictions described in a schedule thereto;
-

- 10.1.6 the Borrower shall have delivered to the Agent the favourable legal opinion(s) of the counsel to the VL Group, addressed to the Lenders, the Agent and its counsel, in form and substance acceptable to the Agent and its counsel, acting reasonably, including with regard to the continuing validity of all relevant Guarantees and Security; and
- 10.1.7 the Borrower shall have paid to each of the Revolving Facility Lenders an upfront fee in the amount and payable as set forth in the invitation letter sent to it by the Borrower dated May 30, 2011.

**10.2 Conditions Precedent to any Advance**

The obligation of the Lenders to make any Advance under the Credit is conditional upon each of the following conditions having been satisfied:

- 10.2.1 the representations and warranties contained in this Agreement shall continue to be true and correct (except where stated to be made as at a particular date);
- 10.2.2 except in the case of Swing Line Advances, the Borrower shall have delivered to the Agent or the Finnvera Facility Agent, as applicable, a completed Notice of Borrowing;
- 10.2.3 nothing shall have occurred since March 31, 2011 which would constitute a Material Adverse Change; and
- 10.2.4 no Default shall have occurred and be continuing and no Event of Default shall have occurred.

**10.3 Waiver of Conditions Precedent**

The conditions set out in Sections 10.1 and 10.2 are solely for the benefit of the Lenders, and may be waived by the Agent with the unanimous consent of the Lenders, without prejudice to the right of the Agent to assert any such condition in connection with any subsequently requested Advance.

**11. REPRESENTATIONS AND WARRANTIES**

For so long as the Loan Obligations remain outstanding and unpaid, or the Borrower is entitled to borrow hereunder (whether or not the conditions precedent to such borrowing have been or may be satisfied), the Borrower hereby represents and warrants to the Lenders that:

**11.1 Incorporation**

Each member of the VL Group is duly incorporated or organized, validly existing and in good standing under the Applicable Laws of its jurisdiction of incorporation or organization and of all jurisdictions in which it carries on business or is otherwise required to be so qualified. Each member of the VL Group has the capacity and

---

power, whether corporate or otherwise, to hold its assets and carry on the business presently carried on by it or which it proposes to carry on hereafter in each jurisdiction where such business is carried on.

#### **11.2 Authorization**

The Borrower and each Guarantor has the power and has taken all necessary steps under the Applicable Laws in order to be authorized to borrow hereunder, to provide the Security, as the case may be, and to execute and deliver and perform its obligations under this Agreement and each of the Security Documents to which it is a party, as the case may be, in accordance with the terms and conditions thereof and to complete the transactions contemplated in the Security Documents and herein, as the case may be. This Agreement has been duly executed and delivered by duly authorized officers of the Borrower and is, and each of the Security Documents to which the Borrower and each Guarantor is a party is, and when executed and delivered in accordance with the terms hereof, shall be, a legal, valid and binding obligation of the Borrower and each Guarantor, respectively, enforceable in accordance with its terms.

#### **11.3 Compliance with Applicable Law and Contracts**

The execution and delivery of and performance of the obligations under this Agreement and each of the Security Documents by the Borrower and each Guarantor, as the case may be, in accordance with their respective terms and the completion of the transactions contemplated therein and herein by the Borrower and each other member of the VL Group, as the case may be, do not require any consents or approvals, do not violate any Applicable Laws, do not conflict with, violate or constitute a breach under the documents of incorporation or organization or by-laws of any member of the VL Group or under any agreements, contracts or deeds to which any member of the VL Group is a party or binding upon it or its assets and do not result in or require the creation or imposition of any Charge whatsoever on the assets of any member of the VL Group, whether presently owned or hereafter acquired, save for the Permitted Charges.

#### **11.4 Core Business**

The VL Group operates businesses in the cable, telecommunications, media and entertainment industries, including on-line internet services, telephony, wireless communications, interactive technologies, the distribution of media content, and anything related or ancillary thereto including activities that are a reasonable evolution of, and consistent with, the foregoing.

#### **11.5 Financial Statements**

The financial statements provided from time to time hereunder are prepared in accordance with GAAP applied on a consistent basis throughout the periods specified (except as noted thereon) and are an accurate representation of the financial position of the Borrower on a consolidated basis as of the respective dates

---

specified and the results of their operations and cash flows for the respective periods specified.

#### **11.6    Contingent Liabilities and Indebtedness**

Neither the Borrower nor any other member of the VL Group has (a) any material Contingent Obligations or contingent liabilities known to it which are not disclosed or referred to in the most recent financial statements delivered to the Agent and the Finnvera Facility Agent in accordance with the provisions of Section 12.15 or otherwise disclosed to the Agent and the Finnvera Facility Agent in writing, or (b) incurred any Indebtedness which is not disclosed in or reflected in such financial statements, or otherwise disclosed to the Agent and the Finnvera Facility Agent in writing, other than Contingent Obligations, contingent liabilities or Indebtedness incurred in the ordinary course of business, and Debt permitted hereunder.

#### **11.7    Title to Assets**

Each member of the VL Group has good, valid and marketable title to all of its properties and assets, free and clear of any Charges other than Permitted Charges. All of the immovable property (including any cable or telecommunications network) owned by the VL Group as of the Closing Date is listed in Schedule "I". All premises occupied by any member of the VL Group as of the Closing Date containing material assets belonging to such members of the VL Group are also listed in Schedule "I". All of the material tangible movable property of the VL Group as of the Closing Date is located in the provinces of Quebec and Ontario. Each member of the VL Group has rights sufficient for it to use all the Licences, licences, intellectual property and patents, patent applications, trademarks, trademark applications, trade names, service marks, copyrights, industrial designs, technology and other similar intellectual property rights reasonably necessary for the conduct of its business. To the knowledge of the Borrower, neither it nor any member of the VL Group is infringing or is alleged to be infringing the intellectual property rights of any other Person, except where such infringement could not reasonably be expected to cause a Material Adverse Change.

#### **11.8    Litigation**

There are no actions, suits or legal proceedings instituted or pending or, to the knowledge of each member of the VL Group, threatened, against any of them or their property before any court or arbitrator or any governmental body or instituted by any governmental body which could reasonably be expected to result in a Material Adverse Change.

#### **11.9    Taxes**

Each member of the VL Group has filed within the prescribed delays all federal, provincial or other tax returns which it is required by Applicable Law to file and all Taxes levied with respect to each member of the VL Group have been paid when due, except to the extent that (a) payment thereof is being contested in good faith by

---

such member of the VL Group in accordance with the appropriate procedures, for which adequate reserves have been established in the books of the relevant member of the VL Group, and (b) the outcome of such contestation would not reasonably be expected to result in a Material Adverse Change.

**11.10 Insurance**

Each member of the VL Group has contracted for the insurance coverage described in Section 12.6.

**11.11 No Adverse Change**

No Material Adverse Change has occurred since December 31, 2010.

**11.12 Regulatory Approvals**

No member of the VL Group is required to obtain any consent, approval, authorization, permit, Licence or licence from, nor to effect any filing or registration with, any federal, provincial or other regulatory authority in connection with the execution, delivery or performance, in accordance with their respective terms, of this Agreement or the Security Documents, any borrowings hereunder and the granting of the Security.

**11.13 Compliance with Applicable Law and Licences**

Each member of the VL Group is in full compliance in all material respects with all requirements of Applicable Law and with all of the conditions attaching to its permits, authorizations, Licences, licences, certificates and approvals, including without limitation its articles of incorporation and by-laws.

**11.14 Pension and Employment Liabilities**

Except for a deficit not exceeding \$5,000,000 in respect of the pension plan for executives of the Borrower, no member of the VL Group has any unfunded pension liabilities (except for amounts that are not material to the Borrower on a consolidated basis and except for any such plan that does not need to be fully funded in accordance with Applicable Law), whether valued on a going concern or a wind-up basis, and all material obligations (including wages, salaries, commissions and vacation pay) to current employees and to former employees have been paid in full or duly provided for.

**11.15 Priority**

The Security and Charges created, evidenced or constituted by or under the Security Documents bind each member of the VL Group which is a party thereto, are valid and subject to no Charge, other than the Permitted Charges, and are enforceable, as security for the performance of the obligations secured thereunder, in accordance

---

with their respective terms, against the members of the VL Group which are parties thereto.

**11.16 Complete and Accurate Information**

All of the information, reports and other documents and all data (other than forecasts), as well as the amendments thereto, provided to the Agent, the Finnvera Facility Agent and/or Finnvera plc by or on behalf of the VL Group were, at the time same were provided, and are at the date hereof, complete, true and accurate in all material respects. All forecasts provided to the Agent and/or the Finnvera Facility Agent were prepared in good faith and all assumptions used therein were reasonable.

**11.17 Share Capital**

On the Closing Date, all of the shares of: (a) the Borrower are owned, directly or indirectly, by Quebecor Media Inc.; and (b) each of the Guarantors are owned, directly or indirectly, by the Borrower, free and clear of any Charges other than Permitted Charges.

**11.18 Absence of Default**

There exists no Default or Event of Default hereunder.

**11.19 Agreements with Third Parties**

Each member of the VL Group is in compliance in all material respects with each and every one of its obligations under agreements with third parties to which it is a party or by which it is bound, the breach of which could reasonably be expected to result in a Material Adverse Change.

**11.20 Anti-Terrorism ~~and~~, Money Laundering Laws and Sanctions**

No member of the VL Group or any of its Subsidiaries is a Person or entity that is:

- 11.20.1 referred to in section 5 of the Proceeds of Crime Act, that is subject to the obligations applicable to such persons or entities under the Proceeds of Crime Act;
  - 11.20.2 on the list of names subject to the Regulations Establishing a List of Entities made under subsection 83.05(1) of the Criminal Code (Canada), the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism (RIUNRST) and the United Nations Al-Qaida and Taliban Regulations (UNAQTR) published by the Office of the Superintendent of Financial Institutions Canada; or
  - 11.20.3 affiliated with a Person or entity listed above.
-

The Borrower and its Subsidiaries are not in violation of, in any material respect, any of the country or list based economic and trade sanctions administered and enforced by OFAC, or any Sanctions Laws. As of the Fourth Amendment Effective Date, none of the Borrower or any of its Subsidiaries is (i) a Sanctioned Person or (ii) a Person designated under Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 or other Sanctions Laws. If a senior officer of the Borrower or any of its Subsidiaries receives any written notice that the Borrower or any Subsidiary of the Borrower is named on the then current OFAC SDN List or is otherwise a Sanctioned Person (such occurrence, a "Sanctions Event"), the Borrower shall promptly (i) give written notice to the Agent and the Lenders of such Sanctions Event, and (ii) comply in all material respects with all Applicable Laws with respect to such Sanctions Event (regardless of whether the Sanctioned Person is located within the jurisdiction of the United States of America or Canada), Notwithstanding the foregoing, the representations given in this paragraph of Section 11.20 shall not be made by nor apply to any Person that qualifies as a corporation that is registered or incorporated under the laws of (y) Canada or any province thereof and that carries on business in whole or in part in Canada within the meaning of Section 2 of the Foreign Extraterritorial Measures (United States) Order, 1992 passed under the *Foreign Extraterritorial Measures Act (Canada)* insofar as such representations would result in a violation of or conflict with the *Foreign Extraterritorial Measures Act (Canada)* or (z) the laws of any other jurisdiction enacting any similar or equivalent such law insofar as such representations would result in a violation of or conflict with such law.

#### **11.21 Environment**

- 11.21.1 There are no existing claims, demands, suits, proceedings or actions of any nature whatsoever, whether threatened or pending, arising out of the presence on any property owned or controlled by any member of the VL Group, either past or present, of any Hazardous Substances, or out of any past or present activity conducted on any property now owned by any member of the VL Group, whether or not conducted by any member of the VL Group, involving Hazardous Substances, which would reasonably be expected to result in a Material Adverse Change;
- 11.21.2 To the best of the knowledge of the Borrower, after due enquiry:
- (a) there is no Hazardous Substance existing on or under any property of any member of the VL Group which constitutes a material violation of any Environmental Law for which an owner, operator or person in control of a property may be held liable;
  - (b) the business of each member of the VL Group is being carried on so as to comply in all material respects with all Environmental Laws and all Applicable Laws concerning health and safety matters;
-



- (c) no Hazardous Substance has been spilled or emitted into the environment contrary to Environmental Laws from any property owned, operated or controlled by any member of the VL Group for which such member of the VL Group could have any material liability;
- (d) compliance by the members of the VL Group with all current Environmental Laws would not reasonably be expected to cause a Material Adverse Change;
- (e) no member of the VL Group is in default in filing any report or information material to its business with any Governmental Authority as required pursuant to Environmental Laws; and
- (f) each member of the VL Group has maintained, in all material respects, all material environmental and operating documents and records material to its business substantially in the manner required by all Environmental Laws.

#### **11.22 Survival of Representations and Warranties**

All of the representations and warranties made hereunder are true and correct at the Closing Date, shall be true and correct at the date of any Advance hereunder and on each Tranche A Rollover Date (as defined in Schedule "P") (except where qualified in this Article 11 as being made as at a particular date), shall survive the execution and delivery of this Agreement, any investigation by or on behalf of the Lenders or the making of any Advance hereunder, and none of same are nor shall be waived, except in writing.

### **12. COVENANTS**

For so long as the Loan Obligations remain outstanding and unpaid, or the Borrower is entitled to borrow hereunder (whether or not the conditions precedent to such borrowing have been or may be satisfied) and unless the Agent shall otherwise agree in writing upon obtaining the approval of the requisite majority of Lenders, the Borrower, for itself and each member of the VL Group and with respect to itself and each member of the VL Group, agrees as follows:

#### **12.1 Preservation of Juridical Personality**

It shall do or cause to be done all things necessary to preserve and maintain its corporate existence in full force and effect, except as permitted under Sections 13.1 and 13.3.

#### **12.2 Preservation of Licences**

It shall maintain in effect and obtain, where necessary, all such authorizations, approvals, Licences, licences or consents of such governmental agencies, whether federal, provincial or local, which may be or become necessary or required for each

---

member of the VL Group to carry on its businesses and to satisfy its obligations hereunder and under the Security Documents.

**12.3 Compliance with Applicable Laws**

It shall conduct its business in a proper and efficient manner and shall keep or cause to be kept appropriate books and records of account, in compliance with the Applicable Law, and shall record or cause to be recorded faithfully and accurately all transactions with respect to its business in accordance with GAAP applied on a consistent basis, and shall comply with all requirements of Applicable Law and with all the conditions attaching to its permits, authorizations, Licences, licences, certificates and approvals in all material respects.

**12.4 Maintenance of Assets**

It shall maintain or cause to be maintained in good operating condition all of its assets used or useful in the conduct of its business, as would a prudent owner of similar property, whether same are held under lease or under any agreement providing for the retention of ownership, and shall from time to time make or cause to be made thereto all necessary and appropriate repairs, renewals, replacements, additions, improvements and other works except as permitted under Section 13.3.

**12.5 Business**

It shall not substantially change the nature of its business activities from its Core Business.

**12.6 Insurance**

It shall maintain insurance coverage with responsible insurers, in amounts and against risks normally insured by owners of similar businesses or assets in areas which are generally similar to those in which the members of the VL Group are engaged. All such policies of insurance will contain a standard "mortgage clause" acceptable to the Agent providing that no such policy may be cancelled without the insurer providing not less than 30 days' prior written notice to the Agent. The insurance policies confirming the insurance required hereunder shall not contain any co-insurance provisions except to the extent such co-insurance provisions would normally appear in policies covering other Persons engaged in similar businesses and owning similar properties as the VL Group, and consistent with prudent business practices.

**12.7 Payment of Taxes and Duties**

It shall pay all Taxes which are imposed on it when due and payable, provided that no such Tax need be paid if (a) it is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted, and (b) such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been

---

made therefor, and (c) the outcome of such contestation would not reasonably be expected to result in a Material Adverse Change.

#### **12.8 Access and Inspection**

It shall allow the employees and representatives of the Agent, during normal business hours, to have access to and inspect the assets of the members of the VL Group, to inspect and take extracts from or copies of the books and records of the members of the VL Group and to discuss the business, assets, liabilities, financial position, operating results or business prospects of the members of the VL Group with the principal officers of the members of the VL Group and, after obtaining the approval of the Borrower which shall not be unreasonably withheld, with the auditors of the Borrower.

#### **12.9 Maintenance of Account**

It shall maintain operating accounts at the Branch or other branches of the Agent, as well as an account with the Swing Line Lender, at all times during the Term, if the Agent or the Swing Line Lender, as applicable, so requests. In addition, the Lenders shall have the right to provide all of the auxiliary non-credit banking services to the Borrower, at fees acceptable to the relevant Lender and the Borrower, acting reasonably.

#### **12.10 Performance of Obligations**

It shall perform all obligations in the ordinary course of business, except to the extent that the non-fulfilment of same would not reasonably be expected to result in a Material Adverse Change, and except where the same are being contested in good faith, if the outcome of such contestation would not reasonably be expected to result in a Material Adverse Change. Notwithstanding the foregoing contained in this Section 12.10, it shall punctually pay all amounts due or to become due under this Agreement.

#### **12.11 Maintenance of Ratios**

At the end of each quarter during the Term, on a rolling four-quarter basis, the Relevant Group shall maintain the following ratios:

- 12.11.1 *Leverage Ratio.* A Leverage Ratio not exceeding 4.5:1; provided that for a period not exceeding 12 consecutive months immediately following an Acquisition permitted hereunder in an amount of not less than \$100,000,000, such maximum Leverage Ratio shall be increased to, but shall not exceed, 5.0:1 (and further provided that in the event of a series of Acquisitions, the Leverage Ratio shall have reverted to 4.5:1 for at least one full quarter); and
  - 12.11.2 *Interest Coverage Ratio.* An Interest Coverage Ratio of at least 2.5:1.
-

**12.12 Ownership by the Borrower and Guarantors**

At all times during the Term, the Borrower and the Guarantors shall collectively (a) own at least 80% of the consolidated assets of the Borrower (excluding Back-to-Back Securities), and (b) generate at least 80% of the consolidated EBITDA of the Borrower on a rolling four-quarter basis. All calculations made under this Section shall be consistent with those contained in the Borrower's consolidated financial statements.

**12.13 Maintenance of Security**

Subject to Section 9.3, it shall take all necessary steps to preserve and maintain in effect the rights of the Agent and the Lenders, as well as any collateral agent designated by the Agent, pursuant to the Security Documents, together with any renewals thereof or additional documents creating Charges that may be required from time to time. In addition, if any new Subsidiary of any member of the VL Group is created or Acquired, or if a Person otherwise becomes a member of the VL Group, then subject to Section 9.3, such Subsidiary will provide Security of the nature described in Article 9, together with such legal opinions as may be reasonably requested by the Agent.

**12.14 Payment of Legal Fees and Other Expenses**

Whether the transactions contemplated by this Agreement are concluded or not and whether or not any part of the Credit is actually advanced, in whole or in part, the Borrower shall pay all reasonable costs relating to the Credit, including in particular:

- 12.14.1 the reasonable legal fees and costs incurred by the Agent and the Lenders for the negotiation, drafting, signing, registration, publication and/or service of the commitment letter, this Agreement and the Security Documents, as well as any amendments, renunciations, consents or examinations pertaining to this Agreement and the Security Documents; and
- 12.14.2 the reasonable costs of syndicating and advertising, as well as all reasonable fees, including reasonable legal fees and costs, incurred by the Agent, any collateral agent designated by the Agent, and the Lenders to preserve, enforce or exercise their respective rights hereunder or under the Security Documents following an action, a Default or an omission of the Borrower or of any other member of the VL Group.

All amounts due to the Agent and the Lenders pursuant hereto shall bear interest on the Prime Rate Basis from the date of their disbursement by the Lenders or from the date of their undertaking until the Borrower has repaid same in full, with interest on unpaid interest, as in the case of the Prime Rate Advances, taking into account such modifications as may be necessary. The obligations of the Borrower under this Section 12.14 shall subsist notwithstanding the full repayment of the Loan Obligations under the provisions hereof.

---

**12.15 Financial Reporting**

For so long as the Loan Obligations remain outstanding and unpaid, or the Borrower is entitled to borrow hereunder (whether or not the conditions precedent to such borrowing have been or may be satisfied) and unless the Lenders shall otherwise agree in writing, the Borrower agrees to provide or cause to be provided to the Agent, with sufficient copies for the Agent, the Finnvera Facility Agent and each Lender, and so undertakes:

**12.15.1 Quarterly Statements**

Within 60 days after the end of each financial quarter of each financial year of the Borrower (other than the last quarter):

- (a) the unaudited consolidated balance sheet of the Borrower as at the end of such quarter and the related consolidated statements of earnings and cash flows, for the period then ended, in each case with comparative figures for the same period for the immediately preceding financial year and in respect of the preceding financial year end; and
  - (b) a Compliance Certificate of the Borrower signed by its chief financial officer, treasurer or another officer of the Borrower acceptable to the Agent, substantially in the form of Schedule “J” (a “**Compliance Certificate**”) and:
    - (i) setting forth the information necessary to determine whether the Borrower has complied with the covenants contained in Section 12.11;
    - (ii) (A) confirming that the percentage of the EBITDA on a rolling 4 quarter basis, assets (excluding Back-to-Back Securities) and Debt generated, held or owed by the VL Group, on an Adjusted Consolidated Basis, is not less than 985% of the consolidated EBITDA on a rolling 4 quarter basis, assets (excluding Back-to-Back Securities) and Debt of the Borrower, otherwise (B) providing the accurate percentage;
    - (iii) (A) confirming that the percentage of the EBITDA on a rolling 4 quarter basis and assets (excluding Back-to-Back Securities) generated or held by the Borrower and the Guarantors is not less than 985% of consolidated EBITDA on a rolling 4 quarter basis and assets (excluding Back-to-Back Securities) of the Borrower, otherwise (B) providing the percentage so as to confirm compliance with Section 12.12; and
    - (iv) certifying that the Borrower is in compliance with all terms and conditions of this Agreement and that no Default has
-

occurred and is continuing or Event of Default has occurred or exists, or if a Default or an Event of Default has occurred, setting out the relevant particulars thereof, the period of existence thereof and what action the Borrower has taken or proposes to take with respect thereto.

#### 12.15.2 Annual Statements

- (a) Within 120 days following the end of each financial year of the Borrower, the audited consolidated balance sheet of the Borrower as at the end of such year and the related consolidated statements of earnings and cash flows for such financial year, together with comparative figures for the immediately preceding year, the whole as certified without qualification by the current auditors of the Borrower or otherwise by another reputable firm of independent chartered accountants acceptable to the Agent, and any audited statements of any Subsidiary of the Borrower that is not a member of the VL Group, if available; and
- (b) Within 90 days following the end of each financial year of the Borrower,
  - (i) a Compliance Certificate as described in Section 12.15.1(b); and
  - (ii) any information necessary to determine whether the Borrower has complied with Sections 12.11 and 12.12; provided that, to the extent that the percentage of the EBITDA on a rolling 4 quarter basis and assets (excluding Back-to-Back Securities) generated or held by the Borrower and the Guarantors is not less than 985% of the consolidated EBITDA on a rolling 4 quarter basis and assets (excluding Back-to-Back Securities) of the Borrower, such information shall only be provided at the reasonable request of the Agent.

Such Compliance Certificate and information shall be based on unaudited financial information, to be updated and replaced by a second Compliance Certificate to be provided along with the audited financial statements referred to in Section 12.15.2(a).

#### 12.15.3 Other Information

- (a) Within 90 days following the end of each financial year of the Borrower, the Annual Business Plan, which shall promptly be submitted to the Agent for the Lenders; and
  - (b) Within 75 days following the end of each financial quarter of the Borrower (other than the 4th quarter, in respect of which the
-

delay shall be 90 days) in which the Leverage Ratio exceeded 4.05:1, a certificate of the Borrower signed by its chief financial officer or treasurer or another officer of the Borrower acceptable to the Agent, certifying a detailed calculation of Excess Cash Flow (in such form and providing such detail as the Agent may reasonably require) during such quarter (the “**Excess Cash Flow Certificate**”); and

- (c) from time to time and forthwith upon demand by the Agent, such data, reports, statements, documents or other additional information pertaining to the business, assets, liabilities, financial position, operating results or business prospects of the VL Group and the Borrower’s non-wholly-owned Subsidiaries (to the extent available and not subject to a confidentiality agreement, but excluding any such information which has not been provided to any partner of any such non-wholly-owned Subsidiary) as the Agent may request, acting reasonably.

#### **12.16 Notice of Certain Events**

The Borrower shall advise the Agent and the Finnvera Facility Agent forthwith upon the occurrence of any of the following events:

- 12.16.1 The commencement of any proceeding or investigation by or before any governmental body and any action or proceeding before any court or arbitrator against any member of the VL Group, or any of its property, assets or activities which could reasonably be expected to result in a Material Adverse Change;
- 12.16.2 The occurrence of any Material Adverse Change which is known to the Borrower or any other member of the VL Group, acting reasonably;
- 12.16.3 Any Default or Event of Default, specifying in each case the relevant details and the action contemplated in this respect.

#### **12.17 Accuracy of Reports**

All information, reports, statements and other documents and data provided to the Agent, the Finnvera Facility Agent or the Lenders, whether pursuant to this Article or any other provisions of this Agreement shall, at the time same shall be provided, be true, complete and accurate in all material respects to the extent necessary to provide the Lenders with a true and accurate understanding of their effect.

### **13. NEGATIVE COVENANTS**

For so long as the Loan Obligations or any other amounts payable hereunder to the Lender remain outstanding and unpaid, or the Borrower is entitled to borrow hereunder (whether or not the conditions precedent to such borrowing have been or may be satisfied), the Borrower, for itself and

---

each member of the VL Group and with respect to itself and each member of the VL Group, agrees that it shall not do any of the following:

**13.1 Liquidation and Amalgamation**

Liquidate or dissolve or take any steps to amalgamate, consolidate or effect any restructuring or corporate or capital reorganization, or change its head or registered office, except where (i) (a) the surviving entity of any such amalgamation or merger assumes all of the obligations hereunder and (b) the transaction in question is between a member of the VL Group and its wholly-owned Subsidiaries or is among wholly-owned Subsidiaries of the same member of the VL Group; or (ii) in all other cases, the transaction in question, in the sole opinion of the Lenders, acting reasonably, does not have a detrimental effect on the financial condition of the VL Group, taken as a whole, or on the position of the Lenders and their Security under the Security Documents or otherwise. Notwithstanding the foregoing, no member of the VL Group may become a Subsidiary of a Person who is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), without the prior written consent of the Lenders.

**13.2 Charges**

Create, assume, enter into or permit to subsist, directly or indirectly, any Charge on the property of any member of the VL Group, other than Permitted Charges.

**13.3 Asset Dispositions**

The VL Group shall not permit an Asset Disposition of all or any part of their property or assets (whether presently held or subsequently acquired), other than sales at fair market value (provided that any single transaction or series of transactions during the period from June 14, 2013 until the end of the Term of the Revolving Facility that involve property having an aggregate fair market value of less than \$25,000,000 and a value per transaction of less than \$5,000,000 shall not have to be disposed of at fair market value), and, in such case, only if at the time of the proposed Asset Disposition, (a) there is no Default or Event of Default hereunder and the proposed Asset Disposition will not cause such a Default or Event of Default, and (b) the amount of (A) EBITDA of the VL Group generated during the preceding 12 months by the assets comprised in any such Asset Disposition, plus (B) the aggregate 12-month trailing EBITDA of the VL Group generated by all other assets comprised in all previous Asset Dispositions made since the Third Amendment Closing Date (calculated as of the date of the applicable Asset Disposition), does not exceed 15% of the EBITDA of the VL Group for the 12 months ending on the last day of the month immediately preceding the date of the proposed Asset Disposition; provided that the VL Group shall be permitted to make (i) dispositions of inventory in the ordinary course of business, (ii) dispositions of machinery, equipment, spare parts and materials, appliances or vehicles, if same are no longer necessary or useful to the operation of the business or have become obsolete, worn out, surplus, damaged or unusable, as well as the non-material assets

---



listed in Schedule "I" consisting of surplus real estate of the VL Group, which are excluded from the Security and not subject to any Charge thereunder, and (iii) Asset Dispositions between members of the VL Group to the extent that the Borrower complies with the provisions of Section 12.12. In the event of any Asset Disposition permitted under this Section 13.3 to a Person other than a member of the VL Group, (i) the Security on the assets so disposed of shall be discharged by the Agent without any requirement to obtain the consent of the Lenders, and (ii) in the case of any such Asset Disposition made in respect of 100% of the Equity Interests of a Guarantor, the Security on the property of such Guarantor and the Guarantee given by it pursuant to subsection 9.1.1 shall also be discharged and terminated by the Agent without any requirement to obtain the consent of the Lenders (and such Person shall thereafter cease to be considered a Guarantor). In addition, any member of the VL Group shall be permitted to dispose of Back-to-Back Preferred Shares in order to repay Back-to-Back Debt, and shall also be permitted to dispose of property as part of a Tax Benefit Transaction, provided that (A) no Default or Event of Default exists at the time and (B) disposing of such Back-to-Back Preferred Shares or property as part of a Tax Benefit Transaction will not cause a Default or an Event of Default.

#### **13.4 Preservation of Capital**

Neither the Borrower nor any of the Guarantors shall: (a) return any capital to its shareholders or purchase, redeem, repurchase or otherwise acquire, directly or indirectly, for consideration, any shares of any class of its capital stock now or subsequently issued, or any other equity security issued by it of any nature (including warrants and options), (b) declare, pay or set aside for payment any dividend or distribution whatsoever in respect of any share of the capital stock of the Borrower or any Guarantor, or (c) set aside any funds for any of the purposes described in paragraphs (a) or (b); provided that distributions by way of loans, dividends, return of capital, management fees (in excess of the 2.5% limit set out in Section 13.10), share repurchases or other transactions of the nature described in paragraphs (a) or (b) above:

- 13.4.1 made under Back-to-Back Transactions, Tax Benefit Transactions and, where Newco is a Guarantor, Tax Consolidation Transactions,
  - 13.4.2 made to the Borrower or to a Guarantor that has provided an unlimited Guarantee and the Security to the Agent on behalf of the Lenders,
  - 13.4.3 made at a time that the Leverage Ratio, calculated on a *pro forma* basis after taking into account the payment proposed, is less than or equal to 4.05:1, and
  - 13.4.4 consisting of a quarterly payment not in excess of 100% of Excess Cash Flow if the Leverage Ratio, calculated on a *pro forma* basis after taking into account the payment proposed, is greater than 4.05:1;
-

will be permitted, provided that (i) no Default or Event of Default exists at the time of the proposed distribution and (ii) making the payment of such amount will not cause a Default or Event of Default.

### **13.5 Restrictions on Subsidiaries**

Without the consent of the Majority Lenders, no member of the VL Group shall assume, enter into or otherwise become bound by any agreement or undertaking (including any undertaking in any Additional Offering) that would reasonably be expected to prevent such Person from declaring or paying dividends or inter-company payments or distributions of any kind to the Borrower, except as contained herein.

### **13.6 Acquisitions**

Make any Acquisition, in any manner whatsoever, directly or indirectly, other than an Acquisition required for the purpose of carrying on its business in the ordinary course, or permit any Subsidiary or Subsidiaries to be constituted otherwise than in accordance with the provisions of Section 13.10, except that (a) the members of the VL Group shall be permitted to make Acquisitions in the Core Business and permitted to create Subsidiaries (to the extent any such Subsidiaries are Acquired as part of any such Acquisition) if: (i) no Default or Event of Default exists at the time, (ii) paying the purchase price in respect of such Acquisition will not cause a Default or Event of Default, and (iii) any Person which is Acquired or created as a Subsidiary, if any, as a result of such Acquisition, becomes a member of the VL Group (other than in relation to a Spectrum Auction and Purchase, in which case Section 4.2.1 shall apply) and provides the Security contemplated by Section 4.2.1 or Article 9, subject to the exception contemplated by Section 9.3, as the case may be, (b) Acquisitions may be made of and between members of the VL Group to the extent that the Borrower complies with the provisions of Section 12.12, (c) any member of the VL Group shall be permitted to acquire Back-to-Back Securities in an amount not exceeding the amount of the corresponding Back-to-Back Securities, and shall also be permitted to acquire property as part of a Tax Benefit Transaction, provided that (A) no Default or Event of Default exists at the time and (B) acquiring such Back-to-Back Securities or property as part of a Tax Benefit Transaction will not cause a Default or an Event of Default, and (d) any member of the VL Group shall be permitted to acquire Equity Interests of any of its Affiliates to the extent such Equity Interests are converted in full into cash (pursuant to a redemption or other transaction by such Affiliate) either (i) substantially contemporaneously with the Acquisition, provided that (A) prior to the Acquisition, such Affiliate shall provide a Solvency Certificate from one of its senior financial officers, (B) no Default or Event of Default exists at the time and (C) acquiring such Equity Interests and the redemption or other transaction that follows will not cause a Default or an Event of Default, or (ii) within 3 Business Days after the date of the Acquisition, provided that in such case (A) prior to the Acquisition, at the request of the Agent, acting reasonably, such Affiliate shall provide a Solvency Certificate from a reputable third party acceptable to the Agent, (B) no Default or Event of Default

---

exists at the time, and (C) acquiring such Equity Interests and the redemption or other transaction that follows will not cause a Default or an Event of Default.

### **13.7 Debt and Guarantees**

Incur or assume Debt, provide Guarantees or render itself liable in any manner whatsoever, directly or indirectly, for any Indebtedness or obligation whatsoever of another Person, except (a) hereunder for the purposes set forth in Section 3.1; (b) that a member of the VL Group may provide financial assistance to another member of the VL Group to the extent that the Borrower complies with the provisions of Section 12.12; (c) unsecured Debt not exceeding \$75,000,000 under the Tranche B Finnvera credit agreement entered into among the Borrower, HSBC Bank plc, The Toronto-Dominion Bank and Sumitomo Banking Corporation of Canada dated as of November 13, 2009; (d) in connection with Debt incurred or assumed that is secured by Permitted Charges, and within the limits applicable thereto; (e) in connection with Back-to-Back Transactions and Tax Benefit Transactions including by way of unsecured daylight loans; (f) that the Borrower may incur or assume unsecured Debt by way of Additional Offerings, and that a member of the VL Group may provide unsecured Guarantees in respect of obligations of the Borrower under any such Debt outstanding at any time, to the extent that the Borrower complies with the applicable Leverage Ratio calculated on a pro forma basis and, subject to the provisions of Section 9.3, such member has provided a Guarantee under subsection 9.1.1 or provides such a Guarantee contemporaneously with its Guarantee in relation to the Additional Offering; (g) unsecured Debt by way of Additional Offerings incurred by the Borrower before the Closing Date and listed in Schedule "H" and including, subject to Section 9.3, unsecured Guarantees by members of the VL Group in respect of obligations of the Borrower under such Debt outstanding at any time; (h) the Borrower may borrow Subordinated Debt from Quebecor Media Inc. in a principal amount outstanding from time to time of up to \$500,000,000, with interest at a rate not exceeding the greater of (y) the three month bankers' acceptance rate quoted on Reuter's Services, page CDOR, as at approximately 10:00 a.m. on such day plus 3.0% per annum, or (z) 7% per annum (together with interest accrued thereon or paid in kind, the "**QMI Subordinated Debt**"); (i) additional unsecured Debt of up to \$250,000,000; (j) in connection with other Subordinated Debt; (k) unsecured daylight loans incurred in connection with Tax Consolidation Transactions, provided that prior to incurring the daylight loan made at the initiation of any Tax Consolidation Transaction in a minimum amount of \$75,000,000, the Agent shall have been informed by the Borrower of the incurrence of such daylight loan; (l) unsecured Debt in respect of daylight loans in the ordinary course of business for cash management purposes, **and (m) unsecured Debt facilities, each with a maximum maturity of 2 years, in connection with and to support the issuance of letters of credit required under any Spectrum Auction and Purchase process;** provided that, with respect to any of the matters described in paragraphs (c) to (i) inclusive **and (m) above**, (A) no Default or Event of Default exists at the time, (B) incurring or assuming such Debt (including by way of providing such Guarantee) will not cause a Default or Event of Default, and (C) on a pro forma basis, the incurrence or assumption of such Debt would not reasonably be

---

expected to cause the Borrower to breach any of its covenants under Section 12.11 hereof.

**13.8 Financial Assistance by the VL Group**

Make any loan or advance to any party other than (a) as contemplated by Sections 13.4 and 13.6, or (b) to another member of the VL Group to the extent that the Borrower complies with the provisions of Section 12.12, or (c) by way of Back-to-Back Transactions or Tax Benefit Transactions. Notwithstanding the foregoing, the VL Group shall be entitled to provide financial assistance to their customers in the ordinary course of the Core Business by way of subsidizing consumer equipment purchases and leases and similar transactions.

**13.9 Subordinated Debt**

Repay any Debt the repayment of which is subordinated to the rights of the Lenders, or pay any interest due to the creditor of any such Debt, other than (a) interest due in respect of Subordinated Debt (including the QMI Subordinated Debt), provided (for greater certainty) that no Default has occurred or will occur as a result of such payment, and (b) any amount under or in connection with the QMI Subordinated Debt, provided that the amount so repaid, together with the amounts distributed by the Borrower in accordance with Section 13.4, do not in the aggregate exceed the amounts permitted to be distributed by the Borrower under Section 13.4, and (c) in respect of Back-to-Back Securities or Back-to-Back Transactions. In addition, the Borrower may agree to the conversion of the QMI Subordinated Debt into additional Equity Interests of the Borrower.

**13.10 Members of the VL Group, Related Party Transactions**

Permit any Change in Control. In addition, no transaction shall be entered into by any member of the VL Group with any Associate of any member of the VL Group except on fair market terms and conditions as would be contracted by Persons dealing at arms' length, provided that this last sentence shall not apply to the transactions expressly permitted by paragraph (e) of Section 13.7; provided, however, for greater certainty, that to the extent payments made in connection with or in respect of the Back-to-Back Transactions are made to any Affiliates of the Borrower that are not members of the VL Group, all corresponding payments required to be paid by such Affiliates pursuant to the related Back-to-Back Securities are received, immediately prior to, concurrently with or immediately subsequent to any such payments, by all applicable members of the VL Group, and each such payment by a member of the VL Group shall be conditional upon receipt of an equal or greater amount from such non-member of the VL Group that is an Affiliate. Finally, payment of a management fee or other similar expense by the Borrower to its direct or indirect parent company shall be permitted for bona fide services (including reimbursement for expenses incurred in connection with, or allocation of corporate expenses in relation to, providing such services) provided to, and directly related to the operations of, the VL Group, in an aggregate annual

---

amount not to exceed 2.5% of consolidated revenues (being gross revenues of the VL Group calculated in accordance with GAAP, less any amounts derived from Persons that are not members of the VL Group except to the extent of the actual amount of dividends or distributions actually paid to a member of the VL Group by such Person) in any twelve-month period.

**13.11 Derivative Instruments**

Enter into any Derivative Instruments other than for the purposes of hedging interest rate, commodity or foreign exchange exposure, and not for the purpose of speculation.

**13.12 Anti-Terrorism Laws**

No member of the VL Group or any of its Subsidiaries shall engage in or conspire to engage in any transaction that has the purpose of evading or avoiding or any provision of the Proceeds of Crime Act that is applicable to its activities. The Borrower shall deliver to the Agent and Lenders any certification or other evidence requested from time to time by the Agent or any Lender, in its discretion, confirming compliance with this Section by the VL Group and each of its Subsidiaries.

**14. EVENTS OF DEFAULT AND REALIZATION**

**14.1 Event of Default**

The occurrence of any of the following events shall constitute an Event of Default unless remedied within the prescribed delays or renounced to in writing:

- 14.1.1 If the Borrower fails to make any payment of principal or Fees with respect to the Loan Obligations when due, or fails to pay any interest due hereunder within 3 Business Days from its due date; or
  - 14.1.2 If the Borrower fails to respect any of the financial tests set out in Section 12.11 or 12.12 hereof at any time; provided that in the case of a breach of Section 12.12, the Borrower shall have 15 days to cure the Default as long as the Borrower and the Guarantors shall collectively (a) own at least 75% of the consolidated assets of the Borrower, and (b) generate at least 75% of the consolidated EBITDA of the Borrower on a rolling four-quarter basis. If the ownership or EBITDA generation level of the Borrower and the Guarantors is below 75%, no cure period shall apply;
  - 14.1.3 If the Borrower or any Guarantor (other than an Immaterial Subsidiary) fails to respect any of its other obligations and undertakings hereunder or under the Security Documents or another undertaking of the Borrower or any other Guarantor (other than an Immaterial Subsidiary) with respect to the Loan Obligations not otherwise contemplated by this Section 14.1
-

and has not remedied the Default within fifteen (15) days following the date on which the Agent has given written notice to the Borrower; or

- 14.1.4 If (a) the Borrower or any other member of the VL Group (other than an Immaterial Subsidiary) commits an act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act, makes an assignment in favour of its creditors, consents to the filing of a petition for a receiving order against it, files a proposal within the meaning of the Bankruptcy and Insolvency Act, or makes a motion to a tribunal to name, or consents to, approves or accepts the appointment of a trustee, receiver, liquidator or sequestrator with respect to itself or its property, commences any other proceeding with respect to itself or its property under the provisions of any law contemplating reorganizations, proposals, rectifications, compromises or liquidations in connection with insolvent Persons, in any jurisdiction whatsoever; or (b) a trustee, receiver, liquidator or sequestrator is named with respect to any member of the VL Group (other than an Immaterial Subsidiary) or its property, or any member of the VL Group (other than an Immaterial Subsidiary) is judged insolvent or bankrupt; or (c) a proceeding seeking to name a trustee, receiver, liquidator or sequestrator, or to force any member of the VL Group (other than an Immaterial Subsidiary) into bankruptcy, is commenced against any member of the VL Group (other than an Immaterial Subsidiary) or a proceeding is commenced by any other Person against any member of the VL Group (other than an Immaterial Subsidiary) under the provisions of any law contemplating reorganisations, proposals, rectifications, arrangements, compromises or liquidations in connection with insolvent Persons and is not settled or withdrawn within a delay of 30 days; or
- 14.1.5 If any member of the VL Group is in default with respect to any Indebtedness (other than amounts due to the Lenders hereunder) which has resulted in Indebtedness in excess of an amount of \$275,000,000 becoming payable prior to its stated maturity or scheduled repayment date; or
- 14.1.6 If one or more judgments is rendered by a competent tribunal against any member of the VL Group in an aggregate amount in excess of \$275,000,000 (net of applicable insurance coverage pursuant to which liability is acknowledged in writing by the insurer, with a copy promptly provided to the Agent on behalf of the Lenders) and remains undischarged or unsatisfied for a period ending on the earlier of (a) 25 days from such judgment, or (b) the 5th day prior to the date on which such judgment becomes executory; or
- 14.1.7 If property of any member of the VL Group having a total value in excess of \$275,000,000 is the object of one or more seizures or takings of possession or other legal proceedings by creditors, and is not released
-

within 15 days in respect of movable property or 45 days in respect of immovable property, and in any event, not less than 10 days prior to the date fixed for any sale of such property; or

- 14.1.8 If any statement, attestation, financial statement, report, data, representation or warranty which was given by, for the account of or in the name of the Borrower or any other member of the VL Group (other than an Immaterial Subsidiary) to the Lenders, with respect to this Agreement or any Security Documents, is revealed at any time to be misleading or incorrect in any material respect when it was made, and if any event or circumstance which makes such statement, attestation, financial statement, report, data, representation or warranty misleading in any material respect is capable of being remedied, such action as may be required to remedy same shall not have been completed within 15 days of the earlier of (a) the Agent notifying the Borrower or, as the case may be, a Guarantor of such breach, or (b) the Borrower notifying the Agent of the Default in accordance with subsection 12.16.3; or
- 14.1.9 If in the opinion of the Lenders, acting in good faith, there occurs a Material Adverse Change and the situation has not been remedied within 15 days following the earlier of the date on which (a) the Agent gave notice thereof to the Borrower, or (b) the Borrower gave notice to the Agent in accordance with subsection 12.16.3; or
- 14.1.10 If a Change in Control occurs; or
- 14.1.11 If any Guarantee to be provided by any Guarantor (other than an Immaterial Subsidiary) hereunder is or purports to be terminated by notice given under article 2362 of the Quebec Civil Code.

## **14.2 Remedies**

If an Event of Default occurs under subsection 14.1.4, the Loan Obligations shall immediately become due and payable, without presentation, demand, protest or other notice of any nature, to which the Borrower hereby expressly renounces. If any other Event of Default occurs, the Agent may, at its option, and shall if required to do so by the Required Lenders-Acceleration, declare immediately due and payable, without presentation, demand, protest or other notice of any nature, to which the Borrower hereby expressly renounces, notwithstanding any provision to the contrary effect in this Agreement or in the Security Documents:

- 14.2.1 the entire amount of the Loan Obligations, including the amount corresponding to the principal amount of the BA Advances then outstanding, in principal and interest, notwithstanding the fact that one or more of the holders of the Bankers' Acceptances issued pursuant to the provisions hereof have not demanded payment in whole or in part or have demanded only partial payment from the Lenders, and the amount
-

of the Derivative Obligations. The Borrower shall not have the right to invoke against the Lenders any defence or right of action, indemnification or compensation of any nature or kind whatsoever that the Borrower may at any time have or have had with respect to any holder of one or more of the Derivative Instruments or Bankers' Acceptances issued in accordance with the provisions hereof; and

- 14.2.2 an amount equal to the amount of losses, costs and expenses assumed by the Lenders and referred to in Sections 7.2, 7.4 and 17.13; and

the Credit shall cease and as and from such time shall be cancelled, and the Lenders may exercise all of their rights and recourses under the provisions of this Agreement and of the Security Documents. For greater certainty, from and after the occurrence of any Default or Event of Default, the Lenders shall not be obliged to make any further Advances under the Credit.

#### **14.3 Bankruptcy and Insolvency**

If the Borrower files a notice of intention to file a proposal, or files a proposal under the Bankruptcy and Insolvency Act, or if the Borrower obtains the permission of the court to file a Plan of Arrangement under the Companies' Creditors Arrangements Act, and if a stay of proceedings is obtained or ordered under the provisions of either of those statutes, without prejudice to the Lenders' rights to contest such stay of proceedings, subject to Applicable Law, the Borrower covenants and agrees to continue to pay interest on all amounts due to the Lenders in accordance with the provisions hereof. In this regard, the Borrower acknowledges that permitting the Borrower to continue to use the proceeds of the Loan Obligations constitutes valuable consideration provided after the filing of any such proceeding in the same way that permitting the Borrower to use leased premises constitutes such valuable consideration.

#### **14.4 Notice**

Except where otherwise expressly provided herein, no notice or demand of any nature is required to be given to the Borrower by the Agent in order to put the Borrower in default, the latter being in default by the simple lapse of time granted to execute an obligation or by the simple occurrence of a Default.

#### **14.5 Costs**

If an Event of Default occurs, and within the limits contemplated by Section 12.14, the Agent may impute to the account of the Lenders and pay to other persons reasonable sums for services rendered with respect to the realization, recovery, sale, transfer, delivery and obtaining of payment with respect to the Security and may deduct the amount of such costs and payments from the proceeds which it receives therefrom. The balance of such proceeds may be held by the Agent in the place of such Security and, when the Agent decides it is opportune, may be applied to the account of the part of the indebtedness of the Borrower to the Lenders which the

---



Agent deems preferable, without prejudice to the rights of the Lenders against the Borrower for any loss of profit.

#### **14.6 Relations with the Borrower**

The Agent may grant delays, take security or renounce thereto, accept compromises, grant acquittances and releases and otherwise negotiate with the Borrower as it deems advisable without in any way diminishing the liability of the Borrower or prejudicing the rights of the Lenders with respect to the Security.

#### **14.7 Application of Proceeds**

Subject to the provisions hereof ~~(including those requiring the payment of the Secured Obligations prior to repayment of Loan Obligations under the Unsecured Facility once any Loan Obligations under the Unsecured Facility have been transferred into the Revolving Facility up to the Threshold Amount in accordance with the provisions of Sections 4.10 and 6.13)~~, and as among the Lenders, subject in particular to the provisions of Section 18.8, the Agent may apply the proceeds of realization of the property contemplated by the Security Documents and of any credit or compensating balance in reduction of the part of the Loan Obligations (principal, interest or accessories) which the Agent judges appropriate. If any Revolving Facility Lender is owed money by the Borrower on account of Derivative Obligations, the claim of such Lender shall rank *pari passu* with the other amounts comprising the Secured Obligations.

### **15. JUDGMENT CURRENCY**

#### **15.1 Rules of Conversion**

If for the purpose of obtaining judgment in any court or for any other purpose hereunder, it is necessary to convert an amount due, advanced or to be advanced hereunder from the currency in which it is due (the "**First Currency**") into another currency (the "**Second Currency**") the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Agent could purchase, in the Canadian money market or the Canadian exchange market, as the case may be, the First Currency with the Second Currency on the date on which the judgment is rendered, the sum is payable or advanced or to be advanced, as the case may be. The Borrower agrees that its obligations in respect of any First Currency due from it to the Lenders in accordance with the provisions hereof shall, notwithstanding any judgment rendered or payment made in the Second Currency, be discharged by a payment made to the Agent on account thereof in the Second Currency only to the extent that, on the Business Day following receipt of such payment in the Second Currency, the Agent or the Finnvera Facility Agent, as applicable, may, in accordance with normal banking procedures, purchase on the Canadian money market or the Canadian foreign exchange market, as the case may be, the First Currency with the amount of the Second Currency so paid or which a judgment rendered payable (the rate applicable to such purchase being in this Section called

---

the “**FX Rate**”); and if the amount of the First Currency which may be so purchased is less than the amount originally due in the First Currency, the Borrower agrees as a separate and independent obligation and notwithstanding any such payment or judgment to indemnify the Lenders against such deficiency.

**15.2 Determination of an Equivalent Currency**

If, in their discretion, the Lenders, the Agent or the Finnvera Facility Agent choose or, pursuant to the terms of this Agreement, are obliged to choose the equivalent in Canadian Dollars of any securities or amounts expressed in US Dollars or the equivalent in US Dollars of any securities or amounts expressed in Canadian Dollars, the Agent or the Finnvera Facility Agent, as the case may be, in accordance with the conversion rules as stipulated in Section 15.1

15.2.1 on the date indicated in the Notice of Borrowing as the date of a request for an Advance; and

15.2.2 at any other time which in the opinion of the Lenders is desirable;

may, using the FX Rate, at such time on such date, determine the equivalent in Canadian Dollars or in US Dollars, as the case may be (the “**Equivalent Amount**”), of any security or amount expressed in the other currency pursuant to the terms hereof. Immediately following such determination, the Agent or the Finnvera Facility Agent, as applicable, shall inform the Borrower of the conclusion which the Lenders have reached.

**16. ASSIGNMENT**

None of the provisions of Article 16 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 10 of Schedule “P”. However, the Finnvera Facility Agent shall advise the Agent of any Assignments under the Finnvera Term Facility and shall also provide a list of up-to-date Commitments of each Finnvera Facility Lender whenever any changes to such Commitments occur.

**16.1 Assignment by the Borrower**

The rights of the Borrower under the provisions hereof are purely personal and may not be transferred or assigned, and the Borrower may not transfer or assign any of its obligations, such assignment being null and of no effect opposite the Lenders and rendering any balance outstanding of the amounts referred to in Section 14.2 immediately due and payable at the option of the Lenders and further releasing the Lenders from any obligation to make any further Advances under the provisions hereof.

**16.2 Assignments and Transfers by the Lenders**

16.2.1 No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance

---

with the provisions of subsection 16.2.2, or (ii) by way of a sale of a participation in accordance with the provisions of Section 16.5 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 16.5 and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

16.2.2 Each Lender may assign or transfer to an Eligible Assignee in accordance with this Article 16 up to 100% of its rights, benefits and obligations hereunder; provided that:

- (a) except (i) if an Event of Default has occurred and has not been waived, or (ii) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loan Obligations at the time owing to it, or (iii) in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loan Obligations outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan Obligations of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of the Revolving ~~Facility or the Unsecured~~ Facility, unless each of the Agent and, so long as no Event of Default has occurred and has not been waived, the Borrower, otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);
- (b) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan Obligations or the Commitment assigned. ~~Prior to the occurrence of an Event of Default which has not been waived, no, except that this paragraph (b) shall not prohibit any~~ Lender ~~may from~~ assigning all or ~~any~~ a portion of its rights and obligations ~~under the Revolving Facility or the Unsecured Facility on a non pro-rata basis, and no Assignee may acquire any rights and obligations under the Revolving Facility or the Unsecured Facility~~ among
-

separate Facilities on a non- pro rata basis ~~as between the two Facilities;~~

- (c) any assignment of a Commitment under ~~(i) the Revolving Facility, must be approved by the Issuing Lender and the Swing Line Lender, and (ii) the Unsecured Facility, must be approved by the Issuing Lender. Any such approvals are not to be unreasonably withheld or delayed;~~
- (d) any assignment must be approved by the Agent (such approval not to be unreasonably withheld or delayed).
- (e) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed if the Eligible Assignee is funding its Commitment out of the United States of America or Canada, but may be withheld in the Borrower's discretion if the Commitments are being funded from elsewhere) unless (i) the proposed Assignee is itself already a Lender with the same type of Commitment or (ii) a Default has occurred and is continuing or (iii) an Event of Default has occurred and not been waived; and
- (f) the parties to each Assignment shall execute and deliver to the Agent an Assignment and Assumption Agreement, together with a processing and recordation fee in an amount of \$3,500, and the Eligible Assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Agent pursuant to Section 16.3, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 7 and Section 17.13 with respect to facts and circumstances occurring prior to the effective date of such Assignment. Any Assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 16.5. Any payment by an Assignee to an assigning Lender in connection with an Assignment shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

---

### **16.3 Register**

The Agent shall maintain at one of its offices in Toronto, Ontario or Montreal, Quebec, a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loan Obligations owing to, each Lender pursuant to the terms hereof from time to time (the “**Register**”). The entries in the Register shall be conclusive, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

### **16.4 Electronic Execution of Assignments**

The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the *Electronic Documents (Banks and Bank Holding Companies) Regulations* under the *Bank Act* (Canada), Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), *An Act to Establish a Legal Framework for Information Technology* (Quebec), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.

### **16.5 Participations**

Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person, a member of the VL Group or any Affiliate of a member of the VL Group) (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loan Obligations owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

---

Subject to Section 16.6, the Borrower agrees that each Participant shall be entitled to the benefits of Article 7 to the same extent as if it were a Lender and had acquired its interest by Assignment pursuant to subsection 16.2.2. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 8.11 as though it were a Lender, provided such Participant agrees to be subject to Section 18.8 as though it were a Lender.

#### **16.6 Limitations Upon Participant Rights**

A Participant shall not be entitled to receive any greater payment under Sections 7.2 and 7.3 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 7.3 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with subsection 7.3.5 as though it were a Lender.

#### **16.7 Certain Pledges and Special Provisions**

16.7.22 General. Any Lender may, at any time, pledge, hypothecate or grant a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge, hypothec or security interest shall release such Lender from any of its obligations hereunder or substitute any such pledgee or security holder for such Lender as a party hereto.

16.7.23 Federal Reserve Bank. Notwithstanding any provision of this Agreement to the contrary, any Lender governed by the Applicable Law of the United States of America may at any time assign all or a portion of its rights under this Agreement and all other documents ancillary hereto (including the other Loan Documents) to a Federal Reserve Bank in order to secure its obligations to such Federal Reserve Bank. No such assignment shall relieve the assigning Lender from its obligations under this Agreement or such other documents.

16.7.24 Promissory Notes. Upon the request of any Lender, the Borrower will execute and deliver one or more promissory notes in form and substance acceptable to such Lender, acting reasonably, evidencing the Commitment under this Agreement and any Loan Obligations hereunder.

### **17. MISCELLANEOUS**

#### **17.1 Notices**

Except where otherwise specified herein, all notices, requests, demands or other communications between the parties hereto shall be in writing and shall be deemed to have been duly given or made to the party to whom such notice, request, demand or other communication is given or permitted to be given or made hereunder, when delivered to the party (by certified mail, postage prepaid, or by facsimile or by physical delivery) to the address of such party and to the attention indicated under

---

the signature of such party or to any other address which the parties hereto may subsequently communicate to each other in writing. Notwithstanding the foregoing, any notice shall be deemed to have been received by the party to whom it is addressed (a) upon receipt if sent by mail and (b) if telecopied before 3:00 p.m. on a Business Day, on that day and if telecopied after 3:00 p.m. on a Business Day, on the Business Day next following the date of transmission. If normal postal or telecopier service is interrupted by strike, work slow-down, fortuitous event or other cause, the party sending the notice shall use such services which have not been interrupted or shall deliver such notice by messenger in order to ensure its prompt receipt by the other party.

**17.2 Amendment and Waiver**

The rights and recourses of the Lenders under this Agreement and the Security Documents are cumulative and do not exclude any other rights and recourses which the Lenders might have, and no omission or delay on the part of the Lenders in the exercise of any right shall have the effect of operating as a waiver of such right, and the partial or sole exercise of a right or power will not prevent the Lenders from exercising thereafter any other right or power. The provisions of this Agreement may only be amended or waived by an instrument in writing (and not orally) in each case signed by the Agent with the approval of the requisite majority of Lenders.

**17.3 Determinations Final**

In the absence of any manifest error, any determinations to be made by the Lenders in accordance with the provisions hereof, when made, are final and irrevocable for all parties.

**17.4 Entire Agreement**

The entire agreement between the parties is expressed herein, and no variation or modification of its terms shall be valid unless expressed in writing and signed by the parties. All previous agreements, promises, proposals, representations, understandings and negotiations between the parties hereto which relate in any way to the subject matter of this Agreement are hereby deemed to be null other than those contained in a letter by the Borrower to the Agent dated December 21, 2005 and confirmed by the Agent on March 1, 2006, and a letter by the Borrower to the Agent dated February 28, 2006 and confirmed by the Agent on the same date.

**17.5 Indemnification and Compensation**

In addition to the other rights now or hereafter conferred by law and those described in subsection 6.6.2 and Section 8.12, and without limiting such rights, if a Default or Event of Default should occur, each Lender, the Finnvera Facility Agent and the Agent is hereby authorized by the Borrower, at any time and from time to time, subject to the obligation to give notice to the Borrower subsequently and within a reasonable delay, to indemnify, compensate, use and allocate any deposit (general or special, term or demand, including, without limitation, any debt evidenced by

---

certificates of deposit, whether or not matured) and any other debt at any time held or due by the Lenders to the Borrower or to its credit or its account, with respect to and on account of any obligation and indebtedness of the Borrower to the Lenders in accordance with the provisions hereof or the Security Documents, including, without limitation, the accounts of any nature or kind which flow from or relate to this Agreement or the Security Documents, whether or not the Agent has made demand under the terms hereof or has declared the amounts referred to in Section 14.2 as payable in accordance with the provisions of that Section and even if such obligation and Debt or either of them is a future or unmatured Debt.

**17.6 Benefit of Agreement**

This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and permitted assigns.

**17.7 Counterparts**

This Agreement may be signed in any number of counterparts, each of which shall be deemed to constitute an original, but all of the separate counterparts shall constitute one single document.

**17.8 Applicable Law**

This Agreement, its interpretation and its application shall be governed by the Applicable Law of the Province of Quebec and the Applicable Law of Canada applicable therein.

**17.9 Severability**

Each provision of this Agreement is separate and distinct from the others, such that any decision of a court or tribunal to the effect that any provision of this Agreement is null or unenforceable shall in no way affect the validity of the other provisions of this Agreement or the enforceability thereof. Any provision of this agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, the Borrower hereby waives any provision of any Applicable Laws which renders any provision hereof prohibited or unenforceable in any respect.

**17.10 Further Assurances**

The Borrower covenants and agrees on its own behalf and on behalf of each member of the VL Group that, at the request of the Agent or the Finnvera Facility Agent, the Borrower and each other member of the VL Group will at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Agent or the Finnvera Facility Agent in its absolute

---



discretion requires in order to evidence the indebtedness of the Borrower under this Agreement or otherwise, including under any Derivative Instruments, and to confirm and perfect, and maintain perfection of, the Security.

**17.11 Good Faith and Fair Consideration**

Each party hereto acknowledges and declares that it has entered into this Agreement freely and of its own will. In particular, each party hereto acknowledges that this Agreement was freely negotiated by the Borrower and the Lenders in good faith, that this Agreement does not constitute a contract of adhesion, that there was no exploitation of the Borrower by the Lenders, and that there is no serious disproportion between the consideration provided by the Lenders and that provided by the Borrower.

**17.12 Responsibility of the Lenders**

Each Lender shall be solely responsible for the performance of its own obligations hereunder. Accordingly, no Lender is in any way jointly and severally or solidarily responsible for the performance of the obligations of any other Lender.

**17.13 Indemnity**

The Borrower agrees to indemnify and defend each of the Agent, the Finnvera Facility Agent, each Lender, and their respective directors, officers, agents and employees from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses of any kind which at any time or from time to time may be asserted against or incurred or paid by any of them for or in connection with, arising directly or indirectly from or relating to: (i) the participation of the Agent, the Finnvera Facility Agent or of any of the Lenders in the transactions contemplated by this Agreement, (ii) any Advance or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Lender to honour a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) the role of the Agent, the Finnvera Facility Agent or the Lenders in any investigation, litigation or other proceeding brought or threatened relating to the Credit, (iv) the presence on or under or the release or migration from any property or into the environment of any hazardous material, and/or (v) the compliance with or enforcement of any of their rights or obligations hereunder, including without limitation:

- 17.13.1 the fees and disbursements of counsel;
  - 17.13.2 the costs of defending, counterclaiming or claiming over against third parties in respect of any action or matter and any cost, liability or damage arising out of any settlement; and
  - 17.13.3 other than losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or wilful misconduct of the indemnified
-

party, as determined by a final judgment of a court of competent jurisdiction.

#### **17.14 Language**

The parties acknowledge that they have required that the present agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement ou à la suite de la présente convention.

#### **17.15 Anti-Terrorism Legislation**

Each Lender hereby notifies the Borrower and each member of the VL Group that pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001, with respect to the USA) and the Proceeds of Crime Act (with respect to Canada) (in this Section, the "Acts"), it is required to obtain, verify and record information that identifies the Borrower and the other members of the VL Group, which information includes the names and addresses of the Borrower and the other members of the VL Group and other information that will allow such Lender to identify the Borrower and the other members of the VL Group in accordance with the Acts.

#### **17.16 Electronic Signatures.**

The words "execution," "execute", "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided by Parts 2 and 3 of the Personal Information Protection and Electronic Documents Act (Canada) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.

#### **17.17 Acknowledgement Regarding Any Supported QFCs.**

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Derivative Instrument or any other agreement or instrument that is a QFC (such support, "QFC Credit Support", and each such QFC, a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit

---

Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States);

17.17.1 In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support; and

17.17.2 As used in this Section 12.25, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party;

"Covered Entity" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b);

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and

---

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

## 18. THE AGENT AND THE LENDERS

### 18.1 Authorization of Agent

- 18.1.1 Each Lender hereby irrevocably appoints and authorizes the Agent to act for all purposes as its agent hereunder and under the Security Documents with such powers as are expressly delegated to the Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto and undertakes not to take any action on its own. Notwithstanding the provisions of the *Civil Code of Quebec* relating to contracts generally and to mandate, the Agent shall have no duties or responsibilities except those expressly set forth in this Agreement. As to any matters not expressly provided for by this Agreement, the Agent shall act hereunder or in connection herewith in accordance with the instructions of the Lenders in accordance with the provisions of this Article 18, but, in the absence of any such instructions, the Agent may (but shall not be obliged to) act as it shall deem fit in the best interests of the Lenders, and any such instructions and any action taken by the Agent in accordance herewith shall be binding upon each Lender. The Agent shall not, by reason of this Agreement, be deemed to be a trustee for the benefit of any Lender, the Borrower or any other Person. Neither the Agent nor any of its directors, officers, employees or agents shall be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or in any certificate or other document referred to, or provided for in, or received by any of them under, this Agreement, for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any other document referred to or provided for herein or any collateral provided for hereby or for any failure by the Borrower to perform its obligations hereunder. The Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Neither the Agent nor any of its directors, officers, employees or agents shall be responsible for any action taken or omitted to be taken by it or them under or in connection herewith, except for its or their own gross negligence or wilful misconduct.
- 18.1.2 For the purposes of creating a *solidarité active* between each Lender, taken individually, and the Agent in accordance with Article 1541 of the *Civil Code of Québec*, the Borrower and each Lender (on its own behalf) acknowledge and agree with the Agent that such Lender and the Agent are hereby conferred the legal status of solidary creditors of the Borrower and the Guarantors in respect of all amounts, liabilities and other
-

obligations, present and future, owed by the Borrower to the Agent and such Lender hereunder and under Derivative Instruments (collectively, the “**Lender Solidary Claim**”). Accordingly, but subject (for the avoidance of doubt) to Article 1542 of the *Civil Code of Québec*, the Borrower and each of the Guarantors is irrevocably bound towards the Agent and each Lender in respect of the entire Lender Solidary Claim of the Agent and such Lender, such that the Agent and each Lender shall at all times have a valid and effective right of action for the entire Lender Solidary Claim of the Agent and such Lender and the right to give a full acquittance for it. Thus, without limiting the generality of the foregoing, the Agent, as solidary creditor for itself and each Lender, shall at all times have a valid and effective right of action in respect of all amounts, liabilities and other obligations owed by the Borrower and the Guarantors to the Agent and the Lenders or any of them hereunder and under Derivative Instruments and the right to give full acquittance for same. The parties further agree and acknowledge that the Security Documents described in Section 9.1 shall be granted to the Agent, for its own benefit and for the benefit of the Lenders, as solidary creditor as hereinabove set forth.

## **18.2 Agent's Responsibility**

- 18.2.1 The Agent shall be entitled to rely upon any certificate, notice or other document (including any cable, telegram or teletype) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons, and upon advice and statements of legal advisers, independent accountants and other experts selected by the Agent. The Agent may deem and treat each Lender as the holder of the Commitment in the Loan Obligations made by such Lender for all purposes hereof unless and until an Assignment has been completed in accordance with Section 16.2.
- 18.2.2 The Agent shall not be deemed to have knowledge of the occurrence of a Default or Event of Default unless the Agent has received notice from a Lender or the Borrower describing such a Default or Event of Default and stating that such notice is a “Notice of Default”. In the event that the Agent receives such a notice of the occurrence of a Default or Event of Default or otherwise becomes aware that a Default or Event of Default has occurred, the Agent shall promptly give notice thereof to the Lenders. The Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Lenders in accordance with the provisions of this Article 18 provided that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obliged to) take such action, or refrain from taking such action, with respect to such a Default or Event of Default as it shall deem advisable in the best interest of the Lenders.
-

- 18.2.3 The Agent shall have no responsibility, (a) to the Borrower on account of the failure of any Lender to perform its obligations hereunder, or (b) to any Lender on account of the failure of the Borrower to perform its obligations hereunder.
- 18.2.4 Each Lender severally represents and warrants to the Agent that it has made its own independent investigation of the financial condition and affairs of the Borrower in connection with the making and continuation of its Commitment in the Loan Obligations hereunder and has not relied on any information provided to such Lender by the Agent in connection herewith, and each Lender represents and warrants to the Agent that it shall continue to make its own independent appraisal of the creditworthiness of the Borrower while the Loan Obligations are outstanding or the Lenders have any obligations hereunder.

**18.3 Rights of Agent as Lender**

With respect to its Commitment in the Loan Obligations, the Agent in its capacity as a Lender shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Agent and the term "Lender" shall, unless the context otherwise indicates, include the Agent in its capacity as a Lender. The Agent may (without having to account therefor to any Lender) accept deposits from, lend money to and generally engage in any kind of banking or other business with the Borrower as if it were not acting as the Agent and may accept fees and other consideration from the Borrower for customary services in connection with this Agreement and the Loan Obligations and otherwise without having to account for the same to the Lenders.

**18.4 Indemnity.**

Each Lender agrees to indemnify the Agent, to the extent not otherwise reimbursed by the Borrower, rateably in accordance with its respective Commitments, for any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against, the Agent in any way relating to or arising out of this Agreement, the Security Documents or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (excluding, unless a Default or Event of Default is apprehended or has occurred and is continuing, normal administrative costs and expenses incidental to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the Agent's gross negligence or wilful misconduct.

---

**18.5 Notice by Agent to Lenders**

As soon as practicable after its receipt thereof, the Agent will forward to each Lender a copy of each report, notice or other document required by this Agreement to be delivered to the Agent for such Lender.

**18.6 Protection of Agent**

- 18.6.1 The Agent shall not be required to keep itself informed as to the performance or observance by the Borrower of this Agreement or any other document referred to or provided for herein or therein or to inspect the properties or books of the Borrower. Except (in the case of the Agent) for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the affairs or financial condition of the Borrower which may come to the attention of the Agent, except where provided to the Agent for the Lenders, provided that such information does not confer any advantage to the Agent as a Lender over the other Lenders. Nothing in this Agreement shall oblige the Agent to disclose any information relating to the Borrower if such disclosure would or might, in the opinion of the Agent, constitute a breach of any Applicable Laws or duty of secrecy or confidence.
- 18.6.2 Unless the Agent shall have been notified in writing or by telegraph or telecopier by any Lender prior to the date of an Advance requested hereunder that such Lender does not intend to make available to the Agent such Lender's proportionate share of such Advance, based on its Commitment, the Agent may assume that such Lender has made such Lender's Commitment in such Advance available to the Agent on the date of such Advance and the Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Agent by such Lender, the Agent shall be entitled to recover such amount (together with interest thereon at the rate determined by the Agent as being its cost of funds in the circumstances) on demand from such Lender or, if such Lender fails to reimburse the Agent for such amount on demand, from the Borrower.
- 18.6.3 Unless the Agent shall have been notified in writing or by telegraph or telecopier by the Borrower prior to the date on which any payment is due hereunder that the Borrower does not intend to make such payment, the Agent may assume that the Borrower has made such payment when due and the Agent may, in reliance upon such assumption, make available to each Lender on such payment date an amount equal to such Lender's *pro rata* share of such assumed payment. If it is established that the Borrower has not in fact made such payment to the Agent, each Lender
-

shall forthwith on demand repay to the Agent the amount made available to such Lender (together with interest at the rate determined by the Agent as being its cost of funds in the circumstances).

#### **18.7 Notice by Lenders to Agent**

Each Lender shall endeavour to use its best efforts to notify the Agent of the occurrence of any Default or Event of Default forthwith upon becoming aware of such event, but no Lender shall be liable if it fails to give such notice to the Agent.

#### **18.8 Sharing Among the Lenders**

~~Following the occurrence of a Default or Event of Default prior to the Conversion Date Total, once the Revolving Facility has been drawn up to the Threshold Amount (including as a result of the Swing Line Commitment being reduced to nil, either by Advances or by transfers of Loan Obligations made in accordance with Sections 4.10 and 6.13), all of the Secured Obligations must be repaid before the repayment of any Loan Obligations under the Unsecured Facility. Consequently, if there are Loan Obligations outstanding under the Unsecured Facility at the relevant time after completing any such transfers, any losses incurred shall be borne by the Unsecured Facility Lenders up to the full amount of the Loan Obligations then outstanding under the Unsecured Facility before any such losses are shared by the Revolving Facility Lenders or the Finnvera Facility Lenders.~~

~~Accordingly, each Revolving~~

~~Each Revolving Facility Lender, each Finnvera Facility Lender and each Finnvera Lender under a New Facility Lender~~ agrees as amongst themselves that except as otherwise provided for by the provisions of this Agreement ~~(including the transfers required by the first paragraph of this Section 18.8)~~, all amounts received by the Agents, in their capacity as agents of the Revolving Facility Lenders ~~or the Finnvera Facility Lenders or the Lenders under any New Facility~~ pursuant to this Agreement or any other document contemplated hereby (whether received by voluntary payment, by the exercise of the right of set-off or compensation or by counterclaim, cross-claim, separate action or as proceeds of realization of any security, other than agency fees), and all amounts received by any such Lender in relation to this Agreement, in each case following a Default (which is not remedied subsequent to such receipt) or an Event of Default (which is not waived subsequent to such receipt), shall be shared by each such Lender *pro rata*, in accordance with its respective Secured Applicable Percentage, and each such Lender undertakes to do all such things as may be reasonably required to give full effect to this Section 18.8. If any amount which is so shared is later recovered from the Lender who originally received it, each other Revolving Facility Lender ~~and~~ each Finnvera Facility Lender ~~shall restore its proportionate share of such amount to such~~ or each Lender, without interest.

~~Each Unsecured Facility Lender agrees as amongst themselves that except as otherwise provided for by the provisions of this Agreement (including the principle~~

---



~~that all of the Secured Obligations must be repaid before the repayment of Loan Obligations under the Unsecured any New Facility after the transfers required by the first paragraph of this Section 18.8), all amounts received by the Agent, in its capacity as agent of the Unsecured Facility Lenders pursuant to this Agreement or any other document contemplated hereby (whether received by voluntary payment, by the exercise of the right of set-off or compensation or by counterclaim, cross-claim, separate action or as proceeds of realization of any security, other than agency fees), and all amounts received by any Unsecured Facility Lender in relation to this Agreement, in each case following a Default (which is not remedied subsequent to such receipt) or an Event of Default (which is not waived subsequent to such receipt), shall be shared by each such Lender *pro rata*, in accordance with its respective Unsecured Applicable Percentage, and each such Lender undertakes to do all such things as may be reasonably required to give full effect to this Section 18.8. If any amount which is so shared is later recovered from the Lender who originally received it, each other Unsecured Facility Lender shall restore its proportionate share of such amount to such Lender, without interest.~~

As a necessary consequence of the foregoing, if the amounts realized by the Agents are not sufficient to repay the aggregate amount of the Secured Obligations, each Revolving Facility Lender ~~and~~ Finnvera Facility Lender and Lender under any New Facility shall share, in a percentage equal to its Secured Applicable Percentage, any losses incurred as a result of any Default or Event of Default by the Borrower, and shall pay to the Agent, within two (2) Business Days following a request by the Agent, any amount required to ensure that such Lender bears its pro rata share of such losses, if any, including any amounts required to be paid to any Lender in respect of any Bankers' Acceptances and, for greater certainty, amounts forming part of the Swing Line Loan (which forms part of the Revolving Facility).

~~If the amounts realized by the Agents are sufficient to repay the aggregate amount of the Secured Obligations after the transfers required by the first paragraph of this Section 18.8, but are not sufficient to repay the Loan Obligations under the Unsecured Facility, each Unsecured Facility Lender shall share, in a percentage equal to its Unsecured Applicable Percentage, any losses incurred as a result of any Default or Event of Default by the Borrower, and shall pay to the Agent, within two (2) Business Days following a request by the Agent, any amount required to ensure that such Lender bears its pro rata share of such losses, if any, including any amounts required to be paid to any Lender in respect of any Bankers' Acceptances.~~

Such obligations to share losses shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (1) any set-off, compensation, counterclaim, recoupment, defence or other right which such Lender may have against the Agents, the Borrower or any other Person for any reason whatsoever; (2) the occurrence or continuance of any Default or Event of Default; (3) any adverse change in the condition (financial or otherwise) of the Borrower or any other Person; (4) any breach of this Agreement by the Borrower or any other Person; or (5) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Lender does not make available the

---

amount required hereunder, the Agent shall be entitled to recover such amount on demand from such Lender, together with interest thereon at the Prime Rate from the date of non-payment until such amount is paid in full.

**18.9 Derivative Obligations**

- 18.9.1 The Derivative Obligations shall be secured by the Security provided that the related Derivative Instruments:
- (a) are governed by an ISDA Master Agreement or other form of agreement generally accepted in the relevant market;
  - (b) provide that bankruptcy or insolvency constitutes an event of default thereunder; and
  - (c) provide that for the purposes of Section 6(e) of the 1992 ISDA Master Agreement or the 2002 ISDA Master Agreement, the methods of calculation set out in the definition of "Hedging Exposure" shall apply.
- 18.9.2 Notwithstanding the rights of the Revolving Facility Lenders to benefit from the Security in respect of Derivative Obligations, all decisions concerning the Security and the enforcement thereof shall be made by the Lenders, the Majority Lenders or the Required Lenders-Acceleration, as the case may be, in accordance with the provisions of this Agreement, excluding the amount owed to any Lender in respect of Derivative Obligations. No Lender holding Derivative Obligations from time to time shall have any additional right to influence the Security or the enforcement thereof as a result of holding Derivative Obligations as long as this Agreement remains in force. No such Lender shall be able to enforce the Security unless the Lenders are at the same time enforcing the Security for the Loan Obligations. However, the Derivative Obligations shall continue to be supported by the Security notwithstanding the termination of this Agreement by reason of payment in full and termination of the Credit, or for any other reason, and all Derivative Obligations owed to any Revolving Facility Lender (or to a Person that was a Revolving Facility Lender at the time the Derivative Obligation in question was contracted) shall continue to be supported by the Security after such Lender ceases to be an Agent or a Lender or to have an Affiliate which is an Agent or a Lender. After the termination of this Agreement, each holder of Derivative Obligations shall be entitled, in its sole discretion, to make decisions concerning the Security.
- 18.9.3 Each Lender shall confirm to the Agent the details of each Derivative Instrument executed by it by or for the benefit of the Borrower, including the Hedging Exposure thereunder, within a reasonable period following request by the Agent, if any such request is made.
-

- 18.9.4 Each Lender shall confirm to the Agent and to the Borrower, upon request, quarterly on or about the last day of each financial quarter of each financial year of the Borrower, the Hedging Exposure under Derivative Instruments to which it is a party, calculated on a net as well as on a gross basis where several Derivative Instruments are governed by the same Master Agreement. The Agent shall then confirm to each Lender the total amount of the Hedging Exposure under Derivative Obligations with each Lender.

**18.10 Procedure with respect to Advances**

Subject to the provisions of this Agreement, upon receipt of a Notice of Borrowing from the Borrower, the Agent shall, without delay, advise each Lender of the receipt of such notice, of the date of such Advance, of its proportionate share of the amount of each Advance and of the relevant details of the Agent's account(s). Each Lender shall disburse its proportionate share of each Advance, taking into account its Commitment, and shall make it available to the Agent (no later than 10:00 A.M.) on the date of the Advance fixed by the Borrower, by depositing its proportionate share of the Advance in the Agent's account in Canadian Dollars or US Dollars, as the case may be. Once the Borrower has fulfilled the conditions stipulated in this Agreement, the Agent will make such amounts available to the Borrower on the date of the Advance, at the Branch, and, in the absence of other arrangements made in writing between the Agent and the Borrower, by transferring or causing to be transferred an equivalent amount in the case of a direct Advance, and the Available Proceeds (as defined in subsection 6.2.4(d)) in the case of Banker's Acceptances, in accordance with the instructions of the Borrower which appear in the Notice of Borrowing with respect to each Advance; however, the obligation of the Agent with respect hereto is limited to taking the steps judged commercially reasonable in order to follow such instructions, and once undertaken, such steps shall constitute conclusive evidence that the amounts have been disbursed in accordance with the applicable provisions. The Agent shall not be liable for damages, claims or costs imputed to the Borrower and resulting from the fact that the amount of an Advance did not arrive at its agreed-upon destination.

**18.11 Accounts kept by each Lender**

Each Lender shall keep in its books, in respect of its Commitment, accounts for the Prime Rate Advances, US Base Rate Advances, Bankers' Acceptances and other amounts payable by the Borrower under this Agreement. Each Lender shall make appropriate entries showing, as debits, the amount of the Debt of the Borrower to it in respect of the Prime Rate Advances, US Base Rate Advances and BA Advances, as the case may be, the amount of all accrued interest and any other amount due to such Lender pursuant hereto and, as credits, each payment or repayment of principal and interest made in respect of such indebtedness as well as any other amount paid to such Lender pursuant hereto. These accounts shall constitute (in the absence of manifest error or of contradictory entries in the accounts of the Agent referred to in Section 4.4) *prima facie* evidence of their content against the Borrower.

---

The accounts which are maintained by the Agent shall constitute, except in the case of manifest error, *prima facie* proof of the amounts advanced and the Bankers' Acceptances accepted by each Lender, the interest and other amounts due to them and the payments of principal, interest or others made to the Lenders.

**18.12 Binding Determinations**

The Agent shall proceed in good faith to make any determination which is required in order to apply this Agreement and, once made, such determination shall be final and binding upon all parties, except in the case of manifest error.

**18.13 Amendment of Article 18**

The provisions of this Article 18 relating to the rights and obligations of the Lenders and the Agent *inter se* may be amended or added to, from time to time, by the execution by the Agent and the Lenders of an instrument in writing and such instrument in writing shall validly and effectively amend or add to any or all of the provisions of this Article affecting the Lenders without requiring the execution of such instrument in writing by the Borrower.

**18.14 Decisions, Amendments and Waivers of the Lenders**

When the Lenders (or the Lenders under a particular Facility, as applicable) may or must consent to an action or to anything or to accomplish another act in applying this Agreement, the Agent shall request that each Lender (or each Lender under a particular Facility, as applicable) give its consent in this regard. Subject to the provisions of Sections 18.15 and 14.2, all decisions taken by the Lenders shall be taken as follows: ~~a) if there are two Lenders, by unanimous consent; b) if~~

18.14.1 with respect to a decision to be taken by the Lenders under all of the Facilities, such decision must be taken by consent of the Majority Lenders (which majority must include at least three (3) Lenders), unless there are ~~three~~two or ~~more~~less Lenders, ~~by the Majority Lenders.~~ in which case, such decision shall be taken by unanimous consent of the Lenders under all of the Facilities;

18.14.2 with respect to a decision to be taken by the Lenders under a particular Facility, such decision must be taken by consent of the Majority Lenders under such Facility (which majority must include at least two (2) Lenders), unless there are two or less Lenders under such Facility, in which case, such decision shall be taken by unanimous consent of the Lenders under such Facility

The Agent shall confirm such consent to each Lender and to the Borrower.

---

**18.15 Authorized Waivers, Variations and Omissions**

If so authorized in writing by the Lenders in accordance with the provisions of Section 18.14, the Agent, on behalf of the Lenders, may grant waivers, consents, vary the terms of this Agreement and the Security Documents and do or omit to do all acts and things in connection herewith or therewith. Notwithstanding the foregoing, except with the prior written agreement of (a) each of the Lenders with Commitments in the Facility or Facilities being amended (or in respect of which a waiver is requested, each such Lender an “Affected Lender”), nothing in Section 18.14 or this Section 18.15 shall authorize (i) any extension of the date for, or decrease in the amount of, any payment of principal, interest or other amounts, (ii) any extension of any maturity date not applicable to all Facilities, or (iii) the release, in whole or in part, of any of the Security Documents (other than the Guarantees) or the Security constituted thereby, except as provided herein with respect to permitted Asset Dispositions (in Section 13.3) or as contemplated in Sections 9.3 and 13.1, and (b) each of the Lenders, nothing in Section 18.14 or this Section 18.15 shall authorize (i) any change (other than an extension) of the date for, increase in the amount of, or change in the currency or mode of calculation or computation of any payment of principal, interest or other amount (including the amount of the Revolving Facility, ~~the Unsecured Facility~~, any New Facility or the Finnvera Term Facility, except as provided in ~~Sections 2.3 and~~ [Section 2.4](#)), (ii) any extension of any maturity date applicable to all Facilities, (iii) any change in the terms of Article 18, (iv) any change in the manner of making decisions among the Lenders including the definition of Majority Lenders and Required Lenders-Acceleration, (v) the release of the Borrower or any Guarantor, except as provided herein with respect to permitted Asset Dispositions or as contemplated in Sections 9.3 and 13.1, (vi) any change in or any waiver of the conditions precedent provided for in Article 10 or (vii) any amendment to this Section 18.15. Waivers of Events of Default not requiring the unanimous consent of the Lenders may be granted by the Majority Lenders or, for Events of Default requiring a waiver in the circumstances described in (a) above, the Affected Lenders (and not by the Required Lenders-Acceleration).

In addition, no amendment to or waiver of (A) Section 4.2 shall be made without the consent of the Issuing Lenders, (B) Section 4.3 shall be made without the consent of the Swing Line Lender, and (C) the definition of “Defaulting Lender” without the consent of the Agent, the Finnvera Agent, the Issuing Lender and the Swing Line Lender.

If any Lender is a Non-Consenting Lender, then the Borrower may, at its sole cost and expense, upon 10 days’ notice to such Non-Consenting Lender and the Agent, on the condition that at such time, no Default exists and is continuing, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Article 16), all of its interests, rights and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such Assignment), provided that:

---

- (i) the Borrower pays the Agent the assignment fee specified in Section 16.2.2(f); and
- (ii) the assigning Non-Consenting Lender receives payment of an amount equal to the outstanding principal of its outstanding Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment of a Lender) from the Assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts).

A Non-Consenting Lender shall not be required to make any such assignment or delegation if, prior thereto, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all Affected Lenders in accordance with the terms of Section 18.15 and (b) that has been approved by the Majority Lenders.

**18.16 Provisions for the Benefit of Lenders Only** ~~Power of Attorney~~ Hypothecary Representative for Quebec Purposes

~~Without limiting the powers of the Agent hereunder or under the Security Documents and to the extent applicable, each of the Lenders hereby acknowledges that the Agent (or a collateral agent designated by the Agent) shall, for~~ For the purposes of holding any security granted ~~under by the Borrower and the Guarantors pursuant to the laws of the Province of Québec (including the hypothecs described referred to in Section 9.1.3 hereof), whether it be~~ to secure payment of ~~any bond issued by the Debentures, be the holder of an irrevocable power of attorney (fondé de pouvoir) (within the meaning of~~ Borrower or a Guarantor or not, and without ~~limiting the powers of the Agent hereunder or under the Security Documents, each of the Lenders hereby irrevocably appoints and authorizes the Agent to act as hypothecary representative of the Lenders (in such capacity, the "Hypothecary Representative") as contemplated under Article 2692 of the Civil Code of Québec) for all present and future Québec, and to enter into, to take and to hold on behalf of the Lenders, and in particular for their benefit, any hypothec, and to exercise all present powers and future holders of the Debentures. Each of the Lenders hereby constitutes, to the extent necessary, the Agent (or such designated collateral agent) as the holder of such irrevocable power of attorney in order to hold security granted under such hypothecs to secure the Debentures~~ duties that are conferred upon the Hypothecary Representative under any hypothec. Each Assignee shall be deemed to have confirmed and ratified the ~~constitution~~ appointment of the Agent as the ~~holder of such irrevocable power of attorney~~ Hypothecary Representative by execution of the relevant ~~Transfer~~ Assignment and Assumption Agreement. ~~Notwithstanding the provisions of Section 32 of the An Act respecting the Special Powers of Legal Persons~~

---

~~(Quebec), the Borrower, the Guarantors and the Lenders irrevocably~~The Hypothecary Representative shall (i) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Hypothecary Representative pursuant to any hypothec, applicable laws or otherwise, and (ii) benefit from and be subject to all provisions hereof with respect to the Agent *mutatis mutandis*, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Lenders.

With respect to any security granted by the Borrower or any Guarantor in favour of the Agent, acting as the person holding the power of attorney (fondé de pouvoir) of the Lenders for all purposes of the former *Article 2692 of the Civil Code of Québec*, under any security document governed by the laws of the province of Québec (including as security for the payment of the Debentures), the parties acknowledge and agree that the Agent may acquire and be the holder of a Debenture. By executing a Debenture, the issuer of the Debenture shall be deemed to have acknowledged that the Debenture constitutes a title of indebtedness, as such term is used in *Article 2692 of the Civil Code of Québec* provisions of the first paragraph of this Section 18.16 apply *mutatis mutandis* to the Agent's authority and capacity under such security document as if "person holding the power of attorney (fondé de pouvoir)" had the same meaning as "hypothecary representative".

#### **18.17 Defaulting Lenders**

- 18.17.1 Notwithstanding any other provision of this Agreement, if any Lender becomes a Defaulting Lender, then the provisions of this Section 18.17 shall apply until the Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent), the Borrower, the Issuing Lender and the Swing Line Lender all agree that the Defaulting Lender has remedied all matters that caused it to be a Defaulting Lender.
- 18.17.2 Any ~~s~~Standby ~~f~~Fee shall cease to accrue on the Defaulting Lender's unadvanced portion of any Advance.
- 18.17.3 The Defaulting Lender shall not be entitled to exercise any right of consent under Sections 18.14 or 18.15 and its Commitment shall not be included in determining whether the Lenders or the Majority Lenders have provided any consent under those Sections. However, the Defaulting Lender shall be entitled to exercise its right of consent in respect of (a) any matter that requires its consent hereunder including, for the avoidance of doubt, any increase in the amount of the Revolving Facility, ~~the Unsecured Facility~~, any New Facility or the Finnvera Term Facility except as provided in ~~Sections 2.3 and~~Section 2.4 or the extension of the Commitment of such Defaulting Lender, and (b) any matter that requires the consent of all Lenders, but only if it would be affected differently than the other Lenders.
-

- 18.17.4 The Borrower's right to receive Advances of the Defaulting Lender's unadvanced Commitment under the Facilities shall be suspended and the participation of the other Lenders in the Facilities including the Swing Line shall be re-adjusted on a pro rata basis without regard to the unadvanced Commitment of the Defaulting Lender but without increasing the overall Commitments of the other Lenders. If (a) the unadvanced Commitments of the other Lenders would not be sufficient to cover their obligations together with the obligations of the Defaulting Lender under Section 4.2 or 4.3, or (b) an Event of Default has occurred and not been waived, then the Borrower shall repay the Swing Line Loan and shall provide LC Escrowed Funds to the Issuing Lender to secure Letters of Credit to the extent necessary to cover the deficiency.
- 18.17.5 If the Borrower provides LC Escrowed Funds to the Issuing Lenders to secure Letters of Credit, the Borrower shall not be required to pay LC Fees for the account of the Defaulting Lender in respect of the amount for which it has provided LC Escrowed Funds. If the obligation of the Defaulting Lender regarding Letters of Credit under Section 4.2 is borne by the other Lenders as a result of subsection 18.17.4, then the other Lenders shall be entitled to receive any LC Fee that would otherwise have been payable to the Defaulting Lender.
- 18.17.6 The Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent) may, without prejudice to the other rights of the Lenders, make adjustments to the payments to a Defaulting Lender under this Agreement as necessary to compensate the other Lenders and the Agent for the Defaulting Lender's failure to make any payment or fulfill any other obligation under this Agreement.

**18.18 Provisions for the Benefit of Lenders Only**

The provisions of this Article 18 relating to the rights and obligations of the Lenders and Agent *inter se* shall be operative as between the Lenders and Agent only, and the Borrower shall not have any rights or obligations under or be entitled to rely for any purposes upon such provisions. However, the provisions of subsection 18.2.3 and 18.16 shall be applicable as between the Borrower, the Guarantors (if applicable) and the Agent.

**18.19 Resignation of Agent**

- 18.19.1 Notwithstanding the irrevocable appointment of the Agent, a majority of Lenders holding not less than 66.67% of the Commitments may (with the consent of the Borrower), upon giving the Agent thirty (30) days prior written notice to such effect, terminate the Agent's appointment hereunder provided that a successor Agent has been appointed at or prior to the expiry of such notice.
-



- 18.19.2 The Agent may resign its appointment hereunder at any time without giving any reason therefor by giving written notice to such effect to each of the other parties hereto. Such resignation shall not be effective until a successor Agent has been appointed.
- 18.19.3 In the event of any such termination or resignation, the Lenders shall appoint a successor Agent that is willing to accept such role and is acceptable to the Borrower within thirty (30) days therefrom, deliver copies of all accounts to such successor and the retiring Agent shall be discharged from any further obligations hereunder but shall remain entitled to the benefit of the provisions of this Article 18 and the Agent's successor and each of the other parties hereto shall have the same rights and obligations among themselves as they would have had if such successor originally had been a party hereto as Agent.

**18.20 No Novation**

The parties hereto agree that the changes to the terms and conditions of the Credit Agreement and the amendments and restatement set out herein and the execution of these presents shall not constitute novation, and that all Security shall continue to apply to this Credit Agreement, as amended and restated by these presents, and all other obligations secured thereby.

**18.21 Erroneous Payments**

- 18.21.1 If the Agent notifies a Lender, an Issuing Lender (collectively with the Agent, the "Finance Parties" and individually, a "Finance Party") or any Person who has received funds on behalf of a Lender or any other Finance Party under, pursuant to or in connection with any of the Loan Documents (any such Lender, other Finance Party or other recipient, a "Payment Recipient") that the Agent has determined in its sole discretion (whether or not after receipt of any notice under paragraph 18.21.2) that any funds received by such Payment Recipient from the Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, any other Finance Party or other Payment Recipient on its behalf (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "Erroneous Payment") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Agent, and such Lender or other Finance Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to), promptly, but in no event later than two Business Days
-

thereafter, return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of (x) in respect of an Erroneous Payment in U.S. Dollars, the Federal Funds Effective Rate, and in respect of an Erroneous Payment in Canadian Dollars or any other currency at a fluctuating rate per annum equal to the overnight rate at which Canadian Dollars or funds in the currency of such Erroneous Payment, as the case may be, may be borrowed by the Agent in the interbank market in an amount comparable to such Erroneous Payment (as determined by the Agent) and (y) a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this Section 18.21.1 shall be conclusive, absent manifest error.

18.21.2

Without limiting Section 18.21.1, each Lender or other Finance Party, or any Person who has received funds on behalf of a Lender or any other Finance Party under, pursuant to or in connection with any of the Loan Documents, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender or other Finance Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:

- (a) (A) in the case of immediately preceding clauses (x) or (y) of Section 18.21.2, an error shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z) of Section 18.21.2), in each case, with respect to such payment, prepayment or repayment; and
  - (b) such Lender or other Finance Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 18.21.2.
-

- 18.21.3 Each Lender or other Finance Party hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender or other Finance Party under any Loan Document, or otherwise payable or distributable by the Agent to such Lender or other Finance Party from any source, against any amount due to the Agent under Section 18.21.1 or under the indemnification provisions of this Agreement.
- 18.21.4 In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor by the Agent in accordance with Section 18.21.1, from any Lender or other Finance Party that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “Erroneous Payment Return Deficiency”), upon the Agent's notice to such Lender or other Finance Party at any time, (i) such Lender or other Finance Party shall be deemed to have assigned its Advances (but not any of its Commitments) of the relevant class with respect to which such Erroneous Payment was made (the “Erroneous Payment Impacted Class”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Advances (but not any of its Commitments) of the Erroneous Payment Impacted Class, the “Erroneous Payment Deficiency Assignment”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver a Assignment and Assumption Agreement (or, to the extent applicable, an agreement incorporating an Assignment and Assumption Agreement by reference pursuant to an approved electronic platform as to which the Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or other Finance Party shall deliver any notes evidencing such Advances to the Borrower (or the applicable one thereof) or the Agent, (ii) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or assigning Finance Party shall cease to be a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitment which shall survive as to such assigning Lender or assigning Finance Party and (iv) the Agent may reflect in the loan register it maintains its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. The Agent may, in its discretion but subject to Section 16.2 (but excluding, in all events, (i) any assignment consent or approval requirements (whether from the
-

Borrower, any Lender or otherwise) and (ii) any requirements as to the minimum amount of assignments)) sell any Advances acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or other Finance Party shall be reduced by the net proceeds of the sale of such Advance (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender or other Finance Party (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce any of the Commitments of any Lender or other Finance Party and such Commitment shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Agent has sold an Advance (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent may be equitably subrogated, the Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or other Finance Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the "Erroneous Payment Subrogation Rights").

- 18.21.5 The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Loan Obligations owed by the Borrower or any Guarantor, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from the Borrower or any other Guarantor for the purpose of making such Erroneous Payment.
- 18.21.6 To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine
- 18.21.7 Each party's obligations, agreements and waivers under this Section 18.21 shall survive the resignation or replacement of the Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Loan Obligations (or any portion thereof) under any Loan Document.
-

**19. CERTAIN PROVISIONS RELATING TO THE FINNVERA TERM FACILITY****19.1 Application of Article 18**

The provisions of Article 18 shall apply to the Finnvera Facility Lenders and the Finnvera Term Facility except to the extent modified in Section 11 of Schedule "P".

**19.2 Notice by Agent to the Finnvera Facility Agent**

The Agent shall have no obligation to forward a copy of any report, notice or other document to the Finnvera Facility Lenders. The Agent shall instead forward such items to the Finnvera Facility Agent for distribution to the Finnvera Facility Lenders.

**19.3 Confirmation of Sharing**

For greater certainty, the sharing among the Lenders contemplated by Section 18.8 includes all of the Lenders including the Finnvera Facility Lenders.

**20. FORMAL DATE****20.1 Formal Date**

For the purposes of convenience, this Amended and Restated Agreement may be referred to as bearing the Formal Date of June 16, 2015 notwithstanding its actual date of signature.

Remainder of page intentionally left blank. Signature pages follow.

---

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT ON THE DATE AND AT THE PLACE FIRST  
HEREINABOVE MENTIONED.

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
612 St-Jacques Street  
18<sup>th</sup> floor  
Montreal, Quebec  
H3C 4M8

Attention: Vice President and Treasurer

Telephone: (514) 380-7414  
Fax: (514) 380-1983

---

**ROYAL BANK OF CANADA, as Agent**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
20 King Street West, 4th Floor  
Toronto, Ontario,  
M5H 1C4

Attention: Manager, Agency Services Group

Fax: 416-842-4023

---

THE LENDERS, SIGNING AS ~~BOTH REVOLVING FACILITY LENDERS AND UNSECURED~~ FACILITY LENDERS:

ROYAL BANK OF CANADA

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
1 Place Ville Marie  
Suite 400  
Montreal, Quebec  
H3B 4R8

Attention: ~~Red Smith~~ [Frédéric Yale-Leduc](#)

Telephone: 514-878-~~281~~[7054](#)

Fax: 514-874-1349

Email: ~~Red.Smith~~ [frederic.yale-leduc@rbccm.com](mailto:frederic.yale-leduc@rbccm.com)

---



**NATIONAL BANK OF CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
1155 Metcalfe Street  
5<sup>th</sup> Floor  
Montreal, Quebec  
H3B 4S9

Attention: Luc Bernier, Director

Telephone: 514-390-5639  
Fax: 514-390-7860  
Email: [Luc.Bernier@nbfinancial.com](mailto:Luc.Bernier@nbfinancial.com)

---

**BANK OF AMERICA, N.A., CANADA BRANCH**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
181 Bay Street  
Toronto, Ontario  
M5J 2V8

Attention: Peter Vanderhorst, Director

Telephone: 617-434-0164  
Fax: 980-233-7788  
Email: [peter.vanderhorst@baml.com](mailto:peter.vanderhorst@baml.com)

---

**THE BANK OF NOVA SCOTIA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
Scotia Plaza  
40 King St. West  
Toronto, Ontario  
M5W 2X6

Attention: Rob King

Telephone: 416-933-1873  
Fax: 416-866-2010  
Email: [rob.king@scotiabank.com](mailto:rob.king@scotiabank.com)

---

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
500 St. Jacques  
Montreal, Quebec  
H2Y 1P1

Attention: Paul Archer / Yves Bergeron – C0000040

Telephone: 514-289-2558 / 514-289-0099  
Fax: 514-289-0788  
Email: paul.archer@tdsecurities.com / yves.bergeron@tdsecurities.com

---

**BANK OF MONTREAL**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
234 Simcoe Street  
3<sup>rd</sup> Floor  
Toronto, Ontario  
M5T 1T4

Attention: Frank Albernaz

Telephone: 416-598-6775  
Fax: 416-598-6230  
Email: [Frank.albernaz@bmo.com](mailto:Frank.albernaz@bmo.com)

---

**CAISSE CENTRALE DESJARDINS**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
1170 Peel Street  
Suite 300  
Montreal, Quebec  
H3B 0A9

Attention: André Roy, Director

Telephone: 514-281-7791  
Fax: 514-281-4317  
Email: [andre.roy@ccd.desjardins.com](mailto:andre.roy@ccd.desjardins.com)

---

CANADIAN IMPERIAL BANK OF COMMERCE

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
161 Bay Street  
8<sup>th</sup> Floor  
Toronto, Ontario  
M5J 2S8

Attention: ~~Kim Yeung~~ [Anissa Rabia-Zerebi](mailto:anissa.rabia-zerebi@cibc.ca)

Telephone: ~~416-542-8454~~

Fax: ~~416-542-4525~~

Email: ~~kim.yeung~~ [anissa.rabia-zerebi@cibc.ca](mailto:anissa.rabia-zerebi@cibc.ca)

---

**HSBC BANK CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
300-2001 McGill College  
Montreal, Quebec  
H3A 1G1

Attention: Annie Houle, Global Relationship Manager and Director

Telephone: 514-286-4567  
Fax: 514-285-8637  
Email: [Annie\\_Houle@hsbc.ca](mailto:Annie_Houle@hsbc.ca)

---



**JPMORGAN CHASE BANK, N.A.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
66 Wellington Street West.  
Suite 4500  
Toronto, Ontario  
M5K 1E7

Attention: Jeffrey S. Coleman, Executive Director

Telephone: (416) 981-9200  
Fax: (416) 981-9278  
Email: [jeffrey.s.coleman@jpmorgan.com](mailto:jeffrey.s.coleman@jpmorgan.com)

---

**BANK OF TOKYO – MITSUBISHI UFJ (CANADA)**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
600 de Maisonneuve Blvd. W.  
Suite 2520  
Montreal, Quebec  
H3A 3J2

Attention: Amos Simpson, Managing Director & General Manager

Telephone: 514-875-9261  
Fax: 514-875-9392  
Email: [asimpson@ca.mufg.jp](mailto:asimpson@ca.mufg.jp)

---

**CITIBANK, N.A., CANADIAN BRANCH**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
123 Front Street West  
Toronto, Ontario  
M5J 2M3

Attention: Isabelle Côté, Managing Director

Telephone: 514-393-7502  
Fax: 866-550-2418  
Email: [isabelle.f.cote@citi.com](mailto:isabelle.f.cote@citi.com)



**MIZUHO BANK, LTD.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
100 Yonge Street, Suite 1102  
Toronto, Ontario  
M5C 2W1

Attention: Bill McFarland

Telephone: 416-874-1145  
Fax: 416-360-7502  
Email: [bill.mcfarland@mizuhocbus.com](mailto:bill.mcfarland@mizuhocbus.com)

---

**ICICI BANK CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
150 Ferrand Drive, Suite 1200  
Don Valley Business Park  
Toronto, Ontario  
M3C 3E5

Attention: Lester Fernandes, Sr. Account Manager

Telephone: 416-601-2775  
Fax: 416-422-2447  
Email: [Lester.fernandes@icicibank.com](mailto:Lester.fernandes@icicibank.com)

---

**LAURENTIAN BANK OF CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
1981 McGill College Avenue  
19<sup>th</sup> Floor  
Montreal, Quebec  
H3A 3K3

Attention: Michel Gendron

Telephone: 514-284-4500 (4523)  
Fax: 514-284-9723  
Email: [michel.gendron@banquelaurentienne.ca](mailto:michel.gendron@banquelaurentienne.ca)

---

**HSBC BANK PLC, as Finnvera Facility Agent**

Per: \_\_\_\_\_

Credit Matters

Address:  
Level 2, 8 Canada Square  
Canary Wharf  
London, E14 5HQ  
United Kingdom

Attention: Mike Bonnici  
Telephone: +44 (0) 20 7991 6256  
Fax: +44 (0) 20 7992 4428  
E-mail: mike.bonnici@hsbcib.com  
Reference: FC 1311

Operational Matters

Address:  
Level 27, 8 Canada Square  
Canary Wharf  
London, E14 5HQ  
United Kingdom

Attention: Pete Fassam  
Telephone: +44 (0) 20 7991 2447  
Fax: +44 (0) 20 7992 4428  
E-mail: peter.a.fassam@hsbc.com  
Reference: FC 1311

-and-

Attention: David Wilson  
Telephone: +44 (0) 7992 2569  
Fax: +44 (0) 20 7992 4428  
E-mail: David.a.wilson@hsbcib.com  
Reference: FC 1311

---

**THE FINNVERA TERM FACILITY LENDERS:**

**HSBC BANK PLC**

Per: \_\_\_\_\_

Credit Matters

Address:  
Level 2, 8 Canada Square  
Canary Wharf  
London, E14 5HQ  
United Kingdom

Attention: Robert Hossack  
Telephone: +44 (0) 20 7992 2571  
Fax: +44 (0) 20 7991 4347  
E-mail: robert.ihossack@hsbcib.com  
Reference: FC 1311

Operational Matters

Address:  
Level 27, 8 Canada Square  
Canary Wharf  
London, E14 5HQ  
United Kingdom

Attention: Pete Fassam  
Telephone: +44 (0) 20 7991 2447  
Fax: +44 (0) 20 7992 4428  
E-mail: peter.a.fassam@hsbc.com  
Reference: FC 1311

-and-

Attention: David Wilson  
Telephone: +44 (0) 7991 2447  
Fax: +44 (0) 20 7992 4428  
E-mail: david.a.wilson@hsbcib.com  
Reference: FC 1311

---



**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Credit Matters

Address:  
The Toronto-Dominion Bank  
77 King Street West  
Royal Trust Tower, 19<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2

Attention: Sumit Paliwal  
Telephone: (416) 983-2803  
Fax: (416) 982-7838  
E-mail: [sumit.paliwal@tdsecurities.com](mailto:sumit.paliwal@tdsecurities.com)

Operational Matters

Address:  
TD Securities  
Global Trade Finance  
500 St-Jacques Street, 8<sup>th</sup> Floor  
Montreal, Quebec H2Y 1S1

Attention: Caroline Danneau  
Telephone: (514) 289-0251  
Fax: (514) 289-1469  
E-mail: [caroline.danneau@tdsecurities.com](mailto:caroline.danneau@tdsecurities.com)

---

**SUMITOMO MITSUI BANKING  
CORPORATION OF CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Credit Matters

Address:  
Ernst & Young Tower, TD Centre  
Suite 1400, Box 172  
222 Bay St.  
Toronto, Ontario M5K 1H6

Attention: Elwood Langley, Senior Vice President

Telephone: (416) 214-3606  
Fax: (416) 367-3565  
E-mail: elwood\_langley@smbcgroup.com  
-or-

Attention: Ming Chang, Vice President  
Telephone: (416) 368-4178  
Fax: (416) 367-3565  
E-mail: Ming\_Chang@smbcgroup.com

Operational Matters

Address:  
Ernst & Young Tower, TD Centre  
Suite 1400, Box 172  
222 Bay St.  
Toronto, Ontario M5K 1H6

Attention: Heather Nakamura, Manager  
Telephone: (416) 214-3607  
Fax: (416) 367-3565  
E-mail: heather\_nakamura@smbcgroup.com  
-or-

Attention: Andrew Yiu, Vice President  
Telephone: (416) 368-7570  
Fax: (416) 367-3565  
E-mail: andrew\_yiu@smbcgroup.com

---

**Intervention by the Guarantors as at the Third Amendment Closing Date**

The undersigned acknowledge having taken cognizance of the provisions of the foregoing Amended and Restated Credit Agreement and agree that the Guarantees and Security executed by them (A) remain enforceable against them in accordance with their terms, and (B) continue to guarantee or secure, as applicable, all of the obligations of the Persons specified in such Guarantees and Security Documents in connection with the Credit Agreement as defined above, without any limitations:

**9293-6707 QUÉBEC INC.**

**9227-2590 QUÉBEC INC.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**9230-7677 QUÉBEC INC.**

**8487782 CANADA INC.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**VIDEOTRON L.P., represented by its general partner  
9230-7677 QUÉBEC INC.**

**VIDEOTRON G.P.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**VIDÉOTRON INFRASTRUCTURES INC.**

**4DEGRÉS COLOCATION INC. /  
4DEGREES COLOCATION INC.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

---

**SCHEDULE "A" - LIST OF LENDERS AND COMMITMENTS**

**The Revolving Facility**

<b>The Revolving Facility Lenders</b>	<b>Commitment (\$)</b>	<b>Commitment (%)</b>
Royal Bank of Canada	160,000,000	10.6666667
National Bank of Canada	160,000,000	10.6666667
The Toronto-Dominion Bank	160,000,000	10.6666667
The Bank of Nova Scotia	150,000,000	10
Bank of Montreal	150,000,000	10
Bank of America, N.A., Canada Branch	150,000,000	10
<u>JPMorgan Chase Bank, N.A.</u>	<u>135,000,000</u>	<u>9</u>
Canadian Imperial Bank of Commerce	<del>14</del> <u>27,500,000</u>	<del>7.83333333</del> <u>8.5</u>
Fédération des Caisses Desjardins du Québec	<del>14</del> <u>27,500,000</u>	<del>7.83333333</del> <u>8.5</u>
Citibank, N.A., Canadian Branch	77,500,000	5.1666667
MUFG Bank, Ltd., Canada Branch	77,500,000	5.1666667
<del>JPMorgan Chase Bank, N.A.</del>	<del>77,500,000</del>	<del>5.1666667</del>
<del>HSBC Bank Canada</del>	<del>77,500,000</del>	<del>5.1666667</del>
Laurentian Bank of Canada	25,000,000	1.6666667
<b>Total</b>	<b>\$1,500,000,000</b>	<b>100%</b>

---

## The Finnvera Term Facility

*(Amounts as at the Third Amendment Closing Date per below, as such amounts were and may be further reduced pursuant to Schedule "P". For clarity, for the purposes of determining the amount of the Commitments of the Finnvera Facility Lenders under the Finnvera Term Facility to calculate the voting by Majority Lenders, reference will be made to the principal amount owed to the Finnvera Facility Lenders on the relevant date).*

*The Finnvera Term Facility has been repaid in full and cancelled. As such, there are currently no Commitments under the Finnvera Term Facility.*

<b>Lender</b>	<b>Commitment (\$)</b>	<b>Commitment (%)</b>
<del>HSBC Bank plc</del>	<del>\$12,053,571.44</del>	<del>37.5%</del>
<del>The Toronto Dominion Bank</del>	<del>\$16,071,428.58</del>	<del>50.0%</del>
<del>Sumitomo Mitsui Banking Corporation of Canada</del>	<del>\$4,017,857.14</del>	<del>12.5%</del>
<b>Total</b>	<b><del>\$32,142,857.16</del></b>	<b><del>100%</del></b>

---

**SCHEDULE "B" - NOTICE OF BORROWING AND CERTIFICATE**

TO: ROYAL BANK OF CANADA, as Agent  
FROM: VIDÉOTRON LTÉE

DATE:

~~1)~~ 2) This Notice of Borrowing and Certificate is delivered to you pursuant to the Amended and Restated Credit Agreement dated as of June 16, 2015, and as same may have been further amended (the "Credit Agreement"). All defined terms set forth in this Notice of Borrowing and Certificate shall have the respective meanings set forth in the Credit Agreement

~~2)~~ 2) We hereby request an Advance under the Revolving Facility/~~Unsecured Facility (select one)~~ of the Credit Agreement as follows:

- (a) Date of Advance: \_\_\_\_\_  
Amount of \_\_\_\_\_
- (b) Advance: \_\_\_\_\_
- (c) Currency of Advance (Sor US\$): \_\_\_\_\_
- (d) Type of Advance: \_\_\_\_\_  
Designated \_\_\_\_\_
- (e) Period(s) (if any): \_\_\_\_\_  
Maturity Date(s) \_\_\_\_\_
- (f) (if applicable): \_\_\_\_\_  
Payment \_\_\_\_\_  
Instruction (if \_\_\_\_\_
- (g) any): \_\_\_\_\_

~~3)~~ 3) We have understood the provisions of the Credit Agreement which are relevant to the furnishing of this Notice of Borrowing and Certificate. To the extent that this Notice of Borrowing and Certificate evidences, attests or confirms compliance with any covenants or conditions precedent provided for in the Credit Agreement, we have made such examination or investigation as was, in our opinion, necessary to enable us to express an informed opinion as to whether such covenants or conditions have been complied with.

~~4)~~ 4) WE HEREBY CERTIFY THAT, in our opinion, as of the date hereof:

~~(a)~~ (a) All of the representations and warranties of the Borrower contained in Article 11 of the Credit Agreement (except where qualified in Article 11 as being made as at a particular date) are true and correct on and as of the date hereof as though made on and as of the date hereof.

~~(b)~~ (b) All of the covenants of the Borrower contained in Articles 12 and 13 of the Credit Agreement together with all of the conditions precedent to an Advance and all other terms and conditions contained in the Credit Agreement have been fully complied with.

~~(c)~~ (c) If the requested Advance is under the Unsecured Facility, we confirm that the principal amount of the Advances outstanding under the Revolving Facility will not be less than the Threshold Amount on the date the requested Advance under the Unsecured Facility is made.

~~(d)~~ (c) No Event of Default has occurred and no Default has occurred and is continuing.

Yours truly,

---

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_  
Title: \_\_\_\_\_



**SCHEDULE "B-1" - NOTICE OF REPAYMENT**

- NOTICE OF REPAYMENT  
TO: **ROYAL BANK OF CANADA, as Agent**

FROM: **VIDÉOTRON LTÉE**

DATE:

- 1) This notice of repayment is delivered to you pursuant to the Amended and Restated Credit Agreement dated as of June 16, 2015 entered into among VIDÉOTRON LTÉE and, *inter alia*, Royal Bank of Canada as Agent (as amended and restated and in effect on the date hereof, the "Credit Agreement"). All defined terms set forth in this notice shall have the respective meanings set forth in the Credit Agreement.
- 2) We hereby advise you that we will be repaying the sum of Cdn.\$\_\_\_\_\_ on \_\_\_\_\_ as follows [indicate amount payable in respect of the Revolving Facility ~~Unsecured Facility (select one)~~ as well as the type of Advance to be repaid].
- 3) [We hereby advise you that in accordance with the last paragraph of Section 8.2, we are cancelling the Credit under the Revolving Facility ~~Unsecured Facility (select one)~~, effective \_\_\_\_\_, by \$\_\_\_\_\_, to a maximum of \$\_\_\_\_\_.]
- 4) ~~If the cancellation of Credit is being made under the Revolving Facility, we hereby certify that there is no Credit available, and there are no Loan Obligations currently outstanding under, the Unsecured Facility.~~

Yours truly,  
**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_  
Title: \_\_\_\_\_

---



**SCHEDULE "B-2" NOTICE OF CONVERSION OF COMMITMENTS**

**TO:** ROYAL BANK OF CANADA, as Agent

**FROM:** VIDÉOTRON LTÉE

**DATE:**

1) This notice of conversion is delivered to you pursuant to the Amended and Restated Credit Agreement dated as of June 16, 2015 entered into among VIDÉOTRON LTÉE and, *inter alia*, Royal Bank of Canada as Agent (as amended and restated and in effect on the date hereof, the "Credit Agreement"). All defined terms set forth in this notice shall have the respective meanings set forth in the Credit Agreement.

2) We hereby advise you that we are permitted to incur an additional amount of Debt secured by Charges as a result of ~~(select one of (a) or (b))~~:

(a) ~~**Conversion Notice Partial:** one or more reductions in the amount of Loan Obligations under the Finnvera Term Facility that have not yet been converted into increased amount of Credit under the Revolving Facility, which available amounts permitted to be so converted under the Senior Note Indentures currently total \$ \_\_\_\_\_ (the "Permitted Partial Conversion Amount"). Please increase the amount of the Credit under the Revolving Facility and reduce the amount of the Credit under the Unsecured Facility by an amount equal to \$ \_\_\_\_\_ (said amount being equal to or less than the Permitted Partial Conversion Amount) by converting a *pro rata* portion of the Commitment of each Unsecured Facility Lender into an additional Commitment of such Lender under the Revolving Facility as a Revolving Facility Lender, with effect three (3) Business Days from the date hereof.~~

(b) ~~**Conversion Notice Total:** the repayment in full of all of the Senior Notes and the termination of the Senior Note Indentures. Accordingly, please increase the amount of the Credit under the Revolving Facility by an amount equal to the entire amount of the Credit under the Unsecured Facility and reduce the amount of the Credit under the Unsecured Facility to zero by converting the Commitment of each Unsecured Facility Lender into an additional Commitment of the same Lender under the Revolving Facility as a Revolving Facility Lender, with effect three (3) Business Days days from the date hereof. Please terminate the Unsecured Facility once the conversion has become effective.~~

Yours truly,  
**VIDÉOTRON LTÉE**  
Per: \_\_\_\_\_  
Title: \_\_\_\_\_

**SCHEDULE "B-2"- INTENTIONALLY DELETED**

---

**SCHEDULE “C” – ASSIGNMENT AND ASSUMPTION**

This Assignment and Assumption (the “**Assignment and Assumption**”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “**Assignor**”) and [*Insert name of Assignee*] (the “**Assignee**”). Capitalized terms used but not defined herein shall have the meanings given to them in the Amended and Restated Credit Agreement identified below (as amended, the “**Credit Agreement**”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below, (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any Letters of Credit, Guarantees and Swing Line Advances included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other Loan Documents or instruments delivered pursuant thereto or the loan-transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the “**Assigned Interest**”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor. The Assignee acknowledges and accepts that the Assignee and the Agent are solidary creditors of the Borrower and the Guarantors in respect of all amounts, liabilities and other obligations, present and future, of the Borrower and the Guarantors to each of them under the Credit Agreement and the Derivative Instruments as contemplated by Section 18.1.2 of the Credit Agreement and in accordance with Article 1541 of the *Civil Code of Quebec*.

1. Assignor:

2. Assignee:

[and is an Affiliate/Approved Fund of [*identify Lender*] <sup>1</sup>]

3. Borrower: **VIDÉOTRON LTÉE**

---

<sup>1</sup> Select as applicable.

---

4. Agent: **ROYAL BANK OF CANADA**, as the administrative agent under the Credit Agreement
5. Credit Agreement: [The Amended and Restated Credit Agreement dated as of June 16, 2015 among **VIDÉOTRON LTÉE**, the Lenders parties thereto, **ROYAL BANK OF CANADA**, as Agent, and the other agents parties thereto (as amended and restated and in effect on the date hereof)]
6. Assigned Interest:

Facility Assigned - Revolving Facility <del>Unsecured Facility</del>	Aggregate Amount of Commitment/Loan Obligations for all Lenders <sup>2</sup>	Amount of Commitment/Loan Obligations Assigned <sup>3</sup>	Percentage Assigned of Commitment/Loan Obligations <sup>3</sup>	CUSIP Number

7. [Trade Date: ]<sup>4</sup>

<sup>2</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

<sup>3</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

<sup>4</sup> To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.



Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

**ASSIGNOR**  
**[NAME OF ASSIGNOR]**

By: \_\_\_\_\_  
Title:

**ASSIGNEE**  
**[NAME OF ASSIGNEE]**

By: \_\_\_\_\_  
Title:

Consented to and Accepted:

**ROYAL BANK OF CANADA**, as Agent

By: \_\_\_\_\_  
Title:

[Consented to:] <sup>5</sup>

**ROYAL BANK OF CANADA**, as Issuing Lender

By: \_\_\_\_\_  
Title:

**VIDÉOTRON LTÉE**

By: \_\_\_\_\_  
Title:

<sup>5</sup> To be added only if the consent of the Borrower and/or other parties (e.g. L/C Issuer) is required by the terms of the Credit Agreement.

---

[ ]<sup>6</sup>STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

**1.1 Assignor.** The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any Lien and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the members of the VL Group, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the members of the VL Group or any other Person of any of their respective obligations under any Loan Document.

**1.2 Assignee.** The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 12.15 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

---

<sup>6</sup> Describe Credit Agreement at option of Agent.

---

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

---

**SCHEDULE "C-1" -- LOAN MARKET DATA TEMPLATE**

**Recommended Data Fields – At Close**

The items highlighted in bold are those that Loan Pricing Corporation (LPC) deem essential. The remaining items are those that LPC has seen become more prominent over time as transparency has increased in the U.S. Loan Market.

<b>Company Level</b>	<b>Deal Specific</b>	<b>Facility Specific</b>
<b>Issuer Name</b>	<b>Currency/Amount</b>	<b>Currency/Amount</b>
<b>Location</b>	<b>Date</b>	<b>Type</b>
<b>SIC (Cdn)</b>	<b>Purpose</b>	<b>Purpose</b>
Identification Number(s)	<b>Sponsor</b>	<b>Tenor</b>
<b>Revenue</b>	<b>Financial Covenants</b>	Term Out Option
	Target Company	<b>Expiration Date</b>
<b>*Measurement of Risk</b>	<b>Assignment Language</b>	<b>Facility Signing Date</b>
<b>S&amp;P Sr. Debt</b>	Law Firms	<b>Pricing</b>
<b>S&amp;P Issuer</b>	MAC Clause	<b>Base Rate(s)/Spread(s)/BA/LIBOR</b>
<b>Moody's Sr. Debt</b>	Springing lien	<b>Initial Pricing Level</b>
<b>Moody's Issuer</b>	Cash Dominion	<b>Pricing Grid (tied to, levels)</b>
<b>Fitch Sr. Debt</b>	Mandatory Prepays	<b>Grid Effective Date</b>
<b>Fitch Issuer</b>	Restrict'd Payments (Neg Covs)	<b>Fees</b>
S&P Implied	Other Restrictions	<b>Participation Fee (tiered also)</b>
(internal assessment)		<b>Commitment Fee</b>
<b>DBRS</b>		<b>Annual Fee</b>
Other Ratings		<b>Utilization Fee</b>
<b>*Industry Classification</b>		<b>LC Fee(s)</b>
Moody's Industry		<b>BA Fee</b>
S&P Industry		Prepayment Fee
Parent		Other Fees to Market
Financial Ratios		Security
		<b>Secured/Unsecured</b>
		Collateral and Seniority of Claim
		Collateral Value
		<b>Guarantors</b>
		<b>Lenders Names/Titles</b>
		<b>Lender Commitment (\$)</b>
		Committed/Uncommitted
		Distribution method
		<b>Amortization Schedule</b>
		Borrowing Base/Advance Rates
		New Money Amount
		<b>Country of Syndication</b>
		Facility Rating (Loss given default)
		<b>S&amp;P Bank Loan</b>
		<b>Moody's Bank Loan</b>
		<b>Fitch Bank Loan</b>
		<b>DBRS</b>
		<b>Other Ratings</b>

\* These items would be considered useful to capture from an analytical perspective



**SCHEDULE “D” – FORM OF GUARANTEE**

GUARANTEE entered into in the City of Montreal, Quebec as of •, 20•.

**BY:** •, a corporation governed by the •, having its head office at • (the “**Guarantor**”);

**IN FAVOUR OF:** **ROYAL BANK OF CANADA**, a bank governed by the Bank Act (Canada), acting for itself and as Agent and solidary creditor for each present and future Lender under the Credit Agreement hereinafter described (the “**Agent**”)

**WHEREAS** pursuant to an Amended and Restated Credit Agreement dated as of June 16, 2015, among, inter alia, Vidéotron Ltée, as borrower (the “**Borrower**”), the financial institutions that may become parties thereto from time to time, as lenders, Royal Bank of Canada, as administrative agent (as same may be amended, supplemented, replaced, restated or otherwise modified from time to time, the “**Credit Agreement**”), the Guarantor is to provide the Agent with a guarantee of all of the obligations of the Borrower under the Credit Agreement, the Derivative Instruments entered into with Lenders and the Security Documents (each as defined in the Credit Agreement);

**WHEREAS** pursuant to subsection 18.1.2 of the Credit Agreement, the Agent and each Lender are conferred the legal status of solidary creditors of the Borrower and the Guarantors (as defined in the Credit Agreement) in respect of all amounts, liabilities and other obligations owed by the Borrower and the Guarantors (as so defined) to each of them under the Credit Agreement, the Derivative Instruments entered into with Lenders and under the Security Documents, the whole in accordance with Article 1541 of the Civil Code of Québec (the “**CCQ**”);

**WHEREAS** pursuant to subsection 18.1.1 of the Credit Agreement, the Agent has been granted the authority to hold any and all Security under the Credit Agreement;

**NOW THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:**

**1-1 GUARANTEE**

**1-1.1 Guarantee**

For valuable consideration, the Guarantor hereby solidarily (jointly and severally) with the Borrower and each of the Other Guarantors, as defined in Section 2.1, guarantees to the Agent and each Lender, as solidary creditors of the Guarantor’s obligations hereunder, forthwith after demand therefor made in accordance with the provisions of the Credit Agreement, due and punctual payment of all present and future debts and liabilities, and the performance of all obligations of every nature, absolute or contingent, direct, indirect or otherwise, in any currency, now or at any time and from time to time hereafter due or owing by the Borrower to the Agent and each Lender arising under or in connection with the Credit Agreement (including under the

---



Swing Line Facilities), the Derivative Instruments entered into with Lenders and the Security Documents (such obligations as amended, amended and restated, modified, supplemented or renewed, collectively, the "Guaranteed Obligation"). The Guarantor expressly renounces to the benefits of division and discussion. The obligation undertaken by the Guarantor pursuant to this Section 1.1 is hereinafter referred to as the "Guarantee".

#### **1-2-1.2 Guarantee Absolute**

The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

- ~~(a)~~ (a) any lack of validity or enforceability of any of the Guaranteed Obligation; any change in the time, manner or place of payment of the Guaranteed Obligation; or the failure on the part of the Borrower or any of the Other Guarantors to carry out any of the Guaranteed Obligation;
- ~~(b)~~ (b) any impossibility, impracticability, frustration of purpose, illegality, force majeure or act of government;
- ~~(c)~~ (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Borrower or any of the Other Guarantors, the Agent or the Lenders or any of them or any party to any agreement to which the Agent, the Lenders, the Borrower or the Other Guarantors or any of them is a party;
- ~~(d)~~ (d) any lack or limitation of power, incapacity or disability on the part of any of the Borrower or the Other Guarantors or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of any of the Borrower or the Other Guarantors in its obligations to the Agent or the Lenders or any of them;
- ~~(e)~~ (e) any change or changes in the name, corporate existence or structure of any of the Borrower or Guarantors;
- ~~(f)~~ (f) any other law, regulation or other circumstance which might otherwise constitute a defence available to, or a discharge of, any of the Borrower or the Other Guarantors in respect of any or all of the Guaranteed Obligation.

#### **1-3-1.3 Recovery as Principal Debtor**

Any amount which may not be recoverable from the Guarantor by the Agent on the basis of a guarantee shall be recoverable by the Agent from the Guarantor as principal debtor in respect thereof and shall be paid to the Agent for the account of the Lenders forthwith after demand therefor.

### **2-2. DEALINGS WITH CREDIT PARTIES AND OTHERS**

#### **2-1-2.1 No Release**

---

The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Agent or the Lenders or any of them in connection with any duties or liabilities of the Borrower or the other Guarantors within the meaning of the Credit Agreement (the "Other Guarantors") or any of them to the Agent or the Lenders or any of them, or any security therefor including any loss of or in respect of any security received by the Agent or the Lenders or any of them from the Borrower, the Other Guarantors or any other Person. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, without obtaining the consent of or giving notice to the Guarantor, the Agent and the Lenders may:

- ~~(a)~~ (a) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower or the Other Guarantors;
- ~~(b)~~ (b) take or abstain from taking or enforcing securities or collateral from the Borrower or the Other Guarantors or from perfecting securities or collateral of the Borrower or the Other Guarantors;
- ~~(c)~~ (c) accept compromises from the Borrower or the Other Guarantors;
- ~~(d)~~ (d) subject to the applicable provisions of the Credit Agreement, apply all money at any time owing from the Borrower or the Other Guarantors or from any collateral security to such part of the Guaranteed Obligation as the Agent may see fit or change any such application in whole or in part from time to time as the Agent may see fit; for greater certainty, the Agent or any of the Lenders may at any time and from time to time, to the fullest extent permitted by law, set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Agent or any of the Lenders to or for the credit of the Guarantor against any and all of the liabilities of the Borrower, whether or not the Agent shall have made any demand under the Guarantee. The Agent or the Lenders, as the case may be, shall promptly notify the Guarantor after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Agent and the Lenders under this paragraph are in addition to other rights and remedies (including without limitation, other rights of set-off) that the Agent and the Lenders may have; and
- ~~(e)~~ (e) otherwise deal with the all other Persons and securities as the Agent and the Lenders may see fit, acting reasonably.

**2.2.2.2 No Exhaustion of Remedies**

The Agent and the Lenders shall not be bound or obligated to exhaust their recourse against the Borrower, the Other Guarantors, any other Person or any securities or collateral they may hold or take any other action before being entitled to demand payment from the Guarantor hereunder.

**2.3.2.3 Accounts Binding upon the Guarantor**

---

Any account settled or stated in writing by or between the Agent and the Borrower shall be accepted by the Guarantor as conclusive evidence, absent manifest error, that the balance or amount thereby appearing due by the Borrower to the Agent or the Lenders is so due.

#### **2-4.2.4 No Set-off**

In any claim by the Agent and the Lenders against the Guarantor, the Guarantor may not assert any set-off or counterclaim that the Guarantor or any of the Other Guarantors may have against the Agent and the Lenders or any of them. In particular, any loss of or in respect of any securities received by the Agent and the Lenders or any of them from the Borrower or any other Person, and the failure to perfect any mortgage, hypothec, prior claim or security interest of any nature whatsoever, whether occasioned through the fault or negligence of the Agent and the Lenders or any of them or otherwise, shall not discharge, limit or lessen the liability of the Guarantor under this agreement.

#### **3-3 CONTINUING GUARANTEE**

The Guarantee shall be a continuing guarantee of the Guaranteed Obligation and shall apply to and secure all Guaranteed Obligation and shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Agent and the Lenders or any of them. The Guarantee shall continue to be effective even if at any time any payment of any of the Guaranteed Obligation is rendered unenforceable or is rescinded or must otherwise be returned by the Agent and the Lenders or any of them upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or any Other Guarantor or otherwise, all as though such payment had not been made. Any payments so rescinded or recovered from the Agent and the Lenders or any of them, whether as a preference, fraudulent transfer or otherwise, shall constitute Guaranteed Obligation for all purposes hereunder. The Guarantor hereby expressly waives the provisions of Articles 2353, 2362 and 2366 of the CCQ.

#### **4-4 RIGHT TO PAYMENTS**

Should the Agent and the Lenders or any of them receive from the Guarantor one or more payments on account of its liability under the Guarantee, the Guarantor shall not be entitled to claim repayment against the Borrower or the Other Guarantors until the Agent's and the Lenders' claims against the Borrower have been paid in full. In the event of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory); or if the Borrower shall make a bulk sale of any of its assets within the meaning of any applicable legislation of any other province of Canada, under the Uniform Commercial Code of any state of the United States of America or under any other applicable Laws; or should the Borrower make any proposal, composition or scheme of arrangement with its creditors; then, in any of such events the Agent and the Lenders shall have the right to rank for their full claim and receive all dividends or other payments in respect thereof until their claim has been paid in full, and the Guarantor shall remain liable up to the amount guaranteed for any balance which may be owing to the Agent and the Lenders by the Borrower; and in the event of the valuation by the Agent and the Lenders or any of them of any security held in respect of the debts of the Borrower, or of the retention by the Agent and the Lenders or any of them of such security, such valuation and/or

---

retention shall not, as between the Agent and the Lenders and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the liabilities of the Borrower to the Agent and the Lenders, or any part thereof.

#### **5-5 TAXES**

All payments to be made hereunder by the Guarantor shall be made free and clear of deduction for any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) imposed by any government or other taxing authority (“**Taxes**”). If any Taxes are imposed and required to be withheld from any payment hereunder, the Guarantor shall (a) increase the amount of such payment so that the Agent and the Lenders will receive a net amount (after deduction of all Taxes, including any Taxes on the amount of any such increase) equal to the amount due hereunder, (b) pay such Taxes to the appropriate taxing authority for the account of the Agent and the Lenders, and (c) as promptly as possible thereafter, send the Agent and the Lenders an original receipt showing payment thereof, together with such additional documentary evidence as the Agent and the Lenders may from time to time reasonably require. If the Guarantor fails to perform its obligations under parts (b) or (c) of the preceding sentence, the Guarantor shall indemnify the Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Agent and the Lenders or any of them as a consequence of such failure.

#### **6-6 POSTPONEMENT OF SUBROGATION**

To the fullest extent permitted by law, the Guarantor hereby irrevocably postpones any claim or other rights that it may now or hereafter acquire against the Borrower or the Other Guarantors, or any of them, that arise from the existence, payment, performance or enforcement of the Guarantor’s obligations under this agreement including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy against the Borrower, the Other Guarantors, or any collateral securing any obligation of the Borrower or the Other Guarantors, or any of them, whether or not such claim, remedy or right arises under contract, including, without limitation, the right to take or receive from the Borrower or the Other Guarantors or any of them, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, until such time as the Guaranteed Obligation and all amounts payable under this agreement have been indefeasibly paid to the Agent and the Lenders in cash. If any amount shall be paid to the Guarantor in violation of the preceding sentence at any time prior to the indefeasible cash payment in full of the Guaranteed Obligation and all other amounts payable under this agreement, such amount shall be held by the Guarantor as mandatary for the benefit of the Agent and the Lenders and shall forthwith be paid to the Agent and the Lenders to be credited and applied to the Guaranteed Obligation and all other amounts payable under this agreement.

#### **7-7 GENERAL**

##### **7-7.1 Representations and Warranties**

---

The Guarantor reiterates the representations and warranties made in the Credit Agreement to the Lenders on its behalf by the Borrower (which representations and warranties are hereby deemed to have been made by the Guarantor and to be and remain in effect at all times).

#### ~~7.2~~ **7.2 Covenants**

The Guarantor reiterates the covenants made in the Credit Agreement on its behalf by the Borrower (which are hereby deemed to have been made by the Guarantor).

#### ~~7.3~~ **7.3 Payment of Guaranteed Obligation, Fees and Costs**

The Guarantor agrees to pay, within two Business Days of demand therefor, any amounts payable hereunder, including without limitation all out-of-pocket expenses (including the reasonable fees and expenses of the Agent's counsel) in any way relating to the enforcement or protection of the rights of the Agent and the Lenders or any of them hereunder.

#### ~~7.4~~ **7.4 Currency**

- ~~(a)~~ **(a)** Each payment to be made under the Guarantee will be made in the currency in which the relevant Secured Obligation is payable (the "**Specified Currency**"). To the fullest extent permitted by applicable law, any obligation of the Guarantor to make payments under the Guarantee in a Specified Currency will not be discharged or satisfied by any tender in any currency other than the Specified Currency.
  - ~~(b)~~ **(b)** To the fullest extent permitted by applicable law, if any judgment or order expressed in a currency other than the Specified Currency is rendered (i) for any payment of any amount owing in respect of the Guarantee, or (ii) in respect of a judgment or order of another court for the payment of any amount described in (i) above, the Agent, after recovery in full of the aggregate amount to which it is entitled pursuant to the judgment or order, shall be entitled to receive immediately from the Guarantor the amount of any shortfall of the Specified Currency received by the Agent as a consequence of sums paid in such other currency, and will refund promptly to the Guarantor any excess of the Specified Currency received by the Agent as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between (i) the rate of exchange at which the Specified Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and (ii) the rate of exchange at which the Agent is able, acting in a reasonable manner and in good faith, in converting the currency received into the Specified Currency, to purchase the Specified Currency with the amount of the currency of the judgment or order actually received by the Agent. The term "**rate of exchange**" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Specified Currency.
  - ~~(c)~~ **(c)** To the fullest extent permitted by applicable law, the indemnities in this Section 7.4 constitute separate and independent obligations of the Guarantor from the other obligations in this agreement, will be enforceable as separate and
-

independent causes of action, will apply notwithstanding any indulgence granted by the Agent, the Lenders or any of them and will not be affected by judgment being obtained or claim or proof being made for any other sums due in respect of this agreement.

~~(e)~~ (d) For the purposes of this Section 7.4, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.

#### **7.5-7.5 Discharge**

The Guarantor will not be discharged from any of its obligations hereunder except by a release or discharge signed in writing by the Agent, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement.

#### **7.6-7.6 Notice**

Any notice permitted or required to be given hereunder shall be given, in the case of the Agent, in accordance with the relevant provisions of the Credit Agreement and, in the case of the Guarantor, to its address indicated above and otherwise in accordance with the relevant provisions of the Credit Agreement.

#### **7.7-7.7 Entire Agreement**

Save as provided in Section 7.11, this agreement constitutes the entire agreement between the Guarantor, the Agent and the Lenders with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Agent and the Lenders shall not be bound by any representations or promises made by the Borrower, the Other Guarantors or any of them to the Guarantor, and possession of this agreement by the Agent shall be conclusive evidence against the Guarantor that this agreement was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with. This agreement shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

#### **7.8-7.8 Amendments and Waivers**

No amendment to this agreement will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Agent, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement. No waiver of any breach of any provision of this agreement will be effective or binding unless made in writing and signed by the Agent, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

#### **7.9-7.9 Severability**

Each provision of this agreement is separate and distinct from the others, such that any decision of a court or tribunal to the effect that any provision hereof is null or unenforceable shall in no

---

way affect the validity of the other provisions hereof or the enforceability thereof. Any provision of this agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable Laws, the Guarantor hereby waives any provision of any Laws which renders any provision hereof prohibited or unenforceable in any respect.

**~~7.10~~ 7.10 Interpretation**

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement. The words “this agreement”, “hereof”, “hereto”, etc. mean the present instrument executed by the Guarantor.

**~~7.11~~ 7.11 Additional Rights**

This agreement is in addition and supplemental to all other guarantees and/or postponement agreements (whether or not in the same form as this instrument) held or which may hereafter be held by the Agent, the Lenders or any of them.

**~~7.12~~ 7.12 Governing Law**

This agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

**~~7.13~~ 7.13 Benefit of Agreement**

This agreement shall extend to and enure to the benefit of the successors and assigns of the Agent and each of the Lenders and shall be binding upon the Guarantor and its successors.

**~~7.14~~ 7.14 Authority of Agent**

The Guarantor acknowledges and agrees that the Agent has full authority to act on behalf of the Lenders in all matters relating to this agreement, and that any Person dealing with the Agent or the Lenders or any of them in respect of any such matter need not inquire further as to the authority of the Agent to act on behalf of the Lenders.

**~~7.15~~ 7.15 Language**

The Guarantor acknowledges that it has required that the present agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. *Le soussigné reconnaît avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et poursuites judiciaires intentées relativement ou à la suite de la présente convention, que ce soit directement ou indirectement.*

**~~7.16~~ 7.16 Executed Copy**

---

The Guarantor acknowledges receipt of a fully executed copy of this agreement.

**IN WITNESS WHEREOF** the Guarantor has executed this Guarantee on the date and at the place first hereinabove mentioned.

•

Per: \_\_\_\_\_  
Name: •  
Title: •

ACCEPTED AND AGREED as of this \_\_\_\_ day of \_\_\_\_\_:

**ROYAL BANK OF CANADA,**  
in its aforementioned capacities

Per: \_\_\_\_\_

---



**SCHEDULE "E" – FORM OF SHARE PLEDGE**

[NOTE: If Videotron Ltd. is the party granting the pledge of shares, the form needs to be amended accordingly to remove any references to a guarantee]

**DEED OF MOVABLE HYPOTHEC WITH DELIVERY** granted in Montreal as of this • day of •

**BY:** •, a company governed by the laws of • (hereinafter called the "**Grantor**")

**IN FAVOUR OF:** **ROYAL BANK OF CANADA**, a bank governed by the Bank Act (Canada), acting for itself and as Agent and solidary creditor for each present and future Lender under the Credit Agreement hereafter described (the "**Creditor**")

**WHEREAS** pursuant to the Amended and Restated Credit Agreement dated as of June 16, 2015, among, inter alia, Vidéotron Ltée, as borrower (the "**Borrower**"), the financial institutions that may become parties thereto from time to time, as lenders, Royal Bank of Canada, as administrative agent (as same may be amended, supplemented, replaced, restated or otherwise modified from time to time, the "**Credit Agreement**"), the Grantor shall provide a pledge in favour of the Creditor of all shares and units it owns in its Subsidiaries, including • ("•");

**WHEREAS** pursuant to the Credit Agreement, the Grantor executed in favour of the Creditor a guarantee dated as of • (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Guarantee**");

**WHEREAS** pursuant to subsection 18.1.2 of the Credit Agreement, the Creditor and each Lender are conferred the legal status of solidary creditors of the Grantor in respect of all rights, liabilities and other obligations owed by the Grantor to each of them, the whole in accordance with article 1541 of the *Civil Code of Quebec* (the "**Civil Code**");

**WHEREAS** the Creditor, as solidary creditor for each of the Lenders, has been granted the authority to hold any and all Security in respect of the Credit Agreement;

**WHEREAS** the Grantor has agreed to grant a movable hypothec with delivery on certain property;

**NOW THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:**

**1-1. INTERPRETATION**

Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the Credit Agreement.

**2-2. HYPOTHEC**

---

As security for the Obligations, as defined in Section 5, the Grantor hereby hypothecates (the hypothec created hereby being hereinafter called the "**Hypothec**") the Charged Property (as defined in Section 3) in favour of the Creditor, for a principal amount of \$1,587,000,000, plus an additional amount equal to twenty percent (20%) thereof to secure all costs, accessories and incidental expenses, the whole with interest from the date of this Deed at the rate of twenty-five percent (25%) per annum, calculated daily and compounded monthly, with interest on overdue interest calculated at the same rate and in the same manner.

**3-3. DESCRIPTION OF CHARGED PROPERTY**

The property charged by the Hypothec consists of the following securities (the "**Securities**") owned by the Grantor and which are held by the Creditor or a third Person:

<i>Number of shares, bonds, or other instruments</i>	<i>Description of the Securities and names of debtors appearing on the instruments or notes</i>
•	shares/units of • registered in the name of the Grantor and evidenced by certificate •

together with the following present and future property, without limiting the charges, hypothecs and rights arising by operation of law:

↔ a) renewals, replacements and substitutions of, and additions to, the Securities, whether arising out of a purchase, redemption, conversion, cancellation or any other transformation of the Securities;

↔ b) the proceeds, fruits and revenues of the Securities, including (by way of example and without limitation) cash, bank accounts, notes, negotiable instruments, bills, commercial paper, securities, monies, goods, contract rights, and any other movable property, corporeal or incorporeal, received when any of the Securities is sold, exchanged, collected or otherwise disposed of;

↔ c) any right pertaining to the Securities; and

↔ d) any other property delivered at any time to the Creditor,

(collectively, the "**Charged Property**").

**4-4. ADDITIONAL PROVISIONS**

**4-4.1 Transfer into Creditor's Name**

The Grantor authorizes the Creditor, at any time following an Event of Default, to transfer any Charged Property or any part thereof into its own name or that of its nominee(s) in its capacity as hypothecary creditor so that the Creditor or its nominee(s) may appear as the sole registered owner thereof.

---

~~4.2.~~ **4.2 Voting, etc.**

Until the occurrence of an Event of Default which has not been waived, the Grantor shall be entitled to vote any and all Securities and to give consents, waivers, or ratifications in respect thereof, provided that no vote shall be cast or any consent, waiver, or ratification given or any action taken which would violate or be inconsistent with any of the terms of the Credit Agreement or this Deed or any other instrument or agreement relating to the Obligations or which would have the effect of materially impairing the position and interests of the Creditor. All such rights of the Grantor to vote and give consents, waivers and ratifications shall cease in case an Event of Default shall occur which has not been waived whereupon the Creditor shall be entitled, without limiting its other rights and remedies hereunder, to vote all or any part of the Securities whether or not transferred into the Creditor's name and give all consents, waivers and ratifications in respect of the Securities and otherwise act with respect thereto as though it were the outright owner thereof.

~~4.3.~~ **4.3 Dividends and other Distributions**

Subject to the applicable provisions of the Credit Agreement, if any and so long as an Event of Default has not occurred which has not been waived, the Grantor may collect all cash dividends payable in respect of the Securities, provided that all cash dividends payable in respect of the Securities which are determined by the Creditor, in its absolute discretion, to represent in whole or in part an extraordinary, liquidating or other distribution in return of capital, shall be paid to the Creditor and retained by it as part of the Charged Property.

~~4.4.~~ **4.4 Standard of Care**

The Creditor shall have no obligation to protest any of the Charged Property, to take any steps to interrupt prescription, to protect the Charged Property against any depreciation or reduction in value, to make any productive use of the Charged Property, or to protect the Grantor against any loss relating in any way to the Charged Property. In addition, the Creditor shall not be obliged to vote with respect to any of the Charged Property in connection with any subscription, conversion or other right relating to the Charged Property, nor in connection with any other matters or proceedings relating to the Charged Property, except where the Creditor is specifically requested in writing to do so and is provided with an indemnity and security which the Creditor considers sufficient, acting reasonably, together with payment of a reasonable fee to be established by the Creditor.

Without prejudice to its other rights hereunder, the Creditor may, at its discretion, comply with all provisions of law with which the holder of any securities comprised within the Charged Property from time to time is required to comply.

~~5.~~ **5. SECURED OBLIGATIONS**

The Hypothec shall secure the performance of all of the obligations of the Grantor to the Creditor (in its aforesaid capacities) arising under or in connection with the Guarantee and the Loan Documents to which it is a party, as from time to time heretofore or hereafter amended, supplemented, amended and restated or otherwise modified from time to time, and all of its obligations to the Creditor hereunder (collectively the "**Obligations**").

---

The Grantor shall be deemed to have once again obligated itself to perform any future obligation forming part of the Obligations in accordance with the provisions of Article 2797 of the Civil Code.

If the proceeds of realization of the Charged Property following an Event of Default are not sufficient to satisfy all Obligations, the Grantor acknowledges and agrees that the Grantor shall continue to be liable for any remaining Obligations and the Creditor shall remain entitled to full payment thereof.

#### ~~6-6.~~ REPRESENTATIONS AND WARRANTIES

The Grantor hereby reaffirms and renews the representations and warranties made by it in the Credit Agreement, and in addition represents and warrants as follows:

##### ~~6-1-6.1~~ Shareholders' Agreement – Securities

There exists no restriction in the articles, other constating documents or in any agreement, including any shareholders' agreement, that is binding upon the Grantor regarding the assignment or transfer of the Securities which has not been complied with or waived, save and except the required consent of the management committee of • with respect to the transfer of the Securities.

#### ~~7-7.~~ COVENANTS

The Grantor hereby reiterates the covenants made by it in the Credit Agreement and further covenants and agrees as follows:

##### ~~7-1-7.1~~ Delivery

It shall immediately remit to the Creditor, or a Person designated by the Creditor, all of the Securities that it owns and shall immediately so remit any Charged Property which comes into the possession of the Grantor, together with any power of attorney, document and confirmation that the Creditor may reasonably request in order to transfer the Charged Property, at any time following an Event of Default, into the name of the Creditor or its nominee.

##### ~~7-2-7.2~~ Payment of Legal Fees and Other Expenses

It shall:

~~a)-~~ a) pay all costs and expenses related to the exercise of all rights created hereby. Such costs and expenses shall include all reasonable fees and expenses of consultants, mandataries or legal counsel retained in case of default; and

~~b)-~~ b) reimburse the Creditor for all costs and expenses incurred by it for the purpose of carrying out the Grantor's obligations or of exercising its rights;

provided, however, that the obligations arising from this Section ~~7~~Error! Reference source not found.~~2~~ shall not exceed 20% of the principal amount of the Hypothec.

---

~~7.3-~~ **7.3 Rank of Hypothec**

The Hypothec shall always create a first ranking hypothec on the Charged Property (subject only to Permitted Charges).

~~8-~~ **8. EVENTS OF DEFAULT**

The Grantor shall be in default hereunder upon the occurrence of an Event of Default (any such occurrence being referred to herein as an “**Event of Default**”).

~~9-~~ **9. CREDITOR'S RECOURSES UPON AN EVENT OF DEFAULT**

~~9.1-~~ **9.1 Surrender**

The Grantor shall be deemed to have voluntarily surrendered the Charged Property to the Creditor if it has not opposed the Creditor's recourse within 20 days of its receipt of a prior notice of the exercise of hypothecary rights.

~~9.2-~~ **9.2 Additional Rights**

In order to protect or to realize upon the Charged Property, the Creditor shall be free, at the Grantor's expense, at any time following an Event of Default which is continuing, to do any or all of the following:

- ~~a)~~ **a)** alienate or dispose of any Charged Property which may depreciate rapidly;
- ~~b)~~ **b)** perform any of the Grantor's obligations;
- ~~c)~~ **c)** exercise any right attached to the Charged Property;
- ~~d)~~ **d)** acquire the Charged Property.

The Creditor shall not be bound to exercise the same hypothecary rights against all of the Charged Property, and may exercise different rights against different types of Charged Property or even against different elements of the Charged Property which are of the same type.

~~9.3-~~ **9.3 Good Faith**

The Creditor shall exercise its rights in good faith, in a reasonable manner, taking into account all circumstances, in order to attempt to reduce the obligations of the Grantor to the Creditor.

~~9.4-~~ **9.4 Relations with the Grantor and Others**

The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Grantor, with other Persons and with the Charged Property as the Creditor may see fit without diminishing the liability of the Grantor and without prejudice to the Creditor's rights pursuant to this Deed.

~~9.5-~~ **9.5 No Security by Creditor**

---

The Creditor shall not be bound to make an inventory, to take out insurance or to furnish any security of any nature whatsoever.

**~~9-6-~~9.6 Special Provisions - Taking in Payment**

If the Creditor elects to exercise its right to take in payment and the Grantor requires that the Creditor instead sell the Charged Property on which such right is exercised, the Grantor hereby acknowledges that the Creditor shall not be bound to abandon its action in taking in payment unless, prior to the expiry of the time period allocated for surrender, the Creditor:

a) a) has been granted security satisfactory to it to ensure that the proceeds of sale of the Charged Property will be sufficient to enable the Creditor to be paid in full;

b) b) has been reimbursed for all costs and expenses incurred in connection with this Deed, including all fees of consultants and legal counsel; and

c) c) has been advanced the necessary sums for the sale of the Charged Property.

The Grantor further acknowledges that the Creditor alone is entitled to select the type of sale it may wish to conduct or have conducted.

**~~9-7-~~9.7 Sale by the Creditor**

Where the Creditor sells the Charged Property itself, it shall not be required to obtain any prior valuation by a third party. The Creditor may elect to sell the Charged Property with legal warranty given by the Grantor or with a complete or partial exclusion of such warranty.

**~~10-~~10. MISCELLANEOUS**

**~~10-1-~~10.1 Hypothec Constitutes Additional Security**

The Hypothec created hereby is in addition to and not in substitution or replacement for any other hypothec or security held by the Creditor.

**~~10-2-~~10.2 Investment of Charged Property**

The Creditor shall be free to invest any monies or instruments received or held by it in pursuance of this Deed or to deposit same in a non-interest bearing account without having to comply with any provisions of the Civil Code concerning the investment of the property of others.

**~~10-3-~~10.3 Recourses Cumulative**

The rights and recourses of the Creditor under this Deed are cumulative and do not exclude any other rights and recourses which the Creditor might have. No omission or delay on the part of the Creditor in the exercise of any right shall have the effect of operating as a waiver of such right. The partial or sole exercise of a right or power will not prevent the Creditor from exercising thereafter any other right or power.

**~~10-4-~~10.4 Severability**

---

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be of no effect to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

~~10.5-~~ **10.5 Amendment**

No amendment to this Deed will be valid or binding unless set forth in writing and duly executed by the Grantor and the Creditor, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement. No waiver of any breach of any provision of this Deed will be effective or binding unless made in writing and signed by the Creditor, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

~~10.6-~~ **10.6 Delegation**

The Creditor shall be free to delegate to any Person or Persons the exercise of its rights, actions or the performance of any covenant resulting from this Deed or law; in such case, the Creditor may supply such Person with any information it holds relating to the Grantor or to the Charged Property.

~~10.7-~~ **10.7 Performance by Creditor**

At any time following the occurrence of an Event of Default and while same subsists, the Creditor shall be free to perform any of the Grantor's obligations under this Deed. It may then immediately request payment of any expense incurred in doing so, including interest on the Prime Rate Basis.

~~10.8-~~ **10.8 Creditor as Mandatary**

The Creditor is hereby designated, effective upon the occurrence of an Event of Default and while same subsists, as the irrevocable mandatary of the Grantor with full powers of substitution for the purposes of Section 10.7 or for the purpose of carrying out any and all acts and executing any and all deeds, proxies or other documents which the Creditor may deem useful in order to exercise its rights or which the Grantor neglects or refuses to execute or to carry out.

~~10.9-~~ **10.9 Liability of Creditor**

The Creditor shall not be liable for material injuries resulting from its fault, unless such fault is gross or intentional. The Creditor shall not be responsible for any loss occasioned by its taking possession of Charged Property or enforcing the terms of this Deed, nor for any neglect, failure or delay in exercising or enforcing any of its rights and recourses, nor for any act, default or misconduct of any agent, mandatary, broker, officer, employee or other Person acting for or on behalf of the Creditor. The Creditor shall be accountable only for such monies as it shall actually receive. The liability of the Creditor or, if applicable, the third party appointed to hold the Charged Property, shall be limited to exercising in regard to the Charged Property the same degree of care which it gives to similar property held at the same location.

---

~~10.10-~~ **10.10 Benefit of Agreement**

The rights hereby conferred upon the Creditor shall benefit all of its successors, including any entity resulting from the merger of the Creditor with any other Person or Persons.

~~10.11-~~ **10.11 Notice**

Any notice to the Grantor or the Creditor shall be delivered in the manner set forth in the Credit Agreement.

~~10.12-~~ **10.12 Understanding of Grantor**

The Grantor hereby acknowledges having read this Deed and having received adequate explanations as to the nature and scope of its provisions and as to the obligations deriving therefrom.

~~10.13-~~ **10.13 Governing Law**

This Deed shall be governed by and construed in accordance with the laws of the Province of Quebec.

~~10.14-~~ **10.14 Language**

The parties acknowledge that they have required that the present Deed, as well as all documents, notices and legal proceedings executed, given or instituted pursuant or relating directly or indirectly hereto, be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais du présent acte, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées à la suite de ou relativement à celui-ci, que ce soit directement ou indirectement.

SIGNED as of the date and at the place first hereinabove mentioned.

•

By:

\_\_\_\_\_  
Name: •  
Title: •

ACCEPTED AND AGREED THIS \_\_\_\_ day of •, 20•.

**ROYAL BANK OF CANADA**, in its  
aforementioned capacities

By: \_\_\_\_\_

---



**SCHEDULE "F" - OFFICER'S CERTIFICATE**

I, the undersigned, \_\_\_\_\_, solely in my capacity as \_\_\_\_\_ of Vidéotron Ltée (the "**Borrower**"), and not in my personal capacity, do hereby certify as follows:

- ~~(a)~~ (a) I have taken cognizance of all the terms and conditions of the Amended and Restated Credit Agreement (the "**Credit Agreement**") dated as of July 20, 2011, entered into, *inter alia*, among the Borrower, Royal Bank of Canada, as Agent and Lender, and the Lenders party thereto, as well as of all contracts, agreements and deeds pertaining thereto; and
- ~~(b)~~ (b) no Default or Event of Default has occurred nor exists thereunder; and
- ~~(c)~~ (c) the corporate structure of the VL Group is as set out in the diagram attached to this certificate;
- ~~(d)~~ (d) each member of the VL Group holds the permits, Licences, licences and authorizations required in order to permit it to possess its property and its real estate and to carry on its business in the manner in which it is being carried on at present; and
- ~~(e)~~ (e) all property to be charged by the Security Documents is located in the jurisdictions described in a schedule hereto.

All expressions referred to herein have the meanings ascribed to them in the Credit Agreement.

Executed at the City of Montreal, Province of Quebec this 20<sup>th</sup> day of July, 2011.

\_\_\_\_\_

---

**SCHEDULE "G" - INTENTIONALLY DELETED**

---

**SCHEDULE “H” – EXISTING DEBT FROM ADDITIONAL OFFERINGS, AT THE CLOSING DATE**

<b><u>Description</u></b>	<b><u>Amount</u></b>
6 7/8% Senior Notes due 2014	US\$650,000,000
6 3/8% Senior Notes due 2015	US\$175,000,000
9 1/8% Senior Notes due 2018	US\$715,000,000
7 1/8% Senior Notes due 2020	Cdn.\$300,000,000
6 7/8% Senior Notes due 2021	Cdn.\$300,000,000

---

## SCHEDULE "I". – PROPERTY OF THE VL GROUP

### 1. List of immovable properties owned by members of the VL Group:

#### (i) Vidéotron Ltée

– 200, rue Claire-Fontaine ouest	Alma	Québec
– Chemin Belter, Partie du lot 8C 5ième rang, (Buckingham)	Ange-Gardien	Québec
– 1015, Monseigneur de Laval	Baie Saint-Paul	Québec
– 367, rue de la Briquade	Blainville	Québec
– 113, rue Rivière	Bromont	Québec
– 42 rue Pelletier	Cabano	Québec
– 221 Boul. Springer	Chapais	Québec
– 385 rue Gagnon	Chibougamau	Québec
– 111 et 113 rue Vallières	Chûte aux Outardes	Québec
– 306 Chemin Bellevue	Coaticook	Québec
– Anse to Norbert, Lot 47-1 du rang 5	Colombier	Québec
– 798 Chemin St-Jacques	Crabtree	Québec
– 1370, rue des Orables	Dolbeau-Mistassini	Québec
– 1650, rue Bernier	Drummondville	Québec
– 190 rue Edmonton, arrondissement Hull	Gatineau	Québec
– 407, Boul. Saint-René E	Gatineau	Québec
– 210, rue St-Urbain	Granby	Québec
– 27 rue Claude-Jodoin	Kirkland	Québec
– 60, rue Dassylva, Ptie du lot 169, Rang Ste-Mathilde	La Malbaie	Québec
– Chemin des loisirs, Lots 602-661	La Malbaie	Québec
– 88 avenue Bouchard est	La Pocatière	Québec
– 137, rue Millway	Lachute	Québec
– 202, route 170	L'Anse-Saint-Jean	Québec
– 122 - 124 , rue Olivier	Laurier-Station	Québec
– 1 rue de la Station	Laval	Québec
– 3665 rue Ste-Rose	Laval	Québec
– 223 route des Élé	Lévis	Québec
– 1072, Boul. Taschereau	Longueuil	Québec
– 3700 boul. Losch, Arrondissement St-Hubert	Longueuil	Québec
– 3750 rue Richelieu, Arrondissement St-Hubert	Longueuil	Québec
– 1880, boul. Industriel	Magog	Québec
– 31 rue Comeau	Maniwaki	Québec
– 397 Boul. St-Jean Baptiste	Mercier	Québec
– 61 2e Rang ouest, (Partie du lot 45A-54 du rang), Lac to la Croix	Métabetchouan	Québec
– Chemin du Sous-bois, Lot 160-P et 166-P	Mont St-Grégoire	Québec
– 207, rue Villeneuve	Mont-Laurier	Québec
– 1217 Notre-Dame Est	Montréal	Québec
– 14,165 rue Cherrier	Montréal	Québec
– 150, rue Beaubien ouest	Montréal	Québec
– 2155 Boul. Pie IX	Montréal	Québec
– 2835 boul. Pitfield, arrondissement Saint-Laurent	Montréal	Québec
– 4002 rue Ethel, arrondissement Verdun	Montréal	Québec
– 8100, rue Edison, arrondissement Anjou	Montréal	Québec
– 8101, boul. Métropolitain est, arrondissement Anjou	Montréal	Québec
– 4761, avenue Desjardins	Notre-Dame de la Doré	Québec
– 125, rue St-Jacques	Notre-Dame de Portneuf	Québec
– 103, rue Major	Papineauville	Québec
– 638 rue Principale	Pohénegamook	Québec

---

- 2125, rue Branly, arrondissement Ste-Foy	Québec	Québec
- 2200, rue Jean-Perrin	Québec	Québec
- Côte-Bédard, Lot 1338490	Québec	Québec
- 53 Montée Taillardat, rang 1, Lot 31-18-21	Ragueneau	Québec
- 432, rue Félix-Duclos, arrondissement Le Gardeur	Repentigny	Québec
- 166, 9ième avenue	Richmond	Québec
- 2830, rue Galt Ouest	Sherbrooke	Québec
- 254 chemin des Patriotes	Sorel	Québec
- 258 Chemin des Patriotes	Sorel	Québec
- 35 Route 277 (533 Rte Bégin)	St-Anselme	Québec
- Chemin Beaudoin, (Beebe)	Stanstead	Québec
- Côte Ste-Anne, Partie du lot 223-25	Ste-Anne-de-Beaupré	Québec
- Rang Taché est, lot 27-3 Rg A, Canton de Lafontaine	Ste-Perpétue	Québec
- 384, rue du Parc	St-Eustache	Québec
- 1183 rue Dufresne	St-Félicien	Québec
- 1258, boul. Sacré-Coeur	St-Félicien	Québec
- rue Landry, Lot 34-B6	St-Honoré	Québec
- 6995, rue Picard	St-Hyacinthe	Québec
- 969, Boul. St-Antoine	St-Jérôme	Québec
- Chemin de Desserte Sud	St-Louis de Blandford	Québec
- 4207, rue Bernard-Pilon	St-Mathieu de Beloeil	Québec
- 318 avenue Lajoie	St-Pascal de Kamouraska	Québec
- Rang 4 lot 12A-27	St-Paul-de-Montminy	Québec
- 150 rue St-David	St-Siméon	Québec
- 720, rang Brulé	St-Thomas	Québec
- 1540 chemin St-Charles, (Lachenaie)	Terrebonne	Québec
- 664 St-Désiré	Thetford Mines	Québec
- 144 rue St-Laurent, (Cap-de-la-Madeleine)	Trois-Rivières	Québec
- rue des Prairies, Lots 556-13, 556-14, (Cap-de-la-Madeleine)	Trois-Rivières	Québec
- Ptie lot 272-30	Varenes	Québec
- 2476, rue Henry-Ford	Vaudreuil, Dorion	Québec
- 2785 chemin St-Antoine	Vaudreuil, Dorion	Québec
- 290, rue Notre-Dame	Victoriaville	Québec
- 298 to 300 rue Notre-Dame	Victoriaville	Québec
- Lot 981-2	Waterloo	Québec
- The cable television networks and cable lines and systems including, without limiting the foregoing, the following land files opened at the Register of Public Service Networks and Immovables situated in the following registration divisions:		
- ARGENTEUIL	74-B-9	
	74-B-11	
	74-B-12	
	74-B-13	
	74-B-14	
	74-B-15	
	74-B-16	
	74-B-17	
- ARTHABASKA	34-B-179	
	34-B-180	
	34-B-181	
	34-B-199	
- BEAUCE	23-B-15 278	

-	BEAUHARNOIS	70-B-9 70-B-10 70-B-11 70-B-12 70-B-14 to 70-B-181
-	BELLECHASSE	15-B-1 15-B-3 15-B-7 15-B-8 15-B-93 to 15-B-116
-	BERTHIER	49-B-36 49-B-37 BROME 38-B-1088 38-B-1089
-	CHAMBLY	56-B-116 56-B-117 56-B-125
-	CHAMPLAIN	32-B-18 32-B-19
-	CHARLEVOIX NO. 1	11-B-18 11-B-19 11-B-23 to 11-B-190
-	CHARLEVOIX NO. 2	12-B-13 to 12-B-120
-	CHÂTEAUGUAY	69-B-10 69-B-11
-	CHICOUTIMI	94-B-164 94-B-165 94-B-167 94-B-168 94-B-18 637 to 94-B-18 744
-	COATICOOK	59-B-497 59-B-498 59-B-499 59-B-500
-	COMPTON	25-B-1163 25-B-1164 25-B-1165 25-B-1166 25-B-1167 25-B-1168 25-B-1169 25-B-1170
-	DEUX-MONTAGNES	73-B-6

---

		73-B-8
		73-B-16
		73-B-17
		73-B-18
		73-B-19
-	DORCHESTER	22-B-12 22-B-53 22-B-54
-	DRUMMOND	41-B-9759
-	GATINEAU	78-B-12 78-B-13 78-B-14 78-B-15 78-B-16 78-B-17 78-B-18 78-B-19
-	HULL	79-B-6 79-B-7
-	JOLIETTE	58-B-19 58-B-20
-	KAMOURASKA	10-B-8 10-B-9 10-B-12 10-B-13 10-B-14 10-B-15 10-B-16 10-B-17 10-B-18 10-B-19 10-B-344 to 10-B-391
-	LABELLE	76-B-15 76-B-16
-	LAC-ST-JEAN-EST	93-B-953 to 93-B-1090
-	LAC-ST-JEAN-OUEST	90-B-147 90-B-148 90-B-1 291 to 90-B-1 482
-	LAPRAIRIE	66-B-1053 66-B-1054
-	L'ASSOMPTION	62-B-9 62-B-10 62-B-11 62-B-12 LAVAL

---

	64-B-6
	64-B-7
	64-B-8
	64-B-9
	LÉVIS
	21-B-127
	21-B-128
	21-B-669 to 21-B-824
-	L'ISLET
	13-B-13
	13-B-14
	13-B-15
	13-B-16
	13-B-17
	13-B-18
	13-B-19
	13-B-20
	13-B-21
	13-B-22
	13-B-23
	13-B-24
	13-B-109 to 13-B-132
-	LOTBINIÈRE
	28-B-1
	28-B-113
	28-B-117
	28-B-118
-	MASKINONGÉ
	47-B-17
-	MISSISQUOI
	54-B-1366
	54-B-1367
	54-B-1368
	54-B-1369
	54-B-1370
	54-B-1371
	54-B-1372
	54-B-1373
	54-B-1375
-	MONTCALM
	61-B-13
	61-B-16
	61-B-17
-	MONTMAGNY
	14-B-1
	14-B-4
	14-B-7
	14-B-8
	14-B-15
	14-B-16
	14-B-101 to 14-B-124
-	MONTMORENCY
	17-B-29
	17-B-42
	17-B-43

---



- MONTRÉAL
    - 65-B-3246
    - 65-B-3247
    - 65-B-3248
    - 65-B-3249
    - 65-B-3250
    - 65-B-3251
    - 65-B-3252
    - 65-B-3253
    - 65-B-3254
    - 65-B-3255
    - 65-B-3256
    - 65-B-3257
  
  - NICOLET (NICOLET 2)
    - 46-B-238 and 46-B-239
    - 46-B-226 to 46-B-237
    - 46-B-240 to 46-B-261
    - 46-B-370
  
  - PAPINEAU
    - 75-B-15
    - 75-B-16
    - 75-B-17
    - 75-B-18
    - 75-B-19
    - 75-B-20
  
  - PORTNEUF
    - 29-B-41
    - 29-B-42
    - 29-B-43
    - 29-B-44
  
  - QUÉBEC
    - 20-B-120
    - 20-B-126
    - 20-B-127
    - 20-B-128
    - 20-B-129
    - 20-B-226 to 20-B-357
    - 20-B-10730 to 20-B-10969
  
  - RICHELIEU
    - 50-B-4
    - 50-B-6
    - 50-B-7
    - 50-B-8
    - 50-B-9
  
  - RICHMOND
    - 35-B-6
    - 35-B-7
    - 35-B-11
    - 35-B-12
    - 35-B-13
    - 35-B-14
  
  - RIMOUSKI
    - 07-B-8
    - 07-B-20
    - 07-B-42
    - 07-B-335 to 07-B-406
-

-	ROUVILLE	52-B-121 52-B-122 52-B-123 52-B-124 52-B-125 52-B-126
-	SAGUENAY	97-B-41 97-B-42 97-B-43 97-B-44 97-B-45 97-B-46 97-B-47 97-B-48
-	SAINT-HYACINTHE	51-B-117 51-B-124 51-B-133 51-B-134 51-B-135 51-B-136
-	SAINT-JEAN	55-B-1135 55-B-1136
-	SHAWINIGAN	45-B-101
-	SHEFFORD	39-B-256 39-B-257 39-B-258 39-B-259 39-B-260 39-B-261
-	SHERBROOKE	36-B-1584 36-B-1585 36-B-1586 36-B-1587 36-B-1588 36-B-1589 36-B-1590 36-B-1591 36-B-1592 36-B-1593 36-B-1594 36-B-1595 36-B-1596 36-B-1597 36-B-1598 36-B-1600 36-B-1602
-	STANSTEAD	37-B-10 37-B-11

---

- TÉMISCOUATA
  - 09-B-64
  - 09-B-65
  - 09-B-66
  - 09-B-67
  - 09-B-346 to 09-B-417
  
- TERREBONNE
  - 63-B-25
  - 63-B-26
  - 63-B-27
  - 63-B-28
  - 63-B-29
  - 63-B-30
  - 63-B-31
  - 63-B-32
  
- THETFORD
  - 30-B-13
  - 30-B-14
  
- TROIS-RIVIÈRES
  - 44-B-8
  - 44-B-9
  - 44-B-10
  - 44-B-33 to 44-B-34
  - 44-B-21 to 44-B-32
  - 44-B-35 to 56
  - 44-B-165
  
- VAUDREUIL
  - 72-B-12
  - 72-B-13
  - 72-B-14
  - 72-B-15
  - 72-B-545 to 72-B-713
  
- VERCHÈRES
  - 57-B-114
  - 57-B-116
  - 57-B-117

**(ii) Vidéotron G.P.**

- rue Saint-Jacques                      St-Jean sur Richelieu                      Québec
  - The cable television networks and cable lines and systems including, without limiting the foregoing, the land files opened at the Register of Public Service Networks and Immovables situated in all registration divisions of the Land Registry Office of Québec including the following:
  
  - BEAUCE                                      23-B-15 279
  
  - CHAMBLY                                    56-B-960
  
  - DEUX-MONTAGNES                      73-B-978
  
  - DRUMMOND                                41-B-9 761
  
  - GATINEAU                                 78-B-4 286
-

-	HULL	79-B-641
-	MISSISQUOI	54-B-1 424
-	MONTMORENCY	17-B-82
-	MONTRÉAL	65-B-56 530
-	PAPINEAU	75-B-5 552
-	QUÉBEC	20-B-12 400 20-B-12 405
-	RICHMOND	35-B-5 931
-	SHERBROOKE	36-B-8 994
-	TERREBONNE	63-B-11 499
-	VAUDREUIL	72-B-3 695

**2. List of premises occupied by members of the VL Group**

**(i) Vidéotron Ltée**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**(ii) 9230-7677 Québec Inc.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**(iii) Vidéotron S.E.C. / Videotron L.P.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**(iv) 9227-2590 Québec Inc.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**(v) Vidéotron S.E.N.C. / Videotron G.P.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

- Leased sites for antennas in the Province of Québec

-	1405, Pentecostal Road	Cobourg	Ontario
-	3500, Ave Steeles	Markham	Ontario
-	3240, Rte Mavis	Mississauga	Ontario
-	6535, Blv. Millcreek	Mississauga	Ontario
-	861, Redwood Square	Mississauga	Ontario
-	1200 boul St-Laurent, (St-Laurent Shopping Centre)	Ottawa	Ontario

---

-	250, Albert Street	Ottawa	Ontario
-	403, Somerset Street	Ottawa	Ontario
-	100, King Street West	Toronto	Ontario
-	100, Wellington Street	Toronto	Ontario
-	101, Bloor Street	Toronto	Ontario
-	130, Adelaide St. West	Toronto	Ontario
-	130, King Street West	Toronto	Ontario
-	151, Front Street	Toronto	Ontario
-	161, Bay Street	Toronto	Ontario
-	20 Bay Street	Toronto	Ontario
-	20/40 Dundas/595 Bay Street	Toronto	Ontario
-	200, Bay Street, North Tower Royal Bank Plaza	Toronto	Ontario
-	222, Bay Street	Toronto	Ontario
-	245, Consumers	Toronto	Ontario
-	25, Adelaide Street East	Toronto	Ontario
-	250, Yonge Street	Toronto	Ontario
-	320, Bay Street	Toronto	Ontario
-	333 King Street East	Toronto	Ontario
-	333, King East	Toronto	Ontario
-	4, Banigan Blvd.	Toronto	Ontario
-	4100 Yonge Street	Toronto	Ontario
-	438, University Street	Toronto	Ontario
-	60, Adelaide Street East	Toronto	Ontario
-	60, Bloor Street	Toronto	Ontario
-	66, Wellington St. West	Toronto	Ontario
-	777, Bay Street	Toronto	Ontario
-	95, Wellington Street	Toronto	Ontario
-	7999, boul. Galeries d'Anjou, Kiosque #Z-035, Les Galeries d'Anjou	Anjou	Québec
-	115 rue Principale	Aylmer	Québec
-	1011, rue Larue	Beauport	Québec
-	600, Sir Wilfrid Laurier, #K-9, (Mail Montenach)	Beloil	Québec
-	650 chemin du Lac	Boucherville	Québec
-	2151, Boul. Lapinière	Brossard	Québec
-	6955, Boul. Taschereau	Brossard	Québec
-	9380, rue Leduc suite 45	Brossard	Québec
-	190 rue Fusey	Cap-de-la-Madeleine	Québec
-	1401, Boul. Talbot	Chicoutimi	Québec
-	21, rue Racine ouest	Chicoutimi	Québec
-	745, 43ième avenue, et 10,425 Côte de Liesse	Dorval	Québec
-	755 René-Lévesque, Kiosque #03060, Les Promenades Drummondville	Drummondville	Québec
-	1100, Boul. Maloney ouest	Gatineau	Québec
-	1160, boul. St-Joseph	Gatineau	Québec
-	171-A, rue Jean-Proulx, arrondissement Hull	Gatineau	Québec
-	320, Boul. St-Joseph	Gatineau	Québec
-	500, rue Gréber	Gatineau	Québec
-	40, rue Évangeline	Granby	Québec
-	619, rue Cowie	Granby	Québec
-	1075 Firestone, Magasin #1070	Joliette	Québec
-	1075, Boul Firestone	Joliette	Québec
-	480, rue St-Pierre	Joliette	Québec
-	175, (PDLN-PDLS)	Lac Jacques Cartier	Québec
-	7077, Newman	Lasalle	Québec
-	1600, boul. Le Corbusier, Local 117, Centre Laval	Laval	Québec
-	2205, rue Francis-Hugues	Laval	Québec

---

-	3003, Boul. Le Carrefour, Kiosque ZM09 & magasin A016	Laval	Québec
-	3665 boul. Ste-Rose	Laval	Québec
-	317, rue Marion	Legardeur	Québec
-	631 route 138, Longue Rive	Les Escoumins	Québec
-	1200 Alphonse-Desjardins, 3100, (Les Galeries Chagnon)	Lévis	Québec
-	6600, Boul. de la Rive-Sud	Lévis	Québec
-	1111 rue St-Charles O., local 130, 135 et 5e étage	Longueuil	Québec
-	80, rue St-Laurent	Longueuil	Québec
-	825, rue Saint-Laurent Ouest	Longueuil	Québec
-	2305, Chemin Rockland, Kiosque K135 & Entrepôt E281	Mont Royal	Québec
-	4480, rue Côte-de-Liesse	Mont Royal	Québec
-	1 Place Ville Marie	Montréal	Québec
-	1000, rue Gauchetière ouest	Montréal	Québec
-	1080, rue Beaver Hall	Montréal	Québec
-	1190-1192, Ste-Catherine ouest	Montréal	Québec
-	1205, rue Papineau	Montréal	Québec
-	1441, rue Carrie-Derick	Montréal	Québec
-	150, rue Beaubien ouest, Stationnement Home Depot	Montréal	Québec
-	1500, avenue Atwater, Plaza Alexis-Nihon	Montréal	Québec
-	1550, rue Metcalfe (1455 Peel)	Montréal	Québec
-	1755, Boul. René-Lévesque Est, Local 003	Montréal	Québec
-	1801 McGill College, 8e étage	Montréal	Québec
-	1981, rue McGill College	Montréal	Québec
-	2000, rue Berri	Montréal	Québec
-	2150 rue Moreau	Montréal	Québec
-	249, rue St-Antoine ouest	Montréal	Québec
-	3, Complexe-Desjardins, Espace N1-4, N2-23, E2-23,S2-3	Montréal	Québec
-	405, rue Ogilvy	Montréal	Québec
-	4050, Boul. Rosemont	Montréal	Québec
-	4201 Saint-Denis	Montréal	Québec
-	4220, de Rouen	Montréal	Québec
-	4500 rue Hochelaga	Montréal	Québec
-	4545, rue Frontenac	Montréal	Québec
-	5, Complexe Desjardins, Niveau Promenade	Montréal	Québec
-	500, rue René-Lévesque Ouest	Montréal	Québec
-	500, rue Sherbrooke Ouest	Montréal	Québec
-	5252, rue Maisonneuve ouest	Montréal	Québec
-	5800, rue St-Denis	Montréal	Québec
-	612 Saint-Jacques	Montréal	Québec
-	6528, rue Waverly	Montréal	Québec
-	6600 rue Saint-Urbain	Montréal	Québec
-	705, rue Ste-Catherine Ouest	Montréal	Québec
-	7275 rue Sherbrooke est	Montréal	Québec
-	7355, rue Coffee	Montréal	Québec
-	740, rue Notre-Dame Ouest	Montréal	Québec
-	800, de la Gauchetière ouest, Local #1160, Niveau 1, Place Bonaventure	Montréal	Québec
-	800, de la Gauchetière ouest, Local 1130, Niveau 1, Place Bonaventure	Montréal	Québec
-	8147 rue Sherbrooke	Montréal	Québec
-	888 rue de Maisonneuve	Montréal	Québec
-	2305 Chemin Rockland, Kiosque #K114	Mont-Royal	Québec

---

-	KM 108, route 175	Parc des Laurentides	Québec
-	KM 187, route 175	Parc des Laurentides	Québec
-	237, rue Hymus	Pointe-Claire	Québec
-	6801, route Trans-Canadienne	Pointe-Claire	Québec
-	1000, Ave Myrand, arrondissement Ste-Foy	Québec	Québec
-	1050 Lous-Alexandre-Taschereau, Adresse secondaire:, 1035, rue Chevrotière	Québec	Québec
-	150 René-Lévesque est	Québec	Québec
-	150, Boul. René Lévesque, Local 202	Québec	Québec
-	2700, Boulevard Laurier, arrondissement Ste-Foy	Québec	Québec
-	552, Wilfrid-Hamel	Québec	Québec
-	Les Galeries de la Capitale, 5401, boul. des Galeries	Québec	Québec
-	100, Boul. Brien	Repentigny	Québec
-	288, rue Pierre-Saindon	Rimouski	Québec
-	15, rue de la Chute	Rivière-du-Loup	Québec
-	401, Boul. Labelle	Rosemère	Québec
-	3103 Boul. Royal, Plaza de la Mauricie, Kiosque #K4	Shawinigan	Québec
-	3330 rue King Ouest	Sherbrooke	Québec
-	Carrefour de L'Estrie	Sherbrooke	Québec
-	262-274, boul. Fiset, Local 274	Sorel	Québec
-	Les Promenades St-Bruno, 1, boul. des Promenades, Kiosque #Z-037	St-Bruno	Québec
-	3200, Boulevard Laframboise, Kiosque 5120, Galerie St-Hyacinthe	St-Hyacinthe	Québec
-	145, rue Latour	St-Jean sur Richelieu	Québec
-	420, Boul. Industriel	St-Jean sur Richelieu	Québec
-	600, rue Pierre-Caisse, Carrefour Richelieu, Local 00442	St-Jean sur Richelieu	Québec
-	900, boul. Grignon, (Carrefour du Nord)	St-Jérôme	Québec
-	3131, Boul. Côte Vertu	St-Laurent	Québec
-	3700, rue Griffith	St-Laurent	Québec
-	6315, Chemin Côte-de-Liesse	St-Laurent	Québec
-	3598, rue Bernard Pilon	St-Mathieu de Beloeil	Québec
-	840, rue de L'Église	St-Romuald	Québec
-	1185, boul. Moody, magasin 100, (Galeries de Terrebonne)	Terrebonne	Québec
-	1075, rue Champflour	Trois-Rivières	Québec
-	Centre Commercial Les Rivières, 4225, Boul. des Forges, Kiosque #K87	Trois-Rivières	Québec
-	1000, rue St-Charles	Vaudreuil, Dorion	Québec
-	90, rue Charbonneau	Vaudreuil, Dorion	Québec
-	5, rue Commerce	Verdun	Québec

**(vi) Videotron US Inc.**

- Suite 1410, The Nemours Building, 1007 Orange Street, County of New Castle, Wilmington, Delaware, 19801, United States of America (Registered office)

**(vii) Vidéotron Infrastructures Inc.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8
- Leased sites for antennas in the Province of Québec

(viii) **Le SuperClub Vidéotron Ltée**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8		
- 305, rue Sherbrooke Ouest	Montréal	Québec
- 4076, rue Wellington	Verdun	Québec
- 184 Scott Street	St. Catharines	Ontario
- 1040-1096 Princess St.	Kingston	Ontario
- 125 Stewart Blvd.	Brockville	Ontario
- Heritage Sq.,6 Speers Blvd.	Amherstview	Ontario
- 4245, rue Jean-Talon Est	Saint-Léonard	Québec
- 3101, rue Masson	Montréal	Québec
- 1747, rue Fleury Est	Montréal	Québec
- 180, boul. d'Anjou	Châteauguay	Québec
- 2930, ch. Chambly	Longueuil	Québec
- 1027, boul. St-Joseph	Drummondville	Québec
- 210, ch. d'Aylmer	Gatineau	Québec
- 2309, rue St-Hubert	Jonquière	Québec
- 12886, rue Sherbrooke Est	Pointe-aux-Trembles	Québec
- 2552, rue Beaubien Est	Montréal	Québec
- 66, boul. Jacques-Cartier Nord	Sherbrooke	Québec
- 2635, av. Van Horne	Montréal	Québec
- 5632, boul. Henri-Bourassa Est	Montréal-Nord	Québec
- 2033, rue Principale	Sainte-Julie	Québec
- 400, route 132, local 122	Saint-Constant	Québec
- 840, boul. de l'Ange-Gardien Nord	L'Assomption	Québec
- 690, ch. de St-Jean	La Prairie	Québec
- 4250, 1 <sup>ère</sup> avenue, local 40A	Charlesbourg	Québec
- 1300, boul. St-Jean Baptiste	Montréal	Québec
- 3730, rue Ontario Est	Montréal	Québec
- 426, rue Principale	Lachute	Québec
- 5645, boul. Grande-Allée	Brossard	Québec
- 5144, rue Frontenac	Lac-Mégantic	Québec
- 882, boul. des Seigneurs	Terrebonne	Québec
- 1205, rue de Neuville, local 103	Gatineau	Québec
- 50 Main Street East	Hawkesbury	Ontario
- 554, boul. St-Laurent,	Louiseville	Québec
- 3343, rue Jarry Est	Montréal	Québec
- 3759, ch. d'Oka	Saint-Joseph-du-Lac	Québec
- 9770, rue Lajeunesse	Montréal	Québec
- 346 North Front Street	Belleville	Ontario
- 1080 Adelaide Street N.	London	Ontario
- 1200 rue de la Faune	Québec	Québec
- 100, boul. Brien	Repentigny	Québec
- 2350, boul. Ste-Anne	Québec	Québec
- 2236 Boul. Des Laurentides	Vimont, Laval	Québec
- 3490, boul. des Forges	Trois-Rivières	Québec
- 523, boul. Curé-Labelle	Fabreville	Québec
- 1010, boul. King Est	Sherbrooke	Québec
- 97, rue St-Germain Ouest	Rimouski	Québec
- 9115, boul. de L'Ormière	Québec	Québec
- 4073, boul. Royal	Shawinigan	Québec
- 379, boul. Bois-Francis Sud	Victoriaville	Québec
- 1330, av. du Mont-Royal Est	Montréal	Québec
- 455, boul. de Mortagne	Boucherville	Québec
- 355, boul. Gréber	Gatineau	Québec
- 855, boul. René-Lévesque Ouest	Québec	Québec

---



-	1, rue Dufferin	Salaberry-de-Valleyfield	Québec
-	481, boul. des Laurentides	Saint-Jérôme	Québec
-	2190, av. Larue	Beauport	Québec
-	2600, boul. Casavant Ouest	Saint-Hyacinthe	Québec
-	10750, boul. Lacroix	Saint-Georges	Québec
-	7000, av. de la Plaza	Sorel-Tracy	Québec
-	2105, boul. Curé-Labelle	Chomedey, Laval	Québec
-	1000, rue Cours Le Corbusier	Boisbriand	Québec
-	961, boul. Talbot	Chicoutimi	Québec
-	199, boul. Labelle	Rosemère	Québec
-	5780, boul. Gouin Ouest	Montréal	Québec
-	150, boul. des Laurentides	Pont-Viau, Laval	Québec
-	999, rue Pie XI	Thetford Mines	Québec
-	1866, av. Industrielle	Val-Bélair	Québec
-	803A, boul. Curé-Labelle	Blainville	Québec
-	50, Route du Président Kennedy, Local 170	Lévis	Québec
-	8256, boul. Maurice-Duplessis	Montréal	Québec
-	8285, rue Notre-Dame Est	Montréal	Québec
-	8675, boul. Viau	Saint-Léonard	Québec
-	5965, rue de Verdun	Verdun	Québec
-	6112, rue Sherbrooke Ouest	Montréal	Québec
-	215, boul. Fiset	Sorel-Tracy	Québec
-	5852, boul. Léger	Montréal-Nord	Québec
-	965, boul. d'Auteuil	Duvernay, Laval	Québec
-	84, boul. Industriel	Repentigny	Québec
-	97, rue Principale Est	Farnham	Québec
-	2815, ch. des Quatre-Bourgeois	Sainte-Foy	Québec
-	1221, rue Charles-Albanel	Sainte-Foy	Québec
-	350, rue Beaudry Nord	Joliette	Québec
-	295, boul. Armand-Thériault	Rivière-du-Loup	Québec
-	6425, rue Beaubien Est	Montréal	Québec
-	19, rue Beausoleil	Saint-Gabriel-de-Brandon	Québec
-	465, boul. du Pont	Saint-Nicolas	Québec
-	1025, boul. Curé-Poirier Ouest	Longueuil	Québec
-	6072, rue Sherbrooke Est	Montréal	Québec
-	1135, rue Décarie	Saint-Laurent	Québec
-	2700, boul. des Promenades	Deux-Montagnes	Québec
-	511, boul. Royal	Malartic	Québec
-	1258, 3e avenue	Val-d'Or	Québec
-	25, boul. Don Quichotte	L'Île-Perrot	Québec
-	203, 7e Avenue	Dolbeau-Mistassini	Québec
-	4260, rue Ste-Catherine Est	Montréal	Québec
-	299, boul. Sir Wilfrid-Laurier	Saint-Lambert	Québec
-	1950, boul. Curé-Labelle	Saint-Jérôme	Québec
-	161, 1re Avenue Ouest	Amos	Québec
-	2619 boul. Louis XIV	Beauport	Québec
-	600, boul. Jacques-Bizard	L'Île-Bizard	Québec
-	1360, boul. Montarville	Saint-Bruno	Québec
-	468, rue St-Patrice Ouest	Magog	Québec
-	30, rue Morin	Sainte-Agathe-des-Monts	Québec
-	1149, boul. de Ste-Adèle	Sainte-Adèle	Québec
-	131 chemin du lac Millette, suite 101	Saint-Sauveur	Québec
-	824, boul. Thibeau	Trois-Rivières	Québec
-	585, av. St-Charles	Vaudreuil-Dorion	Québec
-	250, boul. Sir Wilfrid-Laurier	Beloil	Québec
-	5253, av. du Parc	Montréal	Québec

---

-	400, boul. du Séminaire Nord	St-Jean-sur-Richelieu	Québec
-	720, Montée Paiement	Gatineau	Québec
-	5178, ch. Queen Mary	Montréal	Québec
-	5245, boul. Cousineau	Saint-Hubert	Québec
-	2768, rue Laurier, CP 91	Rockland	Ontario
-	168, 25e Avenue	Saint-Eustache	Québec
-	354, boul. Arthur-Sauvé	Saint-Eustache	Québec
-	1450, boul. Père-Lelièvre	Duburger	Québec
-	5333, boul. Laurier, local 100	Terebonne (La plaine)	Québec
-	241, boul. Samson	Sainte-Dorothée, Laval	Québec
-	437, rue du Pont	Mont-Laurier	Québec
-	1360, rue Notre-Dame	L'Ancienne-Lorette	Québec
-	2020, boul. René-Gaultier	Varenes	Québec
-	10A, boul. Georges-Gagné	Delson	Québec
-	407, rue de St-Jovite	Mont-Tremblant	Québec
-	912, rue Commerciale	Saint-Jean-Chrysostome	Québec
-	81, boul. Taché Ouest	Montmagny	Québec
-	85, av. Plante	Vanier	Québec
-	7579, boul. Newman	LaSalle	Québec
-	541, boul. Curé-Labelle	Chomedey, Laval	Québec
-	1770, av. de L'Église	Montréal	Québec
-	8465, boul. Henri-Bourassa	Charlesbourg	Québec
-	5000, rue Wellington	Verdun	Québec
-	3698, boul. Taschereau	Greenfield Park	Québec
-	9295, rue Sherbrooke Est	Montréal	Québec
-	535, rue Villeray	Montréal	Québec
-	1264, rue Jean-Talon Est	Montréal	Québec
-	477A Boul. Ste-Anne	Sainte-Anne-des-Plaines	Québec
-	5760, boul. Jean XXIII	Trois-Rivières	Québec
-	1397, 6 <sup>e</sup> Avenue	Grand-Mère	Québec
-	8200, boul. Taschereau	Brossard	Québec
-	1201, boul. de Périgny	Chambly	Québec
-	420, rue St-Charles Ouest	Longueuil	Québec
-	275, rue St-Antoine Nord	Lavaltrie	Québec
-	7, rue Robert	Saint-Basile-Le-Grand	Québec
-	1116, boul. Vachon Nord, cp.19	Sainte-Marie	Québec
-	746, av. Buckingham, suite A	Buckingham	Québec
-	10, rue Papineau	Joliette	Québec
-	55, rue Marie de l'Incarnation	Québec	Québec
-	2220, ch. Gascon	Terrebonne	Québec
-	685, boul. Laure	Sept-Îles	Québec
-	1001, boul. Lafèche	Baie-Comeau	Québec
-	39, boul. St-Luc, local 100	Saint-Jean-sur-Richelieu	Québec
-	199, route 138	Donnacona	Québec
-	3440, ch. des Quatre-Bourgeois	Sainte-Foy	Québec
-	18, rue du Manège	Coaticook	Québec
-	515, boul. Lacombe	Le Gardeur	Québec
-	1070, Montée Masson	Mascouche	Québec
-	9, boul. de la Salette	Saint-Jérôme	Québec
-	750, av. du Phare Ouest	Matane	Québec
-	3465, boul. Dagenais Ouest	Fabreville	Québec
-	1890, av. Dollard	LaSalle	Québec
-	13425 Boul. Curé-Labelle	Mirabel	Québec
-	1305, rue des Cascades	Saint-Hyacinthe	Québec
-	211, av. du Pont Sud	Alma	Québec
-	531, rue Saint-Louis	Saint-Lin-Laurentides	Québec

---

-	3285, 1re Avenue	Rawdon	Québec
-	4795, boul. Bourque	Rock Forest	Québec
-	914, boul. Maloney Est	Gatineau	Québec
-	550, boul. d'Iberville	Saint-Jean-sur-Richelieu	Québec
-	4526, boul. St-Laurent	Montréal	Québec
-	83, rue Ellice	Beauharnois	Québec
-	9, boul. Montcalm Nord, porte 17	Candiac	Québec
-	179, av. St-Alphonse	Roberval	Québec
-	572, boul. Arthur-Sauvé	Saint-Eustache	Québec
-	600, Montée du Moulin, local 24	Saint-François, Laval	Québec
-	1334, boul. Sacré-Coeur	Saint-Félicien	Québec
-	15020, boul. Henri-Bourassa	Québec	Québec
-	13960-5, Montée St-Simon	Mirabel	Québec
-	277, Montée des Pionniers	Lachenaie	Québec
-	356, boul. Sir-Wilfrid-Laurier	Mont-Saint-Hilaire	Québec
-	560, rue Conrad	Granby	Québec
-	2148, boul. Lapinière	Brossard	Québec
-	75, boul. des Châteaux, local 201	Blainville	Québec
-	828, av. Gilles Villeneuve	Berthierville	Québec
-	777, boul. Lebourgneuf local 115	Québec	Québec
-	28, boul. du Mont-Bleu	Gatineau	Québec
-	63, Montée Gagnon,	Bois-des-Fillions	Québec
-	1811, Ste-Angelique	St-Lazare	Québec
-	24 rue Du Couvent, local #1	l'Épiphanie	Québec
-	1625 3 <sup>e</sup> avenue	Val-d'Or	Québec
-	574 rue principale	Granby	Québec
-	2645 Boul. Curé-Labelle, local 105	Prévost	Québec
-	3615 Notre-Dame Ouest	St-Henri	Québec
-	281 King Street	Port Colborne	Ontario
-	1000 Gerrard Street East, Unit C13-14	Toronto	Ontario
-	12 Highland Drive.		
-	Fonthill Shopping Centre, Hwy #20	Fonthill	Ontario

For information purposes, the following are premises occupied outside of Québec and Ontario (however these do not contain material assets belonging to members of the VL Group):

-	169 Dundonald St.	Fredericton	New Brunswick
-	102 Main St., Unit 5	Fredericton	New Brunswick
-	454 Granville Street	Summerside	Prince Edward Island
-	39 Commonwealth Ave. Unit 7	Mt. Pearl	Newfoundland
-	#9-2539 Main Street	Winnipeg	Manitoba
-	8 Hardy Ave.	Grand Falls-Windsor	Newfoundland
-	Mailing address: P.O. Box 21211,	St. John's	Newfoundland
-	26 Hamlyn Road, St. John's	St. John's	Newfoundland
-	30, rue de l'Église	Edmundston	New Brunswick

**(ix) Jobboom Inc.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**Part 2**  
**List of Non-Material Real Estate (Section 13.3)**

<b>No</b>	<b>Address</b>	<b>Value</b>
055	14165 Cherrier, Montréal	\$130,867.00
062	Lot 556-13, 556-14, Cap-de-la Madeleine	\$92,300.00
067	Lot 601-1-2, Notre-Dame-des-Laurentides	\$86,000.00
348	Lot 981-2 canton de Shefford, Waterloo	\$19,200.00
362	St-Honoré	\$300.00
678	3338, Tolmies Corners, Roxboro, Ontario	\$29,125.00
311	1512 Chemin St-Jean (Concession 9), Clarence-Rockland, Ontario	\$61,000.00

---



**COMPLIANCE CERTIFICATE**

**Maintenance of Ratios (Section 12.11)**

Quarter ending \_\_\_\_\_

(Indicate if the information provided herein is provided on a consolidated or Adjusted Consolidated basis)

1. Leverage Ratio (Debt to EBITDA)

(A) Debt \$ \_\_\_\_\_

(B) EBITDA \$ \_\_\_\_\_

Ratio of Debt to EBITDA (A/B) = \_\_\_\_\_

2. Interest Coverage Ratio

(B) EBITDA \$ \_\_\_\_\_

(D) Interest Expense \$ \_\_\_\_\_

Ratio of EBITDA to Interest Expense (B/D) = \_\_\_\_\_

**Calculation of Debt (A)**

<i>plus</i>	Borrowed money (excluding QMI Subordinated Debt)	\$ _____
<i>plus</i>	Hedging Exposure	\$ _____
<i>plus</i>	Deferred purchase price	\$ _____
<i>plus</i>	Obligations secured by Charges	\$ _____
<i>plus</i>	Capital and Synthetic Leases	\$ _____
<i>plus</i>	Contingent Obligations	\$ _____
<i>equals</i>	B/A's, letters of credit and Guarantees	\$ _____
	<b>DEBT (A):</b>	\$ _____

---

**Calculation of EBITDA (B)**

<i>plus</i>	(i)	Net income or loss of Borrower	\$	_____
<i>plus</i>	(ii)	non-controlling interests	\$	_____
<i>plus</i>	(iii)	extraordinary items	\$	_____
<i>plus</i>	(iv)	Interest Expense	\$	_____
<i>plus</i>	(v)	Income tax expense	\$	_____
<i>plus or minus</i>	(vi)	Depreciation and amortization	\$	_____
<i>plus</i>	(vii)	Forex translation gains / losses	\$	_____
<i>minus</i>	(viii)	Non-cash financial charges	\$	_____
<i>minus</i>	(ix)	Income or expense related to Back-to-Back Securities	\$	_____
<i>Equals</i>	(x)	EBITDA of Subsidiaries not members of the Relevant Group	\$	_____
		<b>EBITDA (B)</b>		\$ _____

---

**Covenant Compliance (Section 12.12)**

*(To be reported on only annually, unless requested more frequently by the Agent. However, if both assets and EBITDA attributable to the Borrower and the Guarantors represent at least 98% of the consolidated assets and EBITDA of the Borrower, detailed calculations will be provided only at the request of the Agent)*

**Borrower and Guarantors required to have 80% of Borrower's consolidated EBITDA and assets (12.12)**

**Calculation of % of Assets**

(i)	Total assets of Borrower (consolidated)	\$	_____
<i>minus</i>			
(ii)	Assets owned by Persons not Borrower or Guarantors	\$	_____
<i>equals</i>			
(iii)	Total assets of Borrower and Guarantors	\$	_____

Ratio of assets of Borrower and Guarantors to Borrower consolidated assets  
(must not be less than 80%) (= (iii)/(i)) = \_\_\_\_\_

**Calculation of % of EBITDA**

(i)	Total EBITDA of Borrower (consolidated)	\$	_____
<i>minus</i>			
(ii)	EBITDA generated by Persons other than Borrower or Guarantors	\$	_____
<i>equals</i>			
(iii)	Total EBITDA of Borrower and Guarantors	\$	_____

Ratio of EBITDA of Borrower and Guarantors to Borrower consolidated EBITDA  
(must not be less than 80%) (= (iii)/(i)) = \_\_\_\_\_

---



**SCHEDULE "K" - INTENTIONALLY DELETED**

---

**SCHEDULE "L" - GUARANTORS AND MEMBERS OF THE VL GROUP AS AT THE ~~THIRD~~ FOURTH AMENDMENT CLOSING DATE**

**MEMBERS OF THE VL GROUP**

VIDÉOTRON LTÉE (Borrower)

9293-6707 QUÉBEC INC. (Guarantor)

~~9227-2590 QUÉBEC INC. (Guarantor)~~

~~9230-7677 QUEBEC INC. (Guarantor)~~

~~8487782 CANADA INC. (formerly JOBBOOM INC.) (Guarantor)~~

~~VIDEOTRON G.P. (Guarantor)~~

~~VIDEOTRON L.P. (Guarantor)~~

VIDEOTRON INFRASTRUCTURES INC. (Guarantor)

MOBILE & INTERNET FIZZ INC. (Guarantor)

TÉLÉDISTRIBUTION AMOS INC. (Guarantor)

VIDEOTRON US INC.

~~4DEGRÉS COLOCATION INC. / 4DEGREES COLOCATION INC. (Guarantor)~~

9176-6857 QUÉBEC INC

CABLOVISION WARWICK INC.

**GUARANTORS**

9293-6707 QUÉBEC INC. (Guarantor)

~~9227-2590 QUÉBEC INC. (Guarantor)~~

~~9230-7677 QUEBEC INC. (Guarantor)~~

~~8487782 CANADA INC. (formerly JOBBOOM INC.) (Guarantor)~~

~~VIDEOTRON G.P. (Guarantor)~~

~~VIDEOTRON L.P. (Guarantor)~~

VIDEOTRON INFRASTRUCTURES INC. (Guarantor)

~~4DEGRÉS COLOCATION INC. / 4DEGREES COLOCATION~~

MOBILE & INTERNET FIZZ INC. (Guarantor)

TÉLÉDISTRIBUTION AMOS INC. (Guarantor)

---

**SCHEDULE "M" – INTENTIONALLY DELETED**

---

## SCHEDULE "N" – FORM OF SUBORDINATION AGREEMENT FOR BACK-TO-BACK SECURITIES

This SUBORDINATION AGREEMENT is dated as of ●, 20 ●● (the "Agreement").

To: Royal Bank of Canada, for itself and as Agent under the Credit Agreement (defined below) for the Lenders (the "Agent"), Videotron Ltée, a Quebec company (the "Obligor"), as obligor under the ● dated as of ●, and ● in the principal amount of \$● and \$●, respectively, made by the Obligor in favour of ● (the "Subordinated Notes"), and ●, as holder (the "Holder") of the Subordinated Notes, for ten dollars and other good and valuable consideration received by each of the Obligor and the Holder from the Agent and by each of the Obligor and the Holder from the other, agree as follows:

### 1. Interpretation.

(a) "**Cash, Property or Securities**". "Cash, Property or Securities" shall not be deemed to include securities of the Obligor or any other Person provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided herein with respect to the Subordinated Notes, to the payment of all Senior Indebtedness which may at the time be outstanding; provided, however, that (i) all Senior Indebtedness is assumed by the new Person, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without the consent of such holders, altered by such reorganization or readjustment.

(b) "**payment in full**". "payment in full", with respect to Senior Indebtedness, means the receipt on an irrevocable basis of cash in an amount equal to the unpaid principal amount of the Senior Indebtedness and premium, if any, and interest and any special interest thereon to the date of such payment, together with all other amounts owing with respect to such Senior Indebtedness.

(c) "**Senior Indebtedness**". "Senior Indebtedness" means, at any date all indebtedness (including, without limitation, any and all amounts of principal, interest, special interest, additional amounts (including amounts owed under any Derivative Instrument entered into with a Lender, as defined in the Credit Agreement), premium, fees, penalties, indemnities and "post-petition interest" in bankruptcy and any reimbursement of expenses) under (1) the Indentures described as (i) "US\$650,000,000 6<sup>7</sup>/<sub>8</sub>% Senior Notes due 2014", (ii) "US\$175,000,000 6<sup>3</sup>/<sub>8</sub>% Senior Notes due 2015", (iii) "US\$715,000,000 9<sup>1</sup>/<sub>8</sub>% Senior Notes due 2018", (iv) "Cdn.\$300,000,000 7<sup>1</sup>/<sub>8</sub>% Senior Notes due 2020", and (v) Cdn.\$300,000,000 6<sup>7</sup>/<sub>8</sub>% Senior Notes due 2021 including, without limitation, the "Notes", the "Subsidiary Guarantees", the "Exchange Notes", the "Additional Notes" and any Guarantee of the Exchange Notes or the Additional Notes (in each case, as defined in the relevant Indenture) and (2) the Amended and Restated Credit Agreement, dated as of June 16, 2015, among the Obligor, the Lenders as defined therein, and Royal Bank of Canada, as administrative agent (the "**Credit Agreement**"; capitalized terms used herein without definition having the meanings set forth therein).

### 2. Agreement Entered into Pursuant to Credit Agreement.

---

The Obligor, the Agent and the Lenders are entering into this Agreement pursuant to the provisions of the Credit Agreement, pursuant to which Videotron Ltée may borrow up to Cdn. \$650,000,000 on a committed basis (the “Credit”).

3. **Subordination.**

The indebtedness represented by the Subordinated Notes shall be subordinated as follows:

(a) **Agreement to subordinate.** The Obligor, for itself and its successors and assigns, and the Holder agree that the indebtedness evidenced by the Subordinated Notes (including, without limitation, principal, interest, premium, fees, penalties, indemnities and “post-petition interest” in bankruptcy (as same is interpreted under the US Bankruptcy Code) and any reimbursement of expenses) is subordinate and junior in right of payment, to the extent and in the manner provided in this Section 3, to the prior payment in full of all Senior Indebtedness. The provisions of this Section 3 are for the benefit of the Agent acting on behalf of the holders from time to time of Senior Indebtedness under the Credit Agreement, including the Lenders as defined therein, and such holders are hereby made obligees hereunder to the same extent as if their names were written herein as such, and they (collectively or singly) may proceed to enforce such provisions.

(b) **Liquidation, Dissolution or Bankruptcy.**

- (i) Upon any distribution of assets of the Obligor to creditors or upon a liquidation or dissolution or winding-up of the Obligor or in a bankruptcy, arrangement, liquidation, reorganization, insolvency, receivership or similar case or proceeding relating to the Obligor or its property or other marshalling of assets of the Obligor:
- (A) the holders of Senior Indebtedness shall be entitled to receive payment in full of all Senior Indebtedness before the Holder shall be entitled to receive any payment of principal of or interest on, or any other amount owing in respect of, the Subordinated Notes;
  - (B) until payment in full of all Senior Indebtedness, any distribution of assets of the Obligor of any kind or character to which the Holder would be entitled but for this Section 3 is hereby assigned to the holders of Senior Indebtedness absolutely and shall be paid by the Obligor or by any receiver, trustee in bankruptcy, liquidating trustee, agents or other Persons making such payment or distribution to, the Agent on behalf of the holders of Senior Indebtedness under the Credit Agreement, as their interests may appear; and
  - (C) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Obligor of any kind or character, whether in Cash, Property or Securities, shall be received by the Holder before all Senior Indebtedness is paid in full, such payment or distribution shall be held in trust for the benefit of and shall be paid
-

over to the Agent on behalf of the holders of Senior Indebtedness under the Credit Agreement, as their interests may appear, for application to the payment of all Senior Indebtedness under the Credit Agreement until all such Senior Indebtedness shall have been paid in full after giving effect to any concurrent payment or distribution to the holders of Senior Indebtedness under the Credit Agreement in respect of such Senior Indebtedness.

- (ii) If (A) a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Obligor or its property (a “**Reorganization Proceeding**”) is commenced and is continuing and (B) the Holder does not file proper claims or proofs of claim in the form required in a Reorganization Proceeding prior to 45 days before the expiration of the time to file such claims, then (1) upon the request of the Agent, the Holder shall file such claims and proofs of claim in respect of the Subordinated Notes and execute and deliver such powers of attorney, assignments and proofs of claim or proxies as may be directed by the Agent to enable it to exercise in the sole discretion of the Agent any and all voting rights attributable to the Subordinated Notes which are capable of being voted (whether by meeting, written resolution or otherwise) in a Reorganization Proceeding and enforce any and all claims upon or in respect of the Subordinated Notes and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or in respect of the Subordinated Notes, and (2) whether or not the Agent shall take the action described in clause (1) above, the Agent shall nevertheless be deemed to have such powers of attorney as may be necessary to enable the Agent to exercise such voting rights, file appropriate claims and proofs of claim and otherwise exercise the powers described above for and on behalf of the Holder.
  - (c) **Relative Rights.** This Section 3 defines the relative rights of the Holder and the holders of Senior Indebtedness. Nothing in this Section 3 shall:
    - (i) impair, as between the Obligor and the Holder, the obligation of the Obligor, which is absolute and unconditional, to pay the principal of and interest on the Subordinated Notes in accordance with their terms; or
    - (ii) affect the relative rights of the Holder and creditors of the Obligor other than the holders of Senior Indebtedness; or
    - (iii) affect the relative rights of the holders of Senior Indebtedness among themselves or opposite the Obligor under the Loan Documents; or
    - (iv) prevent the Holder from exercising its available remedies upon a default, subject to the rights of the holders of Senior Indebtedness to receive cash, property or other assets otherwise payable to the Holder.
  - (d) **Subordination May Not Be Impaired.**
-

- (i) No right of any holder of Senior Indebtedness to enforce the subordination of indebtedness evidenced by the Subordinated Notes shall in any way be prejudiced or impaired by any act or failure to act by the Obligor or by any such holder or the Agent, or by any non-compliance by the Obligor with the terms, provisions or covenants herein, regardless of any knowledge thereof which any such holder or the Agent may have or be otherwise charged with. Neither the subordination of the Subordinated Notes as herein provided nor the rights of the holders of Senior Indebtedness with respect hereto shall be affected by any extension, renewal or modification of the terms, or the granting of any security in respect of, any Senior Indebtedness or any exercise or non-exercise of any right, power or remedy with respect thereto.
  - (ii) The Holder agrees that all indebtedness evidenced by the Subordinated Notes will be unsecured by any Charge (as defined in the Credit Agreement) or by any Lien (as defined in the Indenture) upon or with respect to any property of the Obligor.
  - (iii) The Holder agrees not to exercise any offset or counterclaim or similar right in respect of the indebtedness evidenced by the Subordinated Notes except to the extent payment of such indebtedness is permitted and will not assign or otherwise dispose of the Subordinated Notes or the indebtedness which it evidences unless the assignee or acquirer, as the case may be, agrees to be bound by the terms of this Agreement.
- (e) Holder Entitled to Rely.

Upon any payment or distribution pursuant to this Section 3, the Holder shall be entitled to rely (i) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section (b) are pending, (ii) upon a certificate if the liquidating trustee or agent or other person in such proceedings making such payment or distribution to the Holder or its representative, if any, or (iii) upon a certificate of the Agent or any representative (if any) of the holders of Senior Indebtedness for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Obligor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Section 3

4. **Enforceability.**

Each of the Obligor and the Holder represents and warrants that this Agreement has been duly authorized, executed and delivered by each of the Obligor and the Holder and constitutes a valid and legally binding obligation of each of the Obligor and the Holder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and on the date hereof, the Holder shall deliver an opinion or opinions of counsel to such effect to the Agent for the benefit of the Lenders.

---

5. **Miscellaneous.**

(a) Until payment in full of all the Senior Indebtedness, the Obligor and the Holder agree that no amendment shall be made to any of the Subordinated Notes which would affect the rights of the holders of the Senior Indebtedness.

(b) This Agreement may not be amended or modified in any respect, nor may any of the terms or provisions hereof be waived, except by an instrument signed by the Obligor, the Holder and the Agent.

(c) This Agreement shall be binding upon each of the parties hereto and their respective successors and assigns and shall inure to the benefit of the Agent and each and every holder of Senior Indebtedness and their respective successors and assigns.

(d) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(e) The Holder and the Obligor each hereby irrevocably agrees that any suits, actions or proceedings arising out of or in connection with this Agreement may be brought in any state or federal court sitting in The City of New York or any court in the Province of Quebec and submits and attorns to the non-exclusive jurisdiction of each such court.

(f) The Holder and the Obligor will whenever and as often as reasonably requested to do so by the Agent, do, execute, acknowledge and deliver any and all such other and further acts, assignments, transfers and any instruments of further assurance, approvals and consents as are necessary or proper in order to give complete effect to this Agreement.

(g) Each of the Holder and the Obligor irrevocably appoints CT Corporation System, as its authorized agent in the State of New York upon which process may be served in any such suit or proceedings, and agrees that service of process upon such agent, and written notice of said service to CT Corporation System, by the person serving the same to the addresses listed below, shall be deemed in every respect effective service of process upon the Holder or the Obligor, as applicable, in any such suit or proceeding.

If to the Obligor:

- 

If to the Holder:

- 

Each of the Holder and the Obligor further agrees to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of ten years from the date of this Agreement.

---



IN WITNESS WHEREOF, the Obligor and the Holder each have caused this Agreement to be duly executed.

•

by

\_\_\_\_\_  
Name: ■  
Title: ■

•

by

\_\_\_\_\_  
Name: ■  
Title: ■

\_\_\_\_\_

**SCHEDULE "O" – JOINDER AGREEMENT**

**JOINDER AGREEMENT**

**THIS JOINDER AGREEMENT**, dated as of \_\_\_\_\_, 20 (this "**Agreement**"), by and among [NEW LENDERS] (each a "**New Lender**" and collectively the "**New Lenders**"), VIDÉOTRON LTÉE (the "**Borrower**"), the several banks and other financial institutions or entities from time to time parties thereto, Royal Bank of Canada, as Agent (in such capacity, the "**Agent**").

**RECITALS:**

**WHEREAS** reference is hereby made to the Amended and Restated Credit Agreement dated as of June 16, 2015 (as it may be further amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**"; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among the Lenders party thereto from time to time and the Agent; and

**WHEREAS** subject to the terms and conditions of the Credit Agreement, the Borrower may increase the existing Commitments by obtaining New Commitments and entering into one or more Joinder Agreements with the New Lenders.

**NOW, THEREFORE**, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Each New Lender party hereto hereby agrees to commit to provide its respective New Commitment as set forth on Schedule "A" annexed hereto, on the terms and subject to the conditions set forth below:

Each New Lender (i) confirms that it has received a copy of the Credit Agreement and the Security Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Joinder Agreement (this "**Agreement**"); (ii) agrees that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the Security Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) acknowledges and accepts that such New Lender and the Agent are solidary creditors of the Borrower and the Guarantors in respect of all amounts, liabilities and other obligations, present and future, of the Borrower and the Guarantors to each of them under the Credit Agreement and the Derivative Instruments as contemplated by Section 18.1.2 of the Credit Agreement and in accordance with Article 1541 of the *Civil Code of Quebec*; and (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

---

Each New Lender hereby agrees to make its Commitment on the following terms and conditions:

1. **New Lenders.** Each New Lender acknowledges and agrees that upon its execution of this Agreement, such New Lender shall become a “Lender” under, and for all purposes of, the Credit Agreement and the Security Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.
  2. **Credit Agreement Governs.** Except as set forth in this Agreement, New Advances shall otherwise be subject to the provisions of the Credit Agreement and the Security Documents.
  3. **The Borrower’s Certifications.** By its execution of this Agreement, each of the undersigned officers, to the best of his or her knowledge, and the Borrower hereby certify that:
    - i. The representations and warranties contained in the Credit Agreement and the Security Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date;
    - ii. No event has occurred and is continuing or would result from the addition of the Commitments from the New Lenders as contemplated hereby that would constitute a Default or an Event of Default;
    - iii. The Borrower has performed in all material respects all agreements and satisfied all conditions required to be performed or satisfied by it under the Credit Agreement on or before the date hereof; and
    - iv. After giving effect to this Joinder Agreement and the aggregate new Commitments, the Borrower is (and will be on a pro forma basis) in compliance with the financial tests described in Section 12.11 of the Credit Agreement.
  4. **The Borrower’s Covenants.** By its execution of this Agreement, the Borrower hereby covenants that:
    - i. The Borrower shall make all payments required pursuant to the Credit Agreement in connection with the New Commitments, including the payment of any fees in respect of such New Commitment; and
    - ii. The Borrower shall deliver or cause to be delivered the legal opinions and documents required pursuant to subsection 2.4.3 of the Credit Agreement.
  5. **Notice.** For purposes of the Credit Agreement, the initial notice address of each New Lender shall be as set forth below its signature below.
-

6. **Recording of the New Loans.** Upon execution and delivery hereof, the Agent will record the New Advances made by New Lenders in the Register.
7. **Amendment, Modification and Waiver.** This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.
8. **Entire Agreement.** This Agreement, the Credit Agreement and the Security Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.
9. **Governing Law.** This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the province of Quebec.
10. **Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.
11. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Remainder of page intentionally left blank]

---

**IN WITNESS WHEREOF**, each of the undersigned has caused its duly authorized officer to execute and deliver this Joinder Agreement as of [\_\_\_\_\_, \_\_\_\_].

**[NAME OF NEW LENDER]**

By: \_\_\_\_\_

Name:

Title:

Notice Address:

Attention:

Telephone:

Facsimile:

**VIDÉOTRON LTÉE**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

---

**ROYAL BANK OF CANADA**

as Agent

By: \_\_\_\_\_

Name:

Title:

---

**SCHEDULE A  
TO JOINDER AGREEMENT**

<b>Name of Lender</b>	<b>Type of Commitment</b>	<b>Amount</b>
[ _____ ]	New Commitment	\$ _____
		Total: \$ _____

---

## SCHEDULE "P"– FINNVERA TERM FACILITY

None of the provisions of this Schedule "P" shall apply to the Revolving Facility Lenders, ~~the Unsecured Facility Lenders,~~ or the Revolving Facility ~~or the Unsecured~~ Facility.

### 1. TRANCHE A CREDIT

Subject to the provisions of the Credit Agreement, and in particular, to the provisions of Article 2 of this Schedule "P", each Tranche A Lender agrees to make available to the Borrower, individually and not jointly and severally or solidarily, its Tranche A Commitment in the Tranche A Credit, which Tranche A Credit consists of the Finnvera Term Facility in a maximum amount equal to Cdn.\$75,000,000. All Tranche A Advances under the Finnvera Term Facility shall be in Canadian Dollars alone. The Finnvera Term Facility will not revolve and any amount prepaid or repaid may not be reborrowed.

### 2. PURPOSE

All Tranche A Advances made by the Tranche A Lenders to the Borrower under the Finnvera Term Facility in accordance with the provisions of this Schedule "P" shall be used to, without duplication, (i) finance up to the CAD Equivalent of (x) 85% of the Purchase Price and (y) costs for local services up to a maximum of 30% of the Purchase Price by way of reimbursement to the Borrower for eligible payments made by the Borrower to NSN under the NSN Contract; (ii) pay up to 100% of the upfront portion of the ECA Premium A from the proceeds of the first Tranche A Advance; and (iii) pay all other amounts approved by Finnvera and owed in connection with the NSN Contract, the whole subject to and in accordance with the terms and conditions of this Schedule "P".

### 3. ADVANCES AND OPERATION OF ACCOUNTS

#### **3.1 Tranche A Notice of Borrowing**

Subject to the applicable provisions of this Schedule "P" but not more than once per calendar month, the Borrower shall be entitled to request multiple Tranche A Advances under the Finnvera Term Facility, to be made on any Business Day during the Availability Period and in accordance with the payment program set forth in the NSN Contract, up to the maximum amount of the Tranche A Credit, upon delivery of an irrevocable written Tranche A Notice of Borrowing to the Finnvera Facility Agent at or before 3:00 P.M. (London, England time) at least four (4) Business Days prior to the date of the proposed Tranche A Advance.

#### **3.2 Type of Tranche A Advance**

Tranche A Advances made by a Domestic Tranche A Lender or a Foreign Tranche A Lender in accordance with Section 3.6 of this Schedule "P" shall be in the form of Tranche A CDOR Advances.

---



**3.3 Notice of New Tranche A Designated Period**

Upon the expiration of any Tranche A Designated Period applicable to any Tranche A CDOR Advance, the Borrower shall have the option to request the continuation of all or any portion (in minimum amounts of Cdn.\$1,000,000 or such smaller amount corresponding to the Tranche A CDOR Advance Amount of such Tranche A Advance on the Tranche A Rollover Date upon delivery of an irrevocable written Notice of New Tranche A Designated Period to the Finnvera Facility Agent at or before 3:00 P.M. (London, England time) at least four (4) Business Days prior to the date of the Tranche A Rollover Date. Except in respect of the whole or a portion of the Tranche A Advance Amount for which the Borrower has delivered a Notice of Repayment in accordance with the provisions of Section 5.2 of this Schedule "P", if the Borrower has not delivered a Notice of New Tranche A Designated Period in a timely manner in accordance with the provisions of this Section 3.3, the Borrower shall be deemed to have chosen a new Tranche A Designated Period of 6 months (or such shorter period expiring on the next Repayment Date). For greater certainty, if only a portion of a Tranche A Advance is continued under this Section 3.3, the portion not so continued shall be prepaid and cancelled.

**3.4 Determination of Interest**

The Finnvera Facility Agent shall determine the CDOR Rate which will be in effect on the date of the Tranche A Advance or the Tranche A Rollover Date, as the case may be (which, in each case, must be a Business Day), with respect to the Tranche A CDOR Advance Amount, having a maturity of 30 to 183 days (during the Availability Period) or 1, 3 or 6 months (during the period of 24 months from the Signing Date) or 3 or 6 months (thereafter), as requested by the Borrower and subject to availability, from the date of the Tranche A Advance or the Tranche A Rollover Date, as the case may be. However, if the Borrower has not delivered a notice to the Finnvera Facility Agent in a timely manner in accordance with the provisions of Section 3.1 or 3.3 of this Schedule "P", as the case may be, the Borrower shall be deemed to have chosen a Tranche A Designated Period of 6 months (or such shorter period expiring on the next Repayment Date).

Notwithstanding the foregoing, each Tranche A Advance other than the initial Tranche A Advance shall have a Tranche A Designated Period expiring on the next Tranche A Rollover Date.

**3.5 Operation of Accounts**

The Finnvera Facility Agent shall maintain in its books at the Finnvera Facility Agency Branch a record of the Term Loan attesting as to the total of the Borrower's indebtedness to the Tranche A Lenders. These accounts or registers shall constitute, in the absence of manifest error, *prima facie* proof of the total amount of the indebtedness of the Borrower to the Tranche A Lenders, of the date of any Tranche A Advance made to the Borrower and of the total of all amounts paid by the Borrower from time to time with respect to principal and interest owing on the Term Loan and the fees and other sums payable in connection with the Finnvera Term Facility.

---

**3.6 Apportionment of Tranche A Advances**

The amount of each Tranche A Advance will be apportioned among the Tranche A Lenders by the Finnvera Facility Agent by reference to the Tranche A Commitment of each Tranche A Lender, as such Tranche A Commitment shall be immediately prior to the making of any Tranche A Advance. If any amount disbursed by the Finnvera Facility Agent to the Borrower is not in fact made available to the Finnvera Facility Agent by a Tranche A Lender, the Finnvera Facility Agent shall be entitled to recover such amount (together with interest thereon at the rate determined by the Finnvera Facility Agent as being its cost of funds in the circumstances) on demand from such Tranche A Lender or, if such Tranche A Lender fails to reimburse the Finnvera Facility Agent for such amount, on demand from the Borrower.

**3.7 Limitations on Advances**

- 3.7.1 The undrawn Tranche A Credit available under the Finnvera Term Facility shall cease to be available at the expiry of the Availability Period.
- 3.7.2 The aggregate principal amount of each Tranche A Advance (other than the initial Tranche A Advance) shall not exceed the CAD Equivalent (determined as of the date of the Tranche A Notice of Borrowing issued in connection with such Tranche A Advance) of (i) 85% of the portion of the Purchase Price for which such Tranche A Advance is made and (ii) costs for local services up to a maximum amount which, when combined with all amounts previously disbursed by the Tranche A Lenders in reimbursement of costs for local services, does not exceed 30% of the portion of the Purchase Price paid to date (collectively, the "**Maximum Amount**") and, in the case of the initial Tranche A Advance only, the sum of the Maximum Amount and up to 100% of the upfront portion of the ECA Premium A.

**3.8 Notices Irrevocable**

Any notice given to the Finnvera Facility Agent in accordance with Article 3 of this Schedule "P" may not be revoked or withdrawn.

**3.9 Market for Tranche A CDOR Advances**

- 3.9.1 If at any time or from time to time as a result of market conditions, (i) there exists no appropriate or reasonable method to establish the CDOR Rate for a Tranche A CDOR Advance Amount, or a Tranche A Designated Period, or (ii) the Finnvera Facility Agent receives notification from two or more Tranche A Lenders whose Tranche A Commitments exceed, in the aggregate, 20% of the Tranche A Credit, that the CDOR Rate does not accurately reflect its Cost of Funds, then the relevant Tranche A Lenders shall, prior to the date of a Tranche A
-

Advance or the Tranche A Rollover Date, so advise the Finnvera Facility Agent and shall thereupon not be obliged to honor any Tranche A Notices of Borrowing or any Notices of New Tranche A Designated Period and the Borrower's option to request Tranche A CDOR Advances or any rollovers thereof, as the case may be, shall thereupon be suspended upon notice by the Finnvera Facility Agent to the Borrower, and, until such time as the Finnvera Facility Agent has determined that the circumstances having given rise to such suspension no longer exist, in respect of which determination the Finnvera Facility Agent shall advise the Borrower within a reasonable delay, the rate of interest applicable to such Tranche A Lenders' portion of any Tranche A Advance shall be calculated and payable on a Cost of Funds Basis plus a margin of 0.875%, in the case of rollovers of Tranche A Advances which were originally Tranche A CDOR Advances or in the case of new Tranche A Advances which would otherwise have been Tranche A CDOR Advances in accordance with the provisions of Section 3.6 of this Schedule "P". For the purposes of paragraph ~~(ii)~~[Error! Reference source not found.](#) of this Section 3.9, a Tranche A Lender shall notify the Finnvera Facility Agent of its Cost of Funds as soon as practicable and in any event before interest is due to be paid in respect of the relevant Tranche A Advance.

- 3.9.2 If the events described in clause (i) or (ii) of subsection 3.9.1 above occur and the Finnvera Facility Agent or the Borrower so requires, the Finnvera Facility Agent and the Borrower shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing on a substitute basis for determining the rate of interest payable to each Tranche A Lender affected by such above-mentioned events. Any alternative basis agreed upon pursuant to the above shall, with the prior consent of all of the Tranche A Lenders, be binding on all parties, it being agreed that such alternative basis shall apply only to the Tranche A Lenders affected by the relevant events described in such clause (i) or (ii).
- 3.9.3 For greater certainty, if no such agreement on an alternative basis is reached in accordance with the provisions of subsection 3.9.2 above, the provisions of 3.9.1 shall apply.

### **3.10 Suspension of Tranche A CDOR Advances**

If Canadian Dollar deposits are not available to the Foreign Tranche A Lenders in the ordinary course of business in amounts sufficient to permit them to make or continue a Tranche A Advance for a Tranche A Designated Period, the Foreign Tranche A Lenders shall, prior to the date of a Tranche A Advance or the Tranche A Rollover Date, so advise the Finnvera Facility Agent and thereupon be relieved from their obligation to make or continue a Tranche A Advance until such time as such funds become available in

---

sufficient amounts, but they shall comply with the provisions of Section 3.11 of this Schedule "P".

**3.11 Specific Clause with Regard to Foreign Tranche A Lenders**

In the event of a suspension of the Borrower's right to request Tranche A Advances (including conversions and extensions thereof) from one or more Foreign Tranche A Lenders under Section 3.10 of this Schedule "P" (each a "**Tranche A Affected Lender**"), each Tranche A Affected Lender shall, concurrently with the notice described in Section 3.10 of this Schedule "P", seek alternative sources of funding the Tranche A Advances and, if sufficient funds are obtained, shall notify the Borrower as to when such funds will be available for Tranche A Advances. On the date indicated in such latter notice, the Tranche A Affected Lender shall be deemed to have made a Tranche A Advance with interest payable on a Cost of Funds Basis.

If within 5 Business Days following the notice described in Section 3.10 of this Schedule "P", there remain one or more Tranche A Affected Lenders who have not been deemed to have made a Tranche A Advance on a Cost of Funds Basis under the preceding paragraph, such Tranche A Affected Lender (a "**Tranche A Incapable Lender**") shall (i) provide an additional notice to the Finnvera Facility Agent and the Borrower of such fact and (ii) the parties will negotiate such amendments to this Schedule "P" as may be required to give full effect to such intention, it being understood that the Borrower alone will bear all foreign exchange risks.

**3.12 Limits on Tranche A CDOR Advances**

Nothing in this Agreement shall be interpreted as authorizing the Borrower to borrow by way of Tranche A CDOR Advances for a Tranche A Designated Period expiring on a date which is after the expiry of the next Repayment Date.

**3.13 Exclusion of Finnvera Facility Agent, the Security Agent and Tranche A Lenders Liability in respect of NSN Contract**

It is expressly understood and agreed by the Borrower, the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders that there is no contractual relationship, either express or implied, between the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders, on the one hand, and the Borrower, NSN or any other Person supplying any work, services or material in connection with the NSN Contract, on the other hand, and that the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders shall not be liable to the Borrower, NSN or any such other Person in connection with the NSN Contract. The Borrower is not and shall not be the agent of the Finnvera Facility Agent, the Security Agent or the Tranche A Lenders for any purpose. There shall be no third party beneficiary of this Schedule "P", express or implied, other than Finnvera.

---

#### 4. INTEREST AND FEES

##### **4.1 Interest at the CDOR Rate**

The principal amount of the Tranche A CDOR Advances, which at any time and from time to time remains outstanding, shall bear interest, calculated daily, on the daily balance of such Tranche A CDOR Advances, from each Tranche A Rollover Date, at the annual rate (calculated based on a 365-day year) applicable to each of such days which corresponds to the CDOR Rate applicable to each Tranche A CDOR Advance Amount, plus a margin of 0.875%, and shall be effective from each Tranche A Rollover Date up to and including the date prior to the next Tranche A Rollover Date.

##### **4.2 Intentionally Deleted**

##### **4.3 Payment of Interest**

The interest payable in accordance with the provisions of Sections 4.1 and 4.2 of this Schedule "P" and calculated in the manner hereinabove set forth on the amount outstanding from time to time is payable to the Finnvera Facility Agent, for the account of the relevant Tranche A Lenders, in arrears on the last day of the Tranche A Designated Period.

If the relevant Tranche A Designated Period is not equal to 1, 2, 3 or 6 months, then the CDOR Rate, shall be determined by the application of straight line interpolation (rounding upwards, if necessary, to the nearest multiple of 0.01%) by reference to two CDOR Rates, one of which shall be the rate per annum for the period shorter than the stated term by the least number of days, and the other of which shall be the rate per annum for the period which is longer than the stated term by the least number of days.

##### **4.4 Fixing of CDOR Rate**

The CDOR Rate shall be transmitted to the Borrower at approximately 3:00 P.M. (London, England time) on the same Business Day as:

4.4.1 the date on which the Tranche A CDOR Advance is to be made; or

4.4.2 the relevant Tranche A Rollover Date.

##### **4.5 Arrears of Interest**

Any arrears of interest or principal payable by the Borrower to the Finnvera Facility Agent or the Tranche A Lenders in connection with the Term Loan shall bear interest at the Default Rate.

---

**4.6 Maximum Interest**

The amount of the interest or fees payable in applying this Schedule "P" shall not exceed the maximum rate permitted by Applicable Law. Where the amount of such interest or such fees is greater than such maximum rate, the amount shall be reduced to the highest rate which may be recovered in accordance with the applicable provisions of Applicable Law.

**4.7 Commitment Fee**

The Borrower shall pay to the Finnvera Facility Agent, for the account of the Tranche A Lenders, a commitment fee (the "**Commitment Fee**") in accordance with the terms and conditions of the Commitment Fee Letter attached hereto as Exhibit "P-6" to this Schedule "P".

**4.8 Finnvera Closing Fee**

On the later of (i) the Closing Date and (ii) the date on which the conditions set forth in subsection 6.2.1 have been met, the Borrower shall pay to the Finnvera Facility Agent, for the account of Finnvera, and to each Tranche A Lender a closing Fee of Cdn\$7,500 each. Notwithstanding any other terms of this Schedule "P", the foregoing closing Fee shall be the only Fee payable to the Tranche A Lenders and to Finnvera for the approval of and entry into the amendments made to the Credit Agreement on the Closing Date.

**4.9 ECA Premium A**

If all or any part of the upfront portion of the ECA Premium A is not paid by the Borrower to the Finnvera Facility Agent, for the account of Finnvera, prior to the requested date of the initial Tranche A Advance after the Closing Date (the "**Outstanding ECA Premium A**"), the Finnvera Facility Agent shall deduct the Outstanding ECA Premium A from the proceeds of the initial Tranche A Advance after the Closing Date and remit same to Finnvera concurrently therewith.

**4.10 Interest Act**

For the purposes of the *Interest Act* (Canada), any amount of interest or fees calculated herein using 360 or 365 days per year and expressed as an annual rate is equal to the said rate of interest or fees multiplied by the actual number of days comprised within the calendar year, divided by 360 or 365, as the case may be. The parties agree that all interest in this Schedule "P" will be calculated using the nominal rate method and not the effective rate method, and that the deemed re-investment principle shall not apply to such calculations. In addition, the parties acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates.

---

**5. PAYMENT, REPAYMENT AND PREPAYMENT****5.1 Repayment of the Term Loan**

If the Tranche A Credit is fully drawn prior to the First Repayment Date, the Borrower hereby agrees to repay the principal amount outstanding under the Finnvera Term Facility in seventeen (17) equal and consecutive semi-annual instalments to be made on each Repayment Date. If the Tranche A Credit is not fully drawn prior to the First Repayment Date, the Borrower hereby agrees to repay (i) on the First Repayment Date, 1/17th of the principal amount outstanding under the Finnvera Term Facility on such First Repayment Date, and (ii) on each succeeding Repayment Date up to and including the Maturity Date, a fraction of the principal amount outstanding under the Finnvera Term Facility on such Repayment Date, the numerator of which is 1 and the denominator of which is 17 minus the number of Repayment Dates then past.

**5.2 Voluntary Repayment and Prepayment of the Term Loan or Cancellation of the Tranche A Credit**

On any Business Day, after having given ten (10) Business Days prior written notice to the Finnvera Facility Agent substantially in the form of Exhibit "P-2" to this Schedule "P", the Borrower may repay or prepay, in minimum amounts of Cdn.\$1,000,000 (or the remaining amount of principal under the Term Loan) or in whole multiples of Cdn.\$1,000,000 (or the remaining amount of principal under the Term Loan), all or part of the principal amount of the Term Loan under the Finnvera Term Facility for the account of the Tranche A Lenders, provided that (i) in respect of the Tranche A CDOR Advances, no repayment may be made on a day other than a Tranche A Rollover Date, save as provided in Section 7.4 of the Credit Agreement and in Section 5.3 of this Schedule "P", with all interest accrued and unpaid on the amounts so prepaid; and (ii) if any prepayment of principal is made prior to the Eighth Repayment Date, a fee equal to 1.00% of the principal amount so prepaid shall be due and payable to the Tranche A Lenders; provided further that the cumulative amount of any and all such prepayment fee(s) (including any such fees due and payable in connection with the Tranche B Loan) shall not exceed Cdn.\$750,000. All repayments and prepayments under this Section 5.2 shall be applied against the instalments contemplated by Section 5.1 of this Schedule "P" in the inverse order of maturity of such instalments.

In addition, the Borrower may, upon the same notice, cancel any portion of the Tranche A Credit that has not been drawn by the Borrower. No Commitment Fee shall be payable in respect of any portion of the Tranche A Credit so cancelled as and from the effective date of its cancellation. The Borrower shall not be permitted to draw Tranche A Advances in respect of any portion of the Tranche A Credit so cancelled.

Notwithstanding the foregoing, the Term Loan may not be voluntarily repaid or prepaid, in whole or in part, and the Tranche A Credit may not be cancelled in whole or in part unless and until such time as the Tranche B Loan has been fully repaid and/or cancelled.

---

**5.3 Cash Collateralization or Payment of Losses Resulting from a Prepayment**

If a prepayment to be made (whether under this Schedule "P" or otherwise) would require the repayment of a Tranche A CDOR Advance on a day other than the last day of the Tranche A Designated Period, the Borrower (i) shall provide to the Finnvera Facility Agent cash collateral in an amount equal to the principal amount of such Tranche A CDOR Advance, which cash collateral shall be deemed a repayment of such Tranche A Advance and shall be held by the Finnvera Facility Agent in an interest bearing account and used to repay same at maturity or on the next Tranche A Rollover Date; or (ii) may elect to prepay such Tranche A CDOR Advance and pay to the Finnvera Facility Agent for the account of the Tranche A Lenders the amount of the losses, costs and expenses suffered or incurred by the Tranche A Lenders with respect thereto which are referred to in Section 7.4 of the Credit Agreement.

**5.4 Currency of Payments**

All payments, repayments and prepayments, as the case may be, of principal and interest under the Term Loan, all other amounts owed under this Schedule "P" and, except as otherwise indicated in the Fee Letter and the Commitment Fee Letter as being payable in US Dollars or Euros, all Tranche A Fees, shall be made in Canadian Dollars alone.

**5.5 Payments by the Borrower to the Finnvera Facility Agent**

All payments to be made by the Borrower in connection with this Schedule "P" shall be made in funds having same day value to the Finnvera Facility Agent, at the Finnvera Facility Agency Branch, or at any other office or account designated by the Finnvera Facility Agent. Any such payment shall be made on the date upon which such payment is due, in accordance with the terms hereof, no later than 3:00 P.M. (London, England time).

**5.6 Payment on a Business Day**

Each time a payment, repayment or prepayment is due (whether under this Schedule "P" or otherwise) on a day that is not a Business Day, it shall be made on the following Business Day.

**5.7 Payments by the Tranche A Lenders to the Finnvera Facility Agent**

Any amounts payable to the Finnvera Facility Agent by a Tranche A Lender shall be paid in funds having same day value to the Finnvera Facility Agent by such Tranche A Lender on a Business Day at the Finnvera Facility Agency Branch.

**5.8 Payments by the Finnvera Facility Agent to the Borrower**

Any payment received by the Finnvera Facility Agent for the account of the Borrower shall be paid in funds having same day value to the Borrower on the date of receipt, or if such date is not a Business Day, on the next Business Day.

---



**5.9 Application of Payments**

- 5.9.1 Except as otherwise indicated herein, all payments made to the Finnvera Facility Agent by the Borrower for the account of the Tranche A Lenders shall be distributed the same day by the Finnvera Facility Agent, in accordance with its normal practice, in funds having same day value, among the Tranche A Lenders to the accounts last designated in writing by each Tranche A Lender to the Finnvera Facility Agent, *pro rata* in accordance with their respective Tranche A Commitments, and notice thereof shall be given to the Borrower by the Finnvera Facility Agent within a reasonable delay.
- 5.9.2 Except as otherwise indicated herein or as otherwise determined by the Tranche A Lenders, all payments made by the Borrower to the Finnvera Facility Agent on behalf of the Tranche A Lenders shall be applied by the Tranche A Lenders as follows:
- (a) to the fees, costs, expenses and accessories of the Finnvera Facility Agent and the Security Agent contemplated by Article 7 and Section 17.5 of the Credit Agreement and subsection 8.1.1 (iii) of this Schedule "P" or by the Security Documents;
  - (b) to the fees, costs, expenses and accessories of the Tranche A Lenders contemplated by Article 7 and Section 17.5 of the Credit Agreement or by the Security Documents;
  - (c) to all amounts due under Article 4 of this Schedule "P";
  - (d) to the repayment of the principal amount of the Term Loan in the inverse order of maturity of the instalments contemplated by Section 5.1 of this Schedule "P";
  - (e) to any other amounts due pursuant to this Schedule "P".

**5.10 No Set-Off or Counterclaim by Borrower**

All payments by the Borrower shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

**5.11 Obligations Absolute**

The obligation of the Borrower to make payments and perform its other obligations under this Schedule "P" are, subject to the terms and conditions of this Schedule "P", unconditional and irrevocable and shall not be in any way affected, released or discharged by reason of any matter or circumstance whatsoever affecting or relating to or arising in connection with NSN and/or the NSN Contract.

---

**6. CONDITIONS PRECEDENT****6.1 Initial Tranche A Advance under the Finnvera Term Facility.**

The terms and conditions of this Schedule “P” and all rights and obligations of any of the Borrower, the Finnvera Facility Agent and the Tranche A Lenders under this Schedule “P” shall not come into force or effect and, for greater certainty, the Tranche A Lenders shall have no obligation to make an initial Tranche A Advance under the Finnvera Term Facility, until such time as each of the conditions set out in this Section 6.1 of this Schedule “P” have been fulfilled (either prior to or concurrently with the making of any such initial Tranche A Advance) to the entire satisfaction of the Finnvera Facility Agent and the Tranche A Lenders:

- 6.1.1 certified copies of all of the constating documents, borrowing by-laws and resolutions of and certificates of incumbency of the Borrower and the Guarantors shall have been provided to the Finnvera Facility Agent and the Security Agent;
  - 6.1.2 the Tranche A Lenders and the Tranche B Lenders shall have been provided with satisfactory evidence that the Borrower and the Guarantors are duly constituted, validly existing and in good standing under the laws of their jurisdiction of organization and each other jurisdiction where they are qualified to do business and that each of them has the necessary power and capacity to carry on business in the Province of Québec and to be a party to the Amending Agreement, the Tranche B Loan Agreement and/or the Security Documents (as applicable) and to be bound by them;
  - 6.1.3 the Amending Agreement shall have been duly executed and delivered;
  - 6.1.4 the Tranche B Loan Agreement shall have been duly executed and delivered;
  - 6.1.5 the Commitment Fee Letter shall have been duly executed and delivered;
  - 6.1.6 the Finnvera Facility Agent shall have received copies of all closing documentation previously delivered to the Agent by or on behalf of the Borrower in connection with the Credit Agreement and relating to the Borrower or any of the Guarantors or their respective property including, without limitation, the Security Documents and copies of all existing title and search reports prepared by lawyers or notaries with respect to any immovable property charged by the Security Documents, together with all existing updates of same;
-

- 6.1.7 the Borrower shall have delivered to the Finnvera Facility Agent a certificate in the form of Exhibit "P-3" signed by an officer stipulating and certifying:
- (a) that such officer has taken cognizance of all the terms and conditions of the Amending Agreement and of all contracts, agreements and deeds pertaining to the Amending Agreement;
  - (b) that no Default or Event of Default has occurred or exists under this Schedule "P";
  - (c) that the corporate structure of Quebecor Media Inc. and the VL Group is as set out in the diagram attached to the certificate;
  - (d) as to the location of the movable property owned by the VL Group as of the Signing Date;
  - (e) that each member of the VL Group holds the permits, Licences, licences and authorizations required in order to permit it to possess its property and its real estate and to carry on its business in the manner in which it is being carried on at present; and
  - (f) that the execution and delivery of and performance by the Borrower of its obligations under the NSN Contract in accordance with its terms and the completion of the transactions contemplated therein do not require any consents or approvals, do not violate any Laws, and do not conflict with, violate or constitute a breach under the documents of incorporation or by-laws of the Borrower;
- 6.1.8 Finnvera shall have delivered to the Finnvera Facility Agent and the Finnvera Facility B Agent the ECA Guarantee in form and substance satisfactory to the Tranche A Lenders and the Tranche B Lenders;
- 6.1.9 the Tranche A Lenders and the Tranche B Lenders shall have received a certified copy of the NSN Contract;
- 6.1.10 the Finnvera Facility Agent shall have received and reviewed, to its entire satisfaction, acting reasonably, copies of all movable and personal property and other searches undertaken against the Borrower and each Guarantor and each of their respective predecessors and dated a date reasonably close to the Signing Date;
- 6.1.11 the Finnvera Facility Agent shall have received a copy of any certificates of insurance delivered to the Agent relating to policies protecting the members of the VL Group and their movable property,
-

activities, business interruption and third party liability against any form of loss;

- 6.1.12 the Borrower shall have delivered any other document, declaration, certificate, agreement, instrument or notice reasonably required by and in form and substance acceptable to the Finnvera Facility Agent, the Finnvera Facility B Agent, the Security Agent and the Finnvera Facility B Security Agent;
  - 6.1.13 the Finnvera Facility Agent shall have received a certificate of incumbency of NSN and evidence that the persons listed therein are authorized signatories of NSN;
  - 6.1.14 the Finnvera Facility Agent, the Tranche A Lenders, the Security Agent, the Finnvera Facility B Agent, the Tranche B Lenders, the Finnvera Facility B Security Agent, Finnvera and their respective counsel shall have received the entire amount of all fees, costs, premiums and expenses owed to them as of the Signing Date in connection with the Finnvera Term Facility, the Tranche B Loan, the Amending Agreement, the Tranche B Loan Agreement and the Security Documents (as applicable) including, without limitation, the Finnvera Handling Fee, the ECA Premium A (as applicable) and all Tranche A Fees that are due and payable as at the Signing Date;
  - 6.1.15 the Borrower shall have delivered to the Finnvera Facility Agent the favourable legal opinion of counsel to the Borrower and the Guarantors, addressed to the Finnvera Facility Agent, the Security Agent, the Tranche A Lenders and their respective counsel, in form and substance acceptable to the Finnvera Facility Agent, the Security Agent, and their counsel, acting reasonably, including, with regard to the continued legality, validity, enforceability and opposability of all relevant Guarantees and Security;
  - 6.1.16 the Borrower shall have delivered to the Finnvera Facility B Agent the favourable legal opinion of counsel to the Borrower and the Guarantors, addressed to the Finnvera Facility B Agent, the Finnvera Facility B Security Agent, the Tranche B Lenders and their respective counsel, in form and substance acceptable to the Finnvera Facility B Agent, the Finnvera Facility B Security Agent and their counsel, acting reasonably;
  - 6.1.17 the Finnvera Facility Agent shall have received the favourable legal opinion of each of their Canadian and Finnish counsel addressed to the Finnvera Facility Agent, the Security Agent, the Tranche A Lenders and their respective counsel, in form and substance acceptable to the Finnvera Facility Agent, the Security Agent, and their counsel, acting reasonably, including, with respect to the opinion of Finnish counsel
-

only, with regard to the legality, validity and enforceability of the ECA Guarantee; and

- 6.1.18 the Finnvera Facility B Agent shall have received the favourable legal opinion of each of their Canadian and Finnish counsel addressed to the Finnvera Facility B Agent, the Finnvera Facility B Security Agent, the Tranche B Lenders and their respective counsel, in form and substance acceptable to the Finnvera Facility B Agent, the Finnvera Facility B Security Agent, and their counsel, acting reasonably, including, with respect to the opinion of Finnish counsel only, with regard to the legality, validity and enforceability of the ECA Guarantee.

**6.2 Initial Tranche A Advance under the Finnvera Term Facility after the Closing Date**

The terms and conditions of this Schedule "P", as amended on the Closing Date, and all rights and obligations of any of the Borrower, the Finnvera Facility Agent and the Tranche A Lenders under this Schedule "P", as amended on the Closing Date, shall not come into force or effect and, for greater certainty, the Tranche A Lenders shall have no obligation to make an initial Tranche A Advance under the Finnvera Term Facility after the Closing Date until such time as:

- 6.2.1 the Finnvera Facility Agent has received, to its entire satisfaction, an amendment to the ECA Guarantee; and
- 6.2.2 the Finnvera Facility B Agent has received, to its entire satisfaction, an irrevocable written notice from the Borrower requesting the cancellation of the Tranche B Credit and termination of the Tranche B Loan Agreement.

**6.3 Conditions Precedent to any Tranche A Advance**

The obligation of the Tranche A Lenders to make any Tranche A Advance under the Finnvera Term Facility is conditional upon each of the following conditions having been satisfied (provided however, for greater certainty, that, except for the condition set forth in subsection 6.3.1, none of the following conditions shall apply in respect of any continuation of a Tranche A Advance on a Tranche A Rollover Date pursuant to Section 3.3 of this Schedule "P"):

- 6.3.1 the representations and warranties contained in the Credit Agreement shall continue to be true and correct (except where stated to be made as at a particular date);
- 6.3.2 the Borrower shall have delivered to the Finnvera Facility Agent a completed Tranche A Notice of Borrowing;
- 6.3.3 nothing shall have occurred which would constitute a Material Adverse Change; and
-

6.3.4 no Default shall have occurred and be continuing and no Event of Default shall have occurred.

**6.4 Waiver of Conditions Precedent**

The conditions set out in Section 6.3 of this Schedule "P" are solely for the benefit of the Tranche A Lenders and may be waived by the Finnvera Facility Agent with the unanimous consent of all Tranche A Lenders without prejudice to the right of the Finnvera Facility Agent to assert any such condition in connection with any subsequently requested Tranche A Advance.

**6.5 Discretionary Requirements to any Tranche A Advance**

The obligation of the Tranche A Lenders to make any Tranche A Advance under the Finnvera Term Facility may, in the sole and exclusive discretion of the Tranche A Lenders, be subject to the Finnvera Facility Agent and/or the Tranche A Lenders requesting satisfaction of the following requirements, which requirements shall, in the case of requirements 6.5.1 to 6.5.3 only, be attested to by way of a Tranche A Borrowing Certificate to be delivered concurrently with the delivery of the Tranche A Notice of Borrowing relating to such Tranche A Advance:

- 6.5.1 that the Borrower has delivered to the Finnvera Facility Agent a completed Tranche A Borrowing Certificate with copies of all Required Documents annexed thereto, which Tranche A Borrowing Certificate and Required Documents shall reflect that (a) the aggregate principal amount of all Tranche A Advances made to date, together with the principal amount of the proposed Tranche A Advance, does not exceed the sum of (i) the CAD Equivalent of (x) 85% of the portion of the Purchase Price paid to date and (y) costs for local services up to a maximum of 30% of such portion of the Purchase Price paid to date and (ii) up to 100% of the upfront portion of the ECA Premium A; and (b) all invoices which have been issued to the Borrower to date under the NSN Contract and in respect of which the Tranche A Notice of Borrowing referred to in subsection 6.3.2 above has been delivered by the Borrower have been paid in full;
  - 6.5.2 that all of the information, reports and other documents and all data, as well as the amendments thereto, provided to the Finnvera Facility Agent or to Finnvera, by or on behalf of the Borrower in connection with the NSN Contract, have been, at the time same were provided, complete, true and accurate in all material respects;
  - 6.5.3 that the NSN Contract has not been terminated and has been in full force and effect as of the date of any invoice of NSN which is the object of such requested Tranche A Advance;
  - 6.5.4 that the ECA Guarantee has not been terminated and is in full force and effect; and
-

- 6.5.5 that the Finnvera Facility Agent has not received any request from Finnvera that the Tranche A Advances be suspended unless any such request has since been withdrawn.

The provisions of this Section 6.5 may not be amended or added to, at any time or from time to time, without the written consent and agreement of the Finnvera Facility Agent and the Tranche A Lenders.

**7. INTENTIONALLY OMITTED**

**8. ADDITIONAL COVENANTS**

In addition to the affirmative covenants and negative covenants set forth in Articles 12 and 13 of the Credit Agreement, respectively, the Borrower, for itself and each member of the VL Group and with respect to itself and each member of the VL Group, agrees as follows:

**8.1 Payment of Fees and Other Expenses**

Without duplication with Section 12.14 of the Credit Agreement and whether the transactions contemplated by this Schedule “P” are concluded or not and whether or not any part of the Tranche A Credit is actually advanced, in whole or in part, the Borrower shall pay all fees, premiums and reasonable costs and expenses relating to the Tranche A Credit (in each case, subject to providing the Borrower with supporting documentation in relation thereto), including in particular:

- 8.1.1 the reasonable legal fees, costs and expenses incurred by Finnvera, the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders for (i) the negotiation, drafting, signing and/or service of the Commitment Fee Letter, the Credit Agreement, the Security Documents, the ECA Guarantee and all documents accessory thereto, (ii) any amendments, renunciations, consents or examinations pertaining to the Commitment Fee Letter, the Credit Agreement, the Security Documents, the ECA Guarantee and such accessory documents, and (iii) any enforcement of or the making of any claim under the ECA Guarantee, provided that the payment pursuant to this subsection 8.1.1 of fees, costs and expenses incurred by Finnvera shall be subject to and limited to what is permitted by the terms of Section 8.2 of this Schedule “P”; and
- 8.1.2 without duplication with subsection 8.1.1 of this Schedule “P”, all Tranche A Fees.

All amounts due to the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders pursuant to this Schedule “P” shall bear interest at the Default Rate from the date of their disbursement or undertaking or, in the case of the Commitment Fee, the Finnvera Handling Fee and the Tranche A Fees, from the date on which they become due and payable, until the Borrower has repaid same in full, with interest on unpaid interest at the

---

Default Rate. The obligations of the Borrower under this Section 8.1 shall subsist notwithstanding the full repayment of the Term Loan under the provisions hereof.

## **8.2 Waiver Fees**

- 8.2.1 The Borrower shall pay to the Finnvera Facility Agent, for the account of Finnvera, all fees owed to the Tranche A Lenders in connection with any decisions taken, amendments consented to and waivers and consents granted to the Borrower (further to the request of the Borrower for same) by the Tranche A Lenders pursuant to Section 18.14 of the Credit Agreement with respect to any provisions of the Credit Agreement which are either applicable only to the Finnvera Term Facility or are shared between and applicable to both the Revolving Facility and the Finnvera Term Facility (in which latter case, such fees shall only be paid to the Finnvera Facility Agent, for the account of Finnvera, if they are otherwise payable to any other Lenders), the whole only to the extent either (a) such decisions, amendments, consents and waivers are taken, consented to or granted by the Tranche A Lenders in the last six (6) months of the Term of the Revolving Facility and in accordance with the request made by the Borrower, or (b) such decisions, amendments, consents and waivers are taken, consented to or granted by the Tranche A Lenders during the Availability Period strictly in connection with a Default or an Event of Default and in accordance with the request made by the Borrower.
- 8.2.2 The Borrower shall also pay to the Finnvera Facility Agent, for the account of Finnvera, all fees owed to the Tranche A Lenders in connection with any decisions taken, amendments consented to and waivers and consents granted to the Borrower (further to the request of the Borrower for same) by the Tranche A Lenders pursuant to Section 18.15 of the Credit Agreement but, to the extent there are Lenders other than the Tranche A Lenders, only if such fees are otherwise payable to such other Lenders.

## **8.3 ECA Guarantee**

If (i) the ECA Guarantee is illegal or becomes illegal or is terminated or no longer in full force and effect or (ii) Finnvera is released from any liability thereunder, and the events in (i) or (ii) above in any way restrict the rights or remedies of the Finnvera Facility Agent under the ECA Guarantee in respect of any amounts already disbursed to the Borrower by way of Tranche A Advances and any interest accrued thereon, the Borrower shall, within 10 days following the date on which the Finnvera Facility Agent makes a written demand therefor, find a replacement guarantee or other instrument satisfactory to all Tranche A Lenders, unless within such 10 day period all Tranche A Lenders confirm in writing that the Borrower is released from its obligations under this covenant, it being understood and agreed that any such replacement guarantee or instrument and any

---



proceeds derived therefrom shall be for the sole and exclusive benefit of the Tranche A Lenders, provided that the Borrower shall not be obligated or liable under this Section 8.3 to the extent the events in (i) or (ii) above are a direct consequence of any act of fraud or bad faith or any gross negligence or willful misconduct of or on the part of the Finnvera Facility Agent or the Tranche A Lenders.

**8.4 Cancellation of Tranche B Credit**

The Borrower shall have sent to the Finnvera Facility B Agent by no later than the Closing Date an irrevocable written notice requesting the cancellation of the Tranche B Credit and termination of the Tranche B Loan Agreement.

**9. EVENTS OF DEFAULT**

In addition to the events of default set forth in Article 14 of the Credit Agreement, the occurrence of any of the following events shall constitute an Event of Default unless remedied within the prescribed delays or renounced in writing:

- 9.1 if the Borrower fails to pay the ECA Premium A or make any payment of interest or principal with respect to the Term Loan when due, or
- 9.2 if the Borrower fails to respect its obligations and undertakings under Section 8.3, or
- 9.3 if the Borrower or any Guarantor fails to respect any of its obligations and undertakings under this Schedule "P" or another undertaking of the Borrower or any Guarantor with respect to the Term Loan not otherwise contemplated by this Section 9.3 or by Section 14.1 of the Credit Agreement and has not remedied the Default within 15 days following the date on which the Finnvera Facility Agent has given written notice to the Borrower.

**10. ASSIGNMENT**

**10.1 Assignment by the Borrower**

The rights of the Borrower under the provisions of the Credit Agreement are purely personal and may not be transferred or assigned, and the Borrower may not transfer or assign any of its obligations, such assignment being null and of no effect opposite the Tranche A Lenders and rendering any balance outstanding of the amounts referred to in Section 14.2 of the Credit Agreement immediately due and payable at the option of the Tranche A Lenders and further releasing the Tranche A Lenders from any obligation to make any further Tranche A Advances under the provisions of this Schedule "P".

**10.2 Assignments and Transfers by the Tranche A Lenders**

- 10.2.1 Subject to the written approval of Finnvera, each Tranche A Lender may, at its own cost, assign or transfer to a Person entitled to lend money in Canada (the "**Tranche A Assignee**") in accordance with this
-

Article 10 of this Schedule “P” up to 100% of its rights, benefits and obligations under the Credit Agreement with the prior written consent of the Borrower, which shall not be unreasonably withheld or delayed. After the occurrence of an Event of Default, any Tranche A Lender may transfer all or any part of its rights, benefits and obligations under the Credit Agreement to any Person, without the consent of the Borrower, but upon notice to the Finnvera Facility Agent and the Borrower and subject to the consent of Finnvera.

- 10.2.2 Notwithstanding subsection 10.2.2 of this Schedule “P”, each Tranche A Lender shall be entitled to assign or transfer, at its own cost and without the consent of the Borrower, in accordance with the other provisions of this Article 10 of this Schedule “P”, its rights, benefits and obligations under the Credit Agreement, in whole or in part, (i) to Finnvera; (ii) subject to the written approval of Finnvera, after the Availability Period; or (iii) subject to the written approval of Finnvera, to a parent or subsidiary corporation or an Affiliate of such Tranche A Lender or to an Approved Fund.
- 10.2.3 Notwithstanding anything in this Article 10, a Tranche A Lender may not assign or transfer any of its rights, benefits and obligations under the Credit Agreement, in whole or in part, unless such Tranche A Lender also assigns and transfers, in its capacity as Tranche B Lender and concurrently therewith, the same portion of its rights, benefits and obligations with respect to the Tranche B Loan to the same assignee.

### **10.3 Transfer Agreement**

If a Tranche A Lender wishes to assign or transfer all or any of its rights, benefits and obligations under the Credit Agreement in accordance with Section 10.2 of this Schedule “P”, then such assignment or transfer shall be effected by the execution and delivery of a duly completed and executed Finnvera Transfer Agreement by such Tranche A Lender to the Finnvera Facility Agent together with a transfer fee of Cdn.\$3,500 (except where the Tranche A Assignee is Finnvera in which case no such transfer fee shall be payable), at least 5 Business Days prior to the effective date of such transfer, whereupon, to the extent that in such Finnvera Transfer Agreement such Tranche A Lender seeks to assign or transfer its rights and obligations under the Credit Agreement:

- 10.3.1 such Tranche A Lender shall be released from further obligations to the Borrower with respect to the portion of the obligations of such Tranche A Lender assumed by the Tranche A Assignee under the Credit Agreement;
- 10.3.2 the Tranche A Assignee shall assume the obligations of such Tranche A Lender under the Credit Agreement and acquire the rights of such Tranche A Lender in respect of the Borrower, without novation of the Borrower's obligations;
-

10.3.3 the Finnvera Facility Agent, such Tranche A Lender and the Tranche A Assignee shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the Tranche A Assignee been an original party to the Credit Agreement with the obligations under the Credit Agreement assumed and the rights acquired by it as a result of such assignment or transfer; and

10.3.4 the Borrower, the Finnvera Facility Agent and such Tranche A Lender shall all execute such documents and perform such acts as may be required to give effect to the transfer or assignment.

**10.4 Notice**

The Finnvera Facility Agent shall promptly deliver an executed copy of any Finnvera Transfer Agreement to each party thereto.

**10.5 Sub-Participations**

A Tranche A Lender may, at its own cost, grant one or more sub-participations in its rights, benefits and obligations under the Credit Agreement, provided that, notwithstanding any such sub-participation, such Tranche A Lender shall remain, insofar as the Borrower and the Finnvera Facility Agent are concerned, as the Tranche A Lender responsible under the Credit Agreement, and the Borrower shall not be obliged to recognize any such sub-participant as having the rights against it which it would have if it had been a party to the Credit Agreement.

**10.6 General**

Notwithstanding anything contained in this Article:

10.6.1 The Finnvera Facility Agent shall act as agent for each Tranche A Assignee and, in this connection, with respect to all decisions, notices and other matters relating to anything referred to in this Schedule "P" or in the Credit Agreement relating to the Finnvera Term Facility, the Borrower shall only be obliged to give notice to or request consents from the Finnvera Facility Agent; and

10.6.2 the amounts payable by the Borrower under this Schedule "P" shall not increase, whether in respect of withholding on account of taxes or otherwise, as a result of any such assignment or transfer to a Tranche A Assignee which is a non-resident of Canada as defined in the Income Tax Act (Canada).

---

**11. THE FINNVERA FACILITY AGENT AND THE TRANCHE A LENDERS****11.1 Authorization of Finnvera Facility Agent**

- 11.1.1 Each Tranche A Lender hereby irrevocably appoints and authorizes the Finnvera Facility Agent to act for all purposes as its agent under and in connection with the Finnvera Term Facility (including, without limitation, its role as guarantee holder of the ECA Guarantee for and on behalf of the Tranche A Lenders pursuant to the ECA Guarantee) with such powers as are expressly delegated to the Finnvera Facility Agent by the terms of the Credit Agreement and/or the ECA Guarantee, together with such other powers as are reasonably incidental thereto and undertakes not to take any action on its own. Notwithstanding the provisions of the *Civil Code of Quebec* relating to contracts generally and to mandate, the Finnvera Facility Agent shall have no duties or responsibilities except those expressly set forth in this Schedule "P". As to any matters not expressly provided for by this Schedule "P", the Finnvera Facility Agent shall act under or in connection with this Schedule "P" in accordance with the instructions of the Tranche A Lenders in accordance with the provisions of this Article 11, but, in the absence of any such instructions, the Finnvera Facility Agent may (but shall not be obliged to) act as it shall deem fit in the best interests of the Tranche A Lenders, and any such instructions and any action taken by the Finnvera Facility Agent in accordance with this Article 11 shall be binding upon each Tranche A Lender. The Finnvera Facility Agent shall not, by reason of the Credit Agreement and/or the ECA Guarantee, be deemed to be a trustee for the benefit of any Tranche A Lender, the Borrower or any other Person and the Finnvera Facility Agent's duties under this Schedule "P" and/or the ECA Guarantee are solely mechanical and administrative in nature. Neither the Finnvera Facility Agent nor any of its directors, officers, employees or agents shall be responsible to the Tranche A Lenders for any recitals, statements, representations or warranties contained in the Credit Agreement or in any certificate or other document referred to, or provided for in (including, without limitation, the ECA Guarantee), or received by any of them under, the Credit Agreement and/or the ECA Guarantee, for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the Credit Agreement, or any other document referred to or provided for in the Credit Agreement (including, without limitation, the ECA Guarantee) or any collateral provided for by the Credit Agreement or for any failure by the Borrower to perform its obligations under the Credit Agreement. The Finnvera Facility Agent may employ agents and attorneys-in-fact to assist the Finnvera Facility Agent and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Neither the Finnvera Facility Agent nor any of its directors, officers, employees or
-

agents shall be responsible for any action taken or omitted to be taken by it or them under or in connection with the Credit Agreement (including, without limitation, the ECA Guarantee), except for its or their own gross negligence or wilful misconduct.

**11.2 Finnvera Facility Agent's Responsibility**

- 11.2.1 The Finnvera Facility Agent shall be entitled to rely upon any certificate, notice or other document (including any cable, telegram, telex or facsimile) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons, and upon advice and statements of legal advisers, independent accountants and other experts selected by the Finnvera Facility Agent. The Finnvera Facility Agent may deem and treat each Tranche A Lender as the holder of the Tranche A Commitment in the Term Loan made by such Tranche A Lender for all purposes hereof unless and until a Tranche A Assignment has been completed in accordance with Section 10.2 of this Schedule "P".
- 11.2.2 The Finnvera Facility Agent shall not be deemed to have knowledge of the occurrence of a Default or Event of Default unless the Finnvera Facility Agent has received notice from the Agent, a Tranche A Lender or the Borrower describing such a Default or Event of Default and stating that such notice is a "Notice of Default". In the event that the Finnvera Facility Agent receives such a notice of the occurrence of a Default or Event of Default or otherwise becomes aware that a Default or Event of Default has occurred, the Finnvera Facility Agent shall promptly give notice thereof to the Tranche A Lenders.
- 11.2.3 The Finnvera Facility Agent shall have no responsibility, (a) to the Borrower on account of the failure of any Tranche A Lender to perform its obligations under the Credit Agreement, or (b) to any Tranche A Lender on account of the failure of (i) the Borrower to perform its obligations under the Credit Agreement or (ii) Finnvera to perform its obligations under the ECA Guarantee.
- 11.2.4 Each Tranche A Lender severally represents and warrants to the Finnvera Facility Agent that it has made its own independent investigation of the financial condition and affairs of the Borrower in connection with the making and continuation of its Tranche A Commitment in the Term Loan under this Schedule "P" and has not relied on any information provided to such Tranche A Lender by the Finnvera Facility Agent in connection with the Credit Agreement (including, without limitation, the ECA Guarantee), and each Tranche A Lender represents and warrants to the Finnvera Facility Agent that it shall continue to make its own independent appraisal of the creditworthiness of the Borrower while the Term Loan is outstanding
-

or the Tranche A Lenders have any obligations under the Credit Agreement.

**11.3 Rights of Finnvera Facility Agent as Tranche A Lender**

With respect to its Tranche A Commitment in the Term Loan, the Finnvera Facility Agent in its capacity as a Tranche A Lender shall have the same rights and powers under the Credit Agreement as any other Tranche A Lender and may exercise the same as though it were not acting as the Finnvera Facility Agent and the term "Tranche A Lender" shall, unless the context otherwise indicates, include the Finnvera Facility Agent in its capacity as a Tranche A Lender. The Finnvera Facility Agent may (without having to account therefor to any Tranche A Lender) accept deposits from, lend money to and generally engage in any kind of banking or other business with the Borrower as if it were not acting as the Finnvera Facility Agent and may accept fees and other consideration from the Borrower for customary services in connection with the Credit Agreement and the Term Loan and otherwise without having to account for the same to the Tranche A Lenders.

**11.4 Indemnity**

Each Tranche A Lender agrees to indemnify the Finnvera Facility Agent, to the extent not otherwise reimbursed by the Borrower, rateably in accordance with its respective Tranche A Commitment, for any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against, the Finnvera Facility Agent in any way relating to or arising out of the Credit Agreement, the Security Documents or any other documents contemplated by or referred to in the Credit Agreement, the Security Documents or such other documents or the transactions contemplated by the Credit Agreement (including, without limitation, the ECA Guarantee), the Security Documents or such other documents (excluding, unless a Default or Event of Default is apprehended or has occurred and is continuing, normal administrative costs and expenses incidental to the performance of its agency duties under the Credit Agreement) or the enforcement of any of the terms of the Credit Agreement, the Security Documents or such other documents (including, without limitation, the ECA Guarantee), provided that no Tranche A Lender shall be liable for any of the foregoing to the extent they arise from the Finnvera Facility Agent's gross negligence or wilful misconduct.

**11.5 Notice by Finnvera Facility Agent to Tranche A Lenders**

As soon as practicable after its receipt thereof, the Finnvera Facility Agent will forward to each Tranche A Lender a copy of each report, notice or other document required by the Credit Agreement to be delivered to the Finnvera Facility Agent for such Tranche A Lender.

---

**11.6 Protection of Finnvera Facility Agent**

- 11.6.1 The Finnvera Facility Agent shall not be required to keep itself informed as to the performance or observance by the Borrower of the Credit Agreement or any other document referred to or provided for in the Credit Agreement or such other document or to inspect the properties or books of the Borrower. Except (in the case of the Finnvera Facility Agent) for notices, reports and other documents and information expressly required to be furnished to the Tranche A Lenders by the Finnvera Facility Agent under the Credit Agreement, the Finnvera Facility Agent shall have no duty or responsibility to provide any Tranche A Lender with any credit or other information concerning the affairs or financial condition of the Borrower which may come to the attention of the Finnvera Facility Agent, except where provided to the Finnvera Facility Agent for the Tranche A Lenders, provided that such information does not confer any advantage to the Finnvera Facility Agent as a Tranche A Lender over the other Tranche A Lenders. Nothing in the Credit Agreement shall oblige the Finnvera Facility Agent to disclose any information relating to the Borrower if such disclosure would or might, in the opinion of the Finnvera Facility Agent, constitute a breach of any Applicable Laws or duty of secrecy or confidence.
- 11.6.2 Unless the Finnvera Facility Agent shall have been notified in writing or by telegraph, telex or facsimile by any Tranche A Lender, prior to the date of a Tranche A Advance requested under this Schedule "P" or the Tranche A Rollover Date, that such Tranche A Lender does not intend to make available to the Finnvera Facility Agent such Tranche A Lender's proportionate share of such Tranche A Advance, based on its Tranche A Commitment, the Finnvera Facility Agent may assume that such Tranche A Lender has made such Tranche A Lender's Tranche A Commitment in such Tranche A Advance available to the Finnvera Facility Agent on the date of such Tranche A Advance and the Finnvera Facility Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Finnvera Facility Agent by such Tranche A Lender (and such amount was disbursed by the Finnvera Facility Agent to the Borrower), the Finnvera Facility Agent shall be entitled to recover such amount (together with interest thereon at the rate determined by the Finnvera Facility Agent as being its cost of funds in the circumstances) on demand from such Tranche A Lender or, if such Tranche A Lender fails to reimburse the Finnvera Facility Agent for such amount on demand, from the Borrower.
- 11.6.3 Unless the Finnvera Facility Agent shall have been notified in writing or by telegraph, telex or facsimile by the Borrower, prior to the date on
-

which any payment is due, to the Finnvera Facility Agent or the Tranche A Lenders under the Credit Agreement that the Borrower does not intend to make such payment, the Finnvera Facility Agent may assume that the Borrower has made such payment when due and the Finnvera Facility Agent may, in reliance upon such assumption, make available to each Tranche A Lender on such payment date an amount equal to such Tranche A Lender's *pro rata* share of such assumed payment. If it is established that the Borrower has not in fact made such payment to the Finnvera Facility Agent, each Tranche A Lender shall forthwith on demand repay to the Finnvera Facility Agent the amount made available to such Tranche A Lender (together with interest at the rate determined by the Finnvera Facility Agent as being its cost of funds in the circumstances).

**11.7 Notice by Tranche A Lenders to Finnvera Facility Agent**

Each Tranche A Lender shall endeavour to use its best efforts to notify the Finnvera Facility Agent of the occurrence of any Default or Event of Default forthwith upon becoming aware of such event, but no Tranche A Lender shall be liable if it fails to give such notice to the Finnvera Facility Agent.

**11.8 Sharing Among the Tranche A Lenders**

Without duplication with Section 18.8 of the Credit Agreement:

- 11.8.1 Each Tranche A Lender agrees that as amongst themselves, except as otherwise provided for by the provisions of the Credit Agreement, all amounts received by the Finnvera Facility Agent, in its capacity as agent of the Tranche A Lenders, pursuant to the Credit Agreement or any other document contemplated by the Credit Agreement (including, without limitation, in its role as guarantee holder for and on behalf of the Tranche A Lenders pursuant to the ECA Guarantee) (whether received by voluntary payment, by the exercise of the right of set-off or compensation or by counterclaim, cross-claim, separate action or as proceeds of realization of any security, other than agency fees), and all amounts received by any Tranche A Lender in relation to the Credit Agreement (including, without limitation, the ECA Guarantee) shall be shared by each Tranche A Lender *pro rata*, in accordance with their respective Tranche A Commitment and each Tranche A Lender undertakes to do all such things as may be reasonably required to give full effect to this Section 11.8. If any amount which is so shared is later recovered from the Tranche A Lender who originally received it, each other Tranche A Lender shall restore its proportionate share of such amount to such Tranche A Lender, without interest. The Finnvera Facility Agent shall not be bound to account to any Tranche A Lender for any sum or the profit element of any sum received by it for its own account.
-



- 11.8.2 As a necessary consequence of the foregoing, each Tranche A Lender shall share, in a percentage equal to its Tranche A Commitment, any losses incurred as a result of any Default or Event of Default by the Borrower, and shall pay to the Finnvera Facility Agent, within two (2) Business Days following a request by the Finnvera Facility Agent, any amount required to ensure that such Tranche A Lender bears its *pro rata* share of such losses, if any. Such obligation to share losses shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (1) any set-off, compensation, counterclaim, recoupment, defence or other right which such Tranche A Lender may have against the Finnvera Facility Agent, the Borrower or any other Person for any reason whatsoever; (2) the occurrence or continuance of any Default or Event of Default; (3) any adverse change in the condition (financial or otherwise) of the Borrower or any other Person; (4) any breach of the Credit Agreement by the Borrower or any other Person; or (5) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Tranche A Lender does not make available the amount required under this Section 11.8, the Finnvera Facility Agent shall be entitled to recover such amount on demand from such Tranche A Lender, together with interest thereon at the rate determined by the Finnvera Facility Agent as being its cost of funds in the circumstances from the date of non-payment until such amount is paid in full.

**11.9 Procedure with respect to Tranche A Advances**

Subject to the provisions of this Schedule “P”, upon receipt of a Tranche A Notice of Borrowing or a Notice of New Tranche A Designated Period from the Borrower and no later than three (3) Business Days prior to the date of the proposed Tranche A Advance or the Tranche A Rollover Date, the Finnvera Facility Agent shall, without delay, advise each Tranche A Lender of the receipt of such notice, of the date of such Tranche A Advance or the Tranche A Rollover Date, of its proportionate share of the amount of each Tranche A Advance or continuation thereof and of the relevant details of the Finnvera Facility Agent's account(s). Each Tranche A Lender shall disburse its proportionate share of each Tranche A Advance, taking into account its Tranche A Commitment, and shall make it available to the Finnvera Facility Agent on the date of the Tranche A Advance fixed by the Borrower, by depositing its proportionate share of the Tranche A Advance in the Finnvera Facility Agent's account in Canadian Dollars or US Dollars, as the case may be. Once the Borrower has fulfilled the conditions stipulated in this Schedule “P”, the Finnvera Facility Agent will make such amounts available to the Borrower on the date of the Tranche A Advance, at the Finnvera Facility Agency Branch, and, in the absence of other arrangements made in writing between the Finnvera Facility Agent and the Borrower, by transferring or causing to be transferred an equivalent amount in accordance with the instructions of the Borrower which appear in the Tranche A Notice of Borrowing with respect to each Tranche A Advance; however, the obligation of the Finnvera Facility Agent with respect to this Section 11.9 is limited to taking the steps judged commercially reasonable in order to follow such instructions, and once

---

undertaken, such steps shall constitute conclusive evidence that the amounts have been disbursed in accordance with the applicable provisions. The Finnvera Facility Agent shall not be liable for damages, claims or costs imputed to the Borrower and resulting from the fact that the amount of a Tranche A Advance did not arrive at its agreed-upon destination.

**11.10 Accounts kept by each Tranche A Lender**

Each Tranche A Lender shall keep in its books, in respect of its Tranche A Commitment, accounts for the Tranche A CDOR Advances and other amounts payable by the Borrower to such Tranche A Lender under the Credit Agreement. Each Tranche A Lender shall make appropriate entries showing, as debits, the amount of the Debt of the Borrower to it in respect of the Tranche A CDOR Advances, the amount of all accrued interest and any other amount due to such Tranche A Lender pursuant to the Credit Agreement and, as credits, each payment or repayment of principal and interest made in respect of such indebtedness as well as any other amount paid to such Tranche A Lender pursuant to the Credit Agreement. These accounts shall constitute (in the absence of manifest error or of contradictory entries in the accounts of the Finnvera Facility Agent referred to in Section 3.5 of this Schedule "P") *prima facie* evidence of their content against the Borrower.

The accounts which are maintained by the Finnvera Facility Agent shall constitute, except in the case of manifest error, *prima facie* proof of the amounts advanced by the Tranche A Lenders, the interest and other amounts due to them and the payments of principal, interest or others made to the Tranche A Lenders.

**11.11 Binding Determinations**

The Finnvera Facility Agent shall proceed in good faith to make any determination which is required in order to apply the Credit Agreement and, once made, such determination shall be final and binding upon all parties, except in the case of manifest error.

**11.12 Amendment of Article 11**

The provisions of this Article 11 relating to the rights and obligations of the Tranche A Lenders and the Finnvera Facility Agent *inter se* may not be amended or added to, at any time or from time to time, without the consent and agreement of the Finnvera Facility Agent and the Tranche A Lenders by way of an instrument in writing, which instrument in writing shall validly and effectively amend or add to any or all of the provisions of this Article affecting the Tranche A Lenders without requiring the execution of such instrument in writing by the Borrower.

**11.13 Provisions for the Benefit of Tranche A Lenders Only**

The provisions of this Article 11 relating to the rights and obligations of the Tranche A Lenders and Finnvera Facility Agent *inter se* shall be operative as between the Tranche A Lenders and Finnvera Facility Agent only, and the Borrower shall not have any rights or obligations under or be entitled to rely for any purposes upon such provisions. However,

---

the provisions of subsection 11.2.3 of this Schedule "P" shall be applicable as between the Borrower, the Guarantors (if applicable) and the Finnvera Facility Agent.

**11.14 Resignation of Finnvera Facility Agent**

- 11.14.1 Notwithstanding the irrevocable appointment of the Finnvera Facility Agent, the Majority Tranche A Lenders and the Majority Tranche B Lenders (as defined in the Tranche B Loan Agreement) may collectively (with the consent of the Borrower), upon giving the Finnvera Facility Agent thirty (30) days prior written notice to such effect, terminate the Finnvera Facility Agent's appointment under this Schedule "P" provided that a successor Finnvera Facility Agent has been appointed at or prior to the expiry of such notice.
- 11.14.2 The Finnvera Facility Agent may resign its appointment under this Schedule "P" at any time without giving any reason therefor by giving written notice to such effect to each of the Borrower and the Tranche A Lenders. Such resignation shall not be effective until a successor Finnvera Facility Agent has been appointed.
- 11.14.3 In the event of any such notice of termination or resignation, the Majority Tranche A Lenders and the Majority Tranche B Lenders (as defined in the Tranche B Loan Agreement) shall collectively appoint a successor Finnvera Facility Agent that is willing to accept such role and is acceptable to the Borrower within thirty (30) days therefrom, deliver copies of all accounts to such successor and the retiring Finnvera Facility Agent shall be discharged from any further obligations under the Credit Agreement but shall remain entitled to the benefit of the provisions of this Article 11 and the Finnvera Facility Agent's successor and each of the Borrower and the Tranche A Lenders shall have the same rights and obligations among themselves as they would have had if such successor had originally acted as agent under the Finnvera Term Facility. If the Majority Tranche A Lenders and the Majority Tranche B Lenders have not collectively appointed a successor Finnvera Facility Agent within thirty (30) days of the delivery of any notice of termination or resignation as set forth above, the Finnvera Facility Agent (with the consent of the Borrower, which consent shall not be unreasonably withheld or delayed) may appoint a successor Finnvera Facility Agent.

**12. NOTICES**

Except where otherwise specified in this Schedule "P", all notices, requests, demands or other communications between the Finnvera Facility Agent, the Tranche A Lenders and the Borrower shall be in writing and shall be deemed to have been duly given or made to the party to whom such notice, request, demand or other communication is given or permitted to be given or made, when delivered to the party (by certified mail, postage

---

prepaid, or electronic mail or by facsimile or by physical delivery) to the address of such party and to the attention indicated under the signature of such party to the Amending Agreement or to any other address which said parties may subsequently communicate to each other in writing. Notwithstanding the foregoing, any notice shall be deemed to have been received by the party to whom it is addressed (a) upon receipt if sent by mail and (b) if e-mailed or telecopied before 3:00 P.M. (time of recipient) on a Business Day, on that day and if telecopied after 3:00 P.M. (time of recipient) on a Business Day, on the Business Day next following the date of transmission. If normal postal or electronic mail or telecopier service is interrupted by strike, work slow-down, fortuitous event or other cause, the party sending the notice shall use such services which have not been interrupted or shall deliver such notice by messenger in order to ensure its prompt receipt by the other party.

**13. REVERSAL OF DECISIONS, AMENDMENTS AND WAIVERS**

Upon the expiry of the Term (as such Term may be further extended from time to time) of and the cancellation of the Revolving ~~Facility and the Unsecured~~ Facility, the Tranche A Lenders shall have the option but not the obligation to, in their sole discretion and with the prior written consent of the Majority Tranche A Lenders, reverse any decisions taken, amendments made and waivers and consents granted to the Borrower (further to the request of the Borrower for same) by the Majority Lenders at any time during the last six (6) months of the Term of the Revolving Facility ~~and the Unsecured Facility~~ with respect to any provisions of the Credit Agreement which are shared between and applicable to the Revolving Facility, ~~the Unsecured Facility~~ and the Finnvera Term Facility, the whole to the extent that the Majority Tranche A Lenders did not vote in favour of such decision, amendment, waiver or consent.

**14. DECISIONS, AMENDMENTS AND WAIVERS**

The Borrower agrees and acknowledges that in connection with any request made by it for any material amendment, consent or waiver under the Loan Documents, the Finnvera Facility Agent shall seek the consent of Finnvera and comply with the written instructions and notices of Finnvera in respect of any such request.

**15. CONFIDENTIALITY**

Each of the Finnvera Facility Agent and the Tranche A Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) on a need to know basis, to its Affiliates and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (to the extent necessary to administer or enforce the Credit Agreement) (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be bound and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority having jurisdiction over it (including any self-regulatory authority); (c) to the extent required by Applicable Law or other legal process; (d) to any other party to the Credit Agreement; (e) to the extent reasonable, in connection with the exercise of any remedies under the Credit

---

Agreement or any action or proceeding relating to the Credit Agreement or the enforcement of rights under the Credit Agreement; (f) subject to an agreement containing provisions substantially the same as those of this Article, to (x) any Tranche A Assignee or participant in, or any prospective Tranche A Assignee of or participant in, any of its rights or obligations under this Schedule "P" and (y) any actual or prospective counterparty (or its advisors) to any swap, hedge, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations; (g) to any Person with the consent of the Borrower; (h) to any Person to the extent such Information (x) is or becomes publicly available other than as a result of a breach of this Article or (y) becomes available to the Finnvera Facility Agent or any Tranche A Lender on a non-confidential basis from a source other than the Borrower and provided such source has not, to the knowledge of the Finnvera Facility Agent or such Tranche A Lender, breached a duty of confidentiality owed to the Borrower, the Finnvera Facility Agent or the Tranche A Lenders; (i) to Finnvera; or (j) to NSN, to the extent necessary in the reasonable opinion of the Finnvera Facility Agent and only in respect of the mechanics of the disbursement of Tranche A Advances. For purposes of this Article, "Information" means all information relating to the Borrower or any of its Affiliates or any of their respective businesses including all information relating to the transactions contemplated by this Schedule "P", other than any such information that is available to the Finnvera Facility Agent or any Tranche A Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Article shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Finnvera Facility Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Schedule "P"), it being understood that the Person to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers. In addition, and notwithstanding anything in this Schedule "P" to the contrary, the Finnvera Facility Agent and the Tranche A Lenders may disclose the existence of the credit facilities established under this Schedule "P" and non-sensitive information relating to same to Finnvera (who may publish same on their website), market data collectors, recognized trade publishers and similar service providers for general circulation in the loan market and/or for general advertising purposes.

---

**EXHIBIT "P-1" - LIST OF TRANCHE A LENDERS AND TRANCHE A COMMITMENTS**

<b><u>Tranche A Lender</u></b>	<b><u>Tranche A Commitment (Cdn.\$)</u></b>	<b><u>Tranche A Commitment (%)</u></b>
The Toronto-Dominion Bank	\$37,500,000	50.0%
HSBC Bank plc	\$28,125,000	37.5%
Sumitomo Mitsui Banking Corporation of Canada	\$9,375,000	12.5%
<b>Total</b>	<b>\$75,000,000</b>	<b>100%</b>

---

**EXHIBIT "P-1A" - TRANCHE A NOTICE OF BORROWING**

TO: **HSBC BANK PLC**, as Finnvera Facility Agent

FROM: **VIDÉOTRON LTÉE**

DATE:

**EXHIBIT "P-1B"↔**

1) This Tranche A Notice of Borrowing is delivered to you pursuant to Section 3.1 of Schedule "P" to the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented or otherwise modified from time to time (the "**Credit Agreement**"). Unless otherwise indicated herein, all defined terms set forth in this Tranche A Notice of Borrowing shall have the respective meanings set forth in Exhibit "P-5" to Schedule "P" to the Credit Agreement.

~~↔~~2) We hereby request a Cdn.\$ \_\_\_\_\_ (representing the CAD Equivalent of US\$ \_\_\_\_\_) Tranche A Advance under the Finnvera Facility A of the Credit Agreement as follows:

~~(↔)~~(a) Date of Tranche A Advance: \_\_\_\_\_

~~(↔)~~(b) Amount of Tranche A Advance: \_\_\_\_\_

~~(↔)~~(c) Tranche A Designated Period: \_\_\_\_\_

~~(↔)~~(d) Payment instruction (if any): \_\_\_\_\_

~~↔~~3) We have understood the provisions of Schedule "P" to the Credit Agreement which are relevant to the furnishing of this Tranche A Notice of Borrowing. To the extent that this Tranche A Notice of Borrowing evidences, attests or confirms compliance with any covenants or conditions precedent provided for in the Credit Agreement (including, without limitation, those set forth in Schedule "P" to the Credit Agreement), we have made such examination or investigation as was, in our opinion, necessary to enable us to express an informed opinion as to whether such covenants or conditions have been complied with.

~~↔~~4) WE HEREBY CERTIFY THAT, as of the date hereof:

~~(↔)~~(a) All of the representations and warranties of the Borrower contained in Article 11 of the Credit Agreement (except where qualified in such Article 11 as being made as at a particular date), are true and correct on and as of the date hereof as though made on and as of the date hereof.

---

~~(b)~~(b) All of the covenants of the Borrower contained in Articles 12 and 13 of the Credit Agreement, as supplemented by Article 8 of Schedule "P" to the Credit Agreement, together with all of the conditions precedent to a Tranche A Advance and all other terms and conditions contained in the Credit Agreement have been fully complied with.

~~(c)~~(c) No Event of Default (as defined in the Credit Agreement) has occurred and no Default (as defined in the Credit Agreement) has occurred and is continuing.

Yours truly,

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

---



**EXHIBIT "P-1C" – NOTICE OF NEW TRANCHE A DESIGNATED PERIOD AND CERTIFICATE**

TO: **HSBC BANK PLC**, as Finnvera Facility Agent

FROM: **VIDÉOTRON LTÉE**

DATE:

**EXHIBIT "P-1D" ↷**

1) This Notice of New Tranche A Designated Period and Certificate is delivered to you pursuant to Section 3.3 of Schedule "P" to the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented or otherwise modified from time to time (the "**Credit Agreement**"). Unless otherwise indicated herein, all defined terms set forth in this Notice of New Tranche A Designated Period and Certificate shall have the respective meanings set forth in ~~Exhibit~~ **EXHIBIT** "P-5" to Schedule "P" to the Credit Agreement.

↷2) We hereby request that you continue the Tranche A Advances made under the Finnvera Facility A of the Credit Agreement as follows:

(A) Tranche A Rollover Date:

(b) Amount of Tranche A Advances to be rolled over (*minimum Cdn.\$1,000,000 or such smaller amount corresponding to the Tranche A CDOR Advance Amount, as applicable, of the Tranche A Advances to be continued hereunder*):

(c) New Tranche A Designated Period:

(d) Payment instruction (if any)

↷

3) We have understood the provisions of Schedule "P" to the Credit Agreement which are relevant to the furnishing of this Notice of New Tranche A Designated Period and Certificate. To the extent that this Notice of New Tranche A Designated Period and Certificate evidences, attests or confirms compliance with any covenants provided for in the Credit Agreement (including, without limitation, those set forth in Schedule "P" to the Credit Agreement), we have made such examination or investigation as was, in our opinion, necessary to enable us to express an informed opinion as to whether such covenants have been complied with. For greater certainty, none of the conditions precedent provided for in the Credit Agreement (other than that set forth in subsection 6.2.1 of Schedule "P" to the Credit Agreement) shall apply in respect of this Notice of New

---

Tranche A Designated Period and Certificate and the continuation of the Tranche A Advances requested hereunder.

~~(a)~~ 4) WE HEREBY CERTIFY THAT, as of the date hereof:

~~(a)~~ (a) All of the representations and warranties of the Borrower contained in Article 11 of the Credit Agreement (except where qualified in such Article 11 as being made as at a particular date), are true and correct on and as of the date hereof as though made on and as of the date hereof.

~~(b)~~ (b) All of the covenants of the Borrower contained in Articles 12 and 13 of the Credit Agreement, as supplemented by Article 8 of Schedule "P" to the Credit Agreement and all other terms and conditions contained in the Credit Agreement have been fully complied with.

~~(c)~~ (c) No Event of Default (as defined in the Credit Agreement) has occurred and no Default (as defined in the Credit Agreement) has occurred and is continuing.

Yours truly,

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

---

**EXHIBIT "P-2" - NOTICE OF REPAYMENT**

TO: **HSBC BANK PLC**, as Finnvera Facility Agent

FROM: **VIDÉOTRON LTÉE**

DATE:

- 1) This notice of repayment is delivered to you pursuant to Section 5.2 of Schedule "P" to the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement"). All defined terms set forth in this notice shall have the respective meanings set forth in Schedule "P" to the Credit Agreement.
- 2) We hereby advise you that we will be repaying the sum of Cdn.\$ \_\_\_\_\_ on \_\_\_\_\_ as follows **[indicate amount payable in respect of the Finnvera Facility A as well as the type of Tranche A Advance to be repaid]**.
- 3) As to an amount of Cdn. \$ \_\_\_\_\_, the above-mentioned payment should be treated as a **[voluntary repayment/prepayment]** under Section 5.2 of Schedule "P" to the Credit Agreement, which we understand will have the effect of reducing the amount of the Finnvera Facility A by an equal amount (or by an equivalent amount, if in US\$).

Yours truly,

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

---

**EXHIBIT "P-3" – OFFICER'S CERTIFICATE**

I, the undersigned, \_\_\_\_\_, the \_\_\_\_\_, of Vidéotron Ltée (the "**Borrower**"), do hereby certify as follows:

- ~~(a)~~ (a) I have taken cognizance of all the terms and conditions of the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, as well as of all contracts, agreements and deeds pertaining thereto; and
- ~~(b)~~ (b) no Default or Event of Default has occurred nor exists thereunder; and
- ~~(c)~~ (c) the corporate structure of the VL Group is as set out in the diagram attached to this certificate; and
- ~~(d)~~ (d) all of the movable property owned by the VL Group as of the date hereof is located in the province of Québec and in Ontario and, with respect to Videotron US Inc. only, in the United States;
- ~~(e)~~ (e) each member of the VL Group holds the permits, Licences, licences and authorizations required in order to permit it to possess its property and its real estate and to carry on its business in the manner in which it is being carried on at present; and
- ~~(f)~~ (f) the performance by the Borrower of its obligations under the NSN Contract in accordance with its terms and the completion of the transactions contemplated therein do not require any consents or approvals, do not violate any Applicable Laws, and do not conflict with, violate or constitute a breach under the documents of incorporation or by-laws of the Borrower.

All expressions referred to herein have the meanings ascribed to them in the Credit Agreement.

Executed at the City of Montreal, Province of Quebec this \_\_\_\_ day of \_\_\_\_\_, 2011.

\_\_\_\_\_

Encl.

\_\_\_\_\_

**EXHIBIT "P-4" – FINNVERA TRANSFER AGREEMENT**

TO: **HSBC BANK PLC** (the "**Finnvera Facility Agent**"); and

**VIDÉOTRON LTÉE** (the "**Borrower**")

**WHEREAS** the Borrower entered into a Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may have been further amended, restated, supplemented or otherwise modified from time to time (the "**Credit Agreement**"), with the Finnvera Facility Agent, as Finnvera Facility agent and Tranche A Lender, and with other Tranche A Lenders, whereby the Tranche A Lenders agreed to provide the Borrower with certain credit facilities; and

**WHEREAS** pursuant to and in accordance with Article 10 of Schedule "P" to the Credit Agreement, a Tranche A Lender may, [**with the prior consent of and/or notice to the Borrower/the Finnvera Facility Agent/Finnvera** (*include as applicable in the circumstances*)] assign or transfer all or any of its rights, benefits and obligations under the Credit Agreement by duly completing, executing and delivering to the Finnvera Facility Agent and to the Borrower this Finnvera Transfer Agreement; and

**WHEREAS** \_\_\_\_\_ (the "**Transferor**") wishes to assign or transfer to \_\_\_\_\_ (the "**Assignee**") the rights, benefits and obligations of the Transferor under the Credit Agreement specified herein;

**WHEREAS** [**the Borrower/the Finnvera Facility Agent/Finnvera** (*include as applicable in the circumstances*)] have [**consented/been notified** (*include as applicable in the circumstances*)] in writing to such assignment or transfer pursuant to the provisions of Article 10 of Schedule "P" to the Credit Agreement [**and have reiterated their consent hereby** (*include as applicable in the circumstances*)];

**NOW THEREFORE** in consideration of the foregoing and of one dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the signatories hereto agree as follows:

1. Unless otherwise indicated herein, all capitalized terms defined in Exhibit "P-5" of Schedule "P" to the Credit Agreement and not otherwise defined herein have the same meaning as in Exhibit "P-5" of Schedule "P" to the Credit Agreement.
2. The Transferor assigns and transfers to the Assignee the following rights, benefits and obligations, without warranty (the "**Transfer**"):

(description of the transferred rights, benefits and obligations, indicating retained interest or fees, if applicable, extent of the Assignee's interest and any applicable arrangements if any Tranche A CDOR Advances are outstanding at the time of the Assignment)

---

(the "**Transferred Rights**" and the "**Transferred Obligations**", as applicable). The Transfer shall be effective as of \_\_\_\_\_, \_\_\_\_.

3. If the Tranche A Advances made by the Assignee are less than the proportionate share of all Tranche A Advances based on the Tranche A Commitment of the Assignee in the Tranche A Credit, the Assignee shall, on demand, indemnify the Transferor in respect of the principal amount of the corresponding Tranche A Advances made by the Transferor in excess of the Transferor's Tranche A Commitment. The Tranche A Advances in respect of which the Assignee is bound to indemnify the Transferor are set out in Schedule "B" hereto. On the effective date of the Transfer, the Transferor shall pay to the Assignee the indemnity fees in respect of [**Tranche A CDOR Advances**] in the amounts specified in Schedule "B" during the period in which the Assignee is to indemnify the Transferor.
  4. The Assignee accepts the Transfer and assumes the Transferred Obligations without novation and without warranty (the "**Assumption**"). The Assignee acknowledges and accepts that the Assignee and the Agent (as defined in the Credit Agreement) are solidary creditors of the Borrower and the Guarantors (as defined in the Credit Agreement) in respect of all amounts, liabilities and other obligations, present and future, of the Borrower and the Guarantors (as defined in the Credit Agreement) to each of them under the Credit Agreement as contemplated by Section 18.1.2 of the Credit Agreement and in accordance with Article 1541 of the *Civil Code of Quebec*.
  5. The Transfer and the Assumption are governed by and subject to Article 10 of Schedule "P" to the Credit Agreement.
  6. The Transferor and the Assignee acknowledge that arrangements have been made between them as to the portion, if any, of Tranche A Fees and interest received or to be received by the Transferor pursuant to Schedule "P" to the Credit Agreement and to be paid by the Transferor to the Assignee.
  7. The Assignee acknowledges and confirms that it has not relied upon and that neither the Transferor nor the Finnvera Facility Agent has made any representation or warranty whatsoever as to the due execution, legality, effectiveness, validity or enforceability of the Credit Agreement or any other documentation or information delivered by the Transferor or the Finnvera Facility Agent to the Assignee in connection therewith or for the performance thereof by any party thereto or for the performance of any obligation by any Subsidiary (as defined in the Credit Agreement) or for the financial condition of the Borrower or of any Subsidiary. All representations, warranties and conditions expressed or implied by law or otherwise are hereby excluded.
  8. The Assignee represents and warrants that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Borrower and has not relied and will not hereafter rely on the Transferor and/or the Finnvera Facility Agent to appraise or keep under review on its behalf the financial condition, creditworthiness, affairs, status or nature of the Borrower. The Assignee acknowledges and agrees that it has no right to obtain any non-public
-

information directly from the Borrower and that it will request any information it requires solely from the Finnvera Facility Agent.

- 9. Each of the Transferor and the Assignee represents and warrants to the other and to the Finnvera Facility Agent, the other Tranche A Lenders and the Borrower, that it has the right, capacity and power to enter into the Transfer and the Assumption in accordance with the terms hereof and to perform its obligations arising therefrom, and all action required to authorize the execution and delivery hereof and the performance of such obligations has been duly taken.
- 10. This Finnvera Transfer Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec, Canada.
- 11. The parties confirm having requested that this document be drafted in the English language. Les parties confirment avoir requis que ce document soit rédigé en langue anglaise.

Following the Transfer and Assumption, Exhibit "P-1" to Schedule "P" to the Credit Agreement will be replaced by Schedule "A" annexed hereto.

AND THE PARTIES HAVE SIGNED AS OF \_\_\_\_\_, 20\_\_.

\_\_\_\_\_,  
as Transferor

\_\_\_\_\_,  
as Assignee

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**[CONSENTED TO AND ACKNOWLEDGED:]** *(include and adjust signatories as applicable in the circumstances)*

FINNVERA PLC

VIDÉOTRON LTÉE

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_



## EXHIBIT "P-5" – INTERPRETATION AND DEFINITIONS

### Definitions

Capitalized terms used and not otherwise defined in this Schedule "P" have the meanings ascribed thereto in the Credit Agreement. The following words and expressions, when used in Schedule "P" or in any agreement supplementary to the Credit Agreement, unless the contrary is stipulated, have the following meaning:

"**Amending Agreement**" means the Tenth Amending Agreement to the Credit Agreement dated as of November 13, 2009 between, *inter alia*, the Borrower, the Agent, the Finnvera Facility Agent, and certain lenders;

"**Availability Period**" means, with respect to the Finnvera Term Facility, the period from the Signing Date (subject to satisfying the conditions precedent set forth in Article 6 of Schedule "P") until the earlier of (i) the date falling 24 months after the Signing Date and (ii) the full utilization, cancellation or termination of the Finnvera Term Facility;

"**Business Day**" means any day, except Saturdays, Sundays and other days which in Montreal or Toronto (Canada) or London (England) or, to the extent Finnvera becomes a Tranche A Assignee under Schedule "P" or is subrogated into the rights of any Tranche A Lender, Helsinki (Finland), are holidays or days on which banking institutions are not authorized to be open or required by law or by local proclamation to close;

"**CAD Equivalent**" means the equivalent in Canadian Dollars of any value or sum denominated in US Dollars using the rate of exchange quoted by the Bank of Canada as the noon mid-market spot rate for such conversion on the day preceding the Business Day on which such determination is made;

"**CDOR Rate**" means, with respect to any Tranche A Designated Period of 30 to 183 days relating to a Tranche A CDOR Advance, the annual rate of discount or interest which is the arithmetic average of the discount rates (rounded upwards to the nearest multiple of 0.01%) for bankers' acceptances denominated in Canadian Dollars for such term and face amount identified as such on the Reuters Screen CDOR Page at approximately 10:00 A.M. (Montreal time) on the date on which such Tranche A CDOR Advance is to be made or on the Tranche A Rollover Date, as the case may be, or if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Finnvera Facility Agent after 10:00 A.M. (Montreal time) to reflect any error in any posted rate or in the posted average annual rate). If the rate does not appear on the Reuters Screen CDOR Page as contemplated above, then the CDOR Rate on any day shall be calculated by the Finnvera Facility Agent at the arithmetic average of the discount rates (rounded upwards to the nearest multiple of 0.01%) for bankers' acceptances denominated in Canadian Dollars for such term comparable to the Tranche A Designated Period and such face amount comparable to the Tranche A CDOR Advance Amount of, and as quoted by, the Schedule "I" Reference Banks, as of 10:00 A.M. (Montreal time) on that day, or if that day is not a Business Day, then on the immediately preceding Business Day. Each calculation by the Finnvera Facility Agent of the CDOR Rate shall be binding and conclusive for all purposes, absent manifest error;

---



"**Commitment Fee Letter**" means the letter agreement dated November 13, 2009 entered into between the Borrower and the Finnvera Facility Agent, as same may be amended, restated, supplemented, amended and restated or otherwise modified from time to time;

"**Cost of Funds**" means a Tranche A Lender's cost of funds as determined by it and expressed as an annual rate to borrow Canadian dollars for a Tranche A Designated Period including, *inter alia*, as the case may be, the cost of keeping base, excess or emergency reserves (as may be required from time to time by Law and competent authorities), the cost of Canada deposit insurance and any tax or assessment that must be deducted or withheld by such Tranche A Lender, as applicable, and as described by such Tranche A Lender to the Borrower by way of a statement which sets forth the calculations used in determining such cost of funds;

"**Cost of Funds Basis**" means the basis of calculation of interest on the Tranche A Advances, or any part thereof, made or deemed to have been made in accordance with the provisions of Sections 3.9 and 3.11 of Schedule "P", respectively;

"**Credit Agreement**" means the credit agreement dated as of November 28, 2000 entered into among, *inter alia*, the Borrower, the financial institutions party thereto from time to time and Royal Bank of Canada, as administrative agent (as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented, amended and restated or otherwise modified from time to time);

"**Default Rate**" means, for any day, the CDOR Rate which would apply to bankers' acceptances with a period of one month, plus 4%;

"**Domestic Tranche A Lender**" means a Tranche A Lender who is a resident of Canada (within the meaning of the *Income Tax Act* (Canada)) and any other Tranche A Lender who has the ability to fund via the CDOR Rate;

"**ECA Guarantee**" means the Buyer Credit Guarantee Agreement Bc 112-08 dated November 13, 2009 (and the General Conditions for Buyer Credit Guarantees dated March 1, 2004 annexed thereto) granted by ECA to and in favour of, among others, the Tranche A Lenders, in connection with, *inter alia*, the Finnvera Term Facility, as same may be amended, restated, supplemented, amended and restated or otherwise modified from time to time;

"**ECA Premium A**" means the premiums payable by the Borrower to or for the account of ECA in respect of the ECA Guarantee;

"**Eighth Repayment Date**" means the date that falls 42 months after the First Repayment Date;

"**Euros or "€"** means the lawful currency of the member states of the European Union;

"**Fee Letter**" means the letter agreement dated as of March 5, 2009 entered into between the Borrower, HSBC Bank plc and TD Securities, as amended on November 13, 2009 and as same may be amended, restated, supplemented, amended and restated or otherwise modified from time to time;

"**Finnvera**" or "**ECA**" means Finnvera plc;

---

"**Finnvera Facility Agency Branch**" means the branch of the Finnvera Facility Agent located at 8 Canada Square, Canary Wharf, London, UK, E14 5HQ, or such other address which the Finnvera Facility Agent may notify the Borrower from time to time;

"**Finnvera Facility Agent**" means HSBC Bank plc, in its capacity as facility agent for all of the Tranche A Lenders;

"**Finnvera Facility B Agent**" means HSBC Bank plc, in its capacity as facility agent for all of the Tranche B Lenders;

"**Finnvera Facility B Security Agent**" means The Toronto-Dominion Bank, in its capacity as security agent for all the Tranche B Lenders;

"**Finnvera Term Facility**" means the facility under which the Tranche A Credit is made available pursuant to Section 1 of Schedule "P";

"**Finnvera Transfer Agreement**" means a transfer agreement substantially in the form annexed to this Schedule "P" as Exhibit "P-4";

"**First Repayment Date**" means June 15, 2010;

"**Foreign Tranche A Lender**" means a Tranche A Lender who is a non-resident of Canada (within the meaning of the *Income Tax Act* (Canada)) and who is authorized by law to lend money in Canada;

"**LIBOR Reference Banks**" means HSBC Bank plc, Barclays Bank plc and UBS AG and any other leading banks in the London inter-bank market as may be agreed to from time to time by the Finnvera Facility Agent and the Borrower;

"**Majority Tranche A Lenders**" means Tranche A Lenders having at least 51% of the Tranche A Commitments;

"**Maturity Date**" means June 15, 2018;

"**Notice of New Tranche A Designated Period**" means a notice substantially in the form of Exhibit "P-1B" to Schedule "P" delivered to the Finnvera Facility Agent by the Borrower in accordance with the provisions of Section 3.3 of Schedule "P";

"**Notice of Repayment**" means a notice substantially in the form of Exhibit "P-2" to Schedule "P" delivered to the Finnvera Facility Agent by the Borrower in accordance with the provisions of Section 5.2 of Schedule "P";

"**NSN**" means Nokia Siemens Networks Oy and any affiliates thereof;

"**NSN Contract**" means, collectively, the Master Purchase Agreement and the Care Agreement, each dated October 21, 2008 between the Borrower, as purchaser, and NSN, as supplier, as amended, restated, supplemented or otherwise modified from time to time;

---

"**Purchase Price**" means the purchase price for telecommunications equipment, software and related goods and services not being equipment, software, goods and services of Canadian origin purchased or to be purchased by the Borrower from NSN pursuant to and as more fully set out in the NSN Contract;

"**Regulatory Approval**" means the receipt of all material consents and approvals of all governmental bodies having jurisdiction which are required to be obtained in connection with the consummation of the NSN Contract including, without limitation, the approval of the CRTC;

"**Repayment Date**" means the First Repayment Date and each date that falls at the end of each 6-month period thereafter up to and including the Maturity Date;

"**Required Documents**" means the documents listed in and annexed to each Tranche A Notice of Borrowing;

"**Schedule I Reference Banks**" means The Toronto-Dominion Bank and any other bank or banks named in Schedule I to the *Bank Act* (Canada) as may be agreed from time to time by the Finnvera Facility Agent and the Borrower;

"**Security Agent**" means The Toronto-Dominion Bank, in its capacity as security agent for all the Tranche A Lenders;

"**Signing Date**" means the date of execution of the Amending Agreement;

"**Term Loan**" means, at any time, the aggregate of the Tranche A Advances outstanding in accordance with the provisions of Schedule "P", together with all unpaid interest thereon and any other amount in principal, interest and accessory fees, costs and expenses payable to the Finnvera Facility Agent or the Tranche A Lenders by the Borrower pursuant to the Credit Agreement including, without limitation, the Tranche A Fees, the Commitment Fee and the Finnvera Handling Fee;

"**Tranche A Advance**" means any advance by a Tranche A Lender under Schedule "P", including a Tranche A CDOR Advance;

"**Tranche A Advance Amount**" means a Tranche A CDOR Advance Amount;

"**Tranche A Assignee**" has the meaning ascribed to it in subsection 16.2.1 of Schedule "P" and shall be deemed to include Finnvera if an assignment and transfer is made to it in accordance with the provisions of Article 10 of Schedule "P";

"**Tranche A Assignment**" means an assignment of all or a portion of a Tranche A Lender's rights and obligations under Schedule "P" in accordance with Sections 10.2 and 10.3 of Schedule "P";

"**Tranche A Borrowing Certificate**" means a certificate substantially in the form of Exhibit "P-7" to Schedule "P" delivered to the Finnvera Facility Agent by the Borrower in accordance with the provisions of Section 6.5 of Schedule "P";

"**Tranche A CDOR Advance Amount**" means the amount of any given Tranche A CDOR Advance or any continuation (in whole or in part) thereof;

---

"**Tranche A CDOR Advances**" means, at any time, any Cdn.\$ Tranche A Advances made by a Domestic Tranche A Lender bearing interest at the CDOR Rate;

"**Tranche A Commitment**" means the portion of the Tranche A Credit for which a Tranche A Lender is responsible, as set out in Exhibit "P-1" to Schedule "P";

"**Tranche A Credit**" means the aggregate amount available to the Borrower under the Finnvera Term Facility;

"**Tranche A Designated Period**" means, with respect to a Tranche A Advance, a period designated by the Borrower in accordance with Section 3.4 of Schedule "P";

"**Tranche A Fees**" means the fees, premiums and other charges payable to the Finnvera Facility Agent, the Security Agent, Finnvera and the Tranche A Lenders in accordance with the provisions of the Fee Letter;

"**Tranche A Lender**" or "**Tranche A Lenders**" means the lenders listed in Exhibit "P-1" to Schedule "P", together with any Tranche A Assignee(s), or, as the context permits, any of them alone, which, in each case, has not ceased to be a lender in accordance with the provisions of Schedule "P";

"**Tranche A Notice of Borrowing**" means a notice substantially in the form of Exhibit "P-1A" to Schedule "P" delivered to the Finnvera Facility Agent by the Borrower in accordance with the provisions of Section 3.1 of Schedule "P";

"**Tranche A Rollover Date**" means, with respect to a Tranche A Advance, the date of any such Tranche A Advance, or the first day of any Tranche A Designated Period;

"**Tranche B Lenders**" means the lenders from time to time party to the Tranche B Loan Agreement, including their successors and permitted assigns;

"**Tranche B Loan**" means the term loan granted to the Borrower by HSBC Bank plc, The Toronto-Dominion Bank and each other Tranche B Lender pursuant to the Tranche B Loan Agreement;

"**Tranche B Loan Agreement**" means the credit agreement dated November 13, 2009 pursuant to which the Tranche B Loan is made available to the Borrower, as same may be amended, restated, supplemented, amended and restated or otherwise modified from time to time.

---

**EXHIBIT "P-6" – COMMITMENT FEE LETTER**



HSBC Bank plc  
Level 18  
8 Canada Square  
London E14 5HQ

November 13, 2009

**Vidéotron Ltée**  
612 Saint-Jacques Street, 13 Floor  
Montreal, Quebec  
H3C 4M8

**Attention: Mr. Jean-François Pruneau, Vice President, Finance**

Dear Mr. Pruneau:

This letter is delivered to you in connection with (i) Schedule "P" to that certain Credit Agreement dated as of November 28, 2000, as amended by a First Amending Agreement dated as of January 5, 2001, a Second Amending Agreement dated as of June 29, 2001, a Third Amending Agreement dated December 12, 2001 and accepted by the lenders party thereto as of December 21, 2001, a Fourth Amending Agreement dated as of December 23, 2002, a Fifth Amending Agreement dated as of March 24, 2003, a Sixth Amending Agreement dated as of October 8, 2003, a Seventh Amending Agreement dated as of November 19, 2004, an Eighth Amending Agreement dated as of March 6, 2008, a Ninth Amending Agreement dated as of April 7, 2008, and a Tenth Amending Agreement dated as of November 13, 2009 entered into between Vidéotron Ltée ("Vidéotron"), as borrower, the financial institutions party thereto from time to time, as lenders, Royal Bank of Canada, as administrative agent, and HSBC Bank plc, as agent (the "Finnvera Term Facility Agent") to certain lenders from time to time (the "Tranche A Lenders") providing credit facilities guaranteed by Finnvera plc (the "Finnvera Term Facility") in an aggregate principal amount of Cdn.75,000,000 (as so amended and as same may be further amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"); and (ii) the Finnvera Facility B Credit Agreement dated as of November 13, 2009 between Vidéotron, as borrower, the financial institutions party thereto from time to time, as lenders (the "Tranche B Lenders"), HSBC Bank plc, as agent (the "Finnvera Facility B Agent"), and The Toronto-Dominion

---

Bank, as security agent, pursuant to which credit facilities guaranteed by Finnvera plc (the "Finnvera Facility B") are made available to Vidéotron in an aggregate principal amount of the CAD Equivalent (as defined therein) of the difference between US\$100,000,000 and the aggregate of the USD Equivalent (as defined therein) of each drawing made under the Finnvera Term Facility (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Finnvera Facility B Credit Agreement").

The fees set forth below shall be non-refundable and deemed to be fully earned on the date on which they are respectively due and shall be in addition to, and not creditable against, any other fees, premiums, costs, expenses and other charges payable pursuant to or in connection with the Credit Agreement, the Finnvera Facility B Credit Agreement or otherwise. Your obligation to pay such fees will not be subject to counterclaim or setoff for, or be otherwise affected by, any claim or dispute you may have, and all such fees shall be paid free and clear of deductions, taxes or withholdings of any kind.

In connection with and in consideration for the agreements contained in the Credit Agreement and the Finnvera Facility B Credit Agreement, you agree with the Finnvera Term Facility Agent and the Finnvera Facility B Agent, respectively, as follows:

**COMMITMENT FEE.** You will pay to HSBC Bank plc, as Finnvera Term Facility Agent and Finnvera Facility B Agent, for the account of the Tranche A Lenders and the Tranche B Lenders, respectively, a commitment fee (the "Commitment Fee") in US Dollars of 0.375% per annum calculated from and as of November 13, 2009 on the day to day undrawn portion of USD 100,000,000, representing the aggregate principal amount available under the Finnvera Term Facility and the Finnvera Facility B, collectively. The Commitment Fee shall be payable semi-annually in arrears on December 10<sup>th</sup> and June 10<sup>th</sup> of each year up to and including the last day of the Availability Period (as defined in the Finnvera Facility B Credit Agreement).

No party to this commitment fee letter is authorized to show or circulate this letter or disclose the contents of this letter to any person or entity (other than its legal and financial advisors in connection with its evaluation of this letter), except (i) as required by law, (ii) to any other party to the Credit Agreement, and (iii) by the Finnvera Term Facility Agent and the Finnvera Facility B Agent to potential Tranche A Lenders and Tranche B Lenders, respectively.

This letter shall enure to the benefit of the Finnvera Term Facility Agent and the Finnvera Facility B Agent and their successors and assigns and shall be binding on you and your successors and assigns.

This letter will be governed by and interpreted in accordance with the laws of the Province of Québec and the laws of Canada applicable in such Province.

This letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this letter (whether by delivery of an original of the same or by facsimile transmission) shall be as effective as delivery of a manually executed counterpart of this letter.

The parties hereto have expressly required that this letter be drafted in the English language. *Les parties aux présentes ont expressément exigé que les présentes soient rédigées en langue anglaise.*

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

---

Yours truly,

**HSBC BANK PLC**

By: \_\_\_\_\_

Name:

Title:

ACCEPTED AND AGREED TO  
AS OF THE DATE FIRST WRITTEN ABOVE:

**VIDÉOTRON LTÉE**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

---

EXHIBIT "P-7" – TRANCHE A BORROWING CERTIFICATE

TO: **HSBC BANK PLC**, as Finnvera Facility Agent

FROM: VIDÉOTRON LTÉE

DATED: \_\_\_\_\_

~~(+)~~1) This Tranche A Borrowing Certificate is delivered to you pursuant to Section 6.4 of Schedule "P" to the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented or otherwise modified from time to time (the "**Credit Agreement**"). Unless otherwise indicated herein, all defined terms set forth in this Tranche A Borrowing Certificate shall have the respective meanings set forth in Exhibit "P-5" to Schedule "P" to the Credit Agreement.

~~(+)~~2) Attached hereto are true and complete copies of: [**invoices, evidence of payment, receipts**].

~~(+)~~3) We have already paid the amount of US\$ \_\_\_\_\_ (the "**Purchase Price Portion**") to NSN in accordance with the NSN Contract for the goods and services of non-Canadian origin covered by the aforementioned documents. Amounts invoiced and paid relate to the value of such goods manufactured and supplied to date and of such services rendered to date.

~~(+)~~4) We have already paid the amount of US\$ \_\_\_\_\_ to NSN in accordance with the NSN Contract for the local services covered by the aforementioned documents. Amounts invoiced and paid relate to the value of such local services rendered to date.

~~(+)~~5) WE FURTHER WARRANT THAT:

~~(+)~~(a) The amount claimed in paragraph 2)(b) of the Tranche A Notice of Borrowing (the "**Requested Tranche A Advance Amount**") of even date herewith executed and delivered by the Borrower to the Finnvera Facility Agent is [**less than or**] equal to the CAD Equivalent of (x) 85% of the Purchase Price Portion and (y) costs for local services up to a maximum amount which, when combined with all amounts previously disbursed by the Tranche A Lenders in reimbursement of costs for local services, does not exceed 30% of the portion of the Purchase Price paid to date, [*in initial Tranche A Notice of Borrowing only, as applicable*] plus Cdn.\$ \_\_\_\_\_ which represents all or part of the upfront portion of the ECA Premium A].

~~(+)~~(b) The Requested Tranche A Advance Amount does not include any amounts which have already been claimed under any other Tranche A Notice of Borrowing.

~~(+)~~(c) The Requested Tranche A Advance Amount, when added to the principal amounts of all other Tranche A Advances made prior to the date hereof, does not exceed (i) the sum of (x) the CAD Equivalent of 85% of the portion of the Purchase Price paid to date, (y) the CAD Equivalent of costs for local services up to a maximum of 30% of such portion of the Purchase Price paid to date, and (z) 100% of the upfront portion of the ECA Premium A or (ii) Cdn.\$75,000,000.

~~(+)~~(d) The NSN Contract has not been terminated and has been in full force and effect as of the date of the invoice(s) to be financed under the Tranche A Notice of Borrowing of even date herewith.

---



~~6~~9) We enclose a true and complete copy of a certificate of NSN relating to the invoices to be financed under the Tranche A Notice of Borrowing of even date herewith.

~~7~~7) We undertake to supply you with such additional information and documentation and clarification as reasonably necessary in connection with the ECA Guarantee and agree not to hold you responsible for any delay in meeting the request for reimbursement under the Tranche A Notice of Borrowing of even date herewith occasioned by such request for information.

Yours truly,

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

---

**FORM OF SUPPLIER'S CERTIFICATE**

**FROM:** NOKIA SIEMENS NETWORKS CANADA INC., as the supplier under the NSN Contract

**TO:** VIDÉOTRON LTÉE, as the purchaser under the NSN Contract

**AND TO:** HSBC BANK PLC, as Finnvera Facility Agent

**DATED:** \_\_\_\_\_

**Re:** Term loan facility in the maximum principal amount of Cdn.\$75,000,000 (the "Finnvera Facility A") made available to Vidéotron Ltée (the "Borrower") by HSBC Bank plc, The Toronto-Dominion Bank, Credit Suisse AG, Sumitomo Mitsui Banking Corporation of Canada and any other lenders from time to time (the "Tranche A Lenders"), guaranteed by Finnvera plc (the "ECA Guarantee"), and administered by HSBC Bank plc, as agent to the Tranche A Lenders (the "Finnvera Facility Agent"), the whole in connection with the Master Purchase Agreement and the Care Agreement dated October 21, 2008 between the Borrower, as purchaser, and Nokia Siemens Networks Canada Inc., as supplier (collectively, and as amended, restated, supplemented or otherwise modified from time to time, the "NSN Contract")

Dear Sirs:

1. We refer to the "Tranche A Borrowing Certificate" dated \_\_\_\_\_ (the "**Reimbursement Request Certificate**"), which has been made available to us. We understand that the Borrower has requested a drawing under the Finnvera Facility A in order to reimburse a payment made in respect of the NSN Contract and we give this certificate in connection with such requested drawing.
2. We confirm that:
  - ~~(i)~~ (i) the NSN Contract has been in full force and effect and has not been terminated as of the date of the invoices to which the Reimbursement Request Certificate relates;
  - ~~(ii)~~ (ii) the statements in paragraphs 3 and 4 of the Reimbursement Request Certificate are true and accurate in all respects;
  - ~~(iii)~~ (iii) the amount claimed by the Borrower for reimbursement in connection with the Reimbursement Request Certificate to which this certificate relates does not include any amount for which we have received a disbursement under the Finnvera Facility A or for which the Borrower has previously received a reimbursement under any document of which we have notice; and
  - ~~(iv)~~ (iv) we have received from the Borrower 100% of the amount of the relevant invoice(s) to which the Reimbursement Request Certificate relates.

**By:**

---

---

---

~~Authorized Signatory~~

By:

---

Authorized Signatory

---

**VIDÉOTRON LTÉE**, as Borrower

-and-

**RBC CAPITAL MARKETS**, as Co-Lead Arranger and Joint Bookrunner  
**NATIONAL BANK OF CANADA**, as Co-Lead Arranger and Joint Bookrunner  
**TD SECURITIES**, as Co-Lead Arranger and Joint Bookrunner  
**THE BANK OF NOVA SCOTIA**, as Co-Lead Arranger and Joint Bookrunner

-and-

**BANK OF AMERICA, N.A., CANADA BRANCH**  
**BMO CAPITAL MARKETS**  
**CANADIAN IMPERIAL BANK OF COMMERCE**  
**FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC**  
as Co-Arrangers

-and-

**NATIONAL BANK OF CANADA**  
**TD SECURITIES**  
as Syndication Agents

-and-

**THE BANK OF NOVA SCOTIA**  
as Documentation Agent

-and-

**THE FINANCIAL INSTITUTIONS NAMED  
ON THE SIGNATURE PAGES HERETO**  
as Lenders

-and-

**ROYAL BANK OF CANADA**  
as Administrative Agent

---

**FIFTH AMENDING AGREEMENT to the Amended and Restated Credit Agreement  
dated as of June 16, 2015, as amended by a First Amending Agreement dated as of  
June 24, 2016, a Second Amending Agreement dated as of January 3, 2018, a Third  
Amending Agreement dated as of November 26, 2018 and a Fourth Amending Agreement  
dated as of May 20, 2022**

---

**FASKEN**

---

**FIFTH AMENDING AGREEMENT** to the Amended and Restated Credit Agreement dated as of June 16, 2015, as amended by a First Amending Agreement dated as of June 24, 2016, a Second Amending Agreement dated as of January 3, 2018, a Third Amending Agreement dated as of November 26, 2018 and a Fourth Amending Agreement dated as of May 20, 2022, entered into in the City of Montreal, Province of Quebec, as of July 15, 2022,

**AMONG:** **VIDÉOTRON LTÉE**, a company constituted in accordance with the laws of Quebec, having its registered office at 612 St. Jacques Street, 18<sup>th</sup> floor, in the City of Montreal, Province of Quebec (hereinafter called the “**Borrower**”)

**AND:** **THE LENDERS, AS DEFINED IN THE CREDIT AGREEMENT** (the “**Lenders**”)

**AND:** **ROYAL BANK OF CANADA, AS ADMINISTRATIVE AGENT FOR THE LENDERS**, a Canadian bank, having a place of business at 200 Bay Street, 12<sup>th</sup> floor, South Tower, Royal Bank Plaza, in the City of Toronto, Province of Ontario (hereinafter called the “**Agent**”)

**WHEREAS** the parties hereto are parties to a credit agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, as amended by a First Amending Agreement dated as of June 14, 2013, a Second Amending Agreement dated as of January 28, 2015, a Third Amending Agreement creating an Amended and Restated Credit Agreement dated as of June 16, 2015, a First Amending Agreement dated as of June 24, 2016, a Second Amending Agreement dated as of January 3, 2018, a Third Amending Agreement dated as of November 26, 2018 and a Fourth Amending Agreement dated as of May 20, 2022 (the “**Original Credit Agreement**”, and as amended pursuant to this Agreement, the “**Credit Agreement**”);

**WHEREAS** in a joint press release (the “**Announcement**”) dated June 17, 2022, Quebecor Inc., Rogers Communications Inc. and Shaw Communications Inc. announced an agreement for the sale of Freedom Mobile Inc. (“**Freedom**”) to Quebecor Inc. or one of its wholly-owned subsidiaries, subject to regulatory approval (the “**Freedom Transaction**”).

**WHEREAS** the acquisition of Freedom under the Freedom Transaction will be made by the Borrower pursuant to a share purchase agreement to be entered into among the Borrower, Quebecor Inc., Rogers Communications Inc., Shaw Communications Inc., Shaw Telecom Inc. and Freedom Mobile Inc.;

**WHEREAS** in connection with the Announcement and the contemplated Freedom Transaction, the Borrower has requested certain amendments to the Original Credit Agreement by way of a request letter dated June 23, 2022; and

---

WHEREAS the Lenders have unanimously agreed with the Borrower to the amendments contemplated herein, and as such, the Lenders have complied with the provisions of Section 18.14 and 18.15 of the Original Credit Agreement, as evidenced by the signature of each party hereto on this Agreement;

**NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:**

**I. INTERPRETATION**

All of the words and expressions which are capitalized herein, including in the preamble hereto, shall have the meanings ascribed to them in the Original Credit Agreement (as amended hereby) unless otherwise indicated herein.

**II. AMENDMENTS**

1. **General Rule.** Subject to the terms and conditions herein contained, the Original Credit Agreement is hereby amended to the extent necessary to give effect to the provisions of this Agreement and to incorporate the provisions of this agreement into the Original Credit Agreement.

2. **Amendment of the Original Credit Agreement.** Effective as of the Amendment Effective Date (as defined below), the Original Credit Agreement is hereby amended as follows:

2.1 Clause 1.1.125.6 of the definition of “Permitted Charges” in Section 1.1 (Definitions) of the Original Credit Agreement is amended as follows (new text bold and underlined and old text stricken off):

“1.1.125.6 Charges (i) under any Capital Lease or Synthetic Lease, and (ii) to secure the payment of the purchase price incurred in connection with the acquisition of assets, in each case to be used in carrying on the Core Business, including Charges existing on such assets at the time of the acquisition thereof or at the time of the acquisition by a member of the VL Group of any business entity then owning such assets, whether or not such existing Charges were given to secure the payment of the purchase price of the assets to which they attach, provided that such Charges are limited to the assets purchased and that the amount guaranteed by such Charges does not exceed 100% of the acquisition price of the assets so acquired, and, in the aggregate for (i) and (ii) above, shall not exceed, at the time of Incurrence, the greater of (a) 7.5% of Shareholders Equity and (b) ~~(y) \$500,000,000~~ **(prior to the consummation of the Freedom Transaction) or (z) \$1,500,000,000 (following the consummation of the Freedom Transaction), as applicable**, outstanding at any time;”

2.2 The definition of “Permitted Charges” in Section 1.1 (Definitions) of the Original Credit Agreement is amended to add the following new clause 1.1.125.9 (and deleting the “and” at the end of clause 1.1.125.7, and replacing the “.” at the end of clause 1.1.125.8 with “; and”):

---

“1.1.125.9 Charges on the assets of the Borrower and the Guarantors securing Debt under Credit Facilities of the Borrower and the Guarantors provided that at the time of Incurrence and after giving effect to the Incurrence of such Debt under Credit Facilities and the application of the proceeds therefrom on such date, the aggregate principal amount of Debt under Credit Facilities (including the Facilities) of the Borrower and the Guarantors secured by such Charges does not exceed the maximum amount permitted on such date pursuant to clause (1) of the definition of “Permitted Liens” of the Senior Notes Indenture and provided further that such Charges (except Charges created by the Security Documents) are *pari passu* or inferior in rank vis-à-vis the Charges created by the Security Documents and are subject to an intercreditor agreement in form and substance satisfactory to the Majority Lenders, acting reasonably.”

2.3 Section 1.1 (Definitions) of the Original Credit Agreement is amended to add the following new definitions:

“1.1.48A “**Credit Facilities**” means one or more debt facilities (including, without limitation, the Facilities), commercial paper facilities, or other debt arrangements, in each case with banks, other institutional lenders or investors, providing for revolving credit loans, term loans, notes, receivables financing (including, to the extent constituting Indebtedness, through the sales of accounts receivables to such lenders or investors or to an accounts receivable entity) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.”

“1.1.76A “**Fifth Amending Agreement**” means the fifth amending agreement to this Agreement dated on or about July 15, 2022 entered into among the parties hereto.”

“1.1.76B “**Fifth Amendment Effective Date**” has the meaning ascribed to “Amendment Effective Date” in the Fifth Amending Agreement.”

“1.1.85A “**Freedom Entities**” refers collectively to Freedom Mobile Inc. and its wholly-owned subsidiary, Freedom Mobile Distribution Inc.”

“1.1.85B “**Freedom Transaction**” means the contemplated acquisition by the Borrower of the Freedom mobile wireless and internet business operated by the Freedom Entities pursuant to a share purchase agreement to be entered into among the Borrower, Quebecor Inc., Rogers Communications Inc., Shaw Communications Inc., Shaw Telecom Inc. and Freedom Mobile Inc.”

“1.1.93A “**Incurrence**” means, with respect to any obligation of any Person, to create, incur, issue, assume, guarantee or otherwise become indirectly or directly liable, contingently or otherwise, with respect of such obligation.”

“1.1.148A “**Senior Notes Indenture**” means the indenture governing the 2030 Senior Notes issued by the Borrower as in effect on the Fifth Amendment

---

Effective Date (unamended), a copy of which (including the relevant definitions) is included in Schedule “Q”.”

“1.1.186 “**2030 Senior Notes**” means the 4.50% Senior Notes due January 15, 2030.”

- 2.4 Subsection 12.11.1 (Leverage Ratio) of the Original Credit Agreement is amended as follows (new text bold and underlined and old text stricken off):

12.11.1 *Leverage Ratio.* A Leverage Ratio not exceeding 4.5:1; provided that for (i) a period not exceeding 12 consecutive months immediately following an Acquisition permitted hereunder in an amount of not less than \$100,000,000 **and (ii) a period not exceeding 18 consecutive months immediately following the closing of the Freedom Transaction, in each case under (i) and (ii) above** such maximum Leverage Ratio shall be increased to, but shall not exceed, 5.0:1 (and further provided that in the event of a series of Acquisitions, the Leverage Ratio shall have reverted to 4.5:1 for at least one full quarter); and”

- 2.5 Section 9.3 (Guarantors – Exception) of the Original Credit Agreement is amended as follows (new text bold and underlined and old text stricken off):

“9.3 **Guarantors – Exception**

After the Closing Date, any member of the VL Group may create or acquire one or more Subsidiaries that are or are not wholly-owned by a member of the VL Group, including as a result of its participation in a joint venture with another Person. Such Subsidiary shall not be required to provide a Guarantee pursuant to subsection 9.1.1 or to provide the Security **at the time of its creation or Acquisition if** ~~provided that~~ (A) the absence of such Guarantee **and Security** does not cause the Borrower to breach the provisions of Section 12.12 at the time of the creation or Acquisition or at any time thereafter, and shall not be considered a Guarantor, **or (B) in respect of each Freedom Entity, following the Freedom Transaction, such Guarantee and Security is provided in accordance with Section 12.12.** If such Subsidiary is wholly-owned, it will be a member of the VL Group. In addition, the Borrower may at any time request to the Agent that one or more of its Subsidiaries (each, a “**Released Guarantor**”) shall cease to be considered a Guarantor and that its Guarantee provided pursuant to subsection 9.1.1 and its Security be discharged and terminated if the following conditions are satisfied on the effective date on which such Released Guarantor shall so cease to be considered a Guarantor (the “**Release Date**”): (i) the release of the Released Guarantor as a Guarantor on the Release Date shall not cause the Borrower to breach the provisions of Section 12.12, (ii) no Default or Event of Default exists on the Release Date, and (iii) contemporaneously with the Release Date, all existing Guarantees granted by the Released Guarantor in respect of obligations of the Borrower under Additional Offerings permitted by paragraphs (f) and (g) of Section 13.7, and unsecured Debt permitted by paragraph (i) of Section 13.7, shall also be terminated substantially

---



contemporaneously. In the event that a Released Guarantor ceases to be considered a Guarantor by satisfying all of the conditions of the previous sentence of this Section 9.3, the Security on the property of such Released Guarantor and the Guarantee given by it pursuant to subsection 9.1.1 shall be discharged and terminated by the Agent without any requirement to obtain the consent of the Lenders (and such Person shall thereafter cease to be considered a Guarantor).”

- 2.6 Section 12.12 (Ownership by the Borrower and Guarantors) of the Original Credit Agreement is amended as follows (new text bold and underlined and old text stricken off):

“12.12 **Ownership by the Borrower and Guarantors**

At all times during the Term, the Borrower and the Guarantors shall collectively (a) own at least 80% of the consolidated assets of the Borrower (excluding Back-to-Back Securities), and (b) generate at least 80% of the consolidated EBITDA of the Borrower on a rolling four-quarter basis. All calculations made under this Section shall be consistent with those contained in the Borrower’s consolidated financial statements. **Notwithstanding the foregoing, it is understood and agreed that, following the consummation of the Freedom Transaction, the Borrower shall cause the Freedom Entities to become Guarantors and provide the required Security within 90 days following the consummation of the Freedom Transaction in order to comply with the foregoing tests.**”

- 2.7 The Original Credit Agreement is amended by adding the schedule attached as “Schedule “A” hereto as the new Schedule “Q” of the Credit Agreement.

3. **Extent of Amendments.** The amendments set forth herein are limited precisely as written and shall not be deemed to (i) be a consent to any amendment, waiver or modification of any of the other terms or conditions of the Original Credit Agreement or the other Loan Documents, or (ii) prejudice any rights that the Agent and the Lenders may now or in the future have under or in connection with the Credit Agreement (as same may be further amended, supplemented, restated or otherwise modified from time to time).

### III. REPRESENTATIONS AND WARRANTIES

1. The Borrower and Guarantors hereby represent and warrant to the Lenders and the Agent as follows:
    - 1.1 the execution, delivery and performance by the Borrower and the Guarantors of this Agreement have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, or notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable;
    - 1.2 this Agreement constitutes a legal, valid and binding obligation of the Borrower and each Guarantor, enforceable against each such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium
-

or other laws affecting creditors' rights generally and subject to general principles of equity;

- 1.3 the representations and warranties of the Borrower and each Guarantor set forth in the Credit Agreement are true and correct in all respects on and as of the Amendment Effective Date (as defined below), except that where such representations and warranties are qualified by reference to a date, they shall be true and correct as at such date; and
- 1.4 no Default or Event of Default has occurred and is continuing or would arise immediately upon this Agreement becoming effective.

#### IV. CONDITIONS PRECEDENT

1. The amendments to the Original Credit Agreement contemplated in Article II of this Agreement shall not come into force until each of the following conditions (collectively, the “**Conditions Precedent**”) shall have been met to the satisfaction of the Lenders or, as the case may be, waived by the Lenders (the date on which conditions shall have been met to the satisfaction of the Lenders or, as the case may be, waived by the Lenders shall be referred to herein as the “**Amendment Effective Date**”):

- 1.1 this Agreement shall have been executed and delivered by all of the parties hereto;
- 1.2 the Borrower shall pay all fees and costs, including all legal fees associated with this Agreement incurred by the Agent as contemplated and restricted by the provisions of Section 12.14 of the Credit Agreement;
- 1.3 the Borrower shall have delivered to the Agent a certificate of an officer of the Borrower attesting as to certain factual matters, including, without limitation, the matters set forth in paragraphs 1.4 and 1.5 below;
- 1.4 the representations and warranties in Article III of this Agreement shall be true and correct in all material respects as of the date hereof; and
- 1.5 no Default or Event of Default shall have occurred and be continuing.

#### V. MISCELLANEOUS

1. On the Amendment Effective Date, the Original Credit Agreement shall be modified by the foregoing amendment. The parties hereto agree that the changes to the Original Credit Agreement set out herein and the execution hereof shall not constitute novation and all the Security granted prior to the Amendment Effective Date (the “**Existing Security**”) shall continue to apply to the Original Credit Agreement, as amended hereby, and all other obligations secured thereby.

2. Each of the Borrower and Guarantors acknowledges, agrees and confirms that:

---

- 2.1 it has taken cognizance of the provisions of this Agreement and is satisfied therewith;
  - 2.2 the Existing Security to which it is a party shall, except as expressly amended hereby, be unaffected by, and shall continue in full force and effect binding upon it in accordance with its terms, notwithstanding the modifications to the Original Credit Agreement contemplated by this Agreement. Without limiting the generality of the foregoing, each of the Borrower and Guarantors hereby further ratifies and confirms its obligations under the Existing Security to which it is a party;
  - 2.3 the Existing Security to which it is a party shall continue to guarantee or secure, as applicable, the Secured Obligations (as amended by this Agreement), notwithstanding the amendment of the Original Credit Agreement contemplated by this Agreement; and
  - 2.4 the amendment of the Original Credit Agreement pursuant to this Agreement shall not in any manner whatsoever reduce, impair or otherwise prejudice or change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive the rights of the Agent and the Lenders (or any one of them) arising under, by reason of or otherwise in respect of the Charges and other obligations constituted by the Existing Security to which it is a party.
3. Without limiting the generality of the foregoing and to the extent necessary, (i) the Lenders and the Agent reserve all of their rights under each of the Security Documents, and (ii) each of the Borrower and the Guarantors obligates itself again in respect of all present and future obligations under, *inter alia*, the Credit Agreement.
  4. All of the provisions of the Original Credit Agreement that are not amended hereby shall remain in full force and effect.
  5. This Agreement may be signed in any number of counterparts, each of which shall be deemed to constitute an original, but all of the separate counterparts shall constitute one single document.
  6. The words “execution,” “execute”, “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided by Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the *Uniform Law Conference of Canada* or its *Uniform Electronic Evidence Act*, as the case may be.
  7. This Agreement shall be governed by and construed in accordance with the Laws of the Province of Quebec.
-

8. The parties acknowledge that they have required that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. *Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement ou à la suite de la présente convention.*

**[Signature pages follow]**

---

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT ON THE DATE AND AT THE PLACE FIRST HEREINABOVE MENTIONED.

**VIDÉOTRON LTÉE**

as Borrower

Per: /s/ Hugues Simard  
Hugues Simard, Vice-President

Per: /s/ Jean-François Parent  
Jean-François Parent  
Vice-President and Treasurer

---

**ROYAL BANK OF CANADA**

as Agent

Per: By: /s/ Ann Hurley  
Name: Ann Hurley  
Title: Manager, Agency

Per: \_\_\_\_\_



**ROYAL BANK OF CANADA**

as Revolving Facility Lender

Per: /s/ Pierre Bouffard  
Pierre Bouffard  
Authorized Signatory

Per: \_\_\_\_\_

---

**NATIONAL BANK OF CANADA**

as Revolving Facility Lender

Per: /s/ Jonathan Campbell  
Jonathan Campbell, Managing Director

Per: /s/ Luc Bernier  
Luc Bernier, Managing Director

---



**BANK OF AMERICA, N.A., Canada Branch**

as Revolving Facility Lender

Per: /s/ Adrian Plummer  
Vice President

Per: \_\_\_\_\_

---

**THE BANK OF NOVA SCOTIA**

as Revolving Facility Lender

Per: /s/ François De Broux  
François De Broux  
Managing Director & Head, Corporate Banking Quebec

Per: /s/ Olivier Hendrick  
Olivier Hendrick  
Director, Corporate Banking Quebec

---

**THE TORONTO-DOMINION BANK**

as Revolving Facility Lender

Per: /s/ Mel Saklatvala  
Mel Saklatvala  
Managing Director

Per: /s/ Serge Cloutier  
Serge Cloutier  
Director

---



**FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC**  
as Revolving Facility Lender

Per: /s/ Catherine McCarthy \_\_\_\_\_

Per: /s/ (signature) \_\_\_\_\_

---

**CANADIAN IMPERIAL BANK OF COMMERCE**

as Revolving Facility Lender

Per: /s/ Anissa Rabia-Zeribi  
Anissa Rabia-Zeribi, Managing Director

Per: /s/ Charles St-Germain  
Charles St-Germain, Managing Director

---

**JPMORGAN CHASE BANK, N.A.**

as Revolving Facility Lender

Per: /s/ Syed Ali Hasan  
Syed Ali Hasan  
Vice President

Per: \_\_\_\_\_

---

**LAURENTIAN BANK OF CANADA**

as Revolving Facility Lender

Per: /s/ Johanna Londono  
Johanna Londono,  
Managing Director & Head, Syndication

Per: /s/ Olivier Ferland-Charest  
Olivier Ferland-Charest,  
Director Loan Syndication

---



**MUFG BANK, LTD., CANADA BRANCH**

as Revolving Facility Lender

Per: /s/ Philippe Boivin

Name: Philippe Boivin

Title: Managing Director

---

---

**CITIBANK, N.A., Canadian Branch**

as Revolving Facility Lender

Per: /s/ Siddharth Sagar \_\_\_\_\_

Name: Siddharth Sagar

Title: Authorized Signatory

Per: \_\_\_\_\_

---

**TÉLÉDISTRIBUTION AMOS INC.**  
as Guarantor

Per: /s/ Hugues Simard  
Hugues Simard, Vice-President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice-President and Treasurer

**VIDÉOTRON INFRASTRUCTURES INC.**  
as Guarantor

Per: /s/ Hugues Simard  
Hugues Simard, Vice-President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice-President and Treasurer

**9293-6707 QUÉBEC INC.**  
as Guarantor

Per: /s/ Hugues Simard  
Hugues Simard, Vice-President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice-President and Treasurer

**MOBILE & INTERNET FIZZ INC.**  
as Guarantor

Per: /s/ Hugues Simard  
Hugues Simard, Vice-President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice-President and Treasurer

---

Each of the undersigned (i) acknowledges having taken cognizance of the provisions of the foregoing Fifth Amending Agreement (ii) confirms that the Guarantee granted by it in favour of the Agent and the Lenders as guarantee for the Secured Obligations shall continue in full force and effect binding upon it in accordance with its terms, notwithstanding the modifications to the Original Credit Agreement contemplated by this Agreement, (iii) ratifies and confirms its obligations under such Guarantee and (iv) confirms that such Guarantee shall continue to guarantee the Secured Obligations (as amended by this Agreement), notwithstanding the amendment of the Original Credit Agreement contemplated by this Agreement.

**9176-6857 QUÉBEC INC.**

**CABLOVISION WARWICK INC.**

Per: /s/ Hugues Simard  
Hugues Simard, Vice-President

Per: /s/ Hugues Simard  
Hugues Simard, Vice-President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice-President and Treasurer

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice-President and Treasurer

---

**EXHIBIT "A"**

**NEW SCHEDULE "Q" OF THE CREDIT AGREEMENT**

**"SCHEDULE "Q"**

**SENIOR NOTES INDENTURE**

*[Please refer to the Indenture, dated as of October 8, 2019, by and among Videotron, the subsidiary guarantors signatory thereto and Computershare Trust Company of Canada, as trustee (incorporated by reference to Exhibit 2.34 of Videotron's Annual Report on Form 20-F for the fiscal year ended December 31, 2019, filed on March 24, 2020, Commission file No. 033-51000).]*

---

**VIDÉOTRON LTÉE**, as Borrower

-and-

**RBC CAPITAL MARKETS**, as Co-Lead Arranger and Joint Bookrunner  
**NATIONAL BANK OF CANADA**, as Co-Lead Arranger and Joint Bookrunner  
**TD SECURITIES**, as Co-Lead Arranger and Joint Bookrunner  
**THE BANK OF NOVA SCOTIA**, as Co-Lead Arranger and Joint Bookrunner

-and-

**BANK OF AMERICA, N.A., CANADA BRANCH**  
**BMO CAPITAL MARKETS**  
**CANADIAN IMPERIAL BANK OF COMMERCE**  
**FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC**  
as Co-Arrangers

-and-

**NATIONAL BANK OF CANADA**  
**TD SECURITIES**  
as Syndication Agents

-and-

**THE BANK OF NOVA SCOTIA**  
as Documentation Agent

-and-

**THE FINANCIAL INSTITUTIONS NAMED  
ON THE SIGNATURE PAGES HERETO**  
as Lenders

-and-

**ROYAL BANK OF CANADA**  
as Administrative Agent

---

**SIXTH AMENDING AGREEMENT to the Amended and Restated Credit Agreement dated as of June 16, 2015, as amended by a First Amending Agreement dated as of June 24, 2016, a Second Amending Agreement dated as of January 3, 2018, a Third Amending Agreement dated as of November 26, 2018, a Fourth Amending Agreement dated as of May 20, 2022 and a Fifth Amending Agreement dated as of July 15, 2022**

---

**FASKEN**

---

**SIXTH AMENDING AGREEMENT** to the Amended and Restated Credit Agreement dated as of June 16, 2015, as amended by a First Amending Agreement dated as of June 24, 2016, a Second Amending Agreement dated as of January 3, 2018, a Third Amending Agreement dated as of November 26, 2018 and a Fourth Amending Agreement dated as of May 20, 2022, entered into in the City of Montreal, Province of Quebec, and a Fifth Amending Agreement dated as of July 15, 2022, entered into in the City of Montreal, Province of Quebec, as of January 13, 2023,

**AMONG:** **VIDÉOTRON LTÉE**, a company constituted in accordance with the laws of Quebec, having its registered office at 612 St. Jacques Street, 18<sup>th</sup> floor, in the City of Montreal, Province of Quebec (hereinafter called the “**Borrower**”)

**AND:** **THE LENDERS, AS DEFINED IN THE CREDIT AGREEMENT** (the “**Lenders**”)

**AND:** **ROYAL BANK OF CANADA, AS ADMINISTRATIVE AGENT FOR THE LENDERS**, a Canadian bank, having a place of business at 200 Bay Street, 12<sup>th</sup> floor, South Tower, Royal Bank Plaza, in the City of Toronto, Province of Ontario (hereinafter called the “**Agent**”)

**WHEREAS** the parties hereto are parties to a credit agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, as amended by a First Amending Agreement dated as of June 14, 2013, a Second Amending Agreement dated as of January 28, 2015, a Third Amending Agreement creating an Amended and Restated Credit Agreement dated as of June 16, 2015, a First Amending Agreement dated as of June 24, 2016, a Second Amending Agreement dated as of January 3, 2018, a Third Amending Agreement dated as of November 26, 2018, a Fourth Amending Agreement dated as of May 20, 2022 and a Fifth Amending Agreement dated as of July 15, 2022 (the “**Original Credit Agreement**”, and as amended pursuant to this Agreement, the “**Credit Agreement**”);

**WHEREAS** the Borrower has requested certain amendments to the Original Credit Agreement in order to, inter alia, (i) increase the principal amount of the Revolving Facility by \$500,000,000 to \$2,000,000,000 and (ii) amend certain other terms and conditions of the Original Credit Agreement to reflect the anticipated discontinuation of CDOR and a fallback to CORRA; and

**WHEREAS** the Lenders have unanimously agreed with the Borrower to the amendments contemplated herein, and as such, the Lenders have complied with the provisions of Section 18.14 and 18.15 of the Original Credit Agreement, as evidenced by the signature of each party hereto on this Agreement;

---

**NOW THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:**

**I. INTERPRETATION**

All of the words and expressions which are capitalized herein, including in the preamble hereto, shall have the meanings ascribed to them in the Original Credit Agreement (as amended hereby) unless otherwise indicated herein. In addition, the following words and expressions, whenever used in this Agreement or in any deed, document or agreement supplemental or ancillary hereto, unless there be something in the subject or the context inconsistent therewith, shall have the following meanings:

“**Committed RCF Lenders**” refers collectively to Royal Bank of Canada, National Bank of Canada, The Toronto-Dominion Bank, The Bank of Nova Scotia, Bank of Montreal, Bank of America, N.A., Canada Branch, JPMorgan Chase Bank, N.A., Canadian Imperial Bank of Commerce, Fédération des caisses Desjardins du Québec and MUFG Bank, Ltd., Canada Branch;

“**RCF Commitment Letter**” means the commitment letter dated as of August 12, 2022 entered into among the Co-Lead Arrangers, the Committed RCF Lenders and the Borrower in respect of the increase in the principal amount of the Revolving Facility contemplated herein.

**II. AMENDMENTS**

1. **General Rule.** Subject to the terms and conditions herein contained, the Original Credit Agreement is hereby amended to the extent necessary to give effect to the provisions of this Agreement and to incorporate the provisions of this agreement into the Original Credit Agreement.

2. **Amendment of the Original Credit Agreement.** Effective as of the Amendment Effective Date (as defined below), the Original Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the bold underlined text (indicated textually in the same manner as the following example: **underlined text**) as set forth in the marked version of the amended Credit Agreement attached hereto as Exhibit A.

3. **Extent of Amendments.** The amendments set forth herein are limited precisely as written and shall not be deemed to (i) be a consent to any amendment, waiver or modification of any of the other terms or conditions of the Original Credit Agreement or the other Loan Documents, or (ii) prejudice any rights that the Agent and the Lenders may now or in the future have under or in connection with the Credit Agreement (as same may be further amended, supplemented, restated or otherwise modified from time to time).

**III. REPRESENTATIONS AND WARRANTIES**

1. The Borrower and Guarantors hereby represent and warrant to the Lenders and the Agent as follows:

1.1 the execution, delivery and performance by the Borrower and the Guarantors of this Agreement have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, or

---



notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable;

- 1.2 this Agreement constitutes a legal, valid and binding obligation of the Borrower and each Guarantor, enforceable against each such Person in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity;
- 1.3 the representations and warranties of the Borrower and each Guarantor set forth in the Credit Agreement are true and correct in all respects on and as of the Amendment Effective Date (as defined below), except that where such representations and warranties are qualified by reference to a date, they shall be true and correct as at such date; and
- 1.4 no Default or Event of Default has occurred and is continuing or would arise immediately upon this Agreement becoming effective.

#### IV. CONDITIONS PRECEDENT

1. The amendments to the Original Credit Agreement contemplated in Article II of this Agreement shall not come into force until each of the following conditions (collectively, the "**Conditions Precedent**") shall have been met to the satisfaction of the Lenders or, as the case may be, waived by the Lenders (the date on which conditions shall have been met to the satisfaction of the Lenders or, as the case may be, waived by the Lenders shall be referred to herein as the "**Amendment Effective Date**"):

- 1.1 this Agreement shall have been executed and delivered by all of the parties hereto;
  - 1.2 certified copies of all of the constating documents, borrowing by-laws and resolutions of the Borrower and of each Guarantor shall have been provided to the Agent;
  - 1.3 the Borrower shall pay all fees and costs, including all legal fees associated with this Agreement incurred by the Agent as contemplated and restricted by the provisions of Section 12.14 of the Credit Agreement;
  - 1.4 the Borrower shall have delivered to the Agent the favourable legal opinion(s) of the counsel to the Borrower and each Guarantor, addressed to the Lenders, the Agent and its counsel, in form and substance acceptable to the Agent and its counsel, acting reasonably, including with regard to the enforceability of the Original Credit Agreement, as amended by this Agreement, and the continuing validity of all Liens granted under the Security Documents;
  - 1.5 a certificate of an officer of the Borrower attesting as to certain factual matters, including, without limitation, the matters set forth in paragraphs 1.8, 1.9 and 1.10 below;
-

- 1.6 the Borrower shall have paid to the Committed RCF Lenders the upfront fees and ticking fees in the amount and in the manner as set forth in the RCF Commitment Letter;
- 1.7 the Borrower shall have delivered to the Lenders all documentation and other information required by regulatory authorities under applicable "know your customer", anti-money laundering rules and regulations and anti-corruption laws that has been reasonably requested by the Lenders, if any;
- 1.8 no Material Adverse Change shall have occurred;
- 1.9 the representations and warranties in Article III of this Agreement shall be true and correct in all material respects as of the date hereof; and
- 1.10 no Default or Event of Default shall have occurred and be continuing or will occur immediately following the Amendment Effective Date.

## V. MISCELLANEOUS

1. On the Amendment Effective Date, the Original Credit Agreement shall be modified by the foregoing amendment. The parties hereto agree that the changes to the Original Credit Agreement set out herein and the execution hereof shall not constitute novation and all the Security granted prior to the Amendment Effective Date (the "**Existing Security**") shall continue to apply to the Original Credit Agreement, as amended hereby, and all other obligations secured thereby.
  2. Each of the Borrower and Guarantors acknowledges, agrees and confirms that:
    - 2.1 it has taken cognizance of the provisions of this Agreement and is satisfied therewith;
    - 2.2 the Existing Security to which it is a party shall, except as expressly amended hereby, be unaffected by, and shall continue in full force and effect binding upon it in accordance with its terms, notwithstanding the modifications to the Original Credit Agreement contemplated by this Agreement. Without limiting the generality of the foregoing, each of the Borrower and Guarantors hereby further ratifies and confirms its obligations under the Existing Security to which it is a party;
    - 2.3 the Existing Security to which it is a party shall continue to guarantee or secure, as applicable, the Secured Obligations (as amended by this Agreement), notwithstanding the amendment of the Original Credit Agreement contemplated by this Agreement; and
    - 2.4 the amendment of the Original Credit Agreement pursuant to this Agreement shall not in any manner whatsoever reduce, impair or otherwise prejudice or change, modify, alter, amend, supplement, extend, renew, compromise, novate, replace, terminate, release, discharge, cancel, suspend or waive the rights of the Agent and the Lenders (or any one of them) arising under, by reason of or otherwise in respect
-

of the Charges and other obligations constituted by the Existing Security to which it is a party.

3. Without limiting the generality of the foregoing and to the extent necessary, (i) the Lenders and the Agent reserve all of their rights under each of the Security Documents, and (ii) each of the Borrower and the Guarantors obligates itself again in respect of all present and future obligations under, *inter alia*, the Credit Agreement.
  4. All of the provisions of the Original Credit Agreement that are not amended hereby shall remain in full force and effect.
  5. Subject to paragraph 6 below, the parties acknowledge and agree that, as of and from the Amendment Effective Date, the Commitments of the Revolving Facility Lenders under the Revolving Facility shall be as set forth in Schedule “A” of the Credit Agreement (as amended by this Agreement) and the *pro rata* share of each Revolving Facility Lender in the Revolving Facility shall be established based on the provisions of the Credit Agreement (as amended by this Agreement), it being expressly understood and agreed that any reestablishment of the *pro rata* share of the Revolving Facility Lenders in the Revolving Facility and any redistribution that may result therefrom shall be deemed to have been made without novation. The Revolving Facility Lenders, through the Agent, shall settle among themselves and pay to each other, as required, the appropriate amount resulting from such re-establishment of the *pro rata* shares in the Revolving Facility, if any.
  6. Notwithstanding the foregoing, the Revolving Facility Lenders hereby agree that each Lender’s existing *pro rata* share of the banker’s acceptances issued and outstanding under the Original Credit Agreement that mature after the Amendment Effective Date (collectively, the “**Existing BAs**”) will remain unchanged until the maturity date thereof. On each maturity date of the Existing BAs, the Agent shall re-establish the *pro rata* share of all Revolving Facility Lenders and, to the extent not repaid by the Borrower, shall redistribute such Existing BAs amongst all Revolving Facility Lenders on a *pro rata* basis based on their respective Secured Applicable Percentage under the Credit Agreement (as amended by this Agreement), all of which shall be deemed to have been made without novation. The Revolving Facility Lenders, through the Agent, shall settle among themselves and pay to each other, as required, the appropriate amount resulting from such re-establishment of the *pro rata* shares in the Revolving Facility.
  7. This Agreement may be signed in any number of counterparts, each of which shall be deemed to constitute an original, but all of the separate counterparts shall constitute one single document.
  8. The words “execution,” “execute”, “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided by Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the
-

*Uniform Electronic Commerce Act* of the *Uniform Law Conference of Canada* or its *Uniform Electronic Evidence Act*, as the case may be.

9. This Agreement shall be governed by and construed in accordance with the Laws of the Province of Quebec.

10. The parties acknowledge that they have required that this Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. *Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement ou à la suite de la présente convention.*

**[Signature pages follow]**

---

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT ON THE DATE AND AT THE PLACE FIRST  
HEREINABOVE MENTIONED.

**VIDÉOTRON LTÉE**

as Borrower

Per: /s/ Huges Simard  
Huges Simard, Vice President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice President and Treasurer



**ROYAL BANK OF CANADA**

as Agent

Per: /s/ Helena Sadowski  
Helena Sadowski  
Manager, Agency

Per: \_\_\_\_\_



**ROYAL BANK OF CANADA**  
as Lender

Per: /s/ Pierre Bouffard  
Pierre Bouffard  
Authorized Signatory

Per: \_\_\_\_\_



**NATIONAL BANK OF CANADA**  
as Lender

Per: /s/ Luc Bernier  
Luc Bernier, Managing Director

Per: /s/ Bruno Levesque  
Bruno Levesque, Managing Director





**BANK OF AMERICA, N.A., Canada Branch**  
as Lender

Per:           /s/ Adrian Plummer            
Adrian Plummer  
Vice President

Per: \_\_\_\_\_

---

**THE BANK OF NOVA SCOTIA**

as Lender

Per: /s/ Philippe Boivin  
Philippe Boivin  
Managing Director, Corporate Banking Quebec

Per: /s/ Gurpreet Sandhu  
Gurpreet Sandhu  
Associate, Corporate Banking Quebec

---

**THE TORONTO-DOMINION BANK**  
as Lender

Per: /s/ Mel Saklatvala  
Mel Saklatvala, Managing Director

Per: /s/ Serge Cloutier  
Serge Cloutier, Director



**BANK OF MONTREAL**  
as Lender

Per: /s/ Alexandre Lombardi  
Alexandre Lombardi, Director

Per: \_\_\_\_\_



**FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC**

as Lender

Per: /s/ Catherine McCarthy  
Catherine McCarthy - Director, Corporate Banking

Per: /s/ Genevieve Baillargeon  
Genevieve Baillargeon - VP, Corporate Banking



**CANADIAN IMPERIAL BANK OF COMMERCE**  
as Lender

Per: /s/ Anissa Rabia-Zeribi  
Anissa Rabia-Zeribi, Managing Director

Per: /s/ Charles St-Germain  
Charles St-Germain, Managing Director

---

**JPMORGAN CHASE BANK, N.A.**  
as Lender

Per: /s/ Syed Ali Hasan  
Syed Ali Hasan  
Vice President

Per: \_\_\_\_\_

\_\_\_\_\_

**LAURENTIAN BANK OF CANADA**  
as Lender

Per: /s/ Olivier Ferland-Charest  
Olivier Ferland-Charest  
Director, Loan Syndication

Per: /s/ Aziz Yuldashev  
Aziz Yuldashev  
Portfolio Manager

---



**MUFG BANK, LTD., CANADA BRANCH**  
as Lender

Per: /s/ Jack Shuai

Name: Jack Shuai

Title: Director

Per: \_\_\_\_\_

---

**CITIBANK, N.A., Canadian Branch**  
as Lender

Per: /s/ Azita Taravati

Name: Azita Taravati

Title: Authorized Signatory

Per: \_\_\_\_\_

---

**VIDÉOTRON INFRASTRUCTURES INC.**

as Guarantor

Per: /s/ Hugues Simard  
Hugues Simard, Vice President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice President and Treasurer

**MOBILE & INTERNET FIZZ INC.**

as Guarantor

Per: /s/ Hugues Simard  
Hugues Simard, Vice President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice President and Treasurer

**9293-6707 QUÉBEC INC.**

as Guarantor

Per: /s/ Hugues Simard  
Hugues Simard, Vice President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice President and Treasurer



Each of the undersigned (i) acknowledges having taken cognizance of the provisions of the foregoing Sixth Amending Agreement (ii) confirms that the Guarantee granted by it in favour of the Agent and the Lenders as guarantee for the Secured Obligations shall continue in full force and effect binding upon it in accordance with its terms, notwithstanding the modifications to the Original Credit Agreement contemplated by this Agreement, (iii) ratifies and confirms its obligations under such Guarantee and (iv) confirms that such Guarantee shall continue to guarantee the Secured Obligations (as amended by this Agreement), notwithstanding the amendment of the Original Credit Agreement contemplated by this Agreement.

**9176-6857 QUÉBEC INC.**

Per: /s/ Hugues Simard  
Hugues Simard, Vice President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice President and Treasurer

**VMEDIA INC.**

Per: /s/ Hugues Simard  
Hugues Simard, Vice President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice President and Treasurer

**2251723 ONTARIO INC.**

Per: /s/ Hugues Simard  
Hugues Simard, Vice President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice President and Treasurer

**RIVERTV INC.**

Per: /s/ Hugues Simard  
Hugues Simard, Vice President

Per: /s/ Jean-François Parent  
Jean-François Parent, Vice President and Treasurer

---

**EXHIBIT "A"**

**AMENDED CREDIT AGREEMENT**

(see attached)

---

**VIDÉOTRON LTÉE, as Borrower**

-and-

**RBC DOMINION SECURITIES INC., as Co-Lead Arranger and Joint Bookrunner  
NATIONAL BANK OF CANADA, as Co-Lead Arranger and Joint Bookrunner  
TD SECURITIES, as Co-Lead Arranger and Joint Bookrunner**

-and-

**BANK OF AMERICA, N.A., CANADA BRANCH  
BMO CAPITAL MARKETS  
CANADIAN IMPERIAL BANK OF COMMERCE  
FÉDÉRATION DES CAISSES DESJARDINS DU QUÉBEC  
THE BANK OF NOVA SCOTIA**

as Co-Arrangers

-and-

**NATIONAL BANK OF CANADA  
TD SECURITIES  
as Syndication Agent**

-and-

**THE BANK OF NOVA SCOTIA  
as Documentation Agent**

-and-

**THE FINANCIAL INSTITUTIONS NAMED  
ON THE SIGNATURE PAGES HERETO**

as Lenders

**ROYAL BANK OF CANADA, as Administrative Agent**

-and-

**HSBC BANK PLC, as Finnvera Facility Agent**

---

**CREDIT AGREEMENT originally dated as of November 28, 2000, as Amended and Restated as of July 20, 2011, as amended by a First Amending Agreement dated as of June 14, 2013, a Second Amending Agreement dated as of January 28, 2015, and as Amended and Restated by a Third Amending Agreement dated as of June 16, 2015, as thereafter amended by a first amending agreement dated as of June 24, 2016, a second amending agreement dated as of January 3, 2018, a third amending agreement dated as of November 26, 2018, a fourth amending agreement dated as of May 20, 2022 ~~and~~, a fifth amending agreement dated as of July 15, 2022 and a sixth amending agreement dated as of January 13, 2023**

---

## TABLE OF CONTENTS

1.	INTERPRETATION	1
1.1	Definitions	1
1.2	Interpretation	<del>36</del> <u>5</u>
1.3	Currency	36
1.4	Generally Accepted Accounting Principles	36
1.5	Division and Titles	<del>37</del> <u>6</u>
1.6	Rates	<del>37</del> <u>6</u>
2.	THE CREDIT	37
2.1	Credit Facilities	37
2.2	The Revolving Facility	<del>38</del> <u>7</u>
2.3	Intentionally deleted.	38
2.4	Incremental Commitments and Facilities	38
2.5	Extension of Term - Revolving Facility	40
2.6	Finnvera Term Facility	<del>44</del> <u>0</u>
3.	PURPOSE	<del>44</del> <u>0</u>
3.1	Purpose of the Advances	<del>44</del> <u>0</u>
4.	ADVANCES, CONVERSIONS AND OPERATION OF ACCOUNTS	41
4.1	Notice of Borrowing - Direct Advances	41
4.2	Letters of Credit	41
4.3	Swing Line Advances	45
4.4	Operation of Accounts	47
4.5	Apportionment of Advances	47
4.6	Limitations on Advances	<del>48</del> <u>7</u>
4.7	Notices Irrevocable	48
4.8	Limits on BA Advances and Letters of Credit	48
4.9	Excess Resulting From Exchange Rate Change	48
4.10	Intentionally deleted.	<del>49</del> <u>8</u>
4.11	Term SOFR Advances and Conversions	<del>49</del> <u>8</u>
5.	INTEREST AND FEES	49
5.1	Interest on the Prime Rate Basis and the US Base Rate Basis	49
5.2	Payment of Interest on the Prime Rate Basis and the US Base Rate Basis	49
5.3	Interest on the Term SOFR Basis	<del>50</del> <u>49</u>
5.4	Payment of Interest on the Term SOFR Basis	50
5.5	Fixing of Term SOFR	50

---

5.6	Derivative Obligations	50
5.7	Interest on the Loan Obligations	50
5.8	Arrears of Interest	<u>54</u> <u>0</u>
5.9	Maximum Interest Rate	<u>54</u> <u>0</u>
5.10	Fees	51
5.11	Interest Act	<u>52</u> <u>1</u>
5.12	Term SOFR Conforming Changes	52
5.13	Inability to Determine Rates (Term SOFR)	52
6.	BANKERS' ACCEPTANCES	<u>55</u> <u>4</u>
6.1	Advances by Bankers' Acceptances and Conversions into Bankers' Acceptances	55
6.2	Acceptance Procedure	56
6.3	Purchase of Bankers' Acceptances and Discount Notes	57
6.4	Maturity Date of Bankers' Acceptances	<u>58</u> <u>7</u>
6.5	Deemed Conversions on the Maturity Date	58
6.6	Conversion and Extension Mechanism	58
6.7	Prepayment of Bankers' Acceptances	<u>59</u> <u>8</u>
6.8	Apportionment Amongst the Lenders	<u>59</u> <u>8</u>
6.9	Cash Deposits	59
6.10	Days of Grace	59
6.11	Obligations Absolute	<del>60</del> <u>59</u>
6.12	Depository Bills and Notes Act	<del>60</del> <u>59</u>
6.13	Intentionally deleted.	60
6.14	<del>Inability to Determine Rates</del> ( <u>Benchmark Replacement – CDOR</u> ) <u>Rate</u>	60
7.	ILLEGALITY, INCREASED COSTS, INDEMNIFICATION AND MARKET DISRUPTIONS	<u>62</u> <u>5</u>
7.1	Illegality	<u>62</u> <u>5</u>
7.2	Increased Costs	<u>63</u> <u>6</u>
7.3	Taxes	<u>64</u> <u>7</u>
7.4	Breakage Costs, Failure to Borrow or Repay After Notice	<u>66</u> <u>9</u>
7.5	Mitigation Obligations: Replacement of Lenders.	<u>67</u> <u>0</u>
7.6	Market Disruption	<u>68</u> <u>7</u> <u>1</u>
8.	PAYMENT, REPAYMENT AND PREPAYMENT	<u>69</u> <u>7</u> <u>2</u>
8.1	Repayment of the Loan Obligations	<u>69</u> <u>7</u> <u>3</u>
8.2	Voluntary Repayment and Prepayment of the Loan Obligations or Cancellation of the Credit	<u>70</u> <u>3</u>

---



8.3	Cash Collateralization of BA Advances and Payment of Losses Resulting From a Prepayment	<del>70</del> <u>3</u>
8.4	Currency of Payments	<del>70</del> <u>3</u>
8.5	Payments by the Borrower to the Agent	<del>74</del> <u>4</u>
8.6	Payment on a Business Day	<del>74</del> <u>4</u>
8.7	Payments by the Lenders to the Agent	<del>74</del> <u>4</u>
8.8	Payments by the Agent to the Borrower	<del>74</del> <u>4</u>
8.9	Netting	<del>74</del> <u>4</u>
8.10	Application of Payments	<del>74</del> <u>4</u>
8.11	No Set-Off or Counterclaim by Borrower	<del>72</del> <u>5</u>
8.12	Debit Authorization	<del>72</del> <u>5</u>
9.	SECURITY	<del>72</del> <u>5</u>
9.1	Security for Advances	<del>72</del> <u>5</u>
9.2	ECA Guarantee	<del>74</del> <u>7</u>
9.3	Guarantors – Exception	<del>74</del> <u>7</u>
9.4	Release of Security in Certain Circumstances	<del>74</del> <u>7</u>
9.5	Intentionally deleted.	<del>75</del> <u>8</u>
10.	CONDITIONS PRECEDENT	<del>75</del> <u>8</u>
10.1	Initial Advance Under the Revolving Facility After the Closing Date	<del>75</del> <u>8</u>
10.2	Conditions Precedent to any Advance	<del>76</del> <u>9</u>
10.3	Waiver of Conditions Precedent	<del>76</del> <u>9</u>
11.	REPRESENTATIONS AND WARRANTIES	<del>76</del> <u>9</u>
11.1	Incorporation	<del>77</del> <u>80</u>
11.2	Authorization	<del>77</del> <u>80</u>
11.3	Compliance with Applicable Law and Contracts	<del>77</del> <u>80</u>
11.4	Core Business	<del>77</del> <u>80</u>
11.5	Financial Statements	<del>78</del> <u>0</u>
11.6	Contingent Liabilities and Indebtedness	<del>78</del> <u>1</u>
11.7	Title to Assets	<del>78</del> <u>1</u>
11.8	Litigation	<del>78</del> <u>1</u>
11.9	Taxes	<del>79</del> <u>81</u>
11.10	Insurance	<del>79</del> <u>82</u>
11.11	No Adverse Change	<del>79</del> <u>82</u>
11.12	Regulatory Approvals	<del>79</del> <u>82</u>
11.13	Compliance with Applicable Law and Licences	<del>79</del> <u>82</u>

---

	11.14	Pension and Employment Liabilities	<del>79</del> <u>82</u>
	11.15	Priority	<del>79</del> <u>82</u>
	11.16	Complete and Accurate Information	<u>80</u> <u>2</u>
	11.17	Share Capital	<u>80</u> <u>3</u>
	11.18	Absence of Default	<u>80</u> <u>3</u>
	11.19	Agreements with Third Parties	<u>80</u> <u>3</u>
	11.20	Anti-Terrorism, Money Laundering Laws and Sanctions	<u>80</u> <u>3</u>
	11.21	Environment	<u>81</u> <u>4</u>
	11.22	Survival of Representations and Warranties	<u>82</u> <u>5</u>
12.		COVENANTS	<u>82</u> <u>5</u>
	12.1	Preservation of Juridical Personality	<u>82</u> <u>5</u>
	12.2	Preservation of Licences	<u>82</u> <u>5</u>
	12.3	Compliance with Applicable Laws	<u>82</u> <u>5</u>
	12.4	Maintenance of Assets	<u>82</u> <u>5</u>
	12.5	Business	<u>82</u> <u>6</u>
	12.6	Insurance	<u>82</u> <u>6</u>
	12.7	Payment of Taxes and Duties	<u>82</u> <u>6</u>
	12.8	Access and Inspection	<u>82</u> <u>6</u>
	12.9	Maintenance of Account	<u>84</u> <u>6</u>
	12.10	Performance of Obligations	<u>84</u> <u>7</u>
	12.11	Maintenance of Ratios	<u>84</u> <u>7</u>
	12.12	Ownership by the Borrower and Guarantors	<u>84</u> <u>7</u>
	12.13	Maintenance of Security	<u>85</u> <u>7</u>
	12.14	Payment of Legal Fees and Other Expenses	<u>85</u> <u>8</u>
	12.15	Financial Reporting	<u>85</u> <u>8</u>
	12.16	Notice of Certain Events	<del>88</del> <u>91</u>
	12.17	Accuracy of Reports	<del>88</del> <u>91</u>
13.		NEGATIVE COVENANTS	<del>88</del> <u>91</u>
	13.1	Liquidation and Amalgamation	<u>89</u> <u>1</u>
	13.2	Charges	<u>89</u> <u>2</u>
	13.3	Asset Dispositions	<u>89</u> <u>2</u>
	13.4	Preservation of Capital	<u>90</u> <u>3</u>
	13.5	Restrictions on Subsidiaries	<u>90</u> <u>3</u>
	13.6	Acquisitions	<u>91</u> <u>3</u>
	13.7	Debt and Guarantees	<u>91</u> <u>4</u>

---

	13.8	Financial Assistance by the VL Group	<u>92</u> <u>5</u>
	13.9	Subordinated Debt	<u>92</u> <u>5</u>
	13.10	Members of the VL Group, Related Party Transactions	<u>93</u> <u>5</u>
	13.11	Derivative Instruments	<u>93</u> <u>6</u>
	13.12	Anti-Terrorism Laws	<u>93</u> <u>6</u>
14.		EVENTS OF DEFAULT AND REALIZATION	<u>94</u> <u>6</u>
	14.1	Event of Default	<u>94</u> <u>6</u>
	14.2	Remedies	<u>96</u> <u>8</u>
	14.3	Bankruptcy and Insolvency	<u>96</u> <u>9</u>
	14.4	Notice	<u>97</u> <u>9</u>
	14.5	Costs	<u>97</u> <u>9</u>
	14.6	Relations with the Borrower	<u>97</u> <u>100</u>
	14.7	Application of Proceeds	<u>97</u> <u>100</u>
15.		JUDGMENT CURRENCY	<u>98</u> <u>100</u>
	15.1	Rules of Conversion	<u>98</u> <u>100</u>
	15.2	Determination of an Equivalent Currency	<u>98</u> <u>101</u>
16.		ASSIGNMENT	<u>99</u> <u>101</u>
	16.1	Assignment by the Borrower	<u>99</u> <u>101</u>
	16.2	Assignments and Transfers by the Lenders	<u>99</u> <u>101</u>
	16.3	Register	<u>104</u> <u>3</u>
	16.4	Electronic Execution of Assignments	<u>104</u> <u>3</u>
	16.5	Participations	<u>104</u> <u>4</u>
	16.6	Limitations Upon Participant Rights	<u>102</u> <u>4</u>
	16.7	Certain Pledges and Special Provisions	<u>102</u> <u>4</u>
17.		MISCELLANEOUS	<u>102</u> <u>5</u>
	17.1	Notices	<u>102</u> <u>5</u>
	17.2	Amendment and Waiver	<u>103</u> <u>5</u>
	17.3	Determinations Final	<u>103</u> <u>5</u>
	17.4	Entire Agreement	<u>103</u> <u>6</u>
	17.5	Indemnification and Compensation	<u>103</u> <u>6</u>
	17.6	Benefit of Agreement	<u>104</u> <u>6</u>
	17.7	Counterparts	<u>104</u> <u>6</u>
	17.8	Applicable Law	<u>104</u> <u>6</u>
	17.9	Severability	<u>104</u> <u>6</u>
	17.10	Further Assurances	<u>104</u> <u>7</u>

---

17.11	Good Faith and Fair Consideration	<u>1057</u>
17.12	Responsibility of the Lenders	<u>1057</u>
17.13	Indemnity	<u>1057</u>
17.14	Language	<u>1068</u>
17.15	Anti-Terrorism Legislation	<u>1068</u>
17.16	Electronic Signatures.	<u>1068</u>
17.17	Acknowledgement Regarding Any Supported QFCs.	<u>1069</u>
18.	THE AGENT AND THE LENDERS	<u>1108</u>
18.1	Authorization of Agent	<u>1108</u>
18.2	Agent's Responsibility	<u>10911</u>
18.3	Rights of Agent as Lender	<u>1102</u>
18.4	Indemnity	<u>1102</u>
18.5	Notice by Agent to Lenders	<u>1103</u>
18.6	Protection of Agent	<u>1103</u>
18.7	Notice by Lenders to Agent	<u>1114</u>
18.8	Sharing Among the Lenders	<u>1124</u>
18.9	Derivative Obligations	<u>1125</u>
18.10	Procedure with respect to Advances	<u>1146</u>
18.11	Accounts kept by each Lender	<u>1146</u>
18.12	Binding Determinations	<u>1147</u>
18.13	Amendment of Article 18	<u>1157</u>
18.14	Decisions, Amendments and Waivers of the Lenders	<u>1157</u>
18.15	Authorized Waivers, Variations and Omissions	<u>1157</u>
18.16	Provisions for the Benefit of Lenders Only – Hypothecary Representative for Quebec Purposes	<u>1179</u>
18.17	Defaulting Lenders	<u>1179</u>
18.18	Provisions for the Benefit of Lenders Only	<u>11820</u>
18.19	Resignation of Agent	<u>1219</u>
18.20	No Novation	<u>1219</u>
18.21	Erroneous Payments	<u>1219</u>
19.	CERTAIN PROVISIONS RELATING TO THE FINNVERA TERM FACILITY	<u>1235</u>
19.1	Application of Article 18	<u>1235</u>
19.2	Notice by Agent to the Finnvera Facility Agent	<u>1235</u>
19.3	Confirmation of Sharing	<u>1235</u>

---

20. FORMAL DATE	1235
20.1 Formal Date	1235
Schedule "A" - LIST OF LENDERS AND COMMITMENTS	2
Schedule "D" – FORM OF GUARANTEE	13
Schedule "E" – FORM OF SHARE PLEDGE	22
Schedule "F" - OFFICER'S CERTIFICATE	30
Schedule "G" - INTENTIONALLY DELETED	31
Schedule "H" – EXISTING DEBT FROM ADDITIONAL OFFERINGS, AT THE CLOSING DATE	32
Schedule "I" – PROPERTY OF THE VL GROUP	33
Schedule "J" - OFFICER'S COMPLIANCE CERTIFICATE	50
Schedule "K" - INTENTIONALLY DELETED	54
Schedule "L" - GUARANTORS AND MEMBERS OF THE VL GROUP AS AT THE <del>Fourth</del> <u>SIXTH</u> AMENDMENT CLOSING DATE	55
Schedule "M" – INTENTIONALLY DELETED	56
Schedule "N" – FORM OF SUBORDINATION AGREEMENT FOR BACK-TO-BACK SECURITIES	1
Schedule "O" – JOINDER AGREEMENT	1
Schedule "P" – FINNVERA TERM FACILITY	1
Schedule "Q" – SENIOR MNOTES INDENTURE	3

---

**AMENDED AND RESTATED CREDIT AGREEMENT** originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, entered into in the City of Montreal, Province of Quebec, as amended by a First Amending Agreement dated as of June 14, 2013, a Second Amending Agreement dated as of January 28, 2015, and as amended and restated by a Third Amending Agreement dated as of June 16, 2015, as thereafter amended by a first amending agreement dated as of June 24, 2016, a second amending agreement dated as of January 3, 2018, a third amending agreement dated as of November 26, 2018 ~~and~~, a fourth amending agreement dated as of May 20, 2022 and a fifth amending agreement dated as of July 15, 2022

- AMONG:** **VIDÉOTRON LTÉE**, a company constituted in accordance with the laws of Quebec, having its registered office at 612 St-Jacques Street, 18<sup>th</sup> floor, in the City of Montreal, Province of Quebec (hereinafter called the “**Borrower**”)
- AND:** **THE FINANCIAL INSTITUTIONS NAMED ON THE SIGNATURE PAGE HEREOF OR FROM TIME TO TIME PARTIES HERETO** (hereinafter called the “**Lenders**”)
- AND:** **ROYAL BANK OF CANADA, AS ADMINISTRATIVE AGENT FOR THE LENDERS**, a Canadian bank, having a place of business at 20 King Street West, 4th Floor, Toronto, Province of Ontario, M5H 1C4 (hereinafter called the “**Agent**”)
- AND:** **HSBC BANK PLC, AS FINNVERA FACILITY AGENT**, a bank governed by the laws of England and Wales, having a place of business at 8 Canada Square, Canary Wharf, London, UK, E14 5HQ (hereinafter called the “**Finnvera Facility Agent**”)

WHEREAS the Borrower wishes to borrow certain amounts from the Lenders and the Lenders have agreed to lend such amounts to the Borrower, subject to and in accordance with the provisions hereof;

NOW THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

## **1. INTERPRETATION**

### **1.1 Definitions**

The following words and expressions, when used in this Agreement or in any agreement supplementary hereto, unless the contrary is stipulated, have the following meaning:

- 1.1.1 “**Acquisition**” means, with respect to any Person, any transaction or series of related transactions whereby such Person acquires, directly or indirectly, (a) a business, division, or all or a substantial portion of the assets of any other Person;
- (b)
-

any Investment; or (c) by way of reorganization, consolidation, amalgamation, winding-up, merger, transfer, sale, lease or other combination, the assets or shares of any other Person; and “**Acquire**” and “**Acquired**” have meanings correlative thereto.

1.1.2 “**Additional Offering**” means an Offering of unsecured Debt incurred or issued by the Borrower having, at the time of incurrence of any such Debt, a maturity date (meaning the ultimate maturity date on which repayment can be required by the lender, not the date of any initial maturity leading to an automatic conversion or replacement into different Debt, or Equity Interests) expiring after the expiry of the Term of the Revolving Facility, the terms and conditions of which Offering (including any automatic conversion or replacement as aforesaid and excluding, for greater certainty, (a) pricing, and (b) the right to require a replacement via an unsecured term loan or an offering of unsecured high yield Debt in an amount equal to the Additional Offering being replaced (“**AO Replacement Debt**”)) are no more favourable to the Persons providing such Debt, in all material respects, than the provisions hereof applicable to the Revolving Facility; for greater certainty, for the purposes of paragraph (f) of Section 13.7, any such AO Replacement Debt will not be considered a new incurrence of Debt.

1.1.3 “**Adjusted Consolidated**” means produced by commencing with the consolidated financial statements or accounts of the Borrower and subtracting the assets, Debt, EBITDA and other results of any Subsidiary of the Borrower that is not a member of the VL Group, all as otherwise determined in accordance with GAAP.

1.1.4 “**Administrative Questionnaire**” means an administrative questionnaire in the form provided by the Agent from time to time.

1.1.5 “**Advance**” means any advance by a Lender under this Agreement, including, with respect to (a) the Revolving Facility, direct Advances by way of Prime Rate Advances, Swing Line Advances, US Base Rate Advances and Term SOFR Advances, and indirect Advances by way of BA Advances and the issuance of Letters of Credit, and (b) the Finnvera Term Facility, the “Tranche A CDOR Advances” as defined in Schedule “P”.

1.1.6 “**Affected Lender**” has the meaning ascribed to it in Section 18.15.

1.1.7 “**Affiliate**” has the meaning ascribed thereto in the Canada Business Corporations Act.

1.1.8 “**Agency Branch**” means the branch of the Agent located at Royal Bank Plaza, South Tower, 12th Floor, in the City of Toronto, Province of Ontario, M5J 2W7, or such other address in Canada of which the Agent may notify the Borrower from time to time.

1.1.9 “**Agent**” means Royal Bank of Canada in its capacity as agent for all of the Lenders under the Revolving Facility, and as collateral agent for all of the Lenders, and “**Agents**” means the Agent together with the Finnvera Facility Agent.

---

1.1.10 “**Agreement**”, “**Credit Agreement**”, “**these presents**”, “**herein**”, “**hereby**”, “**hereunder**” and other similar expressions refer collectively to this Amended and Restated Credit Agreement and the Schedules and appendices hereto as same may be amended or amended and restated from time to time, and include any deed or document which is supplementary or accessory or which is made in order to complete this Agreement, as all of same may subsequently be amended, amended and restated, modified, supplemented or replaced from time to time.

1.1.11 “**Annual Business Plan**” means, for any financial year, (a) detailed projected balance sheets, income statements, statements of cash flows and Capital Expenditures budgets of the Borrower, prepared on a consolidated basis, in respect of such financial year and each financial quarter therein and in respect of, and as at the last day of, each of the next two following financial years, in each case supported by appropriate explanations, notes and information and commentary, and (b) a detailed narrative of the businesses of the Borrower for the financial year then ended and for the following financial year which shall include a management discussion and analysis, in sufficient detail, all as approved by the board of directors of the Borrower.

1.1.12 “**Applicable Law**” or “**Applicable Laws**” means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person.

1.1.13 “**Approved Fund**” means any Person (other than a natural Person) that (a) is or will be engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business, and (b) is administered or managed by a Lender, an Affiliate of a Lender or an entity or an Affiliate of an entity that administers or manages a Lender.

1.1.14 “**Asset Disposition**” means the sale, lease, transfer, assignment or other disposition or alienation of any of the property (including Equity Interests) of any member of the Relevant Group.

1.1.15 “**Assignment**” means an assignment of all or a portion of a Revolving Facility Lender's rights and obligations under this Agreement in accordance with Section 16.2, and “**Assignee**” means an Eligible Assignee who has entered into an Assignment and Assumption Agreement.

1.1.16 “**Assignment and Assumption Agreement**” means an agreement substantially in the form annexed hereto as Schedule “C”.

1.1.17 “**Associate**” has the meaning ascribed thereto in the Canada Business Corporations Act.

---



1.1.18 “**BA Advance**” means at any time the part of the Advances under the Revolving Facility which the Borrower has chosen to borrow by Bankers’ Acceptances, calculated based on the face amount of such Bankers’ Acceptances.

1.1.19 “**BA Proceeds**” means, (a) for any Bankers’ Acceptance issued hereunder, an amount calculated on the applicable Acceptance Date (as defined in subsection 6.1.1) by multiplying: i) the face amount of the Bankers’ Acceptance by ii) the following fraction:

$$\frac{1}{(1 + (\text{Bankers' Acceptance Discount Rate} \times \text{Designated Period (in days)} \div 365))},$$

with such fraction being rounded up or down to the fifth decimal place and .00005 being rounded up; and (b) with respect to Assignees that are not banks or that do not accept Bankers’ Acceptances, the face amount of Discount Notes issued to them, less a discount established in the same manner as provided in (a) above (with references to “Bankers’ Acceptances” being replaced by references to “Discount Notes”).

1.1.20 “**BA Schedule I Reference Lender**” means Royal Bank of Canada or such other Lender which is a Schedule I bank under the *Bank Act* (Canada) appointed by the Agent with the consent of the Borrower in replacement of the said Lender.

1.1.21 “**BA Schedule II Reference Lenders**” means Bank of America, N.A. Canada Branch and Caisse centrale Desjardins, or such other Lenders which are Schedule II or Schedule III banks under the *Bank Act* (Canada) appointed by the Agent with the consent of the Borrower in replacement of such Lenders.

1.1.22 “**Back-to-Back Debt**” means any loans made or debt instruments issued as part of a Back-to-Back Transaction and in which each party to such Back-to-Back Transaction, other than the Borrower or a Guarantor, executes a subordination agreement in favour of the Agent in substantially the form attached hereto as Schedule “N”

1.1.23 “**Back-to-Back Preferred Shares**” means preferred shares issued:

(a) to a member of the Relevant Group by an Affiliate of the Borrower in circumstances where, immediately prior to the issuance of such preferred shares, an Affiliate of such member of the Relevant Group has loaned on an unsecured basis to such member of the Relevant Group, or an Affiliate of such member of the Relevant Group has subscribed for preferred shares of such member of the Relevant Group in an amount equal to, the requisite subscription price for such preferred shares;

(b) by a member of the Relevant Group to one of its Affiliates in circumstances where, immediately prior to or immediately after, as the case may be, the issuance of such preferred shares, such member of the Relevant Group has loaned an amount equal to the proceeds of such issuance to an Affiliate on an unsecured basis; or

(c) by a member of the Relevant Group to one of its Affiliates in circumstances where, immediately after the issuance of such preferred shares, such member of the Relevant Group has used all of the proceeds of such issuance to subscribe for preferred shares issued by an Affiliate;

in each case on terms whereby:

- (i) the aggregate redemption amount applicable to the preferred shares issued to or by such member of the Relevant Group is identical:
    - (A) in the case of (a) above, to the principal amount of the loan made or the aggregate redemption amount of the preferred shares subscribed for by such Affiliate prior to the issuance thereof;
    - (B) in the case of (b) above, to the principal amount of the loan made to such Affiliate with the proceeds of the issuance thereof; or
    - (C) in the case of (c) above, to the aggregate redemption amount of the preferred shares issued by such Affiliate with the proceeds of the issuance thereof;
  
  - (ii) the dividend payment date applicable to the preferred shares issued to or by such member of the Relevant Group will:
    - (A) in the case of (a) above, be immediately prior to the interest payment date relevant to the loan made or the dividend payment date on the preferred shares subscribed for by such Affiliate immediately prior to the issuance thereof;
    - (B) in the case of (b) above, be immediately after the interest payment date relevant to the loan made to such Affiliate with the proceeds of the issuance thereof; or
    - (C) in the case of (c) above, be immediately after the dividend payment date on the preferred shares issued by such Affiliate with the proceeds of the issuance thereof;
  
  - (iii) the amount of dividends provided for on any payment date in the share conditions attaching to the preferred shares issued:
    - (A) to a member of the Relevant Group in the case of (a) above, will be equal to or in excess of the amount of interest payable in respect of the loan made or the amount of dividends provided for in respect of the preferred shares subscribed for by such Affiliate prior to the issuance thereof;
    - (B) by a member of the Relevant Group in the case of (b) above, will be equal to or less than the amount of interest payable in respect of the loan made to such Affiliate with the proceeds of the issuance thereof; or
    - (C) by a member of the Relevant Group in the case of (c) above, will be equal to the amount of dividends in respect of the preferred shares issued by such Affiliate with the proceeds of the issuance thereof.
-

Provided, for greater certainty, that in all cases, (I) the redemption of any preferred shares by a member of the Relevant Group, (II) the repayment of any Back-to-Back Debt by a member of the Relevant Group, (III) the payment of any dividends by a member of the Relevant Group in respect of its preferred shares, and (IV) the payment of any interest on Back-to-Back Debt of a member of the Relevant Group, may, in each case, be made by a member of the Relevant Group solely by delivering the relevant Back-to-Back Securities to the Affiliate in question, or by paying to the Affiliate an amount in cash not in excess of the amount already received in cash from such Affiliate. Notwithstanding the foregoing, the requirement set out above with respect to the timing and order of events or to the effect that certain amounts stipulated in (ii) and (iii) above must be equal to or not in excess of or not less than certain other amounts stipulated thereunder shall not apply to Back-to-Back Transactions between members of the Relevant Group provided the exchange of payments relating to such transactions are completed on the same day absent administrative, technical or technological constraints.

1.1.24 “**Back-to-Back Securities**” means the Back-to-Back Preferred Shares or the Back-to-Back Debt or both, as the context requires.

1.1.25 “**Back-to-Back Transactions**” means any of the transactions described under the definition of Back-to-Back Preferred Shares.

1.1.26 “**Bankers’ Acceptance**” means a non-interest bearing draft or bill of exchange in Canadian Dollars drawn and endorsed by the Borrower and accepted by a Lender in accordance with the provisions of Article 6, and includes a Discount Note where the context permits. In cases where the Lenders elect to use a clearing house as contemplated by the Depository Bills and Notes Act (S.C. 1998 c. 13) (the “**Act**”), “**Bankers’ Acceptance**” shall mean a depository bill (as defined in the Act) in Canadian Dollars signed by the Borrower and accepted by a Lender. Drafts or bills of exchange that become depository bills may nevertheless be referred to herein as “drafts”.

1.1.27 “**Bankers’ Acceptance Discount Rate**” means (a) in respect of Bankers’ Acceptances to be purchased by the Lenders which are Schedule I banks under the *Bank Act* (Canada), the average rate for Canadian Dollar bankers’ acceptances having Designated Periods of 1, 2 or 3 months quoted on Refinitiv Benchmark Services (UK) Limited Canadian Dollar Offered Rate (CDOR) page (or such other page as is a replacement page for such Bankers’ Acceptances) (the “**CDOR Page**”) at 10:00 a.m. (Toronto time) (the “**CDOR Rate**”), having an identical Designated Period to that of the Bankers’ Acceptance to be issued on such day, and (b) in respect of Bankers’ Acceptances to be purchased by the Lenders which are Schedule II or Schedule III banks under the *Bank Act* (Canada) and in respect of Discount Notes, the lesser of (i) the arithmetic average (rounded upward to the nearest one hundredth of one percent (.01%)) of the discount rates for Canadian Dollar bankers’ acceptances quoted by the BA Schedule II Reference Lenders, and (ii) the rate specified in (a) above plus 10 basis points (.10%) (in each of cases (a) and (b), the “**Discount Rates**”). In all cases,

---

the Discount Rates shall be quoted at approximately 10:00 a.m. (Montreal time) on the Acceptance Date calculated on the basis of a year of 365 days.

In the absence of any such quote, the Bankers' Acceptance Discount Rate which would have been determined in accordance with paragraph (a) or paragraph (b) above, respectively, shall be equal to the rate determined from time to time by the Agent as the discount rates for bankers' acceptances of:

- (A) in the case of paragraph (a), the BA Schedule I Reference Lender; and
- (B) in the case of paragraph (b), the BA Schedule I Reference Lender plus 10 basis points (.10%);

established in accordance with its normal practices in amounts equal to the Selected Amount, having an identical Designated Period to that of the proposed Bankers' Acceptances to be issued on such day. For greater certainty, if the CDOR Rate as determined above shall ever be less than the Floor, then the CDOR Rate shall be deemed to be the Floor;

1.1.28 **"Banking Day"** means any day which is at the same time a Business Day and a day on which banking institutions are not authorized by law or by local proclamation to close for business in New York (USA).

1.1.29 **"Branch"** means the branch of Royal Bank of Canada located at 1 Place Ville Marie, or any other branch designated by the Agent from time to time by notice to the Borrower.

1.1.30 **"Business Day"** means any day, except Saturdays, Sundays and other days which in Montreal or Toronto (Canada) are holidays or a day upon which banking institutions are not authorized or required by law or by local proclamation to close, provided that where such term is used in the context of a Term SOFR Advance, such day must also be a US Government Securities Business Day.

1.1.31 **"Canadian Dollars"**, "Cdn. \$" or "\$" means the lawful currency of Canada.

1.1.32 **"Capital Expenditures"** means the aggregate amount actually paid in cash in any period by the Relevant Group for or in connection with the acquisition or maintenance of assets required to be capitalized, including expenditures of the type described in the last sentence of Section 13.8, determined in accordance with GAAP, other than, for greater certainty, expenditures for Acquisitions permitted by Section 13.6.

1.1.33 **"Capital Lease"** means any lease which is required to be capitalized on a balance sheet of the lessee in accordance with GAAP.

1.1.34 **"Cash Equivalents"** means, as of the date of any determination thereof, instruments of the following types:

- 1.1.34.1 obligations of or unconditionally guaranteed by the governments of Canada or the United States of America (“USA”), or any agency of any of them backed by the full faith and credit of the governments of Canada or the USA, respectively, maturing within 364 days of acquisition;
- 1.1.34.2 marketable direct obligations of the governments of one of the provinces of Canada, one of the states of the USA, or any agency thereof, or of any county, department, municipality or other political subdivision of Canada or the USA, the payment or guarantee of which constitutes a full faith and credit obligation of such province, state, municipality or other political subdivision, which matures within 364 days of acquisition and which is currently accorded a short-term credit rating of at least A-1 by Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc. (“S & P”) or at least Prime-1 by Moody’s Investors Service, Inc. (“Moody’s”) or the equivalent thereof from Dominion Bond Rating Service Inc. (“DBRS”);
- 1.1.34.3 commercial paper, bonds, notes, debentures and bankers’ acceptances issued by a Person residing in Canada or the USA and not referred to in subsections 1.1.34.1, 1.1.34.2 or 1.1.34.4, and maturing within 364 days from the date of issuance which, at the time of acquisition, is accorded a short-term credit rating of at least A-1 by S & P or at least Prime-1 by Moody’s or the equivalent thereof from DBRS;
- 1.1.34.4 (a) certificates of deposit maturing within 364 days from the date of issuance thereof, issued by a bank or trust company organized under the laws of the USA, any state thereof, or Canada or any province thereof, or (b) US Dollar certificates of deposit maturing within 364 days of acquisition and issued by a bank in western Europe or the United Kingdom, in all cases having capital, surplus and undivided profits aggregating at least US \$500,000,000 (or its equivalent in Canadian Dollars) and whose short-term credit rating is, at the time of acquisition thereof, rated A-1 or better by S & P or Prime-1 or better by Moody’s (or the equivalent thereof from DBRS).
- 1.1.35 “CDOR Page” has the meaning ascribed to it in subsection 1.1.27.
- 1.1.36 “CDOR Rate” has the meaning ascribed to it in subsection 1.1.27.
- 1.1.37 “Change in Control” means (a) the acquisition by any Person or group of Persons acting in concert (other than Quebecor Inc. or any of its subsidiaries or the Péladeau Group) of a majority of the votes attached to the outstanding Equity Interests
-

of the Borrower or any other member of the VL Group (unless, in the case of a member of the VL Group, resulting from a permitted Asset Disposition), or (b) any event which results in more than a majority of the votes attached to the outstanding Equity Interests of Quebecor Media Inc. being held by a Person other than Quebecor Inc. or any of its subsidiaries or the Péladeau Group.

1.1.38 “**Change in Law**” means the occurrence, after the Closing Date, of any of the following: (a) the adoption or taking effect of any Applicable Law, including without limitation the *Dodd-Frank Wall Street Reform and Consumer Protection Act*, (b) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority, including any such change resulting from any quashing by a Governmental Authority of an interpretation of any Applicable Law, (c) the making or issuance of any Applicable Law by any Governmental Authority, or (d) the implementation of the recommendations of the Bank for International Settlements or the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar entity).

1.1.39 “**Charge**” means, in respect of any Person, any mortgage, debenture, pledge, hypothec, lien, prior claim, charge, assignment by way of security, hypothecation, or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person’s property (including any servitude, usufruct or other real right encumbering such property), or any consignment of property by such Person as consignee or lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or obligation. Solely for the purposes of determining whether a Charge exists for the purposes of this Agreement, a Person shall be deemed to be the owner of any property which it has acquired or holds subject to a conditional sale agreement, Capital Lease, Synthetic Lease or other arrangement pursuant to which title to the property has been retained by or vested in some other Person for security purposes and such retention or vesting shall constitute a Charge.

1.1.40 “**Closing Date**” means July 20, 2011.

1.1.41 “**CME**” means CME Group Benchmark Administration Limited.

1.1.42 “**Commitment**” means the portion of the Credit for which a Lender is responsible, as set out in Schedule “A” hereof (as same may be increased or cancelled from time to time pursuant to terms of this Agreement, including under Sections 2.4 or 8.2).

1.1.43 “**Compliance Certificate**” has the meaning ascribed to it in subsection 12.15.1.

1.1.44 “**Conforming Changes (CAD)**” means, with respect to the use, administration of or any conventions associated with any proposed Successor Rate (CAD), any conforming changes to the definitions of “Bankers’ Acceptance Discount Rate”, “CDOR Rate”, “CDOR Page” and “Designated Period”, Section 6.1.1, timing

---

and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and timing of drawing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

1.1.45 **"Conforming Changes (USD)"** means, with respect to the use, administration of or any conventions associated with SOFR or any proposed Successor Rate (USD) or Term SOFR, as applicable, any conforming changes to the definitions of "SOFR", "Term SOFR" and "Designated Period", Section 4.11, timing and frequency of determining rates and making payments of interest and other technical, administrative or operational matters (including, for the avoidance of doubt, the definitions of "Business Day" and "US Government Securities Business Day", timing of borrowing requests or prepayment, conversion or continuation notices and length of lookback periods) as may be appropriate, in the discretion of the Agent, to reflect the adoption and implementation of such applicable rate(s) and to permit the administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Agent determines is reasonably necessary in connection with the administration of this Agreement and any other Loan Document).

1.1.46 **"Contingent Obligation"** of any Person means all contingent liabilities required to be included in the financial statements of such Person in accordance with GAAP, excluding any notes thereto.

1.1.47 **"Core Business"** means the business described in Section 11.4.

1.1.48 **"Credit"** means the aggregate amount available to the Borrower under all of the Facilities, or under any particular Facility, depending on the context.

1.1.48A **"Credit Facilities"** means one or more debt facilities (including, without limitation, the Facilities), commercial paper facilities, or other debt arrangements, in each case with banks, other institutional lenders or investors, providing for revolving credit loans, term loans, notes, receivables financing (including, to the extent constituting Indebtedness, through the sales of accounts receivables to such lenders or investors or to an accounts receivable entity) or letters of credit, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

---

1.1.49 “**CRTC**” means the Canadian Radio-television and Telecommunications Commission, or a successor regulatory body, commission or agency.

1.1.50 “**Daily Simple SOFR**” with respect to any applicable determination date means SOFR published on such date on the Federal Reserve Bank of New York's website (or any successor source).

1.1.51 “**Debentures**” means the Debentures issued by the Borrower and the Guarantors in favour of a collateral agent designated by the Agent in accordance with the provisions of subsection 9.1.3.

1.1.52 “**Debenture Pledge**” means the pledge of the Debenture in favour of the Agent or any designated collateral agent by the Borrower and the Guarantors.

1.1.53 “**Debt**” includes, for any Person or with respect to the Relevant Group,

- 1.1.53.1 obligations in respect of borrowed money, whether or not evidenced by notes, bonds, debentures or similar evidences of indebtedness of such Person;
- 1.1.53.2 obligations in respect of borrowed money and the Hedging Exposure, but without duplication of any underlying Debt that may be hedged by same, and, in particular, without taking into account the currency hedging in respect of the US\$ denominated Debt referred to in the final paragraph of this definition;
- 1.1.53.3 obligations representing the deferred purchase price of goods and services, other than such obligations incurred in the ordinary course of business of the Relevant Group and payable within a period not exceeding 150 days from the date of their incurrence;
- 1.1.53.4 the obligations, whether or not assumed, which are secured by Charges on the property belonging to such Person or payable out of the proceeds flowing therefrom;
- 1.1.53.5 Contingent Obligations;
- 1.1.53.6 obligations under Capital Leases and Synthetic Leases; and
- 1.1.53.7 obligations under letters of credit, letters of guarantee, bankers’ acceptances or Guarantees;

but shall not include Debt under the Back-to-Back Securities. In addition, any Debt denominated in US\$ which is validly and effectively hedged through the use of one or more Derivative Instruments will be calculated at the exchange rate applicable to such US\$ Debt under the applicable Derivative Instrument. Finally, for the purpose

---



of calculating the Leverage Ratio only, the amount of cash and Cash Equivalents of the Relevant Group on the date of determination shall be deducted from the amount of any Debt (for greater certainty, other than Debt under the Revolving Facility or any other revolving facility not resulting in a permanent reduction of such Debt) required to be repaid following the issuance of an irrevocable repayment notice, if and only to the extent that such Debt would have been included in the computation of the Leverage Ratio.

1.1.54 “**Default**” means an event or circumstances, the occurrence or non-occurrence of which would, with the giving of a notice, lapse of time or combination thereof, constitute an Event of Default unless remedied within the prescribed delays or renounced to in writing by the Agent, as authorized by the Lenders.

1.1.55 “**Defaulting Lender**” means any Lender, as determined by the Agent (with respect to the Revolving Facility) or the Finnvera Facility Agent (with respect to the Finnvera Term Facility), that:

- 1.1.55.1 has failed to fully fund its share of any Advance or fulfill its obligations under Section 4.2 or 4.3 within 2 Banking Days of the date it is required to do so under this Agreement;
  - 1.1.55.2 has notified the Borrower, the Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent) or any other Lender in writing that it does not intend to comply with any of its funding obligations under this Agreement (including Sections 4.2 and 4.3), has issued financial statements containing a "going concern" or similar qualification or indicating a potential inability to comply with funding obligations generally, or has made a public statement to the effect that it does not intend or is unable to comply with its funding obligations under this Agreement or generally under other agreements in which it commits to extend credit;
  - 1.1.55.3 has failed, within 2 Banking Days after request by the Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent), to confirm that it will comply with its funding obligations under this Agreement (including Sections 4.2 and 4.3);
  - 1.1.55.4 has otherwise failed to pay over to the Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent) or any other Lender any other amount required to be paid by it under this Agreement within 3 Banking Days of the date when due, unless payment is the subject of a good faith dispute;
-

- 1.1.55.5 has become or is insolvent, is deemed to be insolvent, or is controlled by a Person that has become or is insolvent or deemed to be insolvent; or
- 1.1.55.6 has itself or is controlled by a Person that has (i) become the subject of a bankruptcy or insolvency proceeding, (ii) had a receiver, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or custodian, appointed for it, or (iii) taken any action in furtherance of, or indicating its consent to, approval of or acquiescence in any such proceeding or appointment;

provided that, for the avoidance of doubt, a Lender shall not be a Defaulting Lender solely by virtue of the ownership, control or acquisition of any Equity Interest in or control of such Lender by a Governmental Authority.

1.1.56 **“Derivative Instrument”** means an agreement entered into from time to time by a Person in order to control, fix or regulate currency exchange fluctuations, or the rate of interest payable on borrowings, including a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or index equity swap, equity or index equity option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions and any combination of these transactions).

1.1.57 **“Derivative Obligations”** means the Hedging Exposure and all other obligations of the Borrower to one or more Revolving Facility Lenders under Derivative Instruments.

1.1.58 **“Designated Period”** means, with respect to a Term SOFR Advance or a BA Advance, a period designated by the Borrower in accordance with Sections 4.11, 6.1 and 6.4.

1.1.59 **“Disbursement Period”** means, with respect to (a) the Revolving Facility, the period from the Original Closing Date until the expiry of the Term, subject to satisfying the applicable conditions precedent set out in Article 10, and (b) the Finnvera Term Facility, the “Availability Period” as defined in Schedule “P” hereof.

1.1.60 **“Discount Note”** means a non-interest bearing promissory note denominated in Canadian Dollars issued by the Borrower to a Revolving Facility Lender or a sub-participant which is a Non-BA Lender (as defined in subsection 6.1.2(b)), such note to be in the form normally used by such Lender or sub-participant.

1.1.61 **“EBITDA”** means, with respect to any Person or the Relevant Group during a financial period, earnings before non-controlling interests, earnings from equity-accounted investments, extraordinary items, non-recurring gains or losses on

debt extinguishment and asset sales and restructuring, Interest Expense, Taxes (to the extent taken into account for the purposes of determining net income), depreciation and amortization, foreign exchange translation gains or losses not involving the payment of cash, other non-cash financial charges, reconnection costs, subscribers' subsidies revenues net of related costs, deferred installation revenues net of related costs without taking into account any goodwill adjustments, and amortization of contract assets and contract acquisition costs, calculated in accordance with GAAP; for greater certainty, there shall be excluded from the calculation of EBITDA, to the extent included in such calculation, (a) the amount of any income or expense relating to Back-to-Back Securities, and (b) the EBITDA from any Subsidiary that is not a member of the Relevant Group except to the extent of the cash dividends or other distributions received from such Subsidiary that is not a member of the Relevant Group, net of any reinvestments by the Relevant Group in such Subsidiary.

EBITDA shall (A) exclude the EBITDA of (a) any Person and (b) every division, line of business or group of operating assets used in carrying on a distinct business (collectively called an "**Operating Business**") that (in the case of either (a) or (b) above) no longer belong to a member of the Relevant Group (a "**Former Contributor**") on the last day of such period which would otherwise be included in such results of operations of the Borrower because such Former Contributor or Operating Business, as the case may be, has been disposed of during such period; and (B) include the EBITDA for such period of each Person and of every Operating Business that, during such period, became (or, in the case of an Operating Business, became part of) a member of the Relevant Group and which is (or is comprised within) a member of the Relevant Group on the last day of such period on a *pro forma* basis for such period, based on audited historical results of operations, or, if unavailable, reasonable projections satisfactory to the Agent.

1.1.62 "**Eligible Assignee**" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person), in respect of each of which the consent of any party whose consent is required by Section 16.2.1 has been obtained; provided that notwithstanding the foregoing, "**Eligible Assignee**" shall not include any member of the VL Group or any Affiliate thereof.

1.1.63 "**Environmental Laws**" means all applicable Canadian and other applicable jurisdictions' federal, state, provincial, local and other foreign statutes and codes or regulations, rules or ordinances issued, promulgated or approved thereunder, as well as all other Applicable Laws, and all common laws under which environmental liabilities can arise, now or hereafter in effect (including those with respect to asbestos or asbestos-containing material or exposure to asbestos or asbestos-containing material, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas), to the extent relating to pollution or protection of the environment and public health and relating to (a) emissions, discharges, releases or threatened releases of pollutants, contaminants, chemicals or industrial toxic or hazardous constituents, substances or wastes (including any Hazardous Substance, petroleum including crude oil or any fraction thereof, any petroleum product or other waste, chemicals or

---

substances regulated by any such statute, codes, regulations, rules or ordinances) into the environment (including ambient air, surface water, ground water, land surface or subsurface strata), and (b) the manufacture, processing, distribution, use, generation, treatment, storage, disposal, transport or handling of any Hazardous Substance, petroleum including crude oil or any fraction thereof, any petroleum product or other waste, chemicals or substances regulated by any such statute, codes, regulations, rules or ordinances, and (c) underground storage tanks and related piping, and emissions, discharges and releases or threatened releases therefrom.

1.1.64 “**Equity Interests**” means, with respect to any Person, all shares, interests, units, participations or other equivalent equity interests (however designated, whether voting or non-voting) of such Person’s capital, whether now outstanding or issued after the Closing Date, including common shares, preferred shares, membership interests in a limited liability company, limited or general partnership interests in a partnership, trust units, or any other equivalent of such ownership interests.

1.1.65 “**Equivalent Amount**” has the meaning ascribed to it in Section 15.2.

1.1.66 “**Erroneous Payment**” has the meaning ascribed to it in Section 18.21.1.

1.1.67 “**Erroneous Payment Deficiency Assignment**” has the meaning ascribed to it in Section 18.21.4.

1.1.68 “**Erroneous Payment Impacted Class**” has the meaning ascribed to it in Section 18.21.4.

1.1.69 “**Erroneous Payment Return Deficiency**” has the meaning ascribed to it in Section 18.21.4.

1.1.70 “**Erroneous Payment Subrogation Rights**” has the meaning ascribed to it in Section 18.21.4.

1.1.71 “**Event of Default**” means one or more of the events described in Section 14.1, as well as one or more of the Events of Default as described in Section 9 of Schedule “P”.

1.1.72 “**Excess Cash Flow**” means, with respect to the Relevant Group, the EBITDA calculated as at the end of each financial quarter, plus an amount equal to any spread paid to a member of the Relevant Group resulting from Back-to-Back Securities, to the extent not previously included in EBITDA, and less:

1.1.72.1 the amount of Taxes paid or otherwise due during the period in question;

1.1.72.2 the amount of any Interest Expense paid in cash (and not accrued); however, for the purposes of this definition alone, “Interest Expense” shall include all fees and expenses relating to any Offering and premiums paid to retire Debt, except to the

---

extent that the fees and expenses in question are paid for out of the proceeds of such Offering and not out of the Relevant Group's cash flow;

- 1.1.72.3 the amount of all voluntary prepayments of Debt, other than (a) payments under the Revolving Facility, (b) voluntary prepayments using the proceeds of Asset Dispositions and Offerings, and (c) voluntary prepayments of the QMI Subordinated Debt made in accordance with Section 13.9 hereof;
- 1.1.72.4 the amount of extraordinary items not included in earnings but which required the payment of cash;
- 1.1.72.5 the amount of any mandatory principal repayment of Debt that is permitted hereunder; and
- 1.1.72.6 the amount of Capital Expenditures (adjusted for the inclusion of reconnection costs, video rental inventories, deferred charges in connection with subscriber subsidies, reclassification of telephony modems and the proceeds from disposal of subscriber equipment) made during such period that has not been financed separately out of (i) the proceeds of Debt permitted hereunder; (ii) equity obtained after the date hereof; or (iii) the Net Proceeds arising out of Asset Dispositions made during the period;

provided, however, that no amount will be so deducted if such amount has already been deducted from EBITDA.

1.1.73 “**Excluded Taxes**” means, with respect to the Agent, any Lender (which term, for the avoidance of doubt, shall include the Issuing Lender and the Swing Line Lender when used in this definition of “Excluded Taxes”) or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) Taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, (b) any branch profits taxes or any similar Tax imposed by any jurisdiction in which the Agent or such Lender is located and (c) in the case of a Foreign Lender (other than (i) a Foreign Lender that is a party hereto on the Closing Date, (ii) an Assignee pursuant to a request by the Borrower under Section 7.5.2, (iii) an Assignee pursuant to an Assignment made when an Event of Default has occurred and has not been waived or (iv) any other Assignee to the extent that the Borrower has expressly agreed that any withholding tax shall be an Indemnified Tax), any withholding tax that is imposed on amounts payable to such Foreign Lender at the time such Foreign Lender becomes a party

---

hereto (or designates a new lending office) or is attributable to such Foreign Lender's failure or inability (other than as a result of a Change in Law) to comply with Section 7.3.5, except to the extent that such Foreign Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Borrower with respect to such withholding tax pursuant to Section 7.3. For greater certainty, for purposes of item (c) above, a withholding tax includes any Tax that a Foreign Lender is required to pay pursuant to Part XIII of the *Income Tax Act* (Canada) or any successor provision thereto.

1.1.74 "Facility" means the Revolving Facility, the Finnvera Term Facility or a New Facility, and "Facilities" means all of them.

1.1.75 "Federal Funds Effective Rate" means, for any period, a fluctuating interest rate per annum equal, for each day during such period, to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers as published for such day (or, if such day is not a Banking Day, for the immediately preceding Banking Day) by the Federal Reserve Bank of New York or, for any day on which such rate is not so published for such day by the Federal Reserve Bank of New York, the average of the quotations for such day for such transactions received by the Agent from three Federal Funds brokers of recognized standing selected by the Agent. If for any reason the Agent shall have determined (which determination shall be conclusive, absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including without limitation, the inability or failure of the Agent to obtain sufficient bids or publications in accordance with the terms hereof, Royal Bank of Canada's announced US Base Rate will apply.

1.1.76 "Fees" means the Revolving Facility Fees and the Finnvera Fees.

1.1.76A "Fifth Amending Agreement" means the fifth amending agreement to this Agreement dated on or about July 15, 2022 entered into among the parties hereto."

1.1.76B "Fifth Amendment Effective Date" has the meaning ascribed to "Amendment Effective Date" in the Fifth Amending Agreement.

1.1.77 "Finnvera Facility Agent" has the meaning ascribed to it in Schedule "P".

1.1.78 "Finnvera Facility Lender" means a "Tranche A Lender", as such term is defined in Schedule "P".

1.1.79 "Finnvera Fees" means the "Tranche A Fees", the Commitment Fees and the Finnvera Handling Fee, as such terms are defined in Schedule "P".

1.1.80 "Finnvera Term Facility" means the Facility under which the portion of the Credit described in subsection 2.1.2 is available, which Facility is more fully described in Schedule "P".

---

1.1.81 “**First Currency**” has the meaning ascribed to it pursuant to Section 15.1.

1.1.82 “**Floor**” means a rate of interest per annum equal to 0%;

1.1.83 “**Foreign Lender**” means any Lender that is not organized under the laws of the jurisdiction in which the Borrower is resident for tax purposes and that is not otherwise considered or deemed to be resident for income tax or withholding tax purposes in the jurisdiction in which the Borrower is resident for tax purposes by application of the laws of that jurisdiction. For purposes of this definition, Canada and each Province and Territory thereof shall be deemed to constitute a single jurisdiction and the United States of America, each State thereof and the District of Columbia shall be deemed to constitute a single jurisdiction.

1.1.84 “**Fourth Amending Agreement**” means the fourth amending agreement to this Agreement dated as of May 20, 2022 entered into among the parties hereto;

1.1.85 “**Fourth Amendment Closing Date**” has the meaning ascribed to “Amendment Effective Date” in the Fourth Amending Agreement;

~~1.1.85A~~

~~1.1.85A~~ “**Freedom Deeds of Hypothec**” refers collectively to (i) the deed of movable hypothec dated as of December 21, 2022 entered into among the Agent (as hypothecary representative), the Borrower, Vidéotron Infrastructures Inc., 9293-6707 Québec Inc., Fizz Mobile & Internet Inc. and Télédistribution Amos Inc. before Mtre. Angelo Febbraio under the number 6396 of his minutes, and (ii) the deed of immovable hypothec (*acte d’hypothèque immobilière*) dated as of December 21, 2022 entered into in the French language among the Agent (as hypothecary representative), the Borrower, Vidéotron Infrastructures Inc., 9293-6707 Québec Inc., Fizz Mobile & Internet Inc. and Télédistribution Amos Inc. before Mtre. Angelo Febbraio under the number 6397 of his minutes.

~~1.1.85B~~ “**Freedom Entities**” refers collectively to Freedom Mobile Inc. and its wholly-owned subsidiary, Freedom Mobile Distribution Inc.”

~~1.1.85C~~ “**Freedom SPA**” means the share purchase agreement dated as of August 12, 2022 entered into among the Borrower, Quebecor Inc., Rogers Communications Inc., Shaw Communications Inc., Shaw Telecom Inc. and Freedom Mobile Inc.

~~1.1.85D~~ “**Freedom Transaction**” means the contemplated acquisition by the Borrower of the Freedom mobile wireless and internet business operated by the Freedom Entities pursuant to ~~a share purchase agreement to be entered into among the Borrower, Quebecor Inc., Rogers Communications Inc., Shaw Communications Inc., Shaw Telecom Inc. and the Freedom Mobile Inc.~~ SPA.

1.1.86 “**Generally Accepted Accounting Principles**” or “**GAAP**” means the generally accepted accounting principles in effect in Canada from time to time,

consistently applied, and including for greater certainty IFRS as and from its implementation in Canada effective January 1, 2011.

1.1.87 **“Governmental Authority”** means the government of Canada or any other nation, or of any political subdivision thereof, whether provincial, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union, the Bank for International Settlements or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

1.1.88 **“Guarantees”** by any Person means all obligations (other than endorsements in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing, or in effect guaranteeing, any Indebtedness, dividend or other obligation of any other Person (the **“Primary Obligor”**) in any manner, whether directly or indirectly, including all obligations incurred through an agreement, contingent or otherwise, by such Person: (a) to purchase such Indebtedness or obligation or any property or assets constituting security therefor, (b) to advance or supply funds (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain working capital or other balance sheet condition or otherwise to advance or make available funds for the purchase or payment of such Indebtedness or obligation against loss, (c) to lease property or to purchase securities or other property or services primarily for the purpose of assuring the owner of such Indebtedness or obligation, or (d) otherwise to assure the owner of the Indebtedness or obligation of the Primary Obligor against loss in respect thereof. For the purposes of all computations made under this Agreement, a Guarantee in respect of any Indebtedness for borrowed money, and a Guarantee in respect of any other obligation or liability or any dividend, shall be deemed to be Indebtedness equal to the maximum aggregate amount of such obligation, liability or dividend, unless the Guarantee is limited in amount, in which case such limit shall be used for such computation.

1.1.89 **“Guarantors”** means subject to the provisions of Section 9.3, all of the wholly-owned Subsidiaries of the Borrower and the Guarantors. A list of the Guarantors and of all of the members of the VL Group as of the ~~Fourth~~Sixth Amendment Closing Date is provided in Schedule “L” hereto.

1.1.90 **“Hazardous Substances”** shall mean any (a) substance, waste, liquid, gaseous or solid matter, fuel, micro-organism, sound, vibration, ray, heat, odour, radiation, energy vector, plasma and organic or inorganic matter which may alter and diminish or deteriorate the quality of the environment, or which by reason of its qualities is a hazard to health or to the environment, or is or is deemed to be, alone or in any combination, hazardous, hazardous waste, hazardous material, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any applicable Environmental Laws; and (b) any other chemical,

---



material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority.

1.1.91       **“Hedging Exposure”** means the aggregate amount that would be payable to all Persons by the Relevant Group on the date of determination pursuant to (a) Section 6(e)(i)(3) of each ISDA Master Agreement entered into using the 1992 ISDA Master Agreement and (b) Section 6(e)(i) of each ISDA Master Agreement entered into using the 2002 ISDA Master Agreement, between the Borrower and such Persons as if all Derivative Instruments under such ISDA Master Agreements were being terminated on that day; provided that, for the purpose of such determination, with respect to the Derivative Instruments between each Lender and the Borrower entered into using (w) the 1992 ISDA Master Agreement, each Lender will be deemed to be the Non-defaulting Party (as such term is defined in the ISDA Master Agreement) and will determine Market Quotation (as such term is defined in the ISDA Master Agreement) using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as such term is defined in the 1992 ISDA Master Agreement), and (x) the 2002 ISDA Master Agreement, each Lender will be deemed to be the Non-defaulting Party (as such term is defined in the ISDA Master Agreement) and will determine the Close-Out Amount (as such term is defined in the ISDA Master Agreement).

1.1.92       **“IFRS”** means the International Financial Reporting Standards (formerly known as the International Accounting Standards), as set and promoted by the International Accounting Standards Board (formerly known as the International Accounting Standards Committee) and implemented in Canada through the Accounting Recommendations in the *Handbook of the Canadian Institute of Chartered Accountants*.

1.1.93       **“Immaterial Subsidiary”** means any wholly-owned Subsidiary of the Borrower that holds less than 1.5% of (a) the Adjusted Consolidated EBITDA on a rolling four-quarter basis, and (b) the Adjusted Consolidated assets, of the VL Group, provided that the aggregate EBITDA, on a rolling four-quarter basis, and assets held by all of the Immaterial Subsidiaries cannot at any time exceed 3% of the (i) Adjusted Consolidated EBITDA on a rolling four-quarter basis, or (ii) Adjusted Consolidated assets of, in each case, the VL Group.

1.1.93A       **“Incurrence”** means, with respect to any obligation of any Person, to create, incur, issue, assume, guarantee or otherwise become indirectly or directly liable, contingently or otherwise, with respect of such obligation.

1.1.94       **“Indebtedness”** of any Person means (without duplication) all obligations of such Person which in accordance with GAAP should be classified upon a balance sheet of such Person as liabilities of such Person, and in any event includes all Debt of such Person.

1.1.95       **“Indemnified Taxes”** means all Taxes other than Excluded Taxes.

---

1.1.96 “**Interest Coverage Ratio**” means, for any period, the ratio of EBITDA to Interest Expense for such period.

1.1.97 “**Interest Expense**” for any period means all interest and all amortization of debt discount and expense on any particular Indebtedness for which such calculations are being made in respect of the Relevant Group, excluding (a) fees and expenses relating to any Offering of Debt and premiums paid to retire Debt, (b) interest on the Back-to-Back Debt to the extent offset by an equal amount of dividends on the Back-to-Back Preferred Shares, (c) interest not paid in cash or other assets of the Relevant Group on the QMI Subordinated Debt, including the interest component of Capital Leases, and discounts and fees payable in respect of bankers’ acceptances or accounts receivable sold in connection with any asset securitization program approved by the Lenders.

In circumstances where the proceeds of disposition of a Former Contributor (as defined in the definition of “**EBITDA**”) or its property, or of an Operating Business, (as defined in the definition of “**EBITDA**”) have been used to permanently repay Debt during such period, for the purpose of calculating Interest Expense, the amounts so repaid shall be deducted from the Debt of the Relevant Group on which the calculation of Interest Expense for such period would otherwise have been made, and Interest Expense shall be reduced accordingly on a *pro forma* basis. Similarly, in circumstances where Debt of the Relevant Group was incurred or assumed in connection with the acquisition of a Person or Operating Business (as defined in the definition of “**EBITDA**”), the amounts so incurred or assumed shall be added to the Debt of the Relevant Group on which the calculation of Interest Expense for such period would otherwise have been made, and Interest Expense shall be increased accordingly on a *pro forma* basis.

1.1.98 “**Investments**” means all investments, in cash or by delivery of property, made directly or indirectly in any Person, whether by acquisition of shares of capital stock, Indebtedness or other obligations or securities or by loan, advance, capital contribution or otherwise; *provided, however*, that “**Investments**” shall not mean or include investments in cash or Cash Equivalents or routine investments in inventory, equipment and supplies to be used or consumed, or trade credit granted, in the ordinary course of business.

1.1.99 “**ISDA Master Agreement**” means either the ISDA Master Agreement (Multi-Currency - Cross Border - 1992) (the “**1992 ISDA Master Agreement**”) or the ISDA 2002 Master Agreement (the “**2002 ISDA Master Agreement**”), each as published by the International Swaps and Derivatives Association, Inc. and, where the context permits or requires, includes all schedules, supplements, annexes and confirmations attached thereto or incorporated therein, as such agreement may be amended, supplemented or replaced from time to time.

1.1.100 “**Issuing Lender**” means each or all of (a) the Lender(s) selected by the Borrower and accepted by such Lender(s), for which the Agent has been advised that such Lender(s) will be the issuer of Letters of Credit (in that capacity) under the

---

Revolving Facility, and (b) the Swing Line Lender as the issuer of Letters of Credit under the Swing Line Commitment (in that capacity), or any successor issuers of Letters of Credit. For greater certainty, where the context permits, references to “Lenders” herein include the Issuing Lender.

1.1.101 “**Joinder Agreement**” means an agreement substantially in the form of Schedule “O”.

1.1.102 “**LC Fees**” has the meaning ascribed to such term in subsection 4.2.2.

1.1.103 “**Lender**” or “**Lenders**” means the Revolving Facility Lenders, the Lenders under the Finnvera Term Facility (all of which are listed in Schedule “A”) and the Lenders under any New Facility, together with any Assignee(s) and Tranche A Assignee(s) (as such term is defined in Schedule “P”), or, as the context permits, any of them alone. When used in connection with “Derivative Instruments”, the term “Lender” shall include any Affiliate of a Revolving Facility Lender. When used in connection with the Security, the term “Lender” shall include any counterparty to a Derivative Instrument, provided that the counterparty was a Revolving Facility Lender or an Affiliate of a Revolving Facility Lender at the time any such Derivative Instrument was entered into.

1.1.104 “**Letter of Credit**” means any stand-by letter of credit or letter of guarantee issued by the Issuing Lender in accordance with the provisions hereof, and includes any stand-by letter of credit or letter of guarantee issued by the Issuing Lender in connection with the Spectrum Auction and Purchase in accordance with the provisions hereof.

1.1.105 “**Leverage Ratio**” means, as of any date of determination, the ratio of Debt (excluding the QMI Subordinated Debt) of the Relevant Group as of such date to EBITDA for the preceding four quarters ending on such date.

1.1.106 “**Licences**” means all licences, permits and authorizations issued to the VL Group by the CRTC pursuant to the *Broadcasting Act* (Canada) and the orders, rules, regulations and directions promulgated pursuant to such Act.

1.1.107 “**Loan Documents**” means this Agreement, the Security Documents, any Derivative Instruments entered into with one or more Revolving Facility Lenders or any of their respective Affiliates, and any undertaking or other agreement executed in connection with this Agreement.

1.1.108 “**Loan Obligations**” means all obligations of the VL Group to the Agents and Lenders under or in connection with the Loan Documents (provided that “Loan Obligations” shall not include “Derivative Obligations”), including the aggregate of Advances outstanding under this Agreement (and further including the face amount of any Bankers' Acceptances and all reimbursement obligations under subsection 4.2.3 in respect of Letters of Credit issued in accordance with the provisions hereof), together with interest thereon (including, without limitation, interest accruing after the maturity of the Advances due under any Facility hereunder and interest accruing

---

after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to a member of the VL Group, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the VL Group to the Agents and Lenders in any currency under or in connection with the Loan Documents, and all interest, Fees, fees, commissions, legal and other costs, charges and expenses incurred under or in connection with the Loan Documents, and includes the Erroneous Payment Subrogation Rights. In this definition, “the Agents and Lenders” means “the Agents and Lenders, or any of them”.

1.1.109 “**Majority Lenders**” means (i) with respect to matters that relate to all Facilities, Lenders holding at least 51% of the combined Commitments under all Facilities, provided that if the Commitments under the Revolving Facility have expired, “Majority Lenders” shall mean Revolving Facility Lenders, Finnvera Facility Lenders and Lenders under any New Facility to whom are owed at least 51% of the combined Loan Obligations under all Facilities, and (ii) with respect to matters that relate solely to a particular Facility, Lenders holding at least 51% of the Commitments under such Facility, provided that if the Commitments under such Facility have expired, “Majority Lenders” shall mean Lenders under such Facility to whom are owed at least 51% of the Loan Obligations under such Facility.

1.1.110 “**Margin**” means, under the Revolving Facility, for Prime Rate Advances, US Base Rate Advances, Term SOFR Advances, Stamping Fees, LC Fees and Standby Fees, the following annual percentages depending on the then-applicable Leverage Ratio (“x” in the table below), determined at the times and in the manner set out below the tables:

**Revolving Facility**

<u>Leverage Ratio</u>	<u>Standby Fee</u>	<u>Prime Rate/US Base Rate plus</u>	<u>Stamping Fees / LC Fees / Term SOFR plus</u>
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]	[Redacted]

Each change resulting from a change in the Leverage Ratio shall be effective with respect to all outstanding Loan Obligations retroactively from the first day of each fiscal quarter of the Borrower, and shall be based on the financial statements and Compliance Certificates required by subsections 12.15.1 and 12.15.2, as applicable, and the Leverage Ratio derived from such financial statements. Thus, the financial statements and Compliance Certificates which shall be delivered 60 days after quarter-end and 90 days after year-end (based on unaudited results and subject to readjustment upon delivery of a second Compliance Certificate in accordance with the provisions of subsection 12.15.2(b)) will be used to calculate the Leverage Ratio applicable from the first day of the quarter in which such financial statements and Compliance Certificates were to be delivered. For example, the financial statements and Compliance Certificates to be delivered in respect of the quarter ending May 31 of any year of the Term shall be delivered by July 30 of that year, and shall be used to calculate the Leverage Ratio for the period from June 1 of that year to August 31 of that year. If, as a result of an increase in the Leverage Ratio, the Margin has increased, the Agent will advise the Borrower and the Revolving Facility Lenders and the Borrower will pay all additional amounts that may be due to the Revolving Facility Lenders within 2 Business Days of being advised of the amount due. If, as a result of a reduction in the Leverage Ratio, the Margin has been reduced, the Agent shall advise the Borrower and the Lenders and the amounts owed to the Borrower (a) will be deducted from the Stamping Fees otherwise payable in the case of a BA Advance, on the next Rollover Date of the relevant BA Advance, or (b) in the case of Prime Rate Advances, US Base Rate Advances or Term SOFR Advances, will be deducted from the interest otherwise payable by the Borrower on the next interest payment date contemplated by Section 5.2 or Section 4.11, or (c) in the case of

---

Letters of Credit, will be deducted from the LC Fees otherwise payable by the Borrower on the next LC Fee payment date contemplated by subsection 4.2.2, and (d) if no interest or Stamping Fees are payable during that period, the Lenders shall remit the necessary amounts to the Agent for payment to the Borrower.

1.1.111 “**Market Disruption Event**” has the meaning ascribed to it in Section 7.6.

1.1.112 “**Market Disruption Prime Rate**” means the average of the Prime Rates of the Market Disruption Reference Lenders, calculated as set out in the definition of “Prime Rate” as if each such Market Disruption Reference Lender was the bank referred to in such definition; provided that such Market Disruption Prime Rate shall not exceed the Prime Rate (as defined herein) at such time by more than 0.50%.

1.1.113 “**Market Disruption Reference Lenders**” means, for the purposes of Section 7.6, Royal Bank of Canada, The Toronto-Dominion Bank and Bank of America, N.A., Canada Branch.

1.1.114 “**Market Disruption US Base Rate**” means the average of the US Base Rates of the Market Disruption Reference Lenders, calculated as set out in the definition of “US Base Rate” as if each such Market Disruption Reference Lender was the bank referred to in such definition; provided that such Market Disruption US Base Rate shall not exceed the US Base Rate (as defined herein) at such time by more than 0.50%.

1.1.115 “**Material Adverse Change**” means (i) a material adverse change in the business, assets, liabilities, financial position, operating results or business prospects of the VL Group, taken as a whole, or (ii) a material adverse change in the ability of the Borrower and the Guarantors to perform any of their material obligations

---

hereunder or under the Security Documents, or (iii) the impairment, in any material respect, of the validity or enforceability of this Agreement or the Security Documents or of the rights and remedies of the Agents or the Lenders hereunder or under the Security Documents.

1.1.116 “**Net Proceeds**” means the gross amount of proceeds payable in cash or Cash Equivalents arising from any Asset Disposition, less (a) amounts payable to discharge or radiate Permitted Charges on the assets being disposed of, (b) the amount of Taxes arising from each such Asset Disposition and which cannot be offset against losses, depreciation or otherwise such that same must actually be paid in cash, and (c) reasonable out-of-pocket costs, fees and expenses incurred in connection with such Asset Disposition, including commissions but excluding any amounts paid to Affiliates.

1.1.117 “**New Facility**” means one or more credit facilities created from time to time as permitted under Section 2.4 and benefitting from the Security.

1.1.118 “**Notice of Borrowing**” means, (i) with respect to the Revolving Facility, a notice substantially in the form of Schedule “B” transmitted to the Agent by the Borrower in accordance with the provisions of Section 4.1, 4.2 or 4.11, or of subsection 6.1.1, and (ii) with respect to the Finnvera Term Facility, a Tranche A Notice of Borrowing, as defined in Schedule “p”.

1.1.119 “**OFAC**” means The Office of Foreign Assets Control of the US Department of Treasury.

1.1.120 “**Offering**” means any public or private offering of Equity Interests or Debt permitted hereunder.

1.1.121 “**Original Closing Date**” means November 28, 2000.

1.1.122 “**Other Taxes**” means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

1.1.123 “**Payment Recipient**” has the meaning ascribed to it in Section 18.21.1.

1.1.124 “**Péladeau Group**” means any (i) individual who is related by blood, adoption or marriage to the late Pierre Péladeau; (ii) any trust (whether testamentary or otherwise) the beneficiaries of which are all individuals described in (i); or (iii) any corporation or partnership which is controlled, directly or indirectly, by one or more individuals referred to in (i) or a trust referred to in (ii), or any combination thereof.

1.1.125 “**Permitted Charges**” means the Charges created by the Security Documents and, with respect to any Person:

---

- 1.1.125.1 any Charge created by law that is assumed in the ordinary course of business and in order to exercise same, which, in the case of construction Charges in favour of contractors, sub-contractors, workmen, suppliers of materials, engineers and architects, has not at such date been registered in accordance with Applicable Law against such Person, which relates to obligations which are not yet due or delinquent, which is not related to any loan of money or obtaining of credit and which, in the aggregate, do not affect in a material way the use, the income or the benefits flowing from the property so charged in the conduct of the business of such Person; any Charge resulting from judgments or decisions which such Person has, at such date, appealed or in respect of which it has sought revision and obtained a suspension of execution pending the appeal or the revision; any Charge for Taxes, assessments or governmental claims or other impositions not yet due or matured or in respect of which the validity at such date has been contested in good faith by such Person before a Governmental Authority in accordance with the provisions of Section 12.7; or which relates to a deposit of monies or securities in the ordinary course of business with respect to any Charge referred to in this paragraph, or to secure workmen's compensation, surety or appeal bonds or security for costs of litigation; or any Charge in favour of a landlord on movable or personal property to secure the payment of rent and other amounts owing under leases for immovable or real property, provided the Charge is limited to property situated on the leased premises;
- 1.1.125.2 any right of a municipality or other Governmental Authority pursuant to any lease, license, franchise, grant or permit obtained by such Person, or any right resulting from a legislative provision, to terminate such lease, license, franchise, grant or permit, or requiring an annual or periodic payment as a condition of its extension;
- 1.1.125.3 Charges in favour of a municipality, public utility or other Governmental Authority, or which may be imposed by one or the other, when required by such body or authority with respect to the operations of such Person or in the ordinary course of its business;
- 1.1.125.4 Charges granted in favour of municipal authorities or public utilities on immovables acquired from time to time by such Person which do not adversely affect the value or marketability of such Person's immovable property in any material respect;
-

- 1.1.125.5 title defects, homologated lines, zoning and building by-laws, ordinances, regulations and other governmental restrictions on the use of property, or servitudes, easements or other similar encumbrances, provided that none of the foregoing adversely affect the value or marketability of such Person's immovable property in any material respect;
- 1.1.125.6 Charges (i) under any Capital Lease or Synthetic Lease, and (ii) to secure the payment of the purchase price incurred in connection with the acquisition of assets, in each case to be used in carrying on the Core Business, including Charges existing on such assets at the time of the acquisition thereof or at the time of the acquisition by a member of the VL Group of any business entity then owning such assets, whether or not such existing Charges were given to secure the payment of the purchase price of the assets to which they attach, provided that such Charges are limited to the assets purchased and that the amount guaranteed by such Charges does not exceed 100% of the acquisition price of the assets so acquired, and, in the aggregate for (i) and (ii) above, shall not exceed, at the time of incurrence, the greater of (a) 7.5% of Shareholders Equity and (b) (y) \$500,000,000\$ (prior to the consummation of the Freedom Transaction) or (z) \$1,500,000,000 (following the consummation of the Freedom Transaction), as applicable, outstanding at any time;
- 1.1.125.7 bankers' liens, rights of set-off or similar rights to deposit accounts or the funds maintained with a credit or deposit-taking institution;
- 1.1.125.8 other Charges, not ranking in priority to the Security, incurred in the ordinary course of the Core Business, in an aggregate amount not at any time exceeding, the greater of (a) 7.5% of Shareholders Equity and (b) \$75,000,000; and
- 1.1.125.9 Charges on the assets of the Borrower and the Guarantors securing Debt under Credit Facilities of the Borrower and the Guarantors provided that at the time of Incurrence and after giving effect to the Incurrence of such Debt under Credit Facilities and the application of the proceeds therefrom on such date, the aggregate principal amount of Debt under Credit Facilities (including the Facilities) of the Borrower and the Guarantors secured by such Charges does not exceed the maximum amount permitted on such date pursuant to clause (1) of the definition of "Permitted Liens" of the Senior Notes Indenture and provided further that such Charges (except Charges created by the Security Documents) are pari passu or
-



inferior in rank vis-à-vis the Charges created by the Security Documents and are subject to an intercreditor agreement in form and substance satisfactory to the Majority Lenders, acting reasonably.

1.1.126 “**Person**” means a legal person, a natural person, a joint venture, a partnership, a trust, an entity without juridical personality, a Governmental Authority or any ministry, organization or intermediary of such Governmental Authority.

1.1.127 “**Prime Rate**” means, on any day, the reference rate of interest, expressed as an annual rate, publicly announced or posted from time to time by the Lender then acting as Agent (or, in the case of Swing Line Advances, the Swing Line Lender) as being its reference rate then in effect for determining interest rates on demand commercial loans granted in Canada in Canadian Dollars to its clients (whether or not any such loans are actually made); provided that in the event that the Prime Rate is, at any time, less than the average one month Bankers' Acceptance rate quoted on Reuters Service, page CDOR, as at approximately 10:00 a.m. on such day plus 1% (the “**BA Rate**”), “Prime Rate” shall be equal to the BA Rate. For greater certainty, if the Prime Rate as determined above shall ever be less than the Floor, then the Prime Rate shall be deemed to be the Floor;

1.1.128 “**Prime Rate Advance**” means, at any time, the portion of the Advances in Canadian Dollars with respect to which the Borrower has chosen, or, in accordance with the provisions hereof, is obliged, to pay interest on the Prime Rate Basis.

1.1.129 “**Prime Rate Basis**” means the basis of calculation of interest on the Prime Rate Advances, or any part thereof, made in accordance with the provisions of Sections 5.1 and 5.2.

1.1.130 “**Proceeds of Crime Act**” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the regulations promulgated thereunder.

1.1.131 “**QMI Subordinated Debt**” has the meaning ascribed to it in Section 13.7.

1.1.132 “**Relevant Group**” means:

- (a) when used for the purposes of Article 12 (other than Section 12.11 and subsection 12.15.3(b)), Article 13 (other than Section 13.4) and Article 14, including to the extent used in any defined term used therein (or any defined term used within such definitions or any component thereof), the VL Group, and
  - (b) when used for the purposes of Section 12.11, subsection 12.15.3(b) or Section 13.4, including to the extent used in any defined term used therein (or any defined term used within such definitions or any component thereof),
-

- i) the VL Group on an Adjusted Consolidated basis if, at the relevant time, (x) the Adjusted Consolidated (A) EBITDA on a rolling four-quarter basis, or (B) assets (excluding Back-to-Back Securities), or (C) Debt, in each case, of the VL Group, is less than 85% of, as applicable, (y) the EBITDA on a rolling four-quarter basis, or the assets (excluding Back-to-Back Securities), or the Debt, in each case of the Borrower on a consolidated basis, or
- ii) otherwise, the Borrower on a consolidated basis.

Accordingly, assets, EBITDA, Debt, and Excess Cash Flow shall be calculated on an Adjusted Consolidated basis when such terms apply to the VL Group and on a consolidated basis when such terms apply to the Borrower.

1.1.133 “**Required Lenders-Acceleration**” means no less than three (3) Lenders holding at least 51% of the combined Loan Obligations under all Facilities, unless there are two or less Lenders, in which case, “Required Lenders-Acceleration” means all Lenders.

1.1.134 “**Requisite Disruption Lenders**” means, at any time, Revolving Facility Lenders representing at such time more than 35% of the total Commitments under the Revolving Facility at such time.

1.1.135 “**Revolving Facility**” means the Facility under which the portion of the Credit described in subsection 2.1.1 is available.

1.1.136 “**Revolving Facility Fees**” means the fees payable to the Agent and to the Revolving Facility Lenders, as set out in Section 5.10.

1.1.137 “**Revolving Facility Lender**” means a Lender having a Commitment under the Revolving Facility.

1.1.138 “**Rollover Date**” means, with respect to a Term SOFR Advance or a BA Advance, the date of any such Advance, or the first day of any Designated Period.

1.1.139 “**Sanctioned Person**” means a Person named on the list of “Specially Designated Nationals” maintained by OFAC or otherwise designated under Sanctions Laws.

1.1.140 “**Sanctions Event**” is used with the defined meaning assigned in Section 11.20.

1.1.141 “**Sanctions Laws**” means any economic, trade or financial sanctions or trade embargoes imposed, administered or enforced from time to time under laws and executive orders of the Canadian government (including without limitation under the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), the

---

*Freezing Assets of Corrupt Foreign Officials Act* (Canada), the *Justice for Victims of Corrupt Foreign Officials Act (Sergei Magnitsky Law)* and the *Criminal Code* (Canada) and, in each case, the regulations promulgated thereunder), the United States government, or any other relevant sanctions authority.

1.1.142 “**Scheduled Unavailability Date-CDOR**” has the meaning specified in clause (b) of Section 6.14.2.

1.1.143 “**Scheduled Unavailability Date-Term SOFR**” has the meaning specified in clause (b) of Section 5.13.2.

1.1.144 “**Second Currency**” has the meaning ascribed to it pursuant to Section 15.1.

1.1.145 “**Secured Applicable Percentage**” means, with respect to (a) any Revolving Facility Lender, the percentage of the total Commitments under the Revolving Facility represented by such Lender’s Revolving Facility Commitment, (b) any Finnvera Facility Lender, the percentage of the total Commitments under the Finnvera Term Facility represented by such Lender’s Commitment under the Finnvera Term Facility, or (c) any Lender under a New Facility, the percentage of the total Commitments under such New Facility represented by such Lender’s Commitment under such New Facility. If the Revolving Facility Commitments have been cancelled, terminated or expired, or if the calculation is required under the provisions of Section 18.8, the Secured Applicable Percentage of a Revolving Facility Lender, a Finnvera Facility Lender or a Lender under a New Facility shall be calculated by dividing (a) (i) the portion of the Loan Obligations under the Revolving Facility owed to such Revolving Facility Lender plus the amount owed to such Revolving Facility Lender on account of Derivative Obligations, (ii) the portion of the Loan Obligations under the Finnvera Term Facility owed to such Finnvera Facility Lender or (iii) the portion of the Loan Obligations under such New Facility owed to such Lender under such New Facility, by (b) the aggregate amount of the Secured Obligations, giving effect to any Assignments pursuant to the provisions of Article 16 or Section 10 of Schedule “P”. If there is a Defaulting Lender, the “Secured Applicable Percentage” shall be adjusted in accordance with the provisions of Section 18.17 without increasing the Commitment of any Lender.

1.1.146 “**Secured Obligations**” means, collectively, all of the Loan Obligations under the Revolving Facility, the Finnvera Term Facility and any New Facility, and all of the Derivative Obligations.

1.1.147 “**Security Documents**” means all of the guarantees and security documents described in Article 9, and “**Security**” means the security created thereby.

1.1.148 “**Selected Amount**” means, with respect to a BA Advance, the amount of the Advances in Canadian Dollars which the Borrower has asked to obtain by the issuance of Bankers' Acceptances in accordance with Section 6.1, and with respect to a Term SOFR Advance, the amount of the Advances in US Dollars in respect of which

---

the Borrower has asked, in accordance with Section 4.11, that the interest payable thereon be calculated on the Term SOFR Basis.

1.1.148A “**Senior Notes Indenture**” means the indenture governing the 2030 Senior Notes issued by the Borrower as in effect on the Fifth Amendment Effective Date (unamended), a copy of which (including the relevant definitions) is included in Schedule “Q”.

1.1.149 “**Shareholders Equity**” means, with respect to the VL Group at any time and calculated on an Adjusted Consolidated basis, the amount of paid-up capital in respect of all issued and fully-paid and non-assessable shares of share capital, together with the contributed surplus, retained earnings and translation adjustment (if applicable), all as otherwise calculated in accordance with GAAP.

1.1.150 “**Share Pledge**” has the meaning ascribed to it in subsection 9.1.2.

1.1.151 “**Sixth Amending Agreement**” means the Sixth amending agreement to this Agreement dated as of January 13, 2023 entered into among the parties hereto.

1.1.152 “**Sixth Amendment Closing Date**” has the meaning ascribed to “**Amendment Effective Date**” in the Sixth Amending Agreement.

1.1.153 ~~1.1.151~~ “**SOFR**” means the Secured Overnight Financing Rate as administered by the Federal Reserve Bank of New York (or a successor administrator).

1.1.154 ~~1.1.152~~ “**SOFR Adjustment**” means

- (a) with respect to Daily Simple SOFR, 0.10% (10 basis points); and
- (b) with respect to Term SOFR, 0.10% (10 basis points) for a Designated Period of one-month's duration, 0.15% (15 basis points) for a Designated Period of three-months' duration, and 0.25% (25 basis points) for a Designated Period of six-months' duration.

1.1.155 ~~1.1.153~~ “**Solvency Certificate**” means a certificate attesting that a Person is Solvent, delivered in accordance with the provisions of Section 13.6.

1.1.156 ~~1.1.154~~ “**Solvent**” means, with respect to any Person, as of any date of determination, that such Person is not an “insolvent person”, as defined in the *Bankruptcy and Insolvency Act* (Canada), a “debtor company”, as defined in the *Companies' Creditors Arrangement Act* (Canada), and is not insolvent under any analogous defined term as used in any other Applicable Laws.

1.1.157 ~~1.1.155~~ “**Spectrum Auction and Purchase**” means any process by Industry Canada, the CRTC or another Governmental Authority in connection with the auction of spectrum licences for advanced wireless services and other spectrum to be used in the Core Business.

---

1.1.158 ~~1.1.156~~ “**Stamping Fees**” means, with respect to BA Advances, including BA Advances made by way of Discount Notes, the fee calculated by (a) multiplying the percentage referred to in the definition of “Margin” by the face amount of the Bankers’ Acceptances being issued and stamped in connection with the BA Advance being made, (b) dividing the product so obtained by 365 or, in a leap year, 366, and (c) multiplying the result so obtained by the number of days in the relevant Designated Period.

1.1.159 ~~1.1.157~~ “**Standby Fee**” has the meaning ascribed to it in subsection 5.10.1.

1.1.160 ~~1.1.158~~ “**Subordinated Debt**” means, in respect of any Person, unsecured Debt of such Person that has no required redemption provisions and matures at least 6 months after the expiry of the Term hereof and that has been subordinated in right of payment to the obligations of the VL Group hereunder and under the Security Documents in form and substance acceptable to the Lenders and their counsel.

1.1.161 ~~1.1.159~~ “**Subsidiary**” means any Person in respect of which the majority of the issued and outstanding capital stock (including securities convertible into voting shares and options to purchase voting shares) granting a right to vote in all circumstances is at the relevant time owned by the Borrower or one or more of its Subsidiaries, and includes any partnership and limited partnership that would be an Affiliate if it was a corporation.

1.1.162 ~~1.1.160~~ “**Successor Rate (CAD)**” has the meaning specified in Section 6.14.2.

1.1.163 ~~1.1.161~~ “**Successor Rate (USD)**” has the meaning specified in Section 5.13.2.

1.1.164 ~~1.1.162~~ “**Swing Line Advances**” means a Prime Rate Advance, a US Base Rate Advance or the issuance of a Letter of Credit (in the latter case, subject to prior notice as required by the Swing Line Lender in accordance with its normal practice) under the Revolving Facility by the Swing Line Lender to the Borrower in an aggregate principal amount outstanding at any time not exceeding the Swing Line Commitment. All Swing Line Advances are available only by way of Prime Rate Advances, US Base Rate Advances or the issuance of Letters of Credit, and may not be converted into any other form of borrowing.

1.1.165 ~~1.1.163~~ “**Swing Line Commitment**” means \$55,000,000.

1.1.166 ~~1.1.164~~ “**Swing Line Lender**” means The Toronto-Dominion Bank and any successor thereof appointed pursuant to Section 4.3. For greater certainty, where the context permits, references to “Lenders” herein include the Swing Line Lender.

1.1.167 ~~1.1.165~~ “**Swing Line Loan**” means, at any time, the aggregate of the Swing Line Advances outstanding at any time in accordance with the provisions hereof, together with any other amount in interest and accessory costs payable to the Swing Line Lender by the Borrower pursuant hereto.

---

1.1.168 ~~1.1.166~~ “**Synthetic Lease**” means any synthetic lease or similar off-balance sheet financing product where such transaction is considered borrowed money for tax purposes but is classified as an operating lease in accordance with GAAP.

1.1.169 ~~1.1.167~~ “**Tax Benefit Transaction**” means, for so long as the Borrower is a direct or indirect subsidiary of Quebecor Inc. (“**Quebecor**”), any transaction between a member of the VL Group and Quebecor or any of its Affiliates, the primary purpose of which is to create tax benefits for any member of the VL Group or for Quebecor or any of its Affiliates; provided, however, that (1) the member of the VL Group involved in the transaction obtains a favourable tax ruling from a competent tax authority or a favourable tax opinion from a nationally recognized Canadian law or accounting firm having a tax practice of national standing as to the tax efficiency of the transaction for such member of the VL Group (except that such ruling or opinion shall not be required in respect of a transaction with substantially similar tax and transactional attributes as a previous Tax Benefit Transaction in respect of which such a tax ruling or opinion was obtained as certified by the Vice President Taxation of the Borrower (or any officer having similar functions)); (2) the Borrower delivers to the Agent a resolution of the board of directors of the Borrower to the effect the transaction will not prejudice the Lenders and certifying that such transaction has been approved by a majority of the disinterested members of such board of directors; (3) such transaction is set forth in writing; (4) such transaction either (a) causes all of the Security creating a Charge on any transferred assets to remain in full force and effect, or (b) provides for the replacement of such assets by different assets of a value, nature and kind acceptable to each of the Lenders, and which shall in any event be subject to the Security (and the assets so transferred that were previously Charged shall be released); and (5) the EBITDA is not reduced after giving pro forma effect to the transaction as if the same had occurred at the beginning of the most recently ended four fiscal quarter period of the Borrower for which internal financial statements are available; provided, however, that if such transaction shall thereafter cease to satisfy the preceding requirements as a Tax Benefit Transaction, it shall thereafter cease to be a Tax Benefit Transaction for purposes of this Agreement and shall be deemed to have been effected as of such date and, if the transaction is not otherwise permitted by this Agreement as of such date, the Borrower will be in Default hereunder if such transaction does not comply with the preceding requirements or is not otherwise unwound within 30 days of that date.

1.1.170 ~~1.1.168~~ “**Tax Consolidation Transaction**” means a transaction in which (i) a member of the VL Group (the “**Initiator**”) borrows an amount by way of a daylight loan, (ii) the same amount is then used to lend to another member of the VL Group (“**Lossco**”) by way of an interest bearing loan (the “**Lossco Loan**”), (iii) Lossco subscribes to an equivalent amount of preferred shares of another VL Group member (“**Newco**”), (iv) Newco lends the same amount by way of an interest free loan to the Initiator (the “**Newco Loan**”), and (v) the Initiator reimburses the daylight loan. Subject to the last sentence of this paragraph, interest on the Lossco Loan would accrue on a daily basis and be payable periodically and at the maturity of the Lossco Loan along with the principal of such loan. Such interest payments and principal

---

repayments would be funded from periodic preferred dividend payments, the redemption of preferred shares and a preferred dividend payment at the maturity of the Lossco Loan, in each case received from Newco. To fund Newco's aforesaid dividend payments and share redemptions, the Initiator would make periodic cash contributions to Newco's contributed surplus and, at maturity of the Lossco Loan, would make a cash contribution to Newco's contributed surplus and reimburse the Newco Loan.

For the purposes of the foregoing, the Initiator would borrow by way of daylight loans the required amounts to pay each contribution and to reimburse the Newco Loan and would reimburse each daylight loan using the proceeds of the interest and principal paid to it under the Lossco Loan. Any lender who is not the Borrower or a Guarantor shall execute a subordination agreement in favour of the Agent in substantially the form attached hereto as Schedule "N" if at all times during the Tax Consolidation Transaction such lender is an operating entity or has Debt other than Debt contemplated by the Tax Consolidation Transaction.

1.1.171 ~~1.1.169~~ "**Taxes**" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

1.1.172 ~~1.1.170~~ "**Term**" means (i) with respect to the Revolving Facility, the period commencing on the Closing Date and terminating on July 20, 2026, and (ii) with respect to the Finnvera Term Facility, the period commencing on November 13, 2009 and terminating on the "Maturity Date" as defined in Schedule "P".

1.1.173 ~~1.1.171~~ "**Term SOFR**" means, for any Designated Period with respect to a Term SOFR Advance, the rate per annum equal to the Term SOFR Screen Rate two US Government Securities Business Days prior to the commencement of such Designated Period with a term equivalent to such Designated Period; provided that if the rate is not published prior to 11:00 a.m. on such determination date then Term SOFR means the Term SOFR Screen Rate on the first US Government Securities Business Day immediately prior thereto, in each case, plus the SOFR Adjustment for such Designated Period; and provided that if the Term SOFR determined in accordance with the foregoing would otherwise be less than the Floor, the Term SOFR shall be deemed to be the Floor for purposes of this Agreement.

1.1.174 ~~1.1.172~~ "**Term SOFR Advance**" means, at any time, the part of the Advances with respect to which the Borrower has chosen to pay interest on the Term SOFR Basis.

1.1.175 ~~1.1.173~~ "**Term SOFR Basis**" means the basis of calculation of interest on Term SOFR Advances, or any part thereof, made in accordance with the provisions of Sections 5.3 and 5.4.

1.1.176 ~~1.1.174~~ "**Term SOFR Replacement Date**" has the meaning specified in Section 5.13.2.

---

[1.1.177](#) ~~1.1.175~~ “**Term SOFR Screen Rate**” means the forward-looking SOFR term rate administered by CME (or any successor administrator satisfactory to the Agent) and published by CME (or any successor administrator satisfactory to the Agent) or such other commercially available source providing such quotations as may be designated by the Agent from time to time.

[1.1.178](#) ~~1.1.176~~ “**Third Amendment Closing Date**” means June 16, 2015.

[1.1.179](#) ~~1.1.177~~ “**Tranche A Advance**” has the meaning ascribed to it in Schedule “P”.

[1.1.180](#) ~~1.1.178~~ “**Tranche A CDOR Advance**” has the meaning ascribed to it in Schedule “P”.

[1.1.181](#) ~~1.1.179~~ “**Tranche A Designated Period**” has the meaning ascribed to it in Schedule “P”.

[1.1.182](#) ~~1.1.180~~ “**US Base Rate**” means, on any day, the greater of (a) the rate of interest, expressed as an annual rate, publicly announced or posted from time to time by the Swing Line Lender as being its reference rate then in effect for determining interest rates on demand commercial loans granted in Canada in US Dollars to its clients (whether or not such loans are actually made); and (b) the Federal Funds Effective Rate plus .50% per annum. For greater certainty, if the US Base Rate as determined above shall ever be less than the Floor, then the US Base Rate shall be deemed to be the Floor;

[1.1.183](#) ~~1.1.181~~ “**US Base Rate Advance**” means, at any time, the part of the Advances in US Dollars with respect to which the Borrower has chosen, or, in accordance with the provisions hereof, is obliged, to pay interest on the US Base Rate Basis.

[1.1.184](#) ~~1.1.182~~ “**US Base Rate Basis**” means the basis of calculation of interest on the US Base Rate Advances, or any part thereof, made using the US Base Rate, plus the Margin applicable to Prime Rate Advances.

[1.1.185](#) ~~1.1.183~~ “**US Dollars**” or “**US \$**” means the lawful currency of the United States of America in same day immediately available funds or, if such funds are not available, the currency of the United States of America which is ordinarily used in the settlement of international banking operations on the day on which any payment or any calculation must be made pursuant to this Agreement.

[1.1.186](#) ~~1.1.184~~ “**US Government Securities Business Day**” means any business day on any day of the year, other than a Saturday, Sunday, except any business day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable.

---



1.1.187 ~~1.1.185~~ “VL Group” means, collectively, the Borrower and all of its wholly-owned Subsidiaries, and a reference to a “member of the VL Group” means any of them; a list of the members of the VL Group as of the ~~Fourth~~Sixth Amendment Closing Date is provided in Schedule “L” hereto.

1.1.188 ~~1.1.186~~ “2030 Senior Notes” means the 4.50% Senior Notes due January 15, 2030.

## 1.2 Interpretation

Unless stipulated to the contrary, the words used herein which indicate the singular include the plural and vice versa and the words indicating masculine include the feminine and vice versa. In addition, the word “includes” (or “including”) shall be interpreted to mean “includes (or including) without limitation”. Finally, any reference to a time shall mean local time in the City of Montreal, Province of Quebec.

## 1.3 Currency

Unless the contrary is indicated, all amounts referred to herein are expressed in Canadian Dollars.

## 1.4 Generally Accepted Accounting Principles

Unless the Lenders and the Borrower shall otherwise expressly agree or unless otherwise expressly provided herein (for example, in connection with the definition of “Adjusted Consolidated”), all of the terms of this Agreement which are defined under the rules constituting Generally Accepted Accounting Principles shall be interpreted, and all financial statements and reports to be prepared hereunder shall be prepared, in accordance with Generally Accepted Accounting Principles in effect from time to time.

If at any time any change in GAAP would affect any requirement set forth in any Loan Document, and either the Borrower or the Majority Lenders shall so request, the Agent, the Lenders and the Borrower shall negotiate in good faith to amend such requirement with the intent of having the respective positions of the Borrower and the Lenders after the coming into force of such change in GAAP conform as nearly as possible to their respective positions under the Credit Agreement immediately prior to January 1, 2022; provided that (A) until so amended, (i) such requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower shall provide to the Agent and the Lenders a reconciliation between calculations of such requirement made before and after giving effect to such change in GAAP, and (B) no fees (other than reasonable legal fees incurred by the Lenders to amend any such Loan Document to evidence any such amendment), premiums, increases in pricing or other costs shall be charged to, or borne by, the Borrower in connection with any such amendment. For greater certainty, it is hereby understood and agreed that any reconciliation between calculations of such requirement before and after giving effect to such change in GAAP made by or on behalf of the Borrower for purposes of determining compliance with any such requirement set forth in any Loan Document shall be unaudited. However, if it so requires, the Agent shall be entitled to obtain, at the expense of the Borrower, a confirmation in form and substance acceptable to the Agent, acting

---

reasonably, from the Borrower's auditors or another expert confirming the substance of the reconciliation so provided.

### **1.5 Division and Titles**

The division of this Agreement into Articles, Sections and subsections and the insertion of titles are for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

### **1.6 Rates**

The Agent does not warrant, nor accept responsibility, nor shall the Agent have any liability with respect to the administration, submission or any other matter related to any reference rate referred to herein or with respect to any rate (including, for the avoidance of doubt, the selection of such rate and any related spread or other adjustment) that is an alternative or replacement for or successor to any such rate (including, without limitation, any Successor Rate (USD) or Successor Rate (CAD)) (or any component of any of the foregoing) or the effect of any of the foregoing, or of any Conforming Changes (USD) or Conforming Changes (CAD). The Agent and its affiliates or other related entities may engage in transactions or other activities that affect any reference rate referred to herein, or any alternative, successor or replacement rate (including, without limitation, any Successor Rate (USD) or Successor rate (CAD)) (or any component of any of the foregoing) or any related spread or other adjustments thereto, in each case, in a manner adverse to the Borrower. The Agent may select information sources or services in its reasonable discretion to ascertain any reference rate referred to herein or any alternative, successor or replacement rate (including, without limitation, any Successor Rate (USD) or Successor rate (CAD)) (or any component of any of the foregoing), in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or other action or omission related to or affecting the selection, determination, or calculation of any rate (or component thereof) provided by any such information source or service.

## **2. THE CREDIT**

### **2.1 Credit Facilities**

Subject to the provisions hereof, and in particular, to the provisions of Article 3, each Lender agrees to make available to the Borrower, individually and not jointly and severally or solidarily, its Commitment in the Credit, which Credit consists of:

- 2.1.1 the Revolving Facility, in a maximum amount equal to ~~\$12,500,000,000~~ (subject to increases in accordance with Section 2.4), including the Swing Line Commitment which forms part of the Revolving Facility; and
  - 2.1.2 the Finnvera Term Facility, in a maximum amount as at the Third Amendment Closing Date equal to \$32,142,857.16.
-

Irrespective of whether or not any Swing Line Advances have been made or remain outstanding, the amount available under the Revolving Facility (other than for the purposes of the calculation under subsection 5.10.1) shall be deemed to be reduced by an amount equal to the Swing Line Commitment.

## **2.2 The Revolving Facility**

All Advances under the Revolving Facility and the Swing Line Advances shall be in Canadian Dollars or US\$ and may be repaid and re-borrowed by the Borrower at all times during the Term.

## **2.3 Intentionally deleted.**

## **2.4 Incremental Commitments and Facilities**

The Borrower may, at any time (with a minimum of \$25,000,000 of New Commitments each time, but without any minimum for a New Facility) during the Term of the Revolving Facility, by written notice to the Agent, elect to request an increase to the existing Commitments under the Revolving Facility (any such increase, the “**New Commitments**”) or elect to create a New Facility, in accordance with the provisions of this Section.

2.4.1 The aggregate amount of any such New Commitments and available commitments under any New Facility shall not exceed an amount equal to \$~~1,050,000,000~~4,050,000,000 minus the amount of any New Commitments and New Facility (in each case, drawn and undrawn) made after the ~~Fourth~~Sixth Amendment Closing Date that remain in effect. The notice shall specify the date (the “**Increased Amount Date**”) on which the Borrower proposes that the New Commitments or New Facility shall be effective, which shall be a date not less than 15 Business Days after the date on which such notice is delivered to the Agent. The notice in respect of New Commitments shall provide that the Borrower is first offering the opportunity to provide each New Commitment to the then-existing Revolving Facility Lenders, who may accept same on a pro rata basis or as they may otherwise agree. Any Revolving Facility Lender approached to provide all or a portion of the New Commitments may elect or decline, in its sole discretion, to provide a New Commitment.

2.4.2 The existing Revolving Facility Lenders shall advise the Agent within 10 Business Days following receipt of the Borrower’s request for New Commitments as to the extent, if any, to which they wish to provide the New Commitments, and the Agent shall so advise the Borrower. The Borrower shall then identify each Person that is an Eligible Assignee (each, a “**New Lender**”) to whom the Borrower proposes any portion of such New Commitments not accepted by an existing Revolving Facility Lender be allocated and the amounts of such allocations, within 2 Business Days from receipt of the Agent’s notice referred to in the preceding sentence.

2.4.3 The New Commitments and any New Facility shall become effective as of the Increased Amount Date, provided that (a) no Default or Event of Default shall exist on the Increased Amount Date before or after giving effect to such New Commitments or New Facility; (b) the Borrower shall be in *pro forma* compliance with each of the covenants set forth in Section 12.11 as of the last day of the most recently ended fiscal quarter after giving

---

effect to such New Commitments or New Facility; (c) the New Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by the Borrower, the Guarantors, the New Lenders and the Agent, each of which shall be recorded in the Register (as defined in Section 16.3), and each New Lender shall be subject to the requirements set forth in Section 7.3; (d) the New Facility shall be effected pursuant to one or more amendments referred to in subsection 2.4.7; (e) the Borrower shall make any payments required pursuant to Section 7.4 in connection with the New Commitments; and (f) the Borrower shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Agent in connection with any such transaction.

2.4.4 On or before the Increased Amount Date (with effect as of the Increased Amount Date), subject to the satisfaction of the foregoing terms and conditions, (a) with respect to all New Commitments, each of the Revolving Facility Lenders shall assign to each of the New Lenders, who shall purchase same, at the principal amount thereof (together with accrued interest), such interests in the Loan Obligations under the Revolving Facility outstanding on the Increased Amount Date as shall be necessary in order that, after giving effect to all such assignments and purchases, such Loan Obligations under the relevant Facility will be held by existing Revolving Facility Lenders and New Lenders ratably in accordance with their Commitments after giving effect to the addition of such New Commitments to the Commitments, (b) each New Commitment and commitment under a New Facility shall be deemed for all purposes a Commitment and each Advance made thereunder (a “**New Advance**”) shall be deemed, for all purposes, a Loan Obligation under the Facilities, (c) each New Lender shall become a Lender with respect to the New Commitment and all matters relating thereto, and (d) each Lender under a New Facility shall become a Lender with respect to the New Facility and all matters relating thereto.

2.4.5 The Agent shall notify the Lenders, promptly upon receipt, of the Borrower’s notice of the Increased Amount Date, the New Commitments and New Lenders in respect thereof, and any New Facility, as well as the effect of same as contemplated by the preceding paragraph.

2.4.6 The terms and provisions of the New Commitments under the Revolving Facility and New Advances thereunder shall be identical to the terms and provisions of the Loan Obligations, except in respect of any upfront fees or other similar fees to be paid in respect of New Commitments under the Revolving Facility. The terms and provisions of the New Commitments and New Advances not intended to simply be increases in the amount of the Revolving Facility shall be identical to the terms and provisions of the Loan Obligations, except as they relate to pricing, term, and amortization and repayment. For greater certainty, in respect of any increase contemplated in the first two sentences above, no additional Fees shall be payable in respect of any then-existing Commitments. Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Agent, to give effect to the provisions of this Section 2.4.

2.4.7 With respect to any New Facility and notwithstanding any other provision of this Agreement to the contrary, only the Borrower, the applicable lenders and agents under such New Facility and the Agent shall enter into an amendment to this Agreement to reflect all

---

changes necessary or appropriate, in the opinion of the Agent, as a result of such New Facility, without the need to obtain the signatures of each of the existing Lenders to such amendment.

2.4.8 Notwithstanding anything to the contrary in this Section 2.4, no request for New Commitments or a New Facility may be made by the Borrower unless the Security contemplated in Section 1.3 of Article IV of the Fourth Amending Agreement shall have been granted in favour of the Agent and the Lenders and registered wheresoever required under Applicable Laws, and the documents ancillary thereto (including the applicable legal opinions and the Quebec land registry sub-search reports contemplated in Section 4 or Article VI of the Fourth Amending Agreement) shall have been delivered to the Agent.

## **2.5 Extension of Term - Revolving Facility**

By notice in writing to the Agent for delivery to the Revolving Facility Lenders given at any time during any financial year of the Borrower (but not more often than once in every financial year and no later than 90 days prior to the end of the then current Term), the Borrower may request (a “**Renewal Request**”) that the Revolving Facility Lenders extend the Term of the Revolving Facility for a period no greater than four years from the date upon which the requested extension takes effect.

The Revolving Facility Lenders undertake to respond to the Renewal Request not more than 30 days from receipt. If any Revolving Facility Lender fails to so respond, such Revolving Facility Lender shall be deemed to be an Extension Non-Consenting Lender, as defined below. Each Renewal Request must be consented to by Revolving Facility Lenders holding not less than  $\frac{2}{3}$  of the Commitments under the Revolving Facility (herein the “**Special Majority Lenders**”), failing which it will be deemed to have been refused.

At the option and expense of the Borrower (including the fee payable under subsection 16.2.2(f) hereof), and provided the Special Majority Lenders have consented to the Renewal Request, any Revolving Facility Lender not consenting thereto (an “**Extension Non-Consenting Lender**”) may be replaced, in whole or in part, by one or more Revolving Facility Lenders, or by a new Revolving Facility Lender satisfactory to the Borrower, the Agent, the Issuing Lenders and the Swing Line Lenders, in each case acting reasonably. In such case, such Extension Non-Consenting Lender shall promptly assign its rights, benefits and obligations as a Revolving Facility Lender to such other or new Revolving Facility Lender in accordance with the provisions of Section 16.2.2. If, and to the extent that, the full amount of the Commitments of any Extension Non-Consenting Lender is not so assumed, (a) all Loan Obligations owed to such Extension Non-Consenting Lender shall be fully repaid (together with interest and fees related thereto) by the Borrower to such Extension Non-Consenting Lender on, and (b) the Commitments of such Extension Non-Consenting Lender will terminate on, the then-applicable expiry date of the Term, without regard to the extension sought in the Renewal Request, and the Credit under the Revolving Facility shall be reduced accordingly on that date.

## **2.6 Finnvera Term Facility**

All Advances under the Finnvera Term Facility shall be in the currencies and shall be made and repaid in the manner described in Schedule “P”.

---

### 3. PURPOSE

#### 3.1 Purpose of the Advances

All Advances made by the Revolving Facility Lenders to the Borrower under the Revolving Facility in accordance with the provisions hereof from and after the Closing Date shall be used by the Borrower for general corporate purposes, including, without limitation, to issue Letters of Credit and to pay dividends to QMI from time to time, subject to and in accordance with the terms and conditions of this Agreement. All Advances made under the Finnvera Term Facility shall be for the purposes described in Section 2 of Schedule "P".

### 4. ADVANCES, CONVERSIONS AND OPERATION OF ACCOUNTS

None of the provisions of Article 4 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 3 of Schedule "P".

#### 4.1 Notice of Borrowing - Direct Advances

Subject to the applicable provisions of this Agreement, on any Business Day during the Disbursement Period, the Borrower shall be entitled to request Advances under the Revolving Facility, on one or more occasions, up to the maximum amount of the Credit under the Revolving Facility by way of Prime Rate Advances and US Base Rate Advances in minimum amounts of Canadian \$1,000,000 or US\$1,000,000 respectively, and whole multiples thereof, provided that at least one (1) Business Day prior to the day on which any Prime Rate Advance or US Base Rate Advance is required (other than a Swing Line Advance, which shall be made in accordance with the provisions of Section 4.3), the Borrower shall have provided to the Agent an irrevocable telephone notice at or before 12:00 p.m. on any Business Day, followed by the immediate delivery of a written Notice of Borrowing. Notices of Borrowing in respect of Letters of Credit, Swing Line Advances, Term SOFR Advances and BA Advances shall be given in accordance with the provisions of Sections 4.2, 4.3, 4.11, and 6.1, respectively.

#### 4.2 Letters of Credit

4.2.9 Issuance. Subject to the applicable provisions of this Agreement, on any Business Day during the Disbursement Period, as part of the Credit available under the Revolving Facility, upon three (3) Business Days' prior written Notice of Borrowing to the Agent, the Borrower may cause to be issued by the Issuing Lender on behalf of the Revolving Facility Lenders one or more Letters of Credit in a maximum aggregate amount outstanding at any time not exceeding the available Credit under the Revolving Facility (minus the Swing Line Commitment) to support a bid in the Spectrum Auction and Purchase, provided that the Security will extend to the property of the entity that will own the auctioned spectrum if it is a member of the VL Group (subject to the provisions of Section 9.3) and to its Equity Interests if held by a member of the VL Group (subject to the provisions of Section 9.3 and if not so held, the provisions of Section 13.10 shall apply), unless, with respect to such Equity Interests, such owner is the Borrower. Letters of Credit issued for other purposes hereunder shall not exceed a maximum amount outstanding at any time of \$50,000,000. Each Letter of Credit shall be issued in Canadian Dollars (although Letters of Credit issued under the Swing Line may also be in US Dollars). Concurrently with the delivery of a Notice of Borrowing

---

requesting a Letter of Credit under the Revolving Facility, the Borrower shall execute and deliver to the Issuing Lender the documents required by the Issuing Lender in respect of the requested type of Letter of Credit, including a Letter of Credit application and indemnity on the Issuing Lender's standard forms. In the event of any conflict between the provisions of this Agreement and the provisions of any document relating to a Letter of Credit, the provisions of this Agreement shall govern and prevail. The term of each Letter of Credit shall expire prior to the end of the Term and shall not be more than 364 days and shall otherwise be in form and substance satisfactory to the Issuing Lender. If the Borrower wishes to cause the issuance of a Letter of Credit that has a maturity date expiring after the expiry of the Term, the Borrower undertakes to provide the Agent with LC Escrowed Funds (as defined in Section 4.2.5) no later than one (1) Business Day prior to the expiry of the Term.

4.2.10 Fee. The Borrower shall pay fees in respect of any such Letters of Credit ("LC Fees") issued or renewed equal to the aggregate of: (i) for the Lenders under the relevant Facility under which the Letter of Credit was issued, an amount equal to (A) the face amount of the Letter of Credit on the date that the fee is payable multiplied by (B) a fraction (1) the numerator of which shall equal the product resulting from multiplying the applicable LC Fee percentage provided for in the table contained in the definition of "Margin" by the number of days in the term of the Letter of Credit selected by the Borrower, and (2) the denominator of which shall consist of 365 days or 366 days (as the case may be), which fees shall be payable quarterly in arrears on the last Business Day of each calendar quarter and (ii) for the Issuing Lender (other than the Swing Line Lender), the percentage per annum agreed upon by the Issuing Lender and the Borrower of the face amount thereof and for the number of days in the term of the Letter of Credit selected by the Borrower, payable quarterly in arrears on the last Business Day of each calendar quarter, or on such other date as the Agent may determine from time to time.

4.2.11 Reimbursement Obligations. In the event of any drawing under a Letter of Credit, the Issuing Lender shall promptly notify the Borrower who shall immediately reimburse the amount to the Issuing Lender in same day funds. In the event that the Borrower fails to reimburse the Issuing Lender immediately upon a drawing and fails to provide a Notice of Borrowing with a different option, the Borrower shall be deemed to have requested from the Agent a Prime Rate Advance under the relevant Facility under which the Letter of Credit was issued on the date and in the amount of the drawing, the proceeds of which will be used to satisfy the reimbursement obligations of the Borrower to the Lenders under such Facility in respect of the drawing. The reimbursement obligations of the Borrower hereunder shall be absolute, unconditional and irrevocable and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of:

- 4.2.11.1 any lack of validity or enforceability of any Letter of Credit or this Agreement or any term or provision therein or herein;
  - 4.2.11.2 the existence of any claim, set-off, compensation, defence or other right that the Borrower, any member of the VL Group or any other Person may at any time have against the beneficiary under any Letter of Credit, the Issuing Lender, the Agents, any Lender or any other Person, whether in
-

connection with this Agreement or any other related or unrelated agreement or transaction;

- 4.2.11.3 any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;
- 4.2.11.4 any dispute between or among the members of the VL Group and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the members of the VL Group against any beneficiary of such Letter of Credit or any such transferee; and
- 4.2.11.5 the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign any Letter of Credit or any of the rights or benefits thereunder or proceeds thereof in whole or in part, which may prove to be invalid or ineffective for any reason.

The Issuing Lender shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except for errors or omissions that result directly from the intentional or gross fault of the Issuing Lender, as determined by a final judgment of a court of competent jurisdiction.

In furtherance and extension and not in limitation of the specific provisions of this Section 4.2, (A) any action taken or omitted by the Issuing Lender or any of its respective correspondents under or in connection with any of the Letters of Credit, if taken or omitted in good faith and without gross or intentional fault, as determined by a final judgment of a court of competent jurisdiction, shall be binding upon the Borrower and shall not put the Issuing Lender or its respective correspondents under any resulting liability to the Borrower and (B) the Issuing Lender may, without gross or intentional fault as determined by a final judgment of a court of competent jurisdiction, accept documents that appear on their face to be in substantial compliance with the terms of a Letter of Credit, without responsibility for further investigation, regardless of any notice or information to the contrary (other than an injunction granted by a court of competent jurisdiction during the period for which such injunction is enforced), and may make payment upon presentation of documents that appear on their face to be in substantial compliance with the terms of such Letter of Credit, provided that the Issuing Lender shall have the right, in its sole discretion, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit.

---



#### 4.2.12 Indemnification.

- 4.2.12.1 The Borrower agrees to indemnify and hold harmless the Issuing Lender and each of its officers, directors, affiliates, employees, advisors and agents (the “**Indemnitees**”) from and against any and all losses, claims, damages and liabilities which the Indemnitees may incur (or which may be claimed against any Indemnitee) by any Person by reason of or in connection with the issuance or transfer of or payment or failure to pay under any Letter of Credit, provided that the foregoing indemnity will not, as to an Indemnitee, apply to losses, claims, damages, liabilities or related expenses to the extent they are found by a final, non-appealable judgment of a court to arise from the gross or intentional fault of such Indemnitee.
- 4.2.12.2 The Borrower agrees, as between the Borrower and the Issuing Lender, that the Borrower shall assume all risks of the acts, omissions or misuse by the beneficiary of any Letter of Credit.
- 4.2.12.3 Neither the Issuing Lender nor the Agent or any other Lender shall, in any way, be liable for any failure by the Issuing Lender or anyone else to pay any drawing under any Letter of Credit as a result of any action by any governmental authority or any other cause beyond the control of the Issuing Lender.
- 4.2.12.4 The obligations of the Borrower under this Section 4.2 shall survive the termination of this Agreement. No acts or omissions of any current or prior beneficiary of a Letter of Credit shall in any way affect or impair the rights of the Issuing Lender to enforce any right, power or benefit under this Agreement.

4.2.13 LC Escrowed Funds. Upon the occurrence of an Event of Default, the Borrower will forthwith, upon request from the Issuing Lender under the Revolving Facility or the Agent, pay to the Agent for deposit into an escrow account maintained by and in the name of the Agent, an amount equal to the Issuing Lender’s maximum potential exposure under the then outstanding Letters of Credit (the “**LC Escrowed Funds**”). The LC Escrowed Funds will be held by the Agent for compensation or set-off against future Indebtedness owing by the Borrower to the Issuing Lender in respect of such Letters of Credit and pending such application will bear interest at the rate declared by the Agent from time to time as that payable by it in respect of deposits for such amount and for the period from the date of deposit to the maturity date of the Letters of Credit. If such Event of Default is waived in compliance with the terms of this Agreement, then the remaining LC Escrowed Funds, if any, together with any accrued interest to the date of release, will be released to the Borrower. The deposit of the LC Escrowed Funds by the Borrower with the Agent as herein provided will not operate as a repayment on account of the Loan Obligations until such time as the LC Escrowed Funds are actually paid to the Issuing Lender as a repayment of principal hereunder. The Borrower shall sign and remit as Security with regard thereto all appropriate documents that the Agent or the Issuing Lender might judge necessary or desirable.

---

4.2.14 **Resignation.** The Issuing Lender may resign as such (a “**Resigning Issuing Lender**”) upon 15 days' prior written notice to the Agent and the Borrower, in which event the Borrower shall designate another Lender under the relevant Facility as Issuing Lender. Upon acceptance by such other Lender of the appointment as Issuing Lender (the “**Successor Issuing Lender**”), the Successor Issuing Lender shall succeed to the rights, powers and duties of the Resigning Issuing Lender and shall have all the rights and obligations of the Resigning Issuing Lender under this Agreement and the other Loan Documents. Upon request by any of the Resigning Issuing Lender, the Successor Issuing Lender, the Agent or the Borrower, each of the Resigning Issuing Lender, the Agent, the Borrower and the Successor Issuing Lender shall enter into an agreement evidencing the appointment of the Successor Issuing Lender and dealing with such other matters as the parties may agree including any reallocation of fees paid in relation to outstanding Letters of Credit which may be necessary. Following the resignation of the Resigning Issuing Lender, the Resigning Issuing Lender shall continue to have all the rights and obligations of an Issuing Lender under this Agreement and the other Loan Documents with respect to Letters of Credit issued by it prior to such resignation, but the Resigning Issuing Lender shall not be required to issue additional Letters of Credit. For avoidance of doubt, the provisions of this Agreement relating to the Issuing Lender shall inure to the benefit of the Resigning Issuing Lender as to any actions taken or omitted to be taken by it (a) while it was the Issuing Lender under this Agreement or (b) at any time with respect to Letters of Credit issued by the Issuing Lender.

### **4.3 Swing Line Advances**

4.3.15 Subject to the terms and conditions of this Agreement, the Swing Line Lender agrees to make Swing Line Advances to the Borrower on any Business Day from time to time prior to the expiry of the Term. Swing Line Advances (other than by Letters of Credit) may be made or drawn by way of overdrafts on the Borrower's account with the Swing Line Lender or by way of irrevocable same Business Day telephone notice at or before 12:00 p.m. followed by the delivery on the same day of a written notice of confirmation. Swing Line Advances by Letter of Credit shall be subject to the prior notice as required by the Swing Line Lender in accordance with its normal practices and shall not exceed \$1,000,000 in the aggregate outstanding at any time.

4.3.16 The proceeds of Swing Line Advances may be used by the Borrower for any purpose for which other Advances under the Revolving Facility may be used.

4.3.17 The Swing Line Loan shall be immediately repaid by the Borrower if at any time (and to the extent) it exceeds the maximum of the Swing Line Advances permitted hereunder, either by the Borrower submitting a Notice of Borrowing to request a new Advance or by the Agent advising the Lenders of a deemed Notice of Borrowing for the same purpose, which Notice of Borrowing the Agent is hereby expressly authorized (but in no way obliged unless requested to do so by the Swing Line Lender) to issue.

4.3.18 If the Swing Line Lender no longer wishes to act as such, it shall notify the Borrower, the other Revolving Facility Lenders and the Agent not less than 15 days prior to the date on which it proposes to cease acting as a Swing Line Lender. In such event, the Borrower may designate a different Swing Line Lender by sending a notice to (a) the Swing Line Lender

---

who will no longer act as such (the “**Retiring Swing Line Lender**”), (b) the new Swing Line Lender who has agreed to act as such and (c) the Agent, not less than five (5) days prior to the date on which the replacement is to occur. The new Swing Line Lender shall make a Prime Rate Advance or US Base Rate Advance, as applicable, available to the Agent for the purpose of repaying the Swing Line Loan owed to the Retiring Swing Line Lender on the date such replacement is to occur.

4.3.19 If an Event of Default shall have occurred, other than an Event of Default under subsection 14.1.4, or if no Revolving Facility Lender wishes to act as a replacement for the Retiring Swing Line Lender (in such case, the Swing Line Lender is herein referred to as the “**Former Swing Line Lender**”), the Borrower shall be deemed to have made a request for, and each Revolving Facility Lender shall make, a Prime Rate Advance or US Base Rate Advance, as applicable, available to the Agent for the purpose of repaying the principal amount of the Swing Line Loan owed to the Former Swing Line Lender, in the amount of such Revolving Facility Lender’s Secured Applicable Percentage multiplied by the amount of the outstanding Swing Line Loan owing to the Former Swing Line Lender (the “**Lender Swing Line Repayments**”). In such event, the Borrower’s right to obtain Swing Line Advances will cease, the amount of the Swing Line Commitment shall be nil, and the amounts outstanding thereunder will continue to form part of the Secured Obligations. However, if an Event of Default under subsection 14.1.4 shall have occurred, the Revolving Facility Lenders shall not make such Lender Swing Line Repayments and the provisions of subsection 4.3.6 shall apply.

4.3.20 If, before the making of a Lender Swing Line Repayment under subsection 4.3.5, a Default under subsection 14.1.4 shall have occurred and be continuing or an Event of Default under subsection 14.1.4 shall have occurred, each Revolving Facility Lender will, on the date such Lender Swing Line Repayment was to have been made, purchase from the Former Swing Line Lender an undivided participating interest in the Swing Line Loans to be repaid, in an amount equal to its Secured Applicable Percentage multiplied by the amount of the outstanding Swing Line Loans, and immediately transfer such amount to the Agent for the benefit of the Former Swing Line Lender, in immediately available funds. In such event, the Borrower’s right to obtain Swing Line Advances will cease and the amounts outstanding thereunder will continue to form part of the Secured Obligations. If at any time after any Lender Swing Line Repayment has been made, the Former Swing Line Lender receives any payment on account of the Swing Line Loans in respect of which such Lender Swing Line Repayment has been made, the Former Swing Line Lender will distribute to the Agent for the benefit of each Revolving Facility Lender an amount equal to such Revolving Facility Lender’s Secured Applicable Percentage multiplied by such amount (appropriately adjusted, in the case of interest payments, to reflect the period of time during which such Revolving Facility Lender’s portion was outstanding and funded) in like funds as received; provided, however, that if such payment received by the Former Swing Line Lender is required to be returned, such Revolving Facility Lender will return to the Agent for the benefit of the Former Swing Line Lender any portion thereof previously distributed by the Former Swing Line Lender to the Agent for the benefit of such Revolving Facility Lender in like funds as such payment is required to be returned by such Former Swing Line Lender.

---

4.3.21 Each Revolving Facility Lender's obligation to make Lender Swing Line Repayments or to purchase a participating interest in accordance with subsections 4.3.5 and 4.3.6 shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (1) any set-off, compensation, counterclaim, recoupment, defense or other right which such Revolving Facility Lender may have against the Swing Line Lender, the Borrower or any other Person for any reason whatsoever; (2) the occurrence or continuance of any Default or Event of Default; (3) any adverse change in the condition (financial or otherwise) of the Borrower or any other Person; (4) any breach of this Agreement by the Borrower or any other Person; (5) any inability of the Borrower to satisfy the conditions precedent to borrowing set forth in this Agreement on the date upon which such Prime Rate Advance is to be made or participating interest is to be purchased or (6) any other circumstances, happening or event whatsoever, whether or not similar to any of the foregoing. If any Revolving Facility Lender does not make available the amount required under subsection 4.3.5 or 4.3.6, as the case may be, the Former Swing Line Lender shall be entitled to recover such amount on demand from such Revolving Facility Lender, together with interest thereon at the Prime Rate Basis or the US Base Rate Basis, as the case may be, from the date of non-payment until such amount is paid in full.

#### **4.4 Operation of Accounts**

The Agent shall maintain in its books at the Agency Branch a record of the Loan Obligations, including the Bankers' Acceptances issued by the Borrower, attesting as to the total of the Borrower's indebtedness to the Lenders in accordance with the provisions hereof and with the provisions of the Security Documents. These accounts or registers shall constitute, in the absence of manifest error, *prima facie* proof of the total amount of the indebtedness of the Borrower to the Lenders in accordance with the provisions hereof and of the Security Documents, of the date of any Advance made to the Borrower and of the total of all amounts paid by the Borrower from time to time with respect to principal and interest owing on the Loan Obligations and the fees and other sums payable in accordance with the provisions hereof or of the Security Documents.

#### **4.5 Apportionment of Advances**

The amount of each Advance will be apportioned among the relevant Lenders by the Agent by reference to the relevant Secured Applicable Percentage of each such Lender, as such Secured Applicable Percentage shall be immediately prior to the making of any Advance, subject to the provisions of subsections 4.3.5 and 4.3.6 hereof with respect to Swing Line Advances, and of Section 6.8 hereof with respect to BA Advances. If any amount is not in fact made available to the Agent by a Lender, the Agent shall be entitled to recover such amount (together with interest thereon at the rate determined by the Agent as being its cost of funds in the circumstances) on demand from such Lender or, if such Lender fails to reimburse the Agent for such amount on demand, from the Borrower.

#### **4.6 Limitations on Advances**

The undrawn Credit available under the Revolving Facility shall cease to be available at the expiry of the Disbursement Period.

---

**4.7 Notices Irrevocable**

Any notice given to the Agent in accordance with Articles 4 or 6 may not be revoked or withdrawn.

**4.8 Limits on BA Advances and Letters of Credit**

Nothing in this Agreement shall be interpreted as authorizing the Borrower to issue Bankers' Acceptances or borrow by way of Term SOFR Advances for a Designated Period expiring or, subject to subsection 4.2.1, to cause to be issued Letters of Credit maturing, on a date which is after the expiry of the Term.

**4.9 Excess Resulting From Exchange Rate Change**

Any time that, following one or more fluctuations in the exchange rate of the US Dollar against the Canadian Dollar, the sum of:

- 4.9.1 the Equivalent Amount in Canadian Dollars of Loan Obligations under the Revolving Facility in US Dollars; and
- 4.9.2 the Loan Obligations under the Revolving Facility in Canadian Dollars;

exceeds the amount of the Credit under the Revolving Facility then available, the Borrower shall promptly either (i) make the necessary payments or repayments to the Agent to reduce the Loan Obligations under the Revolving Facility to an amount equal to or less than the available amount of the Credit under the Revolving Facility, or (ii) maintain or cause to be maintained with the Agent, deposits of Canadian Dollars in an amount equal to or greater than the amount by which the Loan Obligations under the Revolving Facility exceed the available amount of the Credit under the Revolving Facility, such deposits to be maintained in such form and upon such terms as are acceptable to the Agent. Without in any way limiting the foregoing provisions, the Agent shall, on the date of each request for an Advance or on the date of any interest payment or on each Acceptance Date or Rollover Date, make the necessary exchange rate calculations to determine whether any such excess exists on such date and, if there is an excess, it shall so notify the Borrower.

**4.10 Intentionally deleted.****4.11 Term SOFR Advances and Conversions**

Subject to the applicable provisions of this Agreement, on any Business Day during the Disbursement Period, upon an irrevocable telephone notice to the Agent given prior to 12:00 p.m., at least three Business Days prior to the date of a proposed Term SOFR Advance, followed by the immediate delivery of a written Notice of Borrowing, the Borrower may request that (a) a Term SOFR Advance be made, (b) that one or more US Base Rate Advances not borrowed as Term SOFR Advances be converted into one or more Term SOFR Advances, or (c) that a Term SOFR Advance or any part thereof be extended, as the case may be, in each case, under the Revolving Facility. Each Selected Amount with respect to each Designated Period shall be in an amount of not less than US\$1,000,000, and shall be in whole multiples

---

of US\$1,000,000. The Agent shall determine the Term SOFR which will be in effect on the Rollover Date (which in such case must be a Business Day), with respect to the Selected Amount or to each of the Selected Amounts, as the case may be, having a Designated Period of 1, 3 or 6 months (or such other period as may be available and acceptable to the Agent) from the Rollover Date. However, if the Borrower has not delivered a notice to the Agent in a timely manner in accordance with the provisions of this Section 4.11, the Borrower shall be deemed to have chosen to have the interest on the amount of such Advance calculated on the US Base Rate Basis. No tenor that has been removed from this Section 4.11 pursuant to Section 5.13 shall be available for specification in a Notice of Borrowing.

## **5. INTEREST AND FEES**

None of the provisions of Article 5 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 4 of Schedule "P".

### **5.1 Interest on the Prime Rate Basis and the US Base Rate Basis**

The principal amount of the Loan Obligations which at any time and from time to time remains outstanding and in respect of which the Borrower has chosen or, in accordance with the provisions hereof, is obliged to pay interest on the Prime Rate Basis or the US Base Rate Basis, shall bear interest, calculated daily, on the daily balance of such Loan Obligations, from the date of each Advance up to and including the day preceding the date of repayment thereof in full at the annual rate (calculated based on a 365 or 366 day year, as the case may be) applicable to each of such days which corresponds to the Prime Rate or the US Base Rate, respectively, at the close of business on each of such days, plus the Margin.

### **5.2 Payment of Interest on the Prime Rate Basis and the US Base Rate Basis**

The interest payable in accordance with Section 5.1 and calculated in the manner described therein shall be payable to the Agent monthly, in arrears, on the last day of each month or on such other date (limited to once per month) as the Agent may determine and advise the Borrower from time to time, the first payment of which shall be payable on the last day of the month in which the first Prime Rate Advance or US Base Rate Advance, respectively, was made.

### **5.3 Interest on the Term SOFR Basis**

The principal amount of any of the Term SOFR Advances which at any time and from time to time remains outstanding shall bear interest, calculated daily, on the daily balance of such Term SOFR Advance, from the date of each Term SOFR Advance or Rollover Date, at the annual rate (calculated based on a 360-day year) applicable to each of such days which corresponds to the Term SOFR applicable to each Selected Amount, plus the Margin, and shall be effective as and from the date of each Term SOFR Advance or Rollover Date up to but excluding the last day of the Designated Period of such Term SOFR Advance.

---

**5.4 Payment of Interest on the Term SOFR Basis**

The interest payable in accordance with the provisions of Section 5.3 and calculated in the manner described therein on the amount outstanding from time to time is payable to the Agent for the account of the Lenders, in arrears,

5.4.1 on the last day of the applicable Designated Period when the Designated Period is 1 to 3 months,

5.4.2 when the applicable Designated Period exceeds 3 months, on the last Business Day of each period of 3 months during such Designated Period and on the last day of the applicable Designated Period.

provided that if any Designated Period would otherwise end on a day that is not a Business Day, such Designated Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Designated Period into another calendar month, in which event such Designated Period shall end on the immediately preceding Business Day.

**5.5 Fixing of Term SOFR**

Term SOFR shall be notified to the Borrower at approximately 11:00 a.m., two US Government Securities Business Days prior to the relevant Rollover Date.

**5.6 Derivative Obligations**

The Borrower agrees that any amounts due to the Agent or the Lenders on account of Derivative Obligations shall be secured by the Security.

**5.7 Interest on the Loan Obligations**

Where no specific provision with respect to interest on an outstanding portion of the Loan Obligations is contained in this Agreement, the interest on such portion of the Loan Obligations shall be calculated and payable on the Prime Rate Basis.

**5.8 Arrears of Interest**

Any arrears of interest or principal shall bear interest at a rate that is two percent (2%) per annum higher than the rate of interest payable in respect of the relevant principal amount of the Loan Obligations and shall be calculated and payable on the same basis.

**5.9 Maximum Interest Rate**

The amount of the interest or fees payable in applying this Agreement shall not exceed the maximum rate permitted by Applicable Law. Where the amount of such interest or such fees is greater than the maximum rate, the amount shall be reduced to the highest rate that may be recovered in accordance with the applicable provisions of Applicable Law.

---

In determining whether the interest contracted for, charged or received by an Agent or a Lender exceeds the maximum rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated Term of the Loan Obligations hereunder.

#### **5.10 Fees**

The Borrower shall pay the following fees (the “**Revolving Facility Fees**”) to the Agent (for the benefit of the Revolving Facility Lenders) and the Swing Line Lender, as applicable:

- 5.10.1 for the Revolving Facility Lenders, a standby fee (the “**Standby Fee**”) calculated daily by multiplying the amount of the unused Credit (calculated based on the maximum amount that could be available under the Revolving Facility, irrespective of compliance with any conditions precedent or other restrictions) under the Revolving Facility (including the Swing Line Commitment) each day by the applicable rate set out in the definition of “Margin”, and dividing the result by 365 (or 366 in a leap year), and then multiplying that result by the number of days in the relevant quarter, payable quarterly in arrears two Business Days following the last day of each calendar quarter, or on such other date as the Agent or the Swing Line Lender, as applicable, may determine, acting reasonably; and
- 5.10.2 for the Revolving Facility Lenders, the upfront fees referred to in the Third Amending Agreement dated as of June 16, 2015; and
- 5.10.3 for the Agent, an annual agency fee in the amount and payable in accordance with the provisions of a letter agreement dated as of June 16, 2015, entered into between the Borrower and the Agent.

#### **5.11 Interest Act**

- 5.11.1 For the purposes of the *Interest Act* (Canada), any amount of interest or fees calculated herein using 360, 365 or 366 days per year and expressed as an annual rate is equal to the said rate of interest or fees multiplied by the actual number of days comprised within the calendar year, divided by 360, 365 or 366, as the case may be.
  - 5.11.2 The parties agree that all interest in this Agreement will be calculated using the nominal rate method and not the effective rate method, and that the deemed re-investment principle shall not apply to such calculations. In addition, the parties acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates.
-



**5.12 Term SOFR Conforming Changes**

In connection with the use or administration of Term SOFR, the Agent will have the right to make Conforming Changes (USD) from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes (USD) will become effective without any further action or consent of any other party to this agreement or any other Loan Document, provided that, with respect to any such amendment effected in connection with the use or administration of Term SOFR, the Agent shall post each such amendment implementing such Conforming Changes (USD) to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

**5.13 Inability to Determine Rates (Term SOFR)**

- 5.13.1 If in connection with any request for a Term SOFR Advance or a conversion of a US Base Rate Advance to a Term SOFR Advance, as applicable, the Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate (USD) has been determined in accordance with Section 5.13.2, and the circumstances under clause (a) of Section 5.13.2 or the Scheduled Unavailability Date-Term SOFR has occurred, or (B) adequate and reasonable means do not otherwise exist for determining Term SOFR for any requested Designated Period with respect to a proposed Term SOFR Advance, the Agent will promptly so notify the Borrower and each Lender.

Thereafter, the obligation of the Lenders to make or maintain Term SOFR Advances, or to convert US Base Rate Advances to Term SOFR Advances, shall be suspended (to the extent of the affected Term SOFR Advances or Designated Periods) until the Agent revokes such notice.

Upon receipt of such notice, (i) the Borrower may revoke any pending request for an Advance of, or conversion to Term SOFR Advances (to the extent of the affected Term SOFR Advances or Designated Periods) or, failing that, will be deemed to have converted such request into a request for a US Base Rate Advances in the amount specified therein and (ii) any outstanding Term SOFR Advances shall be deemed to have been converted to US Prime Rate Advances immediately at the end of their respective applicable Designated Period.

- 5.13.2 Notwithstanding anything to the contrary in this Agreement or any other Loan Document, if the Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or the Majority Lenders notify the Agent (with, in the case of the Majority Lenders, a copy to the Borrower) that the Borrower or the Majority Lenders (as applicable) have determined, that:
-

- (a) adequate and reasonable means do not exist for ascertaining one month, three month and six month interest periods of Term SOFR, including, without limitation, because the Term SOFR Screen Rate is not available or published on a current basis and such circumstances are unlikely to be temporary; or
- (b) CME or any successor administrator of the Term SOFR Screen Rate or a Governmental Authority having jurisdiction over the Agent or such administrator with respect to its publication of Term SOFR, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate shall or will no longer be made available, or permitted to be used for determining the interest rate of US Dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, there is no successor administrator that is satisfactory to the Agent, that will continue to provide such interest periods of Term SOFR after such specific date (the latest date on which one month, three month and six month interest periods of Term SOFR or the Term SOFR Screen Rate are no longer available permanently or indefinitely, the "**Scheduled Unavailability Date-Term SOFR**");

then, on a date and time determined by the Agent (any such date, the "**Term SOFR Replacement Date**"), which date shall be at the end of a Designated Period or on the relevant interest payment date, as applicable, for interest calculated and, solely with respect to clause (b) above, no later than the Scheduled Unavailability Date-Term SOFR, Term SOFR will be replaced hereunder and under any Loan Document with Daily Simple SOFR *plus* the SOFR Adjustment for any payment period for interest calculated that can be determined by the Agent, in each case, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document (the "**Successor Rate (USD)**").

If the Successor Rate (USD) is Daily Simple SOFR plus the SOFR Adjustment, all interest payments will be payable on a monthly basis.

Notwithstanding anything to the contrary herein, (i) if the Agent determines that Daily Simple SOFR is not available on or prior to the Term SOFR Replacement Date, or (ii) if the events or circumstances of the type described in clause (a) of Section 5.13.2 or clause (b) of Section 5.13.2 have occurred with respect to the Successor Rate (USD) then in effect, then in each case, the Agent and the Borrower may amend this Agreement solely for the purpose of replacing Term SOFR or any then current Successor Rate (USD) in accordance with this Section 5.13 at the end of any Designated Period, relevant interest payment date or payment period for interest calculated, as applicable, with an alternative benchmark rate

---

giving due consideration to any evolving or then existing convention for similar US Dollar denominated credit facilities syndicated and agented in the United States for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark giving due consideration to any evolving or then existing convention for similar US Dollar denominated credit facilities syndicated and agented in the United States for such benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Agent from time to time in its reasonable discretion and may be periodically updated. For the avoidance of doubt, any such proposed rate and adjustments, shall constitute a Successor Rate (USD). Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Majority Lenders have delivered to the Agent written notice that such Majority Lenders object to such amendment.

The Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate (USD).

Any Successor Rate (USD) shall be applied in a manner consistent with market practice; provided that to the extent such market practice is not administratively feasible for the Agent, such Successor Rate (USD) shall be applied in a manner as otherwise reasonably determined by the Agent.

Notwithstanding anything else herein, if at any time any Successor Rate (USD) as so determined would otherwise be less than the Floor, the Successor Rate (USD) will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

In connection with the implementation of a Successor Rate (USD), the Agent will have the right to make Conforming Changes (USD) from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes (USD) will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Agent shall post each such amendment implementing such Conforming Changes (USD) to the Borrower and the Lenders reasonably promptly after such amendment becomes effective.

## **6. BANKERS' ACCEPTANCES**

None of the provisions of Article 6 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Schedule "P".

---

**6.1 Advances by Bankers' Acceptances and Conversions into Bankers' Acceptances**

6.1.1 Subject to the applicable provisions of this Agreement, on any Business Day during the Disbursement Period, as part of the Credit available under the Revolving Facility, by providing to the Agent an irrevocable telephone notice at or before 12:00 p.m. on any Business Day followed by the immediate delivery of a written Notice of Borrowing to the Agent, given at least two (2) Business Days prior to the date of the Advance or the Rollover Date (for the purposes of this Article 6 called the “**Acceptance Date**”), the Borrower may request that a BA Advance be made, that one or more Advances not borrowed as BA Advances be converted into one or more BA Advances or that a BA Advance or any part thereof be extended, as the case may be (the “**BA Request**”).

Bankers' Acceptances shall be issued on each Acceptance Date or Rollover Date, in a minimum Selected Amount, with respect to each Designated Period, of \$5,000,000 or such greater amount which is an integral multiple of \$1,000,000, shall have a Designated Period of 1, 2 or 3 months (or such other period as may be available and acceptable to the Agent), subject to availability, and shall, in no event, mature on a date after the expiry of the applicable Term.

6.1.2 Prior to making any BA Request, the Borrower shall deliver:

- (a) to the Lenders, in the name of each Lender which is a bank that accepts bankers' acceptances (a “**BA Lender**”), drafts in form and substance acceptable to the Agent and the Lenders; and
- (b) to the Lenders in the name of each Lender which is not a bank or does not accept bankers' acceptances (a “**Non-BA Lender**”), Discount Notes;

completed and executed by its authorized signatories in sufficient quantity for the Advance requested and in appropriate denominations to facilitate the sale of the Bankers' Acceptances in the financial markets. No Lender shall be responsible or liable for its failure to accept a Bankers' Acceptance hereunder if such failure is due, in whole or in part, to the failure of the Borrower to give appropriate instructions to the Agent on a timely basis, nor shall the Agent or any Lender be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except a loss or improper use arising by reason of the gross negligence or wilful misconduct of the Agent, such Lender, or their respective employees. In order to facilitate issuances of Bankers' Acceptances pursuant hereto, in accordance with the instructions given from time to time by the Borrower, the Borrower hereby authorizes each Lender, and for this purpose appoints each Lender its lawful attorney, to complete and sign Bankers' Acceptances on behalf of the Borrower, in handwritten or facsimile or mechanical signature or otherwise, and once so completed, signed and endorsed, and following acceptance of them as Bankers' Acceptances, to purchase,

---

discount or negotiate such Bankers' Acceptances in accordance with the provisions of this Article 6, and to provide the Available Proceeds (as defined in subsection 6.2.4(d)) to the Agent in accordance with the provisions hereof. Drafts so completed, signed, endorsed and negotiated on behalf of the Borrower by any Lender shall bind the Borrower as fully and effectively as if so performed by an authorized officer of the Borrower. Each Lender shall maintain a record with respect to such instruments (i) received by it hereunder, (ii) voided by it for any reason, (iii) accepted by it hereunder and (iv) cancelled at their respective maturities. Each Lender agrees to provide such records to the Borrower promptly upon request and, at the request of the Borrower, to cancel such instruments which have been so completed and executed and which are held by such Lender and have not yet been issued hereunder.

## **6.2 Acceptance Procedure**

With respect to any BA Advance:

- 6.2.1 The Agent shall promptly notify in writing each Lender of the details of the proposed issue, specifying:
  - 6.2.2 (a) For each BA Lender, (i) the principal amount of the Bankers' Acceptances to be accepted by such Lender, and (ii) the Designated Period of such Bankers' Acceptances; and
    - (b) For each Non-BA Lender, (i) the principal amount of the Discount Notes to be issued to such Lender, and (ii) the Designated Period of such Discount Notes.
  - 6.2.3 The Agent shall establish the Bankers' Acceptance Discount Rate at or about 10:00 a.m. on the Acceptance Date, and the Agent shall promptly determine the amount of the BA Proceeds.
  - 6.2.4 Forthwith, and in any event not later than 11:30 A.M. on the Acceptance Date, the Agent shall indicate to each Lender, in the manner set out in Section 18.5:
    - (a) the Bankers' Acceptance Discount Rate;
    - (b) the amount of the Stamping Fee applicable to those Bankers' Acceptances to be accepted by such Lender on the Acceptance Date, calculated by multiplying the appropriate percentage set out in the definition of "Stamping Fee" by the face amount of each Bankers' Acceptance (taking into account the number of days in the Designated Period), any such Lender being authorized by the Borrower to collect the Stamping Fee out of the BA Proceeds of those Bankers' Acceptances;
    - (c) the BA Proceeds of the Bankers' Acceptances to be purchased by such Lender on such Acceptance Date; and
-

(d) the amount obtained (the “**Available Proceeds**”) by subtracting the Stamping Fee mentioned in subsection 6.2.4(b) from the BA Proceeds mentioned in subsection 6.2.4(c).

6.2.5 Not later than 1:00 P.M. on the Acceptance Date, each Lender shall make available to the Agent its Available Proceeds.

6.2.6 Not later than 4:00 P.M. on the Acceptance Date, the Agent shall transfer the Available Proceeds to the Borrower in accordance with Section 8.8 and shall notify the Borrower on such day either by telex, fax or telephone (if by telephone, to be confirmed subsequently in writing) of the details of the issue.

### **6.3 Purchase of Bankers' Acceptances and Discount Notes**

Before giving value to the Borrower, the Lenders or the sub-participants which:

6.3.1 are BA Lenders shall, on the Acceptance Date, accept the Bankers' Acceptances by inserting the appropriate principal amount, Acceptance Date and maturity date in accordance with the BA Request relating thereto and affixing their acceptance stamps thereto, and shall purchase or sell same; and

6.3.2 are Non-BA Lenders shall, on the Acceptance Date, complete the Discount Notes by inserting the appropriate principal amount, Acceptance Date and maturity date in accordance with the BA Request relating thereto.

### **6.4 Maturity Date of Bankers' Acceptances**

Subject to the applicable notice provisions, at or prior to the maturity date of each Bankers' Acceptance, the Borrower shall:

6.4.1 give to the Agent a notice in the form of Schedule “B” requesting that the Lenders convert all or any part of the BA Advance then outstanding by way of Bankers' Acceptances which are maturing into a Prime Rate Advance; or

6.4.2 give to the Agent a notice in the form of Schedule “B” requesting that the Lenders extend all or any part of the BA Advance outstanding by way of Bankers' Acceptances which are maturing into another BA Advance by issuing new Bankers' Acceptances, subject to compliance with the provisions of subsection 6.1.1 with respect to the minimum Selected Amount and Designated Period; or

6.4.3 at latest at 12:00 p.m. two (2) Business Days prior to the Rollover Date of each Bankers' Acceptance then outstanding and reaching maturity, notify the Agent by way of a notice substantially in the form of Schedule “B-1” (but omitting paragraphs 3) thereof) that it intends to deposit in its account

---

for the account of the Lenders on the Rollover Date an amount equal to the principal amount of each such Bankers' Acceptance.

**6.5 Deemed Conversions on the Maturity Date**

If the Borrower does not deliver to the Agent one or more of the notices contemplated by subsections 6.4.1 or 6.4.2 or does not give the notice and make the deposit contemplated by subsection 6.4.3, the Borrower shall be deemed to have requested that the part of the BA Advance then outstanding which is reaching maturity be converted into a Prime Rate Advance.

**6.6 Conversion and Extension Mechanism**

If under the conditions

- 6.6.1 of subsection 6.4.1 and of Section 6.5, the Borrower requests or is deemed to have requested, as the case may be, that the Agent convert the portion of the BA Advance which is maturing into a Prime Rate Advance, the Lenders shall pay the Bankers' Acceptances which are outstanding and maturing. Such payments by the Lenders will constitute an Advance within the meaning of this Agreement and the interest thereon shall be calculated and payable as the Borrower may request or may be deemed to have requested;
- 6.6.2 of subsection 6.4.3, the Borrower makes a deposit in its account, without limiting in any way the generality of Section 17.5, the Borrower hereby expressly and irrevocably authorizes the Agent to make any debits necessary in its account in order to pay the Bankers' Acceptances which are outstanding and maturing.

**6.7 Prepayment of Bankers' Acceptances**

Notwithstanding any provision hereof, the Borrower may not prepay any Bankers' Acceptance other than on its maturity date; however, this provision shall not prevent the Borrower from acquiring, in its discretion but subject to the other provisions of this Agreement, any Bankers' Acceptance in circulation from time to time.

**6.8 Apportionment Amongst the Lenders**

The Agent is authorized by the Borrower and each Lender to allocate amongst the Lenders the Bankers' Acceptances to be issued and purchased in such manner and amounts as the Agent may, in its sole discretion, but acting reasonably, consider necessary, so as to ensure that no Lender is required to accept and purchase a Bankers' Acceptance for a fraction of \$100,000, and in such event, the Lenders' respective Commitments in any such Bankers' Acceptances and repayments thereof shall be altered accordingly. Further, the Agent is authorized by the Borrower and each Lender to cause the proportionate share of one or more Lender's Advances (calculated based on its Commitment) to be exceeded by no more than \$100,000 each as a result of such allocations provided that the principal amount of outstanding

---

Advances, including Bankers' Acceptances, shall not thereby exceed the maximum amount of the respective Commitment of each Lender. Any resulting amount by which the requested face amount of any such Bankers' Acceptance shall have been so reduced shall be advanced, converted or continued, as the case may be, as a Prime Rate Advance, to be made contemporaneously with the BA Advance.

#### **6.9 Cash Deposits**

Each Lender may, in its discretion, at any time, in the absence of any demand by the Borrower to such effect, grant an Advance to the Borrower, the amount of which shall be equivalent to the face value of all Bankers' Acceptances then in circulation which have been accepted, which Advance shall not bear interest. The amount of the Advance shall not be taken into account in order to calculate the amount of the Credit used pursuant hereto. The Agent shall retain the amount of the Advance in a non-interest bearing cash collateral account as security, for the benefit of the Borrower, which amount may be entirely set-off against the amount of the Advance and the amount of the Bankers' Acceptances in circulation which such Lender has accepted and may be imputed, in the Lender's discretion, to the payment of the Bankers' Acceptances at their maturity. The Borrower shall sign and remit as security with regard thereto all appropriate documents which the Lenders might judge necessary or desirable, specifically including an assignment of the credit balance of the deposit account held as security.

#### **6.10 Days of Grace**

The Borrower shall not claim from the Lenders any days of grace for the payment at maturity of any Bankers' Acceptances presented and accepted by the Lenders pursuant to the provisions of this Agreement. Further, the Borrower waives any defence to payment which might otherwise exist if for any reason a Bankers' Acceptance shall be held by any Lender in its own right at the maturity thereof.

#### **6.11 Obligations Absolute**

The obligations of the Borrower with respect to Bankers' Acceptances shall be unconditional and irrevocable and shall be paid strictly in accordance with the provisions of this Agreement under all circumstances, including the following circumstances:

- 6.11.1 any lack of validity or enforceability of any draft accepted by any Lender as a Bankers' Acceptance; or
- 6.11.2 the existence of any claim, set-off, defence or other right which the Borrower may have at any time against the holder of a Bankers' Acceptance, the Lenders, or any other person or entity, whether in connection with this Agreement or otherwise.

#### **6.12 Depository Bills and Notes Act**

Bankers' Acceptances may be issued in the form of a depository bill and deposited with a clearing house, both terms as defined in the *Depository Bills and Notes Act*. The Agent and

---



the Borrower shall agree on the procedures to be followed, acting reasonably. The Lenders are also authorized to issue depository bills as replacements for previously issued Bankers' Acceptances, on the same terms as those replaced, and deposit them with a clearing house against cancellation of the previously issued Bankers' Acceptances.

**6.13 Intentionally deleted.**

**~~6.14 Inability to Determine Rates (CDOR)~~**

~~6.14.1 If in connection with any request for a BA Advance or a conversion of a Prime Rate Advance to a BA Advance, as applicable, the Agent determines (which determination shall be conclusive absent manifest error) that (A) no Successor Rate (CAD) has been determined in accordance with Section 6.14.2, and the circumstances under clause (a) of Section 6.14.2 or the Scheduled Unavailability Date CDOR has occurred, or (B) adequate and reasonable means do not otherwise exist for determining the CDOR Rate for any requested Designated Period with respect to a proposed BA Advance, the Agent will promptly so notify the Borrower and each Lender.~~

~~Thereafter, the obligation of the Lenders to make or maintain BA Advances, or to convert Prime Rate Advances to BA Advances, shall be suspended (to the extent of the affected BA Advances or Designated Periods) until the Agent revokes such notice.~~

~~Upon receipt of such notice, (i)~~

**6.14 Benchmark Replacement – CDOR Rate**

6.14.1 *Replacing CDOR.* On May 16, 2022 *Refinitiv Benchmark Services (UK) Limited* (“RBSL”), the administrator of CDOR, announced in a public statement that the calculation and publication of all tenors of CDOR will permanently cease immediately following a final publication on Friday, June 28, 2024. On the date that all Available Tenors of CDOR have either permanently or indefinitely ceased to be provided by RBSL (the “**CDOR Cessation Date**”), if the then-current Benchmark is CDOR, the Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings without any amendment to, or further action or consent of any other party to this Agreement or any other Loan Document. If the Benchmark Replacement is Daily Compounded CORRA, all interest payments will be payable on a monthly basis.

6.14.2 *Replacing Future Benchmarks.* Upon the occurrence of a Benchmark Transition Event, the Benchmark Replacement will replace the then-current Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such

---

Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority Lenders. At any time that the administrator of the then-current Benchmark has permanently or indefinitely ceased to provide such Benchmark or such Benchmark has been announced by the administrator or the regulatory supervisor for the administrator of such Benchmark pursuant to public statement or publication of information to be no longer representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored, the Borrower may revoke any ~~pending~~ request for a ~~BA Advance~~ borrowing of, or conversion to a ~~BA Advance (to the extent or continuation of the affected BA Advances or Designated Periods)~~ or to be made, converted or continued that would bear interest by reference to such Benchmark until the Borrower's receipt of notice from the Agent that a Benchmark Replacement has replaced such Benchmark, and, failing that, the Borrower will be deemed to have converted any such request into a request for a borrowing of or conversion to Prime Rate Advance in the amount specified therein and (ii) any outstanding BA Advances shall be deemed to have been converted to Prime Rate Advances immediately at the end of their respective applicable Designated Periods:

~~6.14.2 Notwithstanding anything to the contrary in this Agreement or any other Loan Document, if the Agent determines (which determination shall be conclusive absent manifest error), or the Borrower or the Majority Lenders notify the Agent (with, in the case of the Majority Lenders, a copy to the Borrower) that the Borrower or the Majority Lenders (as applicable) have determined, that:~~

- ~~(a) adequate and reasonable means do not exist for ascertaining one month, two month and three month terms of the CDOR Rate, including, without limitation, because the CDOR Page is not available or published on a current basis and such circumstances are unlikely to be temporary; or~~
  - ~~(b) *Refinitiv Benchmark Services (UK) Limited* or any successor administrator of CDOR Page or a Governmental Authority having jurisdiction over the Agent or such administrator with respect to its publication of the CDOR Rate, in each case acting in such capacity, has made a public statement identifying a specific date after which one month, two month and three month terms of the CDOR Rate or the CDOR Page shall or will no longer be made available, or permitted to be used for determining the interest rate of Canadian Dollar denominated syndicated loans, or shall or will otherwise cease, provided that, at the time of such statement, *there is no*~~
-

~~successor administrator that is satisfactory to the Agent, that will continue to provide such terms of CDOR after such specific date (the latest date on which one month, two month and three month terms of the CDOR Rate or the CDOR Page are no longer available permanently or indefinitely, the "Scheduled Unavailability Date CDOR");~~

~~then the Agent and the Borrower may amend this Agreement solely for the purpose of the CDOR Rate or any then current Successor Rate (CAD) in accordance with this Advances. During the period referenced in the foregoing sentence, the component of Prime Rate based upon the Benchmark will not be used in any determination of Prime Rate.~~

6.14.3 *Benchmark Replacement Conforming Changes.* In connection with the implementation and administration of a Benchmark Replacement, the Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

6.14.4 *Notices; Standards for Decisions and Determinations.* The Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement, (ii) any occurrence of a Term CORRA Transition Event, (iii) the effectiveness of any Benchmark Replacement Conforming Changes, and (iv) by delivering a BA Cessation Notice pursuant to subsection 6.14.7, its intention to terminate the obligation of the Lenders to make or maintain Bankers' Acceptances. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 6.14, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section.

6.14.5 *Unavailability of Tenor of Benchmark.* At any time (including in connection with the implementation of a Benchmark Replacement), if the then-current Benchmark is a term rate (including Term CORRA or CDOR), then (i) the Agent may remove any tenor of such Benchmark that is unavailable or non-representative for Benchmark (including Benchmark Replacement) settings and (ii) the Agent may reinstate any such previously removed tenor for Benchmark (including Benchmark Replacement) settings.

---

- 6.14.6 *Secondary Term CORRA Conversion.* *Notwithstanding anything to the contrary* herein or in any Loan Document and subject to the proviso below in this clause, if a Term CORRA Transition Event and its related Term CORRA Transition Date have occurred, then on and after such Term CORRA Transition Date (i) the Benchmark Replacement described in clause (i)(a) of such definition will replace the then-current Benchmark for all purposes hereunder or under any Loan Document in respect of any setting of such Benchmark on such day and all subsequent settings, without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document; and (ii) each Advance outstanding on the Term CORRA Transition Date bearing interest based on the then-current Benchmark shall convert, on the last day of the then-current interest payment period, into an Advance bearing interest at the Benchmark Replacement described in clause (i)(a) of such definition for the respective Available Tenor as selected by the Borrower as is available for the then-current Benchmark; provided that, this subsection 6.14.6 shall not be effective unless the Agent has delivered to the Lenders and the Borrower a Term CORRA Notice, and so long as the Agent has not received, by 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date of the Term CORRA Notice, written notice of objection to such conversion to Term CORRA from Lenders comprising the Majority Lenders or the Borrower.
- 6.14.7 *Bankers' Acceptances.* The Agent shall have the option to, effective as of the date set out in the BA Cessation Notice, which shall be a date on or after the CDOR Cessation Date (the "**BA Cessation Effective Date**"), terminate the obligation of the Lenders to make or maintain Bankers' Acceptances, provided that the Agent shall give notice to the Borrower and the Lenders at least thirty (30) Business Days prior to the BA Cessation Effective Date ("**BA Cessation Notice**"). If the BA Cessation Notice is provided, then as of the BA Cessation Effective Date, so long as the Agent has not received, by 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date of the BA Cessation Notice, written notice of objection to the termination of the obligation to make or maintain Bankers' Acceptances from Lenders comprising the Majority Lenders, (i) any Notice of Borrowing that requests the conversion of any Advance to, or rollover of any Advance as, a Bankers' Acceptance shall be ineffective, and (ii) if any Notice of Borrowing requests a BA Advance, such Advance shall be made as a CORRA loan of the same tenor. For the avoidance of doubt, any outstanding BA Advance shall remain in effect following the CDOR Cessation Date until the stated maturity of the underlying Bankers' Acceptance.
- 6.14.8 *Definitions.* In this Section 6.14, the following terms have the meanings set out below:
-

“Available Tenor” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if the then-current Benchmark is a term rate, any tenor for such Benchmark that is or may be used for determining the length of an interest period or (y) otherwise, any payment period for interest calculated with reference to such Benchmark, as applicable, pursuant to this Agreement as of such date.

“Benchmark” means, initially, CDOR; provided that if a replacement of the Benchmark has occurred pursuant to this Section 6.14, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate. Any reference to “Benchmark” shall include, as applicable, the published component used in the calculation thereof.

“Benchmark Replacement”, means, for any Available Tenor:

- (i) For purposes of subsection 6.14.1, the first alternative set forth below that can be determined by the Agent:
    - (a) the sum of: (i) Term CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month’s duration, and 0.32138% (32.138 basis points) for an Available Tenor of three-months’ duration, or
    - (b) the sum of: (i) Daily Compounded CORRA and (ii) 0.29547% (29.547 basis points) for an Available Tenor of one-month’s duration, and 0.32138% (32.138 basis points) for an Available Tenor of three-months’ duration; and
  - (ii) For purposes of Section 6.14-at-2, the ~~end sum of any Designated Period, with an alternative~~ (a) the alternate benchmark rate giving due consideration to any evolving or then existing convention for similar Canadian Dollar denominated credit facilities syndicated and agented in Canada for such alternative benchmark, and, in each case, including any mathematical or other adjustments to such benchmark and (b) an adjustment (which may be a positive or negative value or zero), in each case, that has been selected by the Agent and the Borrower as the replacement for such Available Tenor of such Benchmark giving due consideration to any evolving or then ~~existing-prevailing market~~ convention, including any applicable recommendations made by the Relevant Governmental Body, for similar Canadian Dollar denominated syndicated credit facilities syndicated and agented in Canada for such benchmark, which adjustment or method for calculating such adjustment shall be published on an information service as selected by the Agent from time to time in its reasonable discretion and may be periodically updated (any such proposed rate
-

~~and adjustments, a "Successor Rate (CAD)". Any such amendment shall become effective at 5:00 p.m. on the fifth Business Day after the Agent shall have posted such proposed amendment to all Lenders and the Borrower unless, prior to such time, Lenders comprising the Majority Lenders have delivered to the Agent written notice that such Majority Lenders object to such amendment.~~

~~The Agent will promptly (in one or more notices) notify the Borrower and each Lender of the implementation of any Successor Rate (CAD).~~

~~Any Successor Rate (CAD) shall be applied~~ at such time;

~~provided that, if the Benchmark Replacement as determined pursuant to clause (i) or (j) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.~~

~~"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Prime Rate," the definition of "Business Day," the available interest periods, the definition of "Banker's Acceptance," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of this Section 6.14, and other technical, administrative or operational matters, including with respect to the obligation of the Agent and the Lenders to create, maintain or issue Banker's Acceptances) that the Agent decides may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Agent in a manner substantially consistent with market practice; provided that to the extent (or, if the Agent decides that adoption of any portion of such market practice is not administratively feasible for the Agent, such Successor Rate (CAD) shall be applied in a or if the Agent determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as otherwise the Agent decides is reasonably determined by the Agent.~~

~~Notwithstanding anything else herein, if at any time any Successor Rate (CAD) as so determined would otherwise be less than the Floor, the Successor Rate (CAD) will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.~~

~~In connection with the implementation of a Successor Rate (CAD), the Agent will have the right to make Conforming Changes (CAD) from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming~~

---

~~Changes (CAD) will become effective without any further action or consent of any other party to this Agreement; provided that, with respect to any such amendment effected, the Agent shall post each such amendment implementing such Conforming Changes (CAD) to the Borrower and the Lenders reasonably promptly after such amendment becomes effective,~~necessary in connection with the administration of this Agreement and the other Loan Documents). Without limiting the foregoing, Benchmark Replacement Conforming Changes made in connection with the replacement of CDOR with a Benchmark Replacement may include the implementation of mechanics for borrowing loans that bear interest by reference to the Benchmark Replacement, to replace the creation or purchase of drafts or Bankers' Acceptances.

"Benchmark Transition Event" means, with respect to any then-current Benchmark other than CDOR, the occurrence of a public statement or publication of information by or on behalf of the administrator of the then-current Benchmark, the regulatory supervisor for the administrator of such Benchmark, the Bank of Canada, an insolvency official with jurisdiction over the administrator for such Benchmark, a resolution authority with jurisdiction over the administrator for such Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark, announcing or stating that (a) such administrator has ceased or will cease on a specified date to provide all Available Tenors of such Benchmark, *permanently or indefinitely*, provided that, at the time of such statement or publication, *there is no successor administrator that will continue to provide* any Available Tenor of such Benchmark or (b) all Available Tenors of such Benchmark are or will no longer be representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

"CDOR" means the Canadian Dollar rate for bankers' acceptance borrowings known as the Canadian Dollar Offered Rate provided by RBSL, as the administrator of the benchmark (or a successor administrator).

"CORRA" means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

"Daily Compounded CORRA" means, for any Business Day in an interest payment period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Agent in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the

---

Agent decides that any such convention is not administratively feasible for the Agent, then the Agent may establish another convention in its reasonable discretion; and provided that if the administrator has not provided or published CORRA and a Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

“**Relevant Governmental Body**” means the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

“**Term CORRA**” means, for the applicable corresponding tenor, the forward-looking term rate based on CORRA that has been selected or recommended by the Relevant Governmental Body, and that is published by an authorized benchmark administrator and is displayed on a screen or other information service, as identified or selected by the Agent in its reasonable discretion at approximately a time and as of a date prior to the commencement of an interest period determined by the Agent *in its reasonable discretion* in a manner substantially consistent with market practice.

“**Term CORRA Notice**” means the notification by the Agent to the Lenders and the Borrower of the occurrence of a Term CORRA Transition Event.

“**Term CORRA Transition Date**” means, in the case of a Term CORRA Transition Event, the date that is set forth in the Term CORRA Notice provided to the Lenders and the Borrower, for the replacement of the then-current Benchmark with the Benchmark Replacement described in clause (j)(a) of such definition, which date shall be at least thirty (30) Business Days from the date of the Term CORRA Notice.

“**Term CORRA Transition Event**” means the determination by the Agent that (a) Term CORRA has been recommended for use by the Relevant Governmental Body, and is determinable for any Available Tenor, (b) the administration of Term CORRA is administratively feasible for the Agent and (c) a Benchmark Replacement, other than Term CORRA, has replaced CDOR in accordance with subsection 6.14.1.

## 7. ILLEGALITY, INCREASED COSTS, INDEMNIFICATION AND MARKET DISRUPTIONS

### 7.1 **Illegality**

If any Lender determines that any law (whether or not as a result of a Change in Law) has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to (a) make any Advance or maintain any Loan

---



Obligations (or to maintain its obligation to make any Advance, including any BA Advance, Term SOFR Advance, Letter of Credit or participation in a Letter of Credit), or (b) determine or charge interest rates based upon any particular rate, then, on notice thereof by such Lender to the Borrower through the Agent (in the case of a Revolving Facility Lender) or the Finnvera Facility Agent (in the case of a Finnvera Facility Lender), any obligation of such Lender with respect to the activity that is unlawful shall be suspended until such Lender notifies the Agent or the Finnvera Facility Agent, as the case may be, and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, the Borrower shall, upon demand from such Lender (with a copy to the Agent), prepay or, if conversion would avoid the unlawful activity, convert any affected Loan Obligations, or take any necessary steps with respect to any Letter of Credit, in order to avoid the activity that is unlawful. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted. Each Lender agrees to designate a different lending office if such designation will avoid the need for such notice and will not, in the good faith judgment of such Lender, otherwise be materially disadvantageous to such Lender.

## 7.2 Increased Costs

### 7.2.1 General. If any Change in Law shall:

- (a) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender;
- (b) subject any Lender to any Tax of any kind whatsoever with respect to this Agreement, any Letter of Credit, any participation in a Letter of Credit or any Advance made by it, or change the basis of taxation of payments to such Lender in respect thereof, except for Indemnified Taxes or Other Taxes covered by Section 7.3 and the imposition, or any change in the rate, of any Excluded Tax payable by such Lender; or
- (c) impose on any Lender or the applicable interbank market any other condition, cost or expense affecting this Agreement or Advances by or Loan Obligations owed to such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making any Advance or maintaining any Loan Obligations (or of maintaining its obligation to make any such Advance), or to increase the cost to such Lender or the Issuing Lender of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender or the Issuing Lender hereunder (whether of principal, interest or any other amount), then upon request of such Lender the Borrower will pay to such Lender such

---

additional amount or amounts as will compensate such Lender for such additional costs incurred or reduction suffered.

- 7.2.2 Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital requirements has or would have the effect of increasing the cost to such Lender of making or maintaining its Commitment or any Advance or Loan Obligation, or reducing any amount otherwise receivable by such Lender hereunder with respect thereto, then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or its holding company for any such reduction suffered.
- 7.2.3 Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in subsections 7.2.1 or 7.2.2 hereof, including reasonable detail of the basis of calculation thereof, and delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 Business Days after receipt thereof.
- 7.2.4 Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation, except that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than six months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor, unless the Change in Law giving rise to such increased costs or reductions is retroactive, in which case the six-month period referred to above shall be extended to include the period of retroactive effect thereof.

### 7.3 Taxes

- 7.3.1 Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder or under any other Loan Document shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes. If any member of the VL Group, the Agent, the Finnvera Facility Agent or any Lender is required by Applicable Law to deduct or pay any Indemnified Taxes (including any Other Taxes) in respect of such payments by or on account of any obligation of a member of the VL Group hereunder or under any other Loan Document, then (i) the sum payable shall be increased by that member of the VL Group when payable as necessary so that after making or allowing for all required deductions and payments (including deductions and payments applicable to additional sums payable under this
-

Section) the Agent, the Finnvera Facility Agent or the Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions or payments been required, (ii) the member of the VL Group shall make any such deductions required to be made by it under Applicable Law and (iii) the member of the VL Group shall timely pay the full amount required to be deducted to the relevant Governmental Authority in accordance with Applicable Law.

- 7.3.2 Payment of Other Taxes by the Borrower. Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Applicable Law.
- 7.3.3 Indemnification by the Borrower. The Borrower shall indemnify the Agent, the Finnvera Facility Agent and each Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) paid by the Agent, the Finnvera Facility Agent or such Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent or the Finnvera Facility Agent, as applicable), or by the Agent or the Finnvera Facility Agent, as applicable, on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.
- 7.3.4 Evidence of Payments. As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a member of the VL Group to a Governmental Authority, such member of the VL Group shall deliver to the Agent or the Finnvera Facility Agent, as applicable, the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent or the Finnvera Facility Agent, as applicable.
- 7.3.5 Status of Lenders. Any Foreign Lender that is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is resident for tax purposes, or under any treaty to which such jurisdiction is a party, with respect to payments hereunder or under any other Loan Document shall, at the request of the Borrower, deliver to the Borrower (with a copy to the Agent or the Finnvera Facility Agent, as applicable), at the time or times prescribed by Applicable Law or reasonably requested by the Borrower, the Agent or the Finnvera Facility Agent, as applicable, such properly completed and executed documentation prescribed by Applicable Law as will permit such payments to be made without withholding or at a reduced rate of
-

withholding. In addition, (a) any Lender, if requested by the Borrower, the Agent or the Finnvera Facility Agent, as applicable, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower, the Agent or the Finnvera Facility Agent, as applicable, as will enable the Borrower, the Agent or the Finnvera Facility Agent, as applicable, to determine whether or not such Lender is subject to withholding or information reporting requirements, and (b) any Lender that ceases to be, or to be deemed to be, resident in Canada for the purposes of Part XIII of the Income Tax Act (Canada) or any successor provision thereto shall, within five days thereof, notify the Borrower and the Agent or the Finnvera Facility Agent, as applicable, in writing.

- 7.3.6 Treatment of Certain Refunds. If the Agent, the Finnvera Facility Agent (as applicable) or a Lender determines, acting reasonably, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which a member of the VL Group has paid additional amounts pursuant to this Section or that, because of the payment of such Taxes or Other Taxes, it has benefited from a reduction in Excluded Taxes otherwise payable by it, it shall pay to the Borrower or other member of the VL Group, as applicable, an amount equal to such refund (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower or other member of the VL Group under this Section with respect to the Taxes or Other Taxes giving rise to such refund or reduction), net of all out-of-pocket expenses of the Agent, the Finnvera Facility Agent or such Lender, as the case may be (without duplication of any such expenses if previously reimbursed), and without interest (other than an amount equal to the net after-Tax amount of any interest paid by the relevant Governmental Authority, if any, with respect to such refund). The Borrower or the other member of the VL Group, as applicable, upon the request of the Agent or such Lender, agrees to repay the amount paid over to the Borrower or other member of the VL Group (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Agent, the Finnvera Facility Agent or such Lender if the Agent, the Finnvera Facility Agent or such Lender is required to repay such refund or reduction to such Governmental Authority. This subsection shall not be construed to require the Agent, the Finnvera Facility Agent or any Lender to make available its tax returns (or any other information relating to its Taxes that it deems confidential) to the Borrower or any other Person, to arrange its affairs in any particular manner or to claim any available refund or reduction.

#### **7.4 Breakage Costs, Failure to Borrow or Repay After Notice**

The Borrower shall indemnify each Lender against any loss or expense (including any loss or expense arising from interest or fees payable by such Lender to lenders of funds obtained by it in order to make or maintain any Advance and any loss or expense incurred in liquidating or re-employing deposits from which such funds were

---

obtained) which such Lender may sustain or incur as a consequence of any: (a) default by the Borrower in the payment when due of the amount of or interest on any Loan Obligations or in the payment when due of any other amount hereunder, (b) default by the Borrower in obtaining an Advance after the Borrower has given notice hereunder that it desires to obtain such Advance, (c) default by the Borrower in making any voluntary reduction of the outstanding amount of any Loan Obligations after the Borrower has given notice hereunder that it desires to make such reduction, and (d) payment of any Bankers' Acceptance, Term SOFR Advance or Tranche A CDOR Advance otherwise than on the maturity date thereof (including without limitation any such payment required pursuant to Section 8.1 or upon acceleration pursuant to Section 14.2). A certificate of the Agent or the Finnvera Facility Agent, as applicable providing reasonable particulars of the calculation of any such loss or expense shall be conclusive and binding in the absence of manifest error. If any Lender becomes entitled to claim any amount pursuant to this Section 7.4, it shall promptly notify the Borrower, through the Agent or the Finnvera Facility Agent, as applicable, of the event by reason of which it has become so entitled and reasonable particulars of the related loss or expense, provided that the failure to do so promptly shall not prejudice the Lenders' right to claim hereunder.

Without prejudice to the survival or termination of any other agreement of the Borrower under this Agreement, the obligations of the Borrower under this Section 7.4 shall survive the payment of principal and interest on all Loan Obligations and the termination of the Credit.

#### **7.5 Mitigation Obligations: Replacement of Lenders.**

- 7.5.1 Designation of a Different Lending Office. If any Lender requests compensation under Section 7.2, or requires the Borrower to pay any additional amount to it or to any Governmental Authority for its account pursuant to Section 7.3, then such Lender shall (in the case of a Finnvera Facility Lender, subject to the consent of Finnvera, as applicable) use reasonable efforts to designate a different lending office for funding or booking its Loan Obligations hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (a) would eliminate or reduce amounts payable pursuant to Section 7.2 or 7.3, as the case may be, in the future and (b) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.
- 7.5.2 Replacement of Lenders. If (a) any Lender requests compensation under Section 7.2, or (b) the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 7.3, or (c) any Lender is a Defaulting Lender and has not remedied such default within 2 Business Days, or (d) if any
-

Lender's obligations are suspended under Section 7.1, then the Borrower may, at its sole expense and effort, upon 10 days' notice to such Lender and the Agent or the Finnvera Facility Agent, as applicable, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Article 16 and Article 10 of Schedule "P", as applicable), all of its interests, rights and obligations under this Agreement and the related Loan Documents to an Eligible Assignee, a Tranche A Assignee or other assignee permitted under Schedule "P", as applicable that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such Assignment), provided that:

- (a) the Borrower pays the Agent the assignment fee specified in subsection 16.2.2(f), in the case of an Assignment;
- (b) the Borrower pays the Finnvera Facility Agent the transfer fee specified in Section 10.3 of Schedule "P", in the case of an assignment under the Finnvera Term Facility;
- (c) the assigning Lender receives payment of an amount equal to the outstanding principal of its Loan Obligations and participations in disbursements under Letters of Credit, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment to a Lender) from the Assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);
- (d) in the case of any such Assignment resulting from a claim for compensation under Section 7.2 or payments required to be made pursuant to Section 7.3, such assignment will result in a reduction in such compensation or payments thereafter; and
- (e) such Assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such Assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such Assignment and delegation cease to apply.

#### **7.6 Market Disruption**

If, at any time or from time to time, the Requisite Disruption Lenders provide notice to the Agent that:

- 7.6.1 (a) with respect to BA Advances, there no longer exists a market for Bankers' Acceptances, or (b) with respect to Term SOFR Advances, as a
-

result of market conditions, (i) there exists no appropriate or reasonable method to establish Term SOFR, for a Selected Amount or a Designated Period, or (ii) US Dollar deposits are not available to the Lenders in such market in the ordinary course of business in amounts sufficient to permit them to make a Term SOFR Advance, for a Selected Amount or a Designated Period, or (c) with respect to BA Advances or Prime Rate Advances, (i) the Bankers' Acceptance Discount Rate is unavailable and the Agent is unable to provide the alternative rate described in the definition of "Bankers' Acceptance Discount Rate", or (ii) the Bankers' Acceptance Discount Rate does not adequately and fairly reflect the cost to each such Requisite Disruption Lender of funding such Advance as determined by each such Requisite Disruption Lender in good faith, or (iii) the Prime Rate or the US Base Rate at such time does not adequately and fairly reflect the cost to each such Requisite Disruption Lender of funding such Advance as determined by each such Requisite Disruption Lender in good faith;

any of the foregoing, a "**Market Disruption Event**", then in any such case:

- 7.6.2 the Borrower and the Agent shall enter into negotiations (for a period of not more than 30 days) with a view to agreeing to a substitute basis for determining the applicable Bankers' Acceptance Discount Rate or Term SOFR. Any alternate basis (which may include having recourse to the Market Disruption Prime Rate and/or the Market Disruption US Base Rate) agreed upon pursuant to the foregoing sentence shall, with the prior consent of each of the Lenders affected by the Market Disruption Event and the Borrower, be binding on all of them;
- 7.6.3 failing such agreement, the substitute basis for determining the applicable Bankers' Acceptance Discount Rate or Term SOFR shall be as notified to the Borrower by each affected Lender, accompanied by a certificate of such affected Lender setting out the appropriate substitute rate for the particular form of Advance in question, and accompanied by reasonable explanations and calculations, provided that such substitute rate shall not exceed the relevant rate of non-affected Lenders by more than 1.50%; and
- 7.6.4 to the extent that the Advances affected by the Market Disruption Event are (a) US Base Rate Advances, the applicable US Base Rate for all affected Lenders shall be the Market Disruption US Base Rate, and (b) Prime Rate Advances, the applicable Prime Rate for all affected Lenders shall be the Market Disruption Prime Rate.

## **8. PAYMENT, REPAYMENT AND PREPAYMENT**

None of the provisions of Article 8 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 5 of Schedule "P".

---

However, Section 18.8 hereof shall apply to all payments made in respect of the Finnvera Term Facility.

**8.1 Repayment of the Loan Obligations**

The Borrower hereby agrees to repay the amount of the Loan Obligations outstanding under the Revolving Facility on the last day of the Term.

**8.2 Voluntary Repayment and Prepayment of the Loan Obligations or Cancellation of the Credit**

On any Business Day during the Term, after having given notice to the Agent substantially in the form of Schedule "B-1" of one (1) Business Day with respect to the repayment of Prime Rate Advances and US Base Rate Advances and two (2) Business Days with respect to BA Advances and Term SOFR Advances, the Borrower may repay in minimum amounts of \$1,000,000 or US\$1,000,000, or in whole multiples of such amount, all or part of the principal amount of the Loan Obligations under the Revolving Facility, for the account of the Revolving Facility Lenders, provided that in respect of any Term SOFR Advance, no repayment may be made on a day other than on the maturity date of such Term SOFR Advance, save as permitted by the terms of Section 8.3, and in respect of a BA Advance, no repayment shall be made on a date other than a maturity date of the Bankers' Acceptances outstanding at that time, save as provided in Section 8.3, with, in each case, all interest accrued and unpaid on the amounts so prepaid.

In addition, the Borrower may, upon the same notice, cancel any portion of the Credit that has not been drawn by the Borrower. No Standby Fee shall be payable in respect of any portion of the Credit so cancelled as and from the effective date of its cancellation. The Borrower shall not be permitted to draw Advances in respect of any portion of the Credit so cancelled.

**8.3 Cash Collateralization of BA Advances and Payment of Losses Resulting From a Prepayment**

If a prepayment to be made would require the repayment of outstanding Bankers' Acceptances prior to their maturity, the Borrower shall provide to the Agent cash collateral in an amount equal to the face amount of such Bankers' Acceptances which cash collateral shall be held by the Agent in an interest bearing account and used to repay same at maturity.

If a prepayment in respect of a Term SOFR Advance is made on a date other than its maturity date, contrary to the provisions of this Agreement, simultaneously with such prepayment the Borrower shall pay to the Lenders the losses, costs and expenses suffered or incurred by the Lenders with respect to such prepayment, which are referred to in Section 7.4.

**8.4 Currency of Payments**

All payments, repayments and prepayments, as the case may be:

- 8.4.1 of principal of the Loan Obligations, or any part thereof, shall be made in the same currency as that in which they are outstanding;
-



- 8.4.2 of interest, shall be made in the same currency as the principal amount outstanding to which they relate;
- 8.4.3 of Fees, shall be made in Canadian Dollars alone; and
- 8.4.4 of the amounts referred to in Section 7.4, shall be made in the same currency as the losses, costs and expenses suffered or incurred by the Lenders.

**8.5 Payments by the Borrower to the Agent**

All payments to be made by the Borrower in connection with this Agreement shall be made in funds having same day value to the Agent, at the Agency Branch, or at any other office or account in Toronto or Montreal designated by the Agent. Any such payment shall be made on the date upon which such payment is due, in accordance with the terms hereof, no later than 12:00 p.m.

**8.6 Payment on a Business Day**

Each time a payment, repayment or prepayment is due on a day that is not a Business Day, it shall be made on the following Business Day, subject to Section 5.4 with respect to interest payments on Term SOFR Advances.

**8.7 Payments by the Lenders to the Agent**

Any amounts payable to the Agent by a Lender shall be paid in funds having same day value to the Agent by the Lenders on a Business Day at the Agency Branch.

**8.8 Payments by the Agent to the Borrower**

Any payment received by the Agent for the account of the Borrower shall be paid in funds having same day value to the Borrower on the date of receipt, or if such date is not a Business Day, on the next Business Day, at the Branch.

**8.9 Netting**

On the date of any Advance or on a Rollover Date (a "**Transaction Date**"), the Agent shall be entitled to net amounts payable on such date by the Agent to a Lender against amounts payable in the same currency on such date by such Lender to the Agent, for the account of the Borrower. Similarly, on any Transaction Date, the Borrower hereby authorizes each Lender to net amounts payable in one currency on such date by such Lender to the Agent, for the account of the Borrower, against amounts payable in the same currency on such date by the Borrower to such Lender in accordance with the Agent's calculations made in accordance with the provisions of this Agreement.

---

**8.10 Application of Payments**

- 8.10.1 Except as otherwise indicated herein, all payments made to the Agent by the Borrower for the account of the Revolving Facility Lenders shall be distributed the same day by the Agent, in accordance with its normal practice, in funds having same day value, among the Revolving Facility Lenders to the accounts last designated in writing by each Revolving Facility Lender to the Agent, *pro rata* in accordance with their respective Secured Applicable Percentage, and notice thereof shall be given to the Borrower by the Agent within a reasonable delay.
- 8.10.2 Except as otherwise indicated herein or as otherwise determined by the Revolving Facility Lenders, all payments made by the Borrower to the Agent on behalf of the Revolving Facility Lenders shall be applied by the Revolving Facility Lenders as follows:
- (a) to the fees, costs, expenses and accessories contemplated by Article 7, Section 14.5 and Section 17.5 or by the Security Documents;
  - (b) to all amounts due under Article 5 hereunder;
  - (c) to the repayment of the principal amount of the Loan Obligations;
  - (d) to any other amounts due pursuant to this Agreement.

**8.11 No Set-Off or Counterclaim by Borrower**

All payments by the Borrower shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

**8.12 Debit Authorization**

The Agent is hereby authorized to debit the Borrower's and the Guarantors' account or accounts maintained from time to time at the Branch or elsewhere, and to set off and compensate against any and all accounts, credits and balances maintained at any time by the Borrower or the Guarantors for the amount of any interest or any other amounts due and owing hereunder from time to time payable by the Borrower, in order to obtain payment thereof.

**9. SECURITY****9.1 Security for Advances**

As general and continuing security for the performance by the Borrower of its obligations to the Agents and the Lenders hereunder, including its obligations under the Swing Line and the other Loan Documents, its obligation to perform and pay the Loan Obligations and all Derivative Obligations, as such agreements are, from time to time, amended, restated, amended and restated, extended or renewed, the Borrower shall:

---

- 9.1.1 cause to be executed by each of the Guarantors an unconditional solidary (joint and several) Guarantee in favour of the Agent on behalf of the Lenders, of the obligations of the Borrower under this Agreement, all Derivative Obligations and the Loan Documents, substantially in the form annexed as Schedule “D”;
- 9.1.2 execute and cause to be executed by each of the Guarantors an agreement pledging the Equity Interests of each of their respective Subsidiaries to the Agent on behalf of the Lenders, which agreement shall be substantially in form of Schedule “E” (the “**Share Pledge**”);
- 9.1.3 execute and cause to be executed by each of the Guarantors first-ranking security (subject only to Permitted Charges) in favour of the Agent on behalf of the Lenders, by way of a hypothec on the universality of all of its movable and immovable property located in the Province of Quebec (and/or, at the option of the Agent, by way of a hypothec securing Debentures granted in favour of the Agent or a collateral agent designated by the Agent as the Hypothecary Representative of the Lenders within the meaning of Article 2692 of the *Civil Code of Quebec*, as contemplated by Section 18.16), the whole subject to the waivers contained in the letters referred to in Section 17.4. Notwithstanding the foregoing, the Borrower and the Guarantors shall only be obliged to make additional registrations of the foregoing security after the date of this Agreement against any network in the land registry of Quebec on every second anniversary of the date of the Fourth Amendment Closing Date;
- 9.1.4 execute and cause to be executed by each of the Guarantors a Debenture Pledge of the Debentures referred to in subsection 9.1.3;
- 9.1.5 execute first-ranking security (subject only to Permitted Charges) in favour of each Revolving Facility Lender that is a bank, within the meaning of the Bank Act (Canada), under Sections 427 and following of the Bank Act (Canada);
- 9.1.6 execute and cause to be executed by each of the Guarantors in favour of the Agent on behalf of the Lenders, a first-ranking (subject only to Permitted Charges) General Security Agreement and mortgage charging all of its property and assets, personal (movable) and real (immovable), if any, located elsewhere in Canada or in the USA (and/or, at the option of the Agent, by way of a debenture or other instrument containing the same Charges);
- 9.1.7 execute and cause to be executed by each of the Guarantors a first-ranking assignment, by way of collateral security, of the contracts governing or evidencing intellectual property rights (subject to Permitted Charges, and to the extent not prohibited by the terms of the agreements governing such rights) in favour of the Agent on behalf of the Lenders; and
-

- 9.1.8 cause the Agent on behalf of the Lenders to be named in all insurance policies protecting the members of the VL Group and their movable property, activities, business interruption and third party liability against any form of loss as a named insured as its interest may appear, and deliver to the Agent certificates of insurance in form and substance satisfactory to the Agent.

## **9.2 ECA Guarantee**

Notwithstanding any provision in this Agreement to the contrary, the ECA Guarantee (as defined in Schedule “P”), any replacement guarantee or instrument delivered pursuant to the provisions of Section 8.3 of Schedule “P”, and all proceeds derived therefrom shall be for the sole benefit of the Finnvera Facility Lenders.

## **9.3 Guarantors – Exception**

After the Closing Date, any member of the VL Group may create or acquire one or more Subsidiaries that are or are not wholly-owned by a member of the VL Group, including as a result of its participation in a joint venture with another Person. Such Subsidiary shall not be required to provide a Guarantee pursuant to subsection 9.1.1 or to provide the Security at the time of its creation or Acquisition if (A) the absence of such Guarantee and Security does not cause the Borrower to breach the provisions of Section 12.12 at the time of the creation or Acquisition or at any time thereafter, and shall not be considered a Guarantor, or (B) in respect of each Freedom Entity, following the Freedom Transaction, such Guarantee and Security is provided in accordance with Section 12.12. If such Subsidiary is wholly-owned, it will be a member of the VL Group. In addition, the Borrower may at any time request to the Agent that one or more of its Subsidiaries (each, a “**Released Guarantor**”) shall cease to be considered a Guarantor and that its Guarantee provided pursuant to subsection 9.1.1 and its Security be discharged and terminated if the following conditions are satisfied on the effective date on which such Released Guarantor shall so cease to be considered a Guarantor (the “**Release Date**”): (i) the release of the Released Guarantor as a Guarantor on the Release Date shall not cause the Borrower to breach the provisions of Section 12.12, (ii) no Default or Event of Default exists on the Release Date, and (iii) contemporaneously with the Release Date, all existing Guarantees granted by the Released Guarantor in respect of obligations of the Borrower under Additional Offerings permitted by paragraphs (f) and (g) of Section 13.7, and unsecured Debt permitted by paragraph (i) of Section 13.7, shall also be terminated substantially contemporaneously. In the event that a Released Guarantor ceases to be considered a Guarantor by satisfying all of the conditions of the previous sentence of this Section 9.3, the Security on the property of such Released Guarantor and the Guarantee given by it pursuant to subsection 9.1.1 shall be discharged and terminated by the Agent without any requirement to obtain the consent of the Lenders (and such Person shall thereafter cease to be considered a Guarantor).

## **9.4 Release of Security in Certain Circumstances**

The Lenders agree to instruct the Agent to release all of the Security at the request of the Borrower if the Borrower’s senior unsecured debt rating obtained from any 2 of DBRS, S&P

---

or Moody's has been and remains not less than BBB(low)/BBB-/Baa3 for a period of not less than 6 months.

**9.5 ~~Intentionally deleted~~ Release of Freedom Deeds of Hypothec**

In the event that (i) the Freedom Transaction has not closed prior to January 1, 2024, or (ii) the Freedom SPA is terminated by the parties thereto in accordance with Article 6 thereof at any time prior to the closing of the Freedom Transaction, then the Borrower may request to the Agent the release and discharge of the hypothecs granted under the Freedom Deeds of Hypothec (which hypothecs were granted in anticipation of the closing of the Freedom Transaction), and the Agent shall be permitted to proceed with such release and discharge without any requirement to obtain at such time the consent of the Lenders.

**10. CONDITIONS PRECEDENT**

None of the provisions of Section 10.1 or 10.2 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 6 of Schedule "P".

**10.1 Initial Advance Under the Revolving Facility After the Closing Date**

The obligation of the Lenders to make the initial Advance under the Revolving Facility after the Closing Date is conditional upon the fulfilment of each of the conditions set out in this Section 10.1 and in Section 10.2 to the entire satisfaction of the Agent and the Lenders:

- 10.1.1 certified copies of all of the constating documents, borrowing by-laws and resolutions of the Borrower and of each other member of the VL Group not previously provided to the Agent shall have been provided to the Agent;
  - 10.1.2 all Charges on the property of each member of the VL Group, other than Permitted Charges, shall have been discharged;
  - 10.1.3 this Agreement shall have been executed and delivered, and each of the Security Documents shall have been amended, executed, delivered, issued or assigned and registered or published, as the case may be, wherever required;
  - 10.1.4 all of the issued and outstanding Equity Interests of the Subsidiaries referred to in subsection 9.1.2 owned, directly or indirectly by the Borrower and any of its Subsidiaries at the relevant time, shall have been pledged in accordance with the Share Pledge executed by the Borrower and the relevant Subsidiaries and all of the pledged Equity Interests shall have been remitted to the Agent;
  - 10.1.5 the Borrower shall have delivered to the Agent a certificate in the form of Schedule "F" signed by an officer stipulating and certifying that:
-

- (a) such officer has taken cognizance of all the terms and conditions of this Agreement and of all contracts, agreements and deeds pertaining hereto;
  - (b) no Default or Event of Default has occurred or exists hereunder;
  - (c) the corporate structure of the VL Group is as set out in the diagram attached to the certificate;
  - (d) each member of the VL Group holds the permits, Licences, licences and authorizations required in order to permit it to possess its property and its real estate and to carry on its business in the manner in which it is being carried on at present;
  - (e) all property to be charged by the Security Documents is located in the jurisdictions described in a schedule thereto;
- 10.1.6 the Borrower shall have delivered to the Agent the favourable legal opinion(s) of the counsel to the VL Group, addressed to the Lenders, the Agent and its counsel, in form and substance acceptable to the Agent and its counsel, acting reasonably, including with regard to the continuing validity of all relevant Guarantees and Security; and
- 10.1.7 the Borrower shall have paid to each of the Revolving Facility Lenders an upfront fee in the amount and payable as set forth in the invitation letter sent to it by the Borrower dated May 30, 2011.

## **10.2 Conditions Precedent to any Advance**

The obligation of the Lenders to make any Advance under the Credit is conditional upon each of the following conditions having been satisfied:

- 10.2.1 the representations and warranties contained in this Agreement shall continue to be true and correct (except where stated to be made as at a particular date);
  - 10.2.2 except in the case of Swing Line Advances, the Borrower shall have delivered to the Agent or the Finnvera Facility Agent, as applicable, a completed Notice of Borrowing;
  - 10.2.3 nothing shall have occurred since March 31, 2011 which would constitute a Material Adverse Change; and
  - 10.2.4 no Default shall have occurred and be continuing and no Event of Default shall have occurred.
-

**10.3 Waiver of Conditions Precedent**

The conditions set out in Sections 10.1 and 10.2 are solely for the benefit of the Lenders, and may be waived by the Agent with the unanimous consent of the Lenders, without prejudice to the right of the Agent to assert any such condition in connection with any subsequently requested Advance.

**11. REPRESENTATIONS AND WARRANTIES**

For so long as the Loan Obligations remain outstanding and unpaid, or the Borrower is entitled to borrow hereunder (whether or not the conditions precedent to such borrowing have been or may be satisfied), the Borrower hereby represents and warrants to the Lenders that:

**11.1 Incorporation**

Each member of the VL Group is duly incorporated or organized, validly existing and in good standing under the Applicable Laws of its jurisdiction of incorporation or organization and of all jurisdictions in which it carries on business or is otherwise required to be so qualified. Each member of the VL Group has the capacity and power, whether corporate or otherwise, to hold its assets and carry on the business presently carried on by it or which it proposes to carry on hereafter in each jurisdiction where such business is carried on.

**11.2 Authorization**

The Borrower and each Guarantor has the power and has taken all necessary steps under the Applicable Laws in order to be authorized to borrow hereunder, to provide the Security, as the case may be, and to execute and deliver and perform its obligations under this Agreement and each of the Security Documents to which it is a party, as the case may be, in accordance with the terms and conditions thereof and to complete the transactions contemplated in the Security Documents and herein, as the case may be. This Agreement has been duly executed and delivered by duly authorized officers of the Borrower and is, and each of the Security Documents to which the Borrower and each Guarantor is a party is, and when executed and delivered in accordance with the terms hereof, shall be, a legal, valid and binding obligation of the Borrower and each Guarantor, respectively, enforceable in accordance with its terms.

**11.3 Compliance with Applicable Law and Contracts**

The execution and delivery of and performance of the obligations under this Agreement and each of the Security Documents by the Borrower and each Guarantor, as the case may be, in accordance with their respective terms and the completion of the transactions contemplated therein and herein by the Borrower and each other member of the VL Group, as the case may be, do not require any consents or approvals, do not violate any Applicable Laws, do not conflict with, violate or constitute a breach under the documents of incorporation or organization or by-laws of any member of the VL Group or under any agreements, contracts or deeds to which any member of the VL Group is a party or binding upon it or its assets and do not result in or require the creation or imposition of any Charge whatsoever on the assets of any member of the VL Group, whether presently owned or hereafter acquired, save for the Permitted Charges.

---

**11.4 Core Business**

The VL Group operates businesses in the cable, telecommunications, media and entertainment industries, including on-line internet services, telephony, wireless communications, interactive technologies, the distribution of media content, and anything related or ancillary thereto including activities that are a reasonable evolution of, and consistent with, the foregoing.

**11.5 Financial Statements**

The financial statements provided from time to time hereunder are prepared in accordance with GAAP applied on a consistent basis throughout the periods specified (except as noted thereon) and are an accurate representation of the financial position of the Borrower on a consolidated basis as of the respective dates specified and the results of their operations and cash flows for the respective periods specified.

**11.6 Contingent Liabilities and Indebtedness**

Neither the Borrower nor any other member of the VL Group has (a) any material Contingent Obligations or contingent liabilities known to it which are not disclosed or referred to in the most recent financial statements delivered to the Agent and the Finnvera Facility Agent in accordance with the provisions of Section 12.15 or otherwise disclosed to the Agent and the Finnvera Facility Agent in writing, or (b) incurred any Indebtedness which is not disclosed in or reflected in such financial statements, or otherwise disclosed to the Agent and the Finnvera Facility Agent in writing, other than Contingent Obligations, contingent liabilities or Indebtedness incurred in the ordinary course of business, and Debt permitted hereunder.

**11.7 Title to Assets**

Each member of the VL Group has good, valid and marketable title to all of its properties and assets, free and clear of any Charges other than Permitted Charges. All of the immovable property (including any cable or telecommunications network) owned by the VL Group as of the Closing Date is listed in Schedule "I". All premises occupied by any member of the VL Group as of the Closing Date containing material assets belonging to such members of the VL Group are also listed in Schedule "I". All of the material tangible movable property of the VL Group as of the Closing Date is located in the provinces of Quebec and Ontario. Each member of the VL Group has rights sufficient for it to use all the Licences, licences, intellectual property and patents, patent applications, trademarks, trademark applications, trade names, service marks, copyrights, industrial designs, technology and other similar intellectual property rights reasonably necessary for the conduct of its business. To the knowledge of the Borrower, neither it nor any member of the VL Group is infringing or is alleged to be infringing the intellectual property rights of any other Person, except where such infringement could not reasonably be expected to cause a Material Adverse Change.

---



**11.8 Litigation**

There are no actions, suits or legal proceedings instituted or pending or, to the knowledge of each member of the VL Group, threatened, against any of them or their property before any court or arbitrator or any governmental body or instituted by any governmental body which could reasonably be expected to result in a Material Adverse Change.

**11.9 Taxes**

Each member of the VL Group has filed within the prescribed delays all federal, provincial or other tax returns which it is required by Applicable Law to file and all Taxes levied with respect to each member of the VL Group have been paid when due, except to the extent that (a) payment thereof is being contested in good faith by such member of the VL Group in accordance with the appropriate procedures, for which adequate reserves have been established in the books of the relevant member of the VL Group, and (b) the outcome of such contestation would not reasonably be expected to result in a Material Adverse Change.

**11.10 Insurance**

Each member of the VL Group has contracted for the insurance coverage described in Section 12.6.

**11.11 No Adverse Change**

No Material Adverse Change has occurred since December 31, 2010.

**11.12 Regulatory Approvals**

No member of the VL Group is required to obtain any consent, approval, authorization, permit, Licence or licence from, nor to effect any filing or registration with, any federal, provincial or other regulatory authority in connection with the execution, delivery or performance, in accordance with their respective terms, of this Agreement or the Security Documents, any borrowings hereunder and the granting of the Security.

**11.13 Compliance with Applicable Law and Licences**

Each member of the VL Group is in full compliance in all material respects with all requirements of Applicable Law and with all of the conditions attaching to its permits, authorizations, Licences, licences, certificates and approvals, including without limitation its articles of incorporation and by-laws.

**11.14 Pension and Employment Liabilities**

Except for a deficit not exceeding \$5,000,000 in respect of the pension plan for executives of the Borrower, no member of the VL Group has any unfunded pension

---

liabilities (except for amounts that are not material to the Borrower on a consolidated basis and except for any such plan that does not need to be fully funded in accordance with Applicable Law), whether valued on a going concern or a wind-up basis, and all material obligations (including wages, salaries, commissions and vacation pay) to current employees and to former employees have been paid in full or duly provided for.

**11.15 Priority**

The Security and Charges created, evidenced or constituted by or under the Security Documents bind each member of the VL Group which is a party thereto, are valid and subject to no Charge, other than the Permitted Charges, and are enforceable, as security for the performance of the obligations secured thereunder, in accordance with their respective terms, against the members of the VL Group which are parties thereto.

**11.16 Complete and Accurate Information**

All of the information, reports and other documents and all data (other than forecasts), as well as the amendments thereto, provided to the Agent, the Finnvera Facility Agent and/or Finnvera plc by or on behalf of the VL Group were, at the time same were provided, and are at the date hereof, complete, true and accurate in all material respects. All forecasts provided to the Agent and/or the Finnvera Facility Agent were prepared in good faith and all assumptions used therein were reasonable.

**11.17 Share Capital**

On the Closing Date, all of the shares of: (a) the Borrower are owned, directly or indirectly, by Quebecor Media Inc.; and (b) each of the Guarantors are owned, directly or indirectly, by the Borrower, free and clear of any Charges other than Permitted Charges.

**11.18 Absence of Default**

There exists no Default or Event of Default hereunder.

**11.19 Agreements with Third Parties**

Each member of the VL Group is in compliance in all material respects with each and every one of its obligations under agreements with third parties to which it is a party or by which it is bound, the breach of which could reasonably be expected to result in a Material Adverse Change.

**11.20 Anti-Terrorism, Money Laundering Laws and Sanctions**

No member of the VL Group or any of its Subsidiaries is a Person or entity that is:

---

- 11.20.1 referred to in section 5 of the Proceeds of Crime Act, that is subject to the obligations applicable to such persons or entities under the Proceeds of Crime Act;
- 11.20.2 on the list of names subject to the Regulations Establishing a List of Entities made under subsection 83.05(1) of the Criminal Code (Canada), the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism (RIUNRST) and the United Nations Al-Qaida and Taliban Regulations (UNAQTR) published by the Office of the Superintendent of Financial Institutions Canada; or
- 11.20.3 affiliated with a Person or entity listed above.

The Borrower and its Subsidiaries are not in violation of, in any material respect, any of the country or list based economic and trade sanctions administered and enforced by OFAC, or any Sanctions Laws. As of the ~~Fourth~~<sup>Sixth</sup> Amendment Effective Date, none of the Borrower or any of its Subsidiaries is (i) a Sanctioned Person or (ii) a Person designated under Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 or other Sanctions Laws. If a senior officer of the Borrower or any of its Subsidiaries receives any written notice that the Borrower or any Subsidiary of the Borrower is named on the then current OFAC SDN List or is otherwise a Sanctioned Person (such occurrence, a “**Sanctions Event**”), the Borrower shall promptly (i) give written notice to the Agent and the Lenders of such Sanctions Event, and (ii) comply in all material respects with all Applicable Laws with respect to such Sanctions Event (regardless of whether the Sanctioned Person is located within the jurisdiction of the United States of America or Canada).

Notwithstanding the foregoing, the representations given in this paragraph of Section 11.20 shall not be made by nor apply to any Person that qualifies as a corporation that is registered or incorporated under the laws of (y) Canada or any province thereof and that carries on business in whole or in part in Canada within the meaning of Section 2 of the Foreign Extraterritorial Measures (United States) Order, 1992 passed under the *Foreign Extraterritorial Measures Act* (Canada) insofar as such representations would result in a violation of or conflict with the *Foreign Extraterritorial Measures Act* (Canada) or (z) the laws of any other jurisdiction enacting any similar or equivalent such law insofar as such representations would result in a violation of or conflict with such law.

#### **11.21 Environment**

- 11.21.1 There are no existing claims, demands, suits, proceedings or actions of any nature whatsoever, whether threatened or pending, arising out of the presence on any property owned or controlled by any member of the VL Group, either past or present, of any Hazardous Substances, or out of any past or present activity conducted on any property now owned by any member of the VL Group, whether or not conducted by any member of the VL Group, involving Hazardous Substances, which would reasonably be expected to result in a Material Adverse Change;
-

11.21.2 To the best of the knowledge of the Borrower, after due enquiry:

- (a) there is no Hazardous Substance existing on or under any property of any member of the VL Group which constitutes a material violation of any Environmental Law for which an owner, operator or person in control of a property may be held liable;
- (b) the business of each member of the VL Group is being carried on so as to comply in all material respects with all Environmental Laws and all Applicable Laws concerning health and safety matters;
- (c) no Hazardous Substance has been spilled or emitted into the environment contrary to Environmental Laws from any property owned, operated or controlled by any member of the VL Group for which such member of the VL Group could have any material liability;
- (d) compliance by the members of the VL Group with all current Environmental Laws would not reasonably be expected to cause a Material Adverse Change;
- (e) no member of the VL Group is in default in filing any report or information material to its business with any Governmental Authority as required pursuant to Environmental Laws; and
- (f) each member of the VL Group has maintained, in all material respects, all material environmental and operating documents and records material to its business substantially in the manner required by all Environmental Laws.

#### **11.22 Survival of Representations and Warranties**

All of the representations and warranties made hereunder are true and correct at the Closing Date, shall be true and correct at the date of any Advance hereunder and on each Tranche A Rollover Date (as defined in Schedule "P") (except where qualified in this Article 11 as being made as at a particular date), shall survive the execution and delivery of this Agreement, any investigation by or on behalf of the Lenders or the making of any Advance hereunder, and none of same are nor shall be waived, except in writing.

#### **12. COVENANTS**

For so long as the Loan Obligations remain outstanding and unpaid, or the Borrower is entitled to borrow hereunder (whether or not the conditions precedent to such borrowing have been or may be satisfied) and unless the Agent shall otherwise agree in writing upon obtaining the approval of the requisite majority of Lenders, the Borrower, for itself and each member of the VL Group and with respect to itself and each member of the VL Group, agrees as follows:

---

**12.1 Preservation of Juridical Personality**

It shall do or cause to be done all things necessary to preserve and maintain its corporate existence in full force and effect, except as permitted under Sections 13.1 and 13.3.

**12.2 Preservation of Licences**

It shall maintain in effect and obtain, where necessary, all such authorizations, approvals, Licences, licences or consents of such governmental agencies, whether federal, provincial or local, which may be or become necessary or required for each member of the VL Group to carry on its businesses and to satisfy its obligations hereunder and under the Security Documents.

**12.3 Compliance with Applicable Laws**

It shall conduct its business in a proper and efficient manner and shall keep or cause to be kept appropriate books and records of account, in compliance with the Applicable Law, and shall record or cause to be recorded faithfully and accurately all transactions with respect to its business in accordance with GAAP applied on a consistent basis, and shall comply with all requirements of Applicable Law and with all the conditions attaching to its permits, authorizations, Licences, licences, certificates and approvals in all material respects.

**12.4 Maintenance of Assets**

It shall maintain or cause to be maintained in good operating condition all of its assets used or useful in the conduct of its business, as would a prudent owner of similar property, whether same are held under lease or under any agreement providing for the retention of ownership, and shall from time to time make or cause to be made thereto all necessary and appropriate repairs, renewals, replacements, additions, improvements and other works except as permitted under Section 13.3.

**12.5 Business**

It shall not substantially change the nature of its business activities from its Core Business.

**12.6 Insurance**

It shall maintain insurance coverage with responsible insurers, in amounts and against risks normally insured by owners of similar businesses or assets in areas which are generally similar to those in which the members of the VL Group are engaged. All such policies of insurance will contain a standard "mortgage clause" acceptable to the Agent providing that no such policy may be cancelled without the insurer providing not less than 30 days' prior written notice to the Agent. The insurance policies confirming the insurance required hereunder shall not contain any co-insurance provisions except to the extent such co-insurance provisions would normally appear

---

in policies covering other Persons engaged in similar businesses and owning similar properties as the VL Group, and consistent with prudent business practices.

**12.7 Payment of Taxes and Duties**

It shall pay all Taxes which are imposed on it when due and payable, provided that no such Tax need be paid if (a) it is being contested in good faith by appropriate proceedings promptly initiated and diligently conducted, and (b) such reserves or other appropriate provision, if any, as shall be required by GAAP shall have been made therefor, and (c) the outcome of such contestation would not reasonably be expected to result in a Material Adverse Change.

**12.8 Access and Inspection**

It shall allow the employees and representatives of the Agent, during normal business hours, to have access to and inspect the assets of the members of the VL Group, to inspect and take extracts from or copies of the books and records of the members of the VL Group and to discuss the business, assets, liabilities, financial position, operating results or business prospects of the members of the VL Group with the principal officers of the members of the VL Group and, after obtaining the approval of the Borrower which shall not be unreasonably withheld, with the auditors of the Borrower.

**12.9 Maintenance of Account**

It shall maintain operating accounts at the Branch or other branches of the Agent, as well as an account with the Swing Line Lender, at all times during the Term, if the Agent or the Swing Line Lender, as applicable, so requests. In addition, the Lenders shall have the right to provide all of the auxiliary non-credit banking services to the Borrower, at fees acceptable to the relevant Lender and the Borrower, acting reasonably.

**12.10 Performance of Obligations**

It shall perform all obligations in the ordinary course of business, except to the extent that the non-fulfilment of same would not reasonably be expected to result in a Material Adverse Change, and except where the same are being contested in good faith, if the outcome of such contestation would not reasonably be expected to result in a Material Adverse Change. Notwithstanding the foregoing contained in this Section 12.10, it shall punctually pay all amounts due or to become due under this Agreement.

**12.11 Maintenance of Ratios**

At the end of each quarter during the Term, on a rolling four-quarter basis, the Relevant Group shall maintain the following ratios:

---

12.11.1 Leverage Ratio. A Leverage Ratio not exceeding 4.5:1; provided that for (i) a period not exceeding 12 consecutive months immediately following an Acquisition permitted hereunder in an amount of not less than \$100,000,000 and (ii) a period not exceeding 18 consecutive months immediately following the closing of the Freedom Transaction, in each case under (i) and (ii) above, such maximum Leverage Ratio shall be increased to, but shall not exceed, 5.0:1 (and further provided that in the event of a series of Acquisitions, the Leverage Ratio shall have reverted to 4.5:1 for at least one full quarter); and

12.11.2 Interest Coverage Ratio. An Interest Coverage Ratio of at least 2.5:1.

#### **12.12 Ownership by the Borrower and Guarantors**

At all times during the Term, the Borrower and the Guarantors shall collectively (a) own at least 80% of the consolidated assets of the Borrower (excluding Back-to-Back Securities), and (b) generate at least 80% of the consolidated EBITDA of the Borrower on a rolling four-quarter basis. All calculations made under this Section shall be consistent with those contained in the Borrower's consolidated financial statements. Notwithstanding the foregoing, it is understood and agreed that, following the consummation of the Freedom Transaction, the Borrower shall cause the Freedom Entities to become Guarantors and provide the required Security within 90 days following the consummation of the Freedom Transaction in order to comply with the foregoing tests

#### **12.13 Maintenance of Security**

Subject to Section 9.3, it shall take all necessary steps to preserve and maintain in effect the rights of the Agent and the Lenders, as well as any collateral agent designated by the Agent, pursuant to the Security Documents, together with any renewals thereof or additional documents creating Charges that may be required from time to time. In addition, if any new Subsidiary of any member of the VL Group is created or Acquired, or if a Person otherwise becomes a member of the VL Group, then subject to Section 9.3, such Subsidiary will provide Security of the nature described in Article 9, together with such legal opinions as may be reasonably requested by the Agent.

#### **12.14 Payment of Legal Fees and Other Expenses**

Whether the transactions contemplated by this Agreement are concluded or not and whether or not any part of the Credit is actually advanced, in whole or in part, the Borrower shall pay all reasonable costs relating to the Credit, including in particular:

12.14.1 the reasonable legal fees and costs incurred by the Agent and the Lenders for the negotiation, drafting, signing, registration, publication and/or service of the commitment letter, this Agreement and the Security Documents, as well as any amendments, renunciations, consents or

---

examinations pertaining to this Agreement and the Security Documents; and

- 12.14.2 the reasonable costs of syndicating and advertising, as well as all reasonable fees, including reasonable legal fees and costs, incurred by the Agent, any collateral agent designated by the Agent, and the Lenders to preserve, enforce or exercise their respective rights hereunder or under the Security Documents following an action, a Default or an omission of the Borrower or of any other member of the VL Group.

All amounts due to the Agent and the Lenders pursuant hereto shall bear interest on the Prime Rate Basis from the date of their disbursement by the Lenders or from the date of their undertaking until the Borrower has repaid same in full, with interest on unpaid interest, as in the case of the Prime Rate Advances, taking into account such modifications as may be necessary. The obligations of the Borrower under this Section 12.14 shall subsist notwithstanding the full repayment of the Loan Obligations under the provisions hereof.

### **12.15 Financial Reporting**

For so long as the Loan Obligations remain outstanding and unpaid, or the Borrower is entitled to borrow hereunder (whether or not the conditions precedent to such borrowing have been or may be satisfied) and unless the Lenders shall otherwise agree in writing, the Borrower agrees to provide or cause to be provided to the Agent, with sufficient copies for the Agent, the Finnvera Facility Agent and each Lender, and so undertakes:

#### **12.15.1 Quarterly Statements**

Within 60 days after the end of each financial quarter of each financial year of the Borrower (other than the last quarter):

- (a) the unaudited consolidated balance sheet of the Borrower as at the end of such quarter and the related consolidated statements of earnings and cash flows, for the period then ended, in each case with comparative figures for the same period for the immediately preceding financial year and in respect of the preceding financial year end; and
- (b) a Compliance Certificate of the Borrower signed by its chief financial officer, treasurer or another officer of the Borrower acceptable to the Agent, substantially in the form of Schedule "J" (a "**Compliance Certificate**") and:
  - (i) setting forth the information necessary to determine whether the Borrower has complied with the covenants contained in Section 12.11;





(ii) (A) confirming that the percentage of the EBITDA on a rolling 4 quarter basis, assets (excluding Back-to-Back Securities) and Debt generated, held or owed by the VL Group, on an Adjusted Consolidated Basis, is not less than 85% of the consolidated EBITDA on a rolling 4 quarter basis, assets (excluding Back-to-Back Securities) and Debt of the Borrower, otherwise (B) providing the accurate percentage;

(iii) (A) confirming that the percentage of the EBITDA on a rolling 4 quarter basis and assets (excluding Back-to-Back Securities) generated or held by the Borrower and the Guarantors is not less than 85% of consolidated EBITDA on a rolling 4 quarter basis and assets (excluding Back-to-Back Securities) of the Borrower, otherwise (B) providing the percentage so as to confirm compliance with Section 12.12; and

(iv) certifying that the Borrower is in compliance with all terms and conditions of this Agreement and that no Default has occurred and is continuing or Event of Default has occurred or exists, or if a Default or an Event of Default has occurred, setting out the relevant particulars thereof, the period of existence thereof and what action the Borrower has taken or proposes to take with respect thereto.

#### 12.15.2 Annual Statements

- (a) Within 120 days following the end of each financial year of the Borrower, the audited consolidated balance sheet of the Borrower as at the end of such year and the related consolidated statements of earnings and cash flows for such financial year, together with comparative figures for the immediately preceding year, the whole as certified without qualification by the current auditors of the Borrower or otherwise by another reputable firm of independent chartered accountants acceptable to the Agent, and any audited statements of any Subsidiary of the Borrower that is not a member of the VL Group, if available; and
- (b) Within 90 days following the end of each financial year of the Borrower,
- (i) a Compliance Certificate as described in Section 12.15.1(b); and
- (ii) any information necessary to determine whether the Borrower has complied with Sections 12.11 and 12.12; provided that, to the extent that the percentage of the EBITDA on a rolling 4 quarter basis and assets (excluding Back-to-Back Securities)
-

generated or held by the Borrower and the Guarantors is not less than 85% of the consolidated EBITDA on a rolling 4 quarter basis and assets (excluding Back-to-Back Securities) of the Borrower, such information shall only be provided at the reasonable request of the Agent.

Such Compliance Certificate and information shall be based on unaudited financial information, to be updated and replaced by a second Compliance Certificate to be provided along with the audited financial statements referred to in Section 12.15.2(a).

**12.15.3 Other Information**

- (a) Within 90 days following the end of each financial year of the Borrower, the Annual Business Plan, which shall promptly be submitted to the Agent for the Lenders; and
- (b) Within 75 days following the end of each financial quarter of the Borrower (other than the 4th quarter, in respect of which the delay shall be 90 days) in which the Leverage Ratio exceeded 4.5:1, a certificate of the Borrower signed by its chief financial officer or treasurer or another officer of the Borrower acceptable to the Agent, certifying a detailed calculation of Excess Cash Flow (in such form and providing such detail as the Agent may reasonably require) during such quarter (the “**Excess Cash Flow Certificate**”); and
- (c) from time to time and forthwith upon demand by the Agent, such data, reports, statements, documents or other additional information pertaining to the business, assets, liabilities, financial position, operating results or business prospects of the VL Group and the Borrower’s non-wholly-owned Subsidiaries (to the extent available and not subject to a confidentiality agreement, but excluding any such information which has not been provided to any partner of any such non-wholly-owned Subsidiary) as the Agent may request, acting reasonably.

**12.16 Notice of Certain Events**

The Borrower shall advise the Agent and the Finnvera Facility Agent forthwith upon the occurrence of any of the following events:

- 12.16.1 The commencement of any proceeding or investigation by or before any governmental body and any action or proceeding before any court or arbitrator against any member of the VL Group, or any of its property, assets or activities which could reasonably be expected to result in a Material Adverse Change;
-

- 12.16.2 The occurrence of any Material Adverse Change which is known to the Borrower or any other member of the VL Group, acting reasonably;
- 12.16.3 Any Default or Event of Default, specifying in each case the relevant details and the action contemplated in this respect.

### **12.17 Accuracy of Reports**

All information, reports, statements and other documents and data provided to the Agent, the Finnvera Facility Agent or the Lenders, whether pursuant to this Article or any other provisions of this Agreement shall, at the time same shall be provided, be true, complete and accurate in all material respects to the extent necessary to provide the Lenders with a true and accurate understanding of their effect.

## **13. NEGATIVE COVENANTS**

For so long as the Loan Obligations or any other amounts payable hereunder to the Lender remain outstanding and unpaid, or the Borrower is entitled to borrow hereunder (whether or not the conditions precedent to such borrowing have been or may be satisfied), the Borrower, for itself and each member of the VL Group and with respect to itself and each member of the VL Group, agrees that it shall not do any of the following:

### **13.1 Liquidation and Amalgamation**

Liquidate or dissolve or take any steps to amalgamate, consolidate or effect any restructuring or corporate or capital reorganization, or change its head or registered office, except where (i) (a) the surviving entity of any such amalgamation or merger assumes all of the obligations hereunder and (b) the transaction in question is between a member of the VL Group and its wholly-owned Subsidiaries or is among wholly-owned Subsidiaries of the same member of the VL Group; or (ii) in all other cases, the transaction in question, in the sole opinion of the Lenders, acting reasonably, does not have a detrimental effect on the financial condition of the VL Group, taken as a whole, or on the position of the Lenders and their Security under the Security Documents or otherwise. Notwithstanding the foregoing, no member of the VL Group may become a Subsidiary of a Person who is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), without the prior written consent of the Lenders.

### **13.2 Charges**

Create, assume, enter into or permit to subsist, directly or indirectly, any Charge on the property of any member of the VL Group, other than Permitted Charges.

### **13.3 Asset Dispositions**

The VL Group shall not permit an Asset Disposition of all or any part of their property or assets (whether presently held or subsequently acquired), other than sales at fair market value (provided that any single transaction or series of transactions during the

---

period from June 14, 2013 until the end of the Term of the Revolving Facility that involve property having an aggregate fair market value of less than \$25,000,000 and a value per transaction of less than \$5,000,000 shall not have to be disposed of at fair market value), and, in such case, only if at the time of the proposed Asset Disposition, (a) there is no Default or Event of Default hereunder and the proposed Asset Disposition will not cause such a Default or Event of Default, and (b) the amount of (A) EBITDA of the VL Group generated during the preceding 12 months by the assets comprised in any such Asset Disposition, plus (B) the aggregate 12-month trailing EBITDA of the VL Group generated by all other assets comprised in all previous Asset Dispositions made since the Third Amendment Closing Date (calculated as of the date of the applicable Asset Disposition), does not exceed 15% of the EBITDA of the VL Group for the 12 months ending on the last day of the month immediately preceding the date of the proposed Asset Disposition; provided that the VL Group shall be permitted to make (i) dispositions of inventory in the ordinary course of business, (ii) dispositions of machinery, equipment, spare parts and materials, appliances or vehicles, if same are no longer necessary or useful to the operation of the business or have become obsolete, worn out, surplus, damaged or unusable, as well as the non-material assets listed in Schedule "I" consisting of surplus real estate of the VL Group, which are excluded from the Security and not subject to any Charge thereunder, and (iii) Asset Dispositions between members of the VL Group to the extent that the Borrower complies with the provisions of Section 12.12. In the event of any Asset Disposition permitted under this Section 13.3 to a Person other than a member of the VL Group, (i) the Security on the assets so disposed of shall be discharged by the Agent without any requirement to obtain the consent of the Lenders, and (ii) in the case of any such Asset Disposition made in respect of 100% of the Equity Interests of a Guarantor, the Security on the property of such Guarantor and the Guarantee given by it pursuant to subsection 9.1.1 shall also be discharged and terminated by the Agent without any requirement to obtain the consent of the Lenders (and such Person shall thereafter cease to be considered a Guarantor). In addition, any member of the VL Group shall be permitted to dispose of Back-to-Back Preferred Shares in order to repay Back-to-Back Debt, and shall also be permitted to dispose of property as part of a Tax Benefit Transaction, provided that (A) no Default or Event of Default exists at the time and (B) disposing of such Back-to-Back Preferred Shares or property as part of a Tax Benefit Transaction will not cause a Default or an Event of Default.

#### **13.4 Preservation of Capital**

Neither the Borrower nor any of the Guarantors shall: (a) return any capital to its shareholders or purchase, redeem, repurchase or otherwise acquire, directly or indirectly, for consideration, any shares of any class of its capital stock now or subsequently issued, or any other equity security issued by it of any nature (including warrants and options), (b) declare, pay or set aside for payment any dividend or distribution whatsoever in respect of any share of the capital stock of the Borrower or any Guarantor, or (c) set aside any funds for any of the purposes described in paragraphs (a) or (b); provided that distributions by way of loans, dividends, return of capital, management fees (in excess of the 2.5% limit set out in Section 13.10), share

---

repurchases or other transactions of the nature described in paragraphs (a) or (b) above:

- 13.4.1 made under Back-to-Back Transactions, Tax Benefit Transactions and, where Newco is a Guarantor, Tax Consolidation Transactions,
- 13.4.2 made to the Borrower or to a Guarantor that has provided an unlimited Guarantee and the Security to the Agent on behalf of the Lenders,
- 13.4.3 made at a time that the Leverage Ratio, calculated on a *pro forma* basis after taking into account the payment proposed, is less than or equal to 4.5:1, and
- 13.4.4 consisting of a quarterly payment not in excess of 100% of Excess Cash Flow if the Leverage Ratio, calculated on a *pro forma* basis after taking into account the payment proposed, is greater than 4.5:1;

will be permitted, provided that (i) no Default or Event of Default exists at the time of the proposed distribution and (ii) making the payment of such amount will not cause a Default or Event of Default.

### **13.5 Restrictions on Subsidiaries**

Without the consent of the Majority Lenders, no member of the VL Group shall assume, enter into or otherwise become bound by any agreement or undertaking (including any undertaking in any Additional Offering) that would reasonably be expected to prevent such Person from declaring or paying dividends or inter-company payments or distributions of any kind to the Borrower, except as contained herein.

### **13.6 Acquisitions**

Make any Acquisition, in any manner whatsoever, directly or indirectly, other than an Acquisition required for the purpose of carrying on its business in the ordinary course, or permit any Subsidiary or Subsidiaries to be constituted otherwise than in accordance with the provisions of Section 13.10, except that (a) the members of the VL Group shall be permitted to make Acquisitions in the Core Business and permitted to create Subsidiaries (to the extent any such Subsidiaries are Acquired as part of any such Acquisition) if: (i) no Default or Event of Default exists at the time, (ii) paying the purchase price in respect of such Acquisition will not cause a Default or Event of Default, and (iii) any Person which is Acquired or created as a Subsidiary, if any, as a result of such Acquisition, becomes a member of the VL Group (other than in relation to a Spectrum Auction and Purchase, in which case Section 4.2.1 shall apply) and provides the Security contemplated by Section 4.2.1 or Article 9, subject to the exception contemplated by Section 9.3, as the case may be, (b) Acquisitions may be made of and between members of the VL Group to the extent that the Borrower complies with the provisions of Section 12.12, (c) any member of the VL Group shall be permitted to acquire Back-to-Back Securities in an amount not exceeding the amount of the corresponding Back-to-Back Securities, and shall also be permitted to

---

acquire property as part of a Tax Benefit Transaction, provided that (A) no Default or Event of Default exists at the time and (B) acquiring such Back-to-Back Securities or property as part of a Tax Benefit Transaction will not cause a Default or an Event of Default, and (d) any member of the VL Group shall be permitted to acquire Equity Interests of any of its Affiliates to the extent such Equity Interests are converted in full into cash (pursuant to a redemption or other transaction by such Affiliate) either (i) substantially contemporaneously with the Acquisition, provided that (A) prior to the Acquisition, such Affiliate shall provide a Solvency Certificate from one of its senior financial officers, (B) no Default or Event of Default exists at the time and (C) acquiring such Equity Interests and the redemption or other transaction that follows will not cause a Default or an Event of Default, or (ii) within 3 Business Days after the date of the Acquisition, provided that in such case (A) prior to the Acquisition, at the request of the Agent, acting reasonably, such Affiliate shall provide a Solvency Certificate from a reputable third party acceptable to the Agent, (B) no Default or Event of Default exists at the time, and (C) acquiring such Equity Interests and the redemption or other transaction that follows will not cause a Default or an Event of Default.

### **13.7 Debt and Guarantees**

Incur or assume Debt, provide Guarantees or render itself liable in any manner whatsoever, directly or indirectly, for any Indebtedness or obligation whatsoever of another Person, except (a) hereunder for the purposes set forth in Section 3.1; (b) that a member of the VL Group may provide financial assistance to another member of the VL Group to the extent that the Borrower complies with the provisions of Section 12.12; (c) unsecured Debt not exceeding \$75,000,000 under the Tranche B Finnvera credit agreement entered into among the Borrower, HSBC Bank plc, The Toronto-Dominion Bank and Sumitomo Banking Corporation of Canada dated as of November 13, 2009; (d) in connection with Debt incurred or assumed that is secured by Permitted Charges, and within the limits applicable thereto; (e) in connection with Back-to-Back Transactions and Tax Benefit Transactions including by way of unsecured daylight loans; (f) that the Borrower may incur or assume unsecured Debt by way of Additional Offerings, and that a member of the VL Group may provide unsecured Guarantees in respect of obligations of the Borrower under any such Debt outstanding at any time, to the extent that the Borrower complies with the applicable Leverage Ratio calculated on a pro forma basis and, subject to the provisions of Section 9.3, such member has provided a Guarantee under subsection 9.1.1 or provides such a Guarantee contemporaneously with its Guarantee in relation to the Additional Offering; (g) unsecured Debt by way of Additional Offerings incurred by the Borrower before the Closing Date and listed in Schedule "H" and including, subject to Section 9.3, unsecured Guarantees by members of the VL Group in respect of obligations of the Borrower under such Debt outstanding at any time; (h) the Borrower may borrow Subordinated Debt from Quebecor Media Inc. in a principal amount outstanding from time to time of up to \$500,000,000, with interest at a rate not exceeding the greater of (y) the three month bankers' acceptance rate quoted on Reuter's Services, page CDOR, as at approximately 10:00 a.m. on such day plus 3.0% per annum, or (z) 7% per annum (together with interest accrued thereon or paid in kind, the "QMI

---

**Subordinated Debt**"); (i) additional unsecured Debt of up to \$250,000,000; (j) in connection with other Subordinated Debt; (k) unsecured daylight loans incurred in connection with Tax Consolidation Transactions, provided that prior to incurring the daylight loan made at the initiation of any Tax Consolidation Transaction in a minimum amount of \$75,000,000, the Agent shall have been informed by the Borrower of the incurrence of such daylight loan; (l) unsecured Debt in respect of daylight loans in the ordinary course of business for cash management purposes, **and (m) unsecured Debt facilities, each with a maximum maturity of 2 years, in connection with and to support the issuance of letters of credit required under any Spectrum Auction and Purchase process;** provided that, with respect to any of the matters described in paragraphs (c) to (i) inclusive **and (m) above**, (A) no Default or Event of Default exists at the time, (B) incurring or assuming such Debt (including by way of providing such Guarantee) will not cause a Default or Event of Default, and (C) on a pro forma basis, the incurrence or assumption of such Debt would not reasonably be expected to cause the Borrower to breach any of its covenants under Section 12.11 hereof.

### **13.8 Financial Assistance by the VL Group**

Make any loan or advance to any party other than (a) as contemplated by Sections 13.4 and 13.6, or (b) to another member of the VL Group to the extent that the Borrower complies with the provisions of Section 12.12, or (c) by way of Back-to-Back Transactions or Tax Benefit Transactions. Notwithstanding the foregoing, the VL Group shall be entitled to provide financial assistance to their customers in the ordinary course of the Core Business by way of subsidizing consumer equipment purchases and leases and similar transactions.

### **13.9 Subordinated Debt**

Repay any Debt the repayment of which is subordinated to the rights of the Lenders, or pay any interest due to the creditor of any such Debt, other than (a) interest due in respect of Subordinated Debt (including the QMI Subordinated Debt), provided (for greater certainty) that no Default has occurred or will occur as a result of such payment, and (b) any amount under or in connection with the QMI Subordinated Debt, provided that the amount so repaid, together with the amounts distributed by the Borrower in accordance with Section 13.4, do not in the aggregate exceed the amounts permitted to be distributed by the Borrower under Section 13.4, and (c) in respect of Back-to-Back Securities or Back-to-Back Transactions. In addition, the Borrower may agree to the conversion of the QMI Subordinated Debt into additional Equity Interests of the Borrower.

### **13.10 Members of the VL Group, Related Party Transactions**

Permit any Change in Control. In addition, no transaction shall be entered into by any member of the VL Group with any Associate of any member of the VL Group except on fair market terms and conditions as would be contracted by Persons dealing at arms' length, provided that this last sentence shall not apply to the transactions

---

expressly permitted by paragraph (e) of Section 13.7; provided, however, for greater certainty, that to the extent payments made in connection with or in respect of the Back-to-Back Transactions are made to any Affiliates of the Borrower that are not members of the VL Group, all corresponding payments required to be paid by such Affiliates pursuant to the related Back-to-Back Securities are received, immediately prior to, concurrently with or immediately subsequent to any such payments, by all applicable members of the VL Group, and each such payment by a member of the VL Group shall be conditional upon receipt of an equal or greater amount from such non-member of the VL Group that is an Affiliate. Finally, payment of a management fee or other similar expense by the Borrower to its direct or indirect parent company shall be permitted for bona fide services (including reimbursement for expenses incurred in connection with, or allocation of corporate expenses in relation to, providing such services) provided to, and directly related to the operations of, the VL Group, in an aggregate annual amount not to exceed 2.5% of consolidated revenues (being gross revenues of the VL Group calculated in accordance with GAAP, less any amounts derived from Persons that are not members of the VL Group except to the extent of the actual amount of dividends or distributions actually paid to a member of the VL Group by such Person) in any twelve-month period.

### **13.11 Derivative Instruments**

Enter into any Derivative Instruments other than for the purposes of hedging interest rate, commodity or foreign exchange exposure, and not for the purpose of speculation.

### **13.12 Anti-Terrorism Laws**

No member of the VL Group or any of its Subsidiaries shall engage in or conspire to engage in any transaction that has the purpose of evading or avoiding or any provision of the Proceeds of Crime Act that is applicable to its activities. The Borrower shall deliver to the Agent and Lenders any certification or other evidence requested from time to time by the Agent or any Lender, in its discretion, confirming compliance with this Section by the VL Group and each of its Subsidiaries.

## **14. EVENTS OF DEFAULT AND REALIZATION**

### **14.1 Event of Default**

The occurrence of any of the following events shall constitute an Event of Default unless remedied within the prescribed delays or renounced to in writing:

- 14.1.1 If the Borrower fails to make any payment of principal or Fees with respect to the Loan Obligations when due, or fails to pay any interest due hereunder within 3 Business Days from its due date; or
  - 14.1.2 If the Borrower fails to respect any of the financial tests set out in Section 12.11 or 12.12 hereof at any time; provided that in the case of a breach of Section 12.12, the Borrower shall have 15 days to cure the Default as long as the Borrower and the Guarantors shall collectively (a) own at least 75%
-



of the consolidated assets of the Borrower, and (b) generate at least 75% of the consolidated EBITDA of the Borrower on a rolling four-quarter basis. If the ownership or EBITDA generation level of the Borrower and the Guarantors is below 75%, no cure period shall apply;

- 14.1.3 If the Borrower or any Guarantor (other than an Immaterial Subsidiary) fails to respect any of its other obligations and undertakings hereunder or under the Security Documents or another undertaking of the Borrower or any other Guarantor (other than an Immaterial Subsidiary) with respect to the Loan Obligations not otherwise contemplated by this Section 14.1 and has not remedied the Default within fifteen (15) days following the date on which the Agent has given written notice to the Borrower; or
- 14.1.4 If (a) the Borrower or any other member of the VL Group (other than an Immaterial Subsidiary) commits an act of bankruptcy within the meaning of the Bankruptcy and Insolvency Act, makes an assignment in favour of its creditors, consents to the filing of a petition for a receiving order against it, files a proposal within the meaning of the Bankruptcy and Insolvency Act, or makes a motion to a tribunal to name, or consents to, approves or accepts the appointment of a trustee, receiver, liquidator or sequestrator with respect to itself or its property, commences any other proceeding with respect to itself or its property under the provisions of any law contemplating reorganizations, proposals, rectifications, compromises or liquidations in connection with insolvent Persons, in any jurisdiction whatsoever; or (b) a trustee, receiver, liquidator or sequestrator is named with respect to any member of the VL Group (other than an Immaterial Subsidiary) or its property, or any member of the VL Group (other than an Immaterial Subsidiary) is judged insolvent or bankrupt; or (c) a proceeding seeking to name a trustee, receiver, liquidator or sequestrator, or to force any member of the VL Group (other than an Immaterial Subsidiary) into bankruptcy, is commenced against any member of the VL Group (other than an Immaterial Subsidiary) or a proceeding is commenced by any other Person against any member of the VL Group (other than an Immaterial Subsidiary) under the provisions of any law contemplating reorganisations, proposals, rectifications, arrangements, compromises or liquidations in connection with insolvent Persons and is not settled or withdrawn within a delay of 30 days; or
- 14.1.5 If any member of the VL Group is in default with respect to any Indebtedness (other than amounts due to the Lenders hereunder) which has resulted in Indebtedness in excess of an amount of \$75,000,000 becoming payable prior to its stated maturity or scheduled repayment date; or
- 14.1.6 If one or more judgments is rendered by a competent tribunal against any member of the VL Group in an aggregate amount in excess of \$75,000,000 (net of applicable insurance coverage pursuant to which liability is acknowledged in writing by the insurer, with a copy promptly provided to
-

the Agent on behalf of the Lenders) and remains undischarged or unsatisfied for a period ending on the earlier of (a) 25 days from such judgment, or (b) the 5th day prior to the date on which such judgment becomes executory; or

- 14.1.7 If property of any member of the VL Group having a total value in excess of \$75,000,000 is the object of one or more seizures or takings of possession or other legal proceedings by creditors, and is not released within 15 days in respect of movable property or 45 days in respect of immovable property, and in any event, not less than 10 days prior to the date fixed for any sale of such property; or
- 14.1.8 If any statement, attestation, financial statement, report, data, representation or warranty which was given by, for the account of or in the name of the Borrower or any other member of the VL Group (other than an Immaterial Subsidiary) to the Lenders, with respect to this Agreement or any Security Documents, is revealed at any time to be misleading or incorrect in any material respect when it was made, and if any event or circumstance which makes such statement, attestation, financial statement, report, data, representation or warranty misleading in any material respect is capable of being remedied, such action as may be required to remedy same shall not have been completed within 15 days of the earlier of (a) the Agent notifying the Borrower or, as the case may be, a Guarantor of such breach, or (b) the Borrower notifying the Agent of the Default in accordance with subsection 12.16.3; or
- 14.1.9 If in the opinion of the Lenders, acting in good faith, there occurs a Material Adverse Change and the situation has not been remedied within 15 days following the earlier of the date on which (a) the Agent gave notice thereof to the Borrower, or (b) the Borrower gave notice to the Agent in accordance with subsection 12.16.3; or
- 14.1.10 If a Change in Control occurs; or
- 14.1.11 If any Guarantee to be provided by any Guarantor (other than an Immaterial Subsidiary) hereunder is or purports to be terminated by notice given under article 2362 of the Quebec Civil Code.

## **14.2 Remedies**

If an Event of Default occurs under subsection 14.1.4, the Loan Obligations shall immediately become due and payable, without presentation, demand, protest or other notice of any nature, to which the Borrower hereby expressly renounces. If any other Event of Default occurs, the Agent may, at its option, and shall if required to do so by the Required Lenders-Acceleration, declare immediately due and payable, without presentation, demand, protest or other notice of any nature, to which the Borrower

---

hereby expressly renounces, notwithstanding any provision to the contrary effect in this Agreement or in the Security Documents:

- 14.2.1 the entire amount of the Loan Obligations, including the amount corresponding to the principal amount of the BA Advances then outstanding, in principal and interest, notwithstanding the fact that one or more of the holders of the Bankers' Acceptances issued pursuant to the provisions hereof have not demanded payment in whole or in part or have demanded only partial payment from the Lenders, and the amount of the Derivative Obligations. The Borrower shall not have the right to invoke against the Lenders any defence or right of action, indemnification or compensation of any nature or kind whatsoever that the Borrower may at any time have or have had with respect to any holder of one or more of the Derivative Instruments or Bankers' Acceptances issued in accordance with the provisions hereof; and
- 14.2.2 an amount equal to the amount of losses, costs and expenses assumed by the Lenders and referred to in Sections 7.2, 7.4 and 17.13; and

the Credit shall cease and as and from such time shall be cancelled, and the Lenders may exercise all of their rights and recourses under the provisions of this Agreement and of the Security Documents. For greater certainty, from and after the occurrence of any Default or Event of Default, the Lenders shall not be obliged to make any further Advances under the Credit.

#### **14.3 Bankruptcy and Insolvency**

If the Borrower files a notice of intention to file a proposal, or files a proposal under the Bankruptcy and Insolvency Act, or if the Borrower obtains the permission of the court to file a Plan of Arrangement under the Companies' Creditors Arrangements Act, and if a stay of proceedings is obtained or ordered under the provisions of either of those statutes, without prejudice to the Lenders' rights to contest such stay of proceedings, subject to Applicable Law, the Borrower covenants and agrees to continue to pay interest on all amounts due to the Lenders in accordance with the provisions hereof. In this regard, the Borrower acknowledges that permitting the Borrower to continue to use the proceeds of the Loan Obligations constitutes valuable consideration provided after the filing of any such proceeding in the same way that permitting the Borrower to use leased premises constitutes such valuable consideration.

#### **14.4 Notice**

Except where otherwise expressly provided herein, no notice or demand of any nature is required to be given to the Borrower by the Agent in order to put the Borrower in default, the latter being in default by the simple lapse of time granted to execute an obligation or by the simple occurrence of a Default.

---

**14.5 Costs**

If an Event of Default occurs, and within the limits contemplated by Section 12.14, the Agent may impute to the account of the Lenders and pay to other persons reasonable sums for services rendered with respect to the realization, recovery, sale, transfer, delivery and obtaining of payment with respect to the Security and may deduct the amount of such costs and payments from the proceeds which it receives therefrom. The balance of such proceeds may be held by the Agent in the place of such Security and, when the Agent decides it is opportune, may be applied to the account of the part of the indebtedness of the Borrower to the Lenders which the Agent deems preferable, without prejudice to the rights of the Lenders against the Borrower for any loss of profit.

**14.6 Relations with the Borrower**

The Agent may grant delays, take security or renounce thereto, accept compromises, grant acquittances and releases and otherwise negotiate with the Borrower as it deems advisable without in any way diminishing the liability of the Borrower or prejudicing the rights of the Lenders with respect to the Security.

**14.7 Application of Proceeds**

Subject to the provisions hereof, and as among the Lenders, subject in particular to the provisions of Section 18.8, the Agent may apply the proceeds of realization of the property contemplated by the Security Documents and of any credit or compensating balance in reduction of the part of the Loan Obligations (principal, interest or accessories) which the Agent judges appropriate. If any Revolving Facility Lender is owed money by the Borrower on account of Derivative Obligations, the claim of such Lender shall rank *pari passu* with the other amounts comprising the Secured Obligations.

**15. JUDGMENT CURRENCY****15.1 Rules of Conversion**

If for the purpose of obtaining judgment in any court or for any other purpose hereunder, it is necessary to convert an amount due, advanced or to be advanced hereunder from the currency in which it is due (the "**First Currency**") into another currency (the "**Second Currency**") the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Agent could purchase, in the Canadian money market or the Canadian exchange market, as the case may be, the First Currency with the Second Currency on the date on which the judgment is rendered, the sum is payable or advanced or to be advanced, as the case may be. The Borrower agrees that its obligations in respect of any First Currency due from it to the Lenders in accordance with the provisions hereof shall, notwithstanding any judgment rendered or payment made in the Second Currency, be discharged by a payment made to the Agent on account thereof in the Second Currency only to the extent that, on the Business Day following receipt of such payment in the Second Currency, the Agent

---

or the Finnvera Facility Agent, as applicable, may, in accordance with normal banking procedures, purchase on the Canadian money market or the Canadian foreign exchange market, as the case may be, the First Currency with the amount of the Second Currency so paid or which a judgment rendered payable (the rate applicable to such purchase being in this Section called the “**FX Rate**”); and if the amount of the First Currency which may be so purchased is less than the amount originally due in the First Currency, the Borrower agrees as a separate and independent obligation and notwithstanding any such payment or judgment to indemnify the Lenders against such deficiency.

#### **15.2 Determination of an Equivalent Currency**

If, in their discretion, the Lenders, the Agent or the Finnvera Facility Agent choose or, pursuant to the terms of this Agreement, are obliged to choose the equivalent in Canadian Dollars of any securities or amounts expressed in US Dollars or the equivalent in US Dollars of any securities or amounts expressed in Canadian Dollars, the Agent or the Finnvera Facility Agent, as the case may be, in accordance with the conversion rules as stipulated in Section 15.1

15.2.1 on the date indicated in the Notice of Borrowing as the date of a request for an Advance; and

15.2.2 at any other time which in the opinion of the Lenders is desirable;

may, using the FX Rate, at such time on such date, determine the equivalent in Canadian Dollars or in US Dollars, as the case may be (the “**Equivalent Amount**”), of any security or amount expressed in the other currency pursuant to the terms hereof. Immediately following such determination, the Agent or the Finnvera Facility Agent, as applicable, shall inform the Borrower of the conclusion which the Lenders have reached.

### **16. ASSIGNMENT**

None of the provisions of Article 16 shall apply to the Finnvera Facility Lenders or the Finnvera Term Facility, in respect of which the relevant provisions are set out in Section 10 of Schedule “P”. However, the Finnvera Facility Agent shall advise the Agent of any Assignments under the Finnvera Term Facility and shall also provide a list of up-to-date Commitments of each Finnvera Facility Lender whenever any changes to such Commitments occur.

#### **16.1 Assignment by the Borrower**

The rights of the Borrower under the provisions hereof are purely personal and may not be transferred or assigned, and the Borrower may not transfer or assign any of its obligations, such assignment being null and of no effect opposite the Lenders and rendering any balance outstanding of the amounts referred to in Section 14.2 immediately due and payable at the option of the Lenders and further releasing the Lenders from any obligation to make any further Advances under the provisions hereof.

---

**16.2 Assignments and Transfers by the Lenders**

- 16.2.1 No Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an Eligible Assignee in accordance with the provisions of subsection 16.2.2, or (ii) by way of a sale of a participation in accordance with the provisions of Section 16.5 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 16.5 and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.
- 16.2.2 Each Lender may assign or transfer to an Eligible Assignee in accordance with this Article 16 up to 100% of its rights, benefits and obligations hereunder; provided that:
- (a) except (i) if an Event of Default has occurred and has not been waived, or (ii) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loan Obligations at the time owing to it, or (iii) in the case of an assignment to a Lender or an Affiliate of a Lender or an Approved Fund with respect to a Lender, the aggregate amount of the Commitment being assigned (which for this purpose includes Loan Obligations outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loan Obligations of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of the Revolving Facility, unless each of the Agent and, so long as no Event of Default has occurred and has not been waived, the Borrower, otherwise consent to a lower amount (each such consent not to be unreasonably withheld or delayed);
  - (b) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan Obligations or the Commitment assigned, except that this paragraph (b) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non pro rata basis;
-

- (c) any assignment of a Commitment under the Revolving Facility, must be approved by the Issuing Lender and the Swing Line Lender;
- (d) any assignment must be approved by the Agent (such approval not to be unreasonably withheld or delayed).
- (e) any assignment must be approved by the Borrower (such approval not to be unreasonably withheld or delayed if the Eligible Assignee is funding its Commitment out of the United States of America or Canada, but may be withheld in the Borrower's discretion if the Commitments are being funded from elsewhere) unless (i) the proposed Assignee is itself already a Lender with the same type of Commitment or (ii) a Default has occurred and is continuing or (iii) an Event of Default has occurred and not been waived; and
- (f) the parties to each Assignment shall execute and deliver to the Agent an Assignment and Assumption Agreement, together with a processing and recordation fee in an amount of \$3,500, and the Eligible Assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

Subject to acceptance and recording thereof by the Agent pursuant to Section 16.3, from and after the effective date specified in each Assignment and Assumption, the Eligible Assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 7 and Section 17.13 with respect to facts and circumstances occurring prior to the effective date of such Assignment. Any Assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 16.5. Any payment by an Assignee to an assigning Lender in connection with an Assignment shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

### **16.3 Register**

The Agent shall maintain at one of its offices in Toronto, Ontario or Montreal, Quebec, a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loan Obligations owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be

---

conclusive, absent manifest error, and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary.

The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

#### **16.4 Electronic Execution of Assignments**

The words “execution,” “signed,” “signature,” and words of like import in any Assignment and Assumption Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the *Electronic Documents (Banks and Bank Holding Companies) Regulations* under the *Bank Act* (Canada), Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), *An Act to Establish a Legal Framework for Information Technology* (Quebec), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be.

#### **16.5 Participations**

Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person, a member of the VL Group or any Affiliate of a member of the VL Group) (each, a “**Participant**”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loan Obligations owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower, the Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any payment by a Participant to a Lender in connection with a sale of a participation shall not be or be deemed to be a repayment by the Borrower or a new Advance to the Borrower.

Subject to Section 16.6, the Borrower agrees that each Participant shall be entitled to the benefits of Article 7 to the same extent as if it were a Lender and had acquired its interest by Assignment pursuant to subsection 16.2.2. To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of Section 8.11 as though it were a Lender, provided such Participant agrees to be subject to Section 18.8 as though it were a Lender.

#### **16.6 Limitations Upon Participant Rights**

A Participant shall not be entitled to receive any greater payment under Sections 7.2 and 7.3 than the applicable Lender would have been entitled to receive with respect

---



to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 7.3 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with subsection 7.3.5 as though it were a Lender.

#### **16.7 Certain Pledges and Special Provisions**

16.7.22 General. Any Lender may, at any time, pledge, hypothecate or grant a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, but no such pledge, hypothec or security interest shall release such Lender from any of its obligations hereunder or substitute any such pledgee or security holder for such Lender as a party hereto.

16.7.23 Federal Reserve Bank. Notwithstanding any provision of this Agreement to the contrary, any Lender governed by the Applicable Law of the United States of America may at any time assign all or a portion of its rights under this Agreement and all other documents ancillary hereto (including the other Loan Documents) to a Federal Reserve Bank in order to secure its obligations to such Federal Reserve Bank. No such assignment shall relieve the assigning Lender from its obligations under this Agreement or such other documents.

16.7.24 Promissory Notes. Upon the request of any Lender, the Borrower will execute and deliver one or more promissory notes in form and substance acceptable to such Lender, acting reasonably, evidencing the Commitment under this Agreement and any Loan Obligations hereunder.

### **17. MISCELLANEOUS**

#### **17.1 Notices**

Except where otherwise specified herein, all notices, requests, demands or other communications between the parties hereto shall be in writing and shall be deemed to have been duly given or made to the party to whom such notice, request, demand or other communication is given or permitted to be given or made hereunder, when delivered to the party (by certified mail, postage prepaid, or by facsimile or by physical delivery) to the address of such party and to the attention indicated under the signature of such party or to any other address which the parties hereto may subsequently communicate to each other in writing. Notwithstanding the foregoing, any notice shall be deemed to have been received by the party to whom it is addressed (a) upon receipt if sent by mail and (b) if telecopied before 3:00 p.m. on a Business Day, on that day and if telecopied after 3:00 p.m. on a Business Day, on the Business Day next following the date of transmission. If normal postal or telecopier service is interrupted by strike, work slow-down, fortuitous event or other cause, the party sending the notice shall use such services which have not been interrupted or shall deliver such notice by messenger in order to ensure its prompt receipt by the other party.

---

**17.2 Amendment and Waiver**

The rights and recourses of the Lenders under this Agreement and the Security Documents are cumulative and do not exclude any other rights and recourses which the Lenders might have, and no omission or delay on the part of the Lenders in the exercise of any right shall have the effect of operating as a waiver of such right, and the partial or sole exercise of a right or power will not prevent the Lenders from exercising thereafter any other right or power. The provisions of this Agreement may only be amended or waived by an instrument in writing (and not orally) in each case signed by the Agent with the approval of the requisite majority of Lenders.

**17.3 Determinations Final**

In the absence of any manifest error, any determinations to be made by the Lenders in accordance with the provisions hereof, when made, are final and irrevocable for all parties.

**17.4 Entire Agreement**

The entire agreement between the parties is expressed herein, and no variation or modification of its terms shall be valid unless expressed in writing and signed by the parties. All previous agreements, promises, proposals, representations, understandings and negotiations between the parties hereto which relate in any way to the subject matter of this Agreement are hereby deemed to be null other than those contained in a letter by the Borrower to the Agent dated December 21, 2005 and confirmed by the Agent on March 1, 2006, and a letter by the Borrower to the Agent dated February 28, 2006 and confirmed by the Agent on the same date.

**17.5 Indemnification and Compensation**

In addition to the other rights now or hereafter conferred by law and those described in subsection 6.6.2 and Section 8.12, and without limiting such rights, if a Default or Event of Default should occur, each Lender, the Finnvera Facility Agent and the Agent is hereby authorized by the Borrower, at any time and from time to time, subject to the obligation to give notice to the Borrower subsequently and within a reasonable delay, to indemnify, compensate, use and allocate any deposit (general or special, term or demand, including, without limitation, any debt evidenced by certificates of deposit, whether or not matured) and any other debt at any time held or due by the Lenders to the Borrower or to its credit or its account, with respect to and on account of any obligation and indebtedness of the Borrower to the Lenders in accordance with the provisions hereof or the Security Documents, including, without limitation, the accounts of any nature or kind which flow from or relate to this Agreement or the Security Documents, whether or not the Agent has made demand under the terms hereof or has declared the amounts referred to in Section 14.2 as payable in accordance with the provisions of that Section and even if such obligation and Debt or either of them is a future or unmatured Debt.

---

**17.6 Benefit of Agreement**

This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and permitted assigns.

**17.7 Counterparts**

This Agreement may be signed in any number of counterparts, each of which shall be deemed to constitute an original, but all of the separate counterparts shall constitute one single document.

**17.8 Applicable Law**

This Agreement, its interpretation and its application shall be governed by the Applicable Law of the Province of Quebec and the Applicable Law of Canada applicable therein.

**17.9 Severability**

Each provision of this Agreement is separate and distinct from the others, such that any decision of a court or tribunal to the effect that any provision of this Agreement is null or unenforceable shall in no way affect the validity of the other provisions of this Agreement or the enforceability thereof. Any provision of this agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by Applicable Law, the Borrower hereby waives any provision of any Applicable Laws which renders any provision hereof prohibited or unenforceable in any respect.

**17.10 Further Assurances**

The Borrower covenants and agrees on its own behalf and on behalf of each member of the VL Group that, at the request of the Agent or the Finnvera Facility Agent, the Borrower and each other member of the VL Group will at any time and from time to time execute and deliver such further and other documents and instruments and do all acts and things as the Agent or the Finnvera Facility Agent in its absolute discretion requires in order to evidence the indebtedness of the Borrower under this Agreement or otherwise, including under any Derivative Instruments, and to confirm and perfect, and maintain perfection of, the Security.

**17.11 Good Faith and Fair Consideration**

Each party hereto acknowledges and declares that it has entered into this Agreement freely and of its own will. In particular, each party hereto acknowledges that this Agreement was freely negotiated by the Borrower and the Lenders in good faith, that this Agreement does not constitute a contract of adhesion, that there was no

---

exploitation of the Borrower by the Lenders, and that there is no serious disproportion between the consideration provided by the Lenders and that provided by the Borrower.

**17.12 Responsibility of the Lenders**

Each Lender shall be solely responsible for the performance of its own obligations hereunder. Accordingly, no Lender is in any way jointly and severally or solidarily responsible for the performance of the obligations of any other Lender.

**17.13 Indemnity**

The Borrower agrees to indemnify and defend each of the Agent, the Finnvera Facility Agent, each Lender, and their respective directors, officers, agents and employees from, and hold each of them harmless against, any and all losses, liabilities, claims, damages or expenses of any kind which at any time or from time to time may be asserted against or incurred or paid by any of them for or in connection with, arising directly or indirectly from or relating to: (i) the participation of the Agent, the Finnvera Facility Agent or of any of the Lenders in the transactions contemplated by this Agreement, (ii) any Advance or the use or proposed use of the proceeds therefrom (including any refusal by the Issuing Lender to honour a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) the role of the Agent, the Finnvera Facility Agent or the Lenders in any investigation, litigation or other proceeding brought or threatened relating to the Credit, (iv) the presence on or under or the release or migration from any property or into the environment of any hazardous material, and/or (v) the compliance with or enforcement of any of their rights or obligations hereunder, including without limitation:

- 17.13.1 the fees and disbursements of counsel;
- 17.13.2 the costs of defending, counterclaiming or claiming over against third parties in respect of any action or matter and any cost, liability or damage arising out of any settlement; and
- 17.13.3 other than losses, liabilities, claims, damages or expenses incurred by reason of the gross negligence or wilful misconduct of the indemnified party, as determined by a final judgment of a court of competent jurisdiction.

**17.14 Language**

The parties acknowledge that they have required that the present agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées, directement ou indirectement, relativement ou à la suite de la présente convention.

---

**17.15 Anti-Terrorism Legislation**

Each Lender hereby notifies the Borrower and each member of the VL Group that pursuant to the requirements of the USA Patriot Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001, with respect to the USA) and the Proceeds of Crime Act (with respect to Canada) (in this Section, the "**Acts**"), it is required to obtain, verify and record information that identifies the Borrower and the other members of the VL Group, which information includes the names and addresses of the Borrower and the other members of the VL Group and other information that will allow such Lender to identify the Borrower and the other members of the VL Group in accordance with the Acts.

**17.16 Electronic Signatures.**

The words "execution," "execute," "signed," "signature," and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided by Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the *Uniform Law Conference of Canada* or its *Uniform Electronic Evidence Act*, as the case may be.

**17.17 Acknowledgement Regarding Any Supported QFCs.**

To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Derivative Instrument or any other agreement or instrument that is a QFC (such support, "**QFC Credit Support**", and each such QFC, a "**Supported QFC**"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "**U.S. Special Resolution Regimes**") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

- 17.17.1 In the event a Covered Entity that is party to a Supported QFC (each, a "**Covered Party**") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be
-

effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support; and

17.17.2 As used in this Section 12.25, the following terms have the following meanings:

"**BHC Act Affiliate**" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party;

"**Covered Entity**" means any of the following: (i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b);

"**Default Right**" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable; and

"**QFC**" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

## 18. THE AGENT AND THE LENDERS

### 18.1 Authorization of Agent

18.1.1 Each Lender hereby irrevocably appoints and authorizes the Agent to act for all purposes as its agent hereunder and under the Security Documents with such powers as are expressly delegated to the Agent by the terms of this Agreement, together with such other powers as are reasonably incidental thereto and undertakes not to take any action on its own. Notwithstanding the provisions of the *Civil Code of Quebec* relating to contracts generally and to mandate, the Agent shall have no duties or

---

responsibilities except those expressly set forth in this Agreement. As to any matters not expressly provided for by this Agreement, the Agent shall act hereunder or in connection herewith in accordance with the instructions of the Lenders in accordance with the provisions of this Article 18, but, in the absence of any such instructions, the Agent may (but shall not be obliged to) act as it shall deem fit in the best interests of the Lenders, and any such instructions and any action taken by the Agent in accordance herewith shall be binding upon each Lender. The Agent shall not, by reason of this Agreement, be deemed to be a trustee for the benefit of any Lender, the Borrower or any other Person. Neither the Agent nor any of its directors, officers, employees or agents shall be responsible to the Lenders for any recitals, statements, representations or warranties contained in this Agreement or in any certificate or other document referred to, or provided for in, or received by any of them under, this Agreement, for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement, or any other document referred to or provided for herein or any collateral provided for hereby or for any failure by the Borrower to perform its obligations hereunder. The Agent may employ agents and attorneys-in-fact and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Neither the Agent nor any of its directors, officers, employees or agents shall be responsible for any action taken or omitted to be taken by it or them under or in connection herewith, except for its or their own gross negligence or wilful misconduct.

- 18.1.2 For the purposes of creating a *solidarité active* between each Lender, taken individually, and the Agent in accordance with Article 1541 of the *Civil Code of Québec*, the Borrower and each Lender (on its own behalf) acknowledge and agree with the Agent that such Lender and the Agent are hereby conferred the legal status of solidary creditors of the Borrower and the Guarantors in respect of all amounts, liabilities and other obligations, present and future, owed by the Borrower to the Agent and such Lender hereunder and under Derivative Instruments (collectively, the “**Lender Solidary Claim**”). Accordingly, but subject (for the avoidance of doubt) to Article 1542 of the *Civil Code of Québec*, the Borrower and each of the Guarantors is irrevocably bound towards the Agent and each Lender in respect of the entire Lender Solidary Claim of the Agent and such Lender, such that the Agent and each Lender shall at all times have a valid and effective right of action for the entire Lender Solidary Claim of the Agent and such Lender and the right to give a full acquittance for it. Thus, without limiting the generality of the foregoing, the Agent, as solidary creditor for itself and each Lender, shall at all times have a valid and effective right of action in respect of all amounts, liabilities and other obligations owed by the Borrower and the Guarantors to the Agent and the Lenders or any of them hereunder and under Derivative Instruments and the right to give full acquittance for same. The parties further agree and
-

acknowledge that the Security Documents described in Section 9.1 shall be granted to the Agent, for its own benefit and for the benefit of the Lenders, as solidary creditor as hereinabove set forth.

**18.2 Agent's Responsibility.**

- 18.2.1 The Agent shall be entitled to rely upon any certificate, notice or other document (including any cable, telegram or teletype) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons, and upon advice and statements of legal advisers, independent accountants and other experts selected by the Agent. The Agent may deem and treat each Lender as the holder of the Commitment in the Loan Obligations made by such Lender for all purposes hereof unless and until an Assignment has been completed in accordance with Section 16.2.
- 18.2.2 The Agent shall not be deemed to have knowledge of the occurrence of a Default or Event of Default unless the Agent has received notice from a Lender or the Borrower describing such a Default or Event of Default and stating that such notice is a "Notice of Default". In the event that the Agent receives such a notice of the occurrence of a Default or Event of Default or otherwise becomes aware that a Default or Event of Default has occurred, the Agent shall promptly give notice thereof to the Lenders. The Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by the Lenders in accordance with the provisions of this Article 18 provided that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obliged to) take such action, or refrain from taking such action, with respect to such a Default or Event of Default as it shall deem advisable in the best interest of the Lenders.
- 18.2.3 The Agent shall have no responsibility, (a) to the Borrower on account of the failure of any Lender to perform its obligations hereunder, or (b) to any Lender on account of the failure of the Borrower to perform its obligations hereunder.
- 18.2.4 Each Lender severally represents and warrants to the Agent that it has made its own independent investigation of the financial condition and affairs of the Borrower in connection with the making and continuation of its Commitment in the Loan Obligations hereunder and has not relied on any information provided to such Lender by the Agent in connection herewith, and each Lender represents and warrants to the Agent that it shall continue to make its own independent appraisal of the creditworthiness of the Borrower while the Loan Obligations are outstanding or the Lenders have any obligations hereunder.
-



**18.3 Rights of Agent as Lender**

With respect to its Commitment in the Loan Obligations, the Agent in its capacity as a Lender shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not acting as the Agent and the term "Lender" shall, unless the context otherwise indicates, include the Agent in its capacity as a Lender. The Agent may (without having to account therefor to any Lender) accept deposits from, lend money to and generally engage in any kind of banking or other business with the Borrower as if it were not acting as the Agent and may accept fees and other consideration from the Borrower for customary services in connection with this Agreement and the Loan Obligations and otherwise without having to account for the same to the Lenders.

**18.4 Indemnity**

Each Lender agrees to indemnify the Agent, to the extent not otherwise reimbursed by the Borrower, rateably in accordance with its respective Commitments, for any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against, the Agent in any way relating to or arising out of this Agreement, the Security Documents or any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (excluding, unless a Default or Event of Default is apprehended or has occurred and is continuing, normal administrative costs and expenses incidental to the performance of its agency duties hereunder) or the enforcement of any of the terms hereof or of any such other documents, provided that no Lender shall be liable for any of the foregoing to the extent they arise from the Agent's gross negligence or wilful misconduct.

**18.5 Notice by Agent to Lenders**

As soon as practicable after its receipt thereof, the Agent will forward to each Lender a copy of each report, notice or other document required by this Agreement to be delivered to the Agent for such Lender.

**18.6 Protection of Agent**

- 18.6.1 The Agent shall not be required to keep itself informed as to the performance or observance by the Borrower of this Agreement or any other document referred to or provided for herein or therein or to inspect the properties or books of the Borrower. Except (in the case of the Agent) for notices, reports and other documents and information expressly required to be furnished to the Lenders by the Agent hereunder, the Agent shall have no duty or responsibility to provide any Lender with any credit or other information concerning the affairs or financial condition of the Borrower which may come to the attention of the Agent, except where provided to the Agent for the Lenders, provided that such information does
-

not confer any advantage to the Agent as a Lender over the other Lenders. Nothing in this Agreement shall oblige the Agent to disclose any information relating to the Borrower if such disclosure would or might, in the opinion of the Agent, constitute a breach of any Applicable Laws or duty of secrecy or confidence.

18.6.2 Unless the Agent shall have been notified in writing or by telegraph or telecopier by any Lender prior to the date of an Advance requested hereunder that such Lender does not intend to make available to the Agent such Lender's proportionate share of such Advance, based on its Commitment, the Agent may assume that such Lender has made such Lender's Commitment in such Advance available to the Agent on the date of such Advance and the Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Agent by such Lender, the Agent shall be entitled to recover such amount (together with interest thereon at the rate determined by the Agent as being its cost of funds in the circumstances) on demand from such Lender or, if such Lender fails to reimburse the Agent for such amount on demand, from the Borrower.

18.6.3 Unless the Agent shall have been notified in writing or by telegraph or telecopier by the Borrower prior to the date on which any payment is due hereunder that the Borrower does not intend to make such payment, the Agent may assume that the Borrower has made such payment when due and the Agent may, in reliance upon such assumption, make available to each Lender on such payment date an amount equal to such Lender's *pro rata* share of such assumed payment. If it is established that the Borrower has not in fact made such payment to the Agent, each Lender shall forthwith on demand repay to the Agent the amount made available to such Lender (together with interest at the rate determined by the Agent as being its cost of funds in the circumstances).

**18.7 Notice by Lenders to Agent**

Each Lender shall endeavour to use its best efforts to notify the Agent of the occurrence of any Default or Event of Default forthwith upon becoming aware of such event, but no Lender shall be liable if it fails to give such notice to the Agent.

**18.8 Sharing Among the Lenders**

Each Revolving Facility Lender, each Finnvera Facility Lender and each Lender under a New Facility agrees as amongst themselves that except as otherwise provided for by the provisions of this Agreement, all amounts received by the Agents, in their capacity as agents of the Revolving Facility Lenders, the Finnvera Facility Lenders or the Lenders under any New Facility pursuant to this Agreement or any other document contemplated hereby (whether received by voluntary payment, by the

---

exercise of the right of set-off or compensation or by counterclaim, cross-claim, separate action or as proceeds of realization of any security, other than agency fees), and all amounts received by any such Lender in relation to this Agreement, in each case following a Default (which is not remedied subsequent to such receipt) or an Event of Default (which is not waived subsequent to such receipt), shall be shared by each such Lender *pro rata*, in accordance with its respective Secured Applicable Percentage, and each such Lender undertakes to do all such things as may be reasonably required to give full effect to this Section 18.8. If any amount which is so shared is later recovered from the Lender who originally received it, each other Revolving Facility Lender, each Finnvera Facility Lender or each Lender under any New Facility shall restore its proportionate share of such amount to such Lender, without interest.

As a necessary consequence of the foregoing, if the amounts realized by the Agents are not sufficient to repay the aggregate amount of the Secured Obligations, each Revolving Facility Lender, Finnvera Facility Lender and Lender under any New Facility shall share, in a percentage equal to its Secured Applicable Percentage, any losses incurred as a result of any Default or Event of Default by the Borrower, and shall pay to the Agent, within two (2) Business Days following a request by the Agent, any amount required to ensure that such Lender bears its pro rata share of such losses, if any, including any amounts required to be paid to any Lender in respect of any Bankers' Acceptances and, for greater certainty, amounts forming part of the Swing Line Loan (which forms part of the Revolving Facility).

Such obligations to share losses shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (1) any set-off, compensation, counterclaim, recoupment, defence or other right which such Lender may have against the Agents, the Borrower or any other Person for any reason whatsoever; (2) the occurrence or continuance of any Default or Event of Default; (3) any adverse change in the condition (financial or otherwise) of the Borrower or any other Person; (4) any breach of this Agreement by the Borrower or any other Person; or (5) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Lender does not make available the amount required hereunder, the Agent shall be entitled to recover such amount on demand from such Lender, together with interest thereon at the Prime Rate from the date of non-payment until such amount is paid in full.

#### **18.9 Derivative Obligations**

- 18.9.1 The Derivative Obligations shall be secured by the Security provided that the related Derivative Instruments:
- (a) are governed by an ISDA Master Agreement or other form of agreement generally accepted in the relevant market;
  - (b) provide that bankruptcy or insolvency constitutes an event of default thereunder; and
-

- (c) provide that for the purposes of Section 6(e) of the 1992 ISDA Master Agreement or the 2002 ISDA Master Agreement, the methods of calculation set out in the definition of "Hedging Exposure" shall apply.

- 18.9.2 Notwithstanding the rights of the Revolving Facility Lenders to benefit from the Security in respect of Derivative Obligations, all decisions concerning the Security and the enforcement thereof shall be made by the Lenders, the Majority Lenders or the Required Lenders-Acceleration, as the case may be, in accordance with the provisions of this Agreement, excluding the amount owed to any Lender in respect of Derivative Obligations. No Lender holding Derivative Obligations from time to time shall have any additional right to influence the Security or the enforcement thereof as a result of holding Derivative Obligations as long as this Agreement remains in force. No such Lender shall be able to enforce the Security unless the Lenders are at the same time enforcing the Security for the Loan Obligations. However, the Derivative Obligations shall continue to be supported by the Security notwithstanding the termination of this Agreement by reason of payment in full and termination of the Credit, or for any other reason, and all Derivative Obligations owed to any Revolving Facility Lender (or to a Person that was a Revolving Facility Lender at the time the Derivative Obligation in question was contracted) shall continue to be supported by the Security after such Lender ceases to be an Agent or a Lender or to have an Affiliate which is an Agent or a Lender. After the termination of this Agreement, each holder of Derivative Obligations shall be entitled, in its sole discretion, to make decisions concerning the Security.
- 18.9.3 Each Lender shall confirm to the Agent the details of each Derivative Instrument executed by it by or for the benefit of the Borrower, including the Hedging Exposure thereunder, within a reasonable period following request by the Agent, if any such request is made.
- 18.9.4 Each Lender shall confirm to the Agent and to the Borrower, upon request, quarterly on or about the last day of each financial quarter of each financial year of the Borrower, the Hedging Exposure under Derivative Instruments to which it is a party, calculated on a net as well as on a gross basis where several Derivative Instruments are governed by the same Master Agreement. The Agent shall then confirm to each Lender the total amount of the Hedging Exposure under Derivative Obligations with each Lender.

#### **18.10 Procedure with respect to Advances**

Subject to the provisions of this Agreement, upon receipt of a Notice of Borrowing from the Borrower, the Agent shall, without delay, advise each Lender of the receipt of such notice, of the date of such Advance, of its proportionate share of the amount of each Advance and of the relevant details of the Agent's account(s). Each Lender

---

shall disburse its proportionate share of each Advance, taking into account its Commitment, and shall make it available to the Agent (no later than 10:00 A.M.) on the date of the Advance fixed by the Borrower, by depositing its proportionate share of the Advance in the Agent's account in Canadian Dollars or US Dollars, as the case may be. Once the Borrower has fulfilled the conditions stipulated in this Agreement, the Agent will make such amounts available to the Borrower on the date of the Advance, at the Branch, and, in the absence of other arrangements made in writing between the Agent and the Borrower, by transferring or causing to be transferred an equivalent amount in the case of a direct Advance, and the Available Proceeds (as defined in subsection 6.2.4(d)) in the case of Banker's Acceptances, in accordance with the instructions of the Borrower which appear in the Notice of Borrowing with respect to each Advance; however, the obligation of the Agent with respect hereto is limited to taking the steps judged commercially reasonable in order to follow such instructions, and once undertaken, such steps shall constitute conclusive evidence that the amounts have been disbursed in accordance with the applicable provisions. The Agent shall not be liable for damages, claims or costs imputed to the Borrower and resulting from the fact that the amount of an Advance did not arrive at its agreed-upon destination.

#### **18.11 Accounts kept by each Lender**

Each Lender shall keep in its books, in respect of its Commitment, accounts for the Prime Rate Advances, US Base Rate Advances, Bankers' Acceptances and other amounts payable by the Borrower under this Agreement. Each Lender shall make appropriate entries showing, as debits, the amount of the Debt of the Borrower to it in respect of the Prime Rate Advances, US Base Rate Advances and BA Advances, as the case may be, the amount of all accrued interest and any other amount due to such Lender pursuant hereto and, as credits, each payment or repayment of principal and interest made in respect of such indebtedness as well as any other amount paid to such Lender pursuant hereto. These accounts shall constitute (in the absence of manifest error or of contradictory entries in the accounts of the Agent referred to in Section 4.4) *prima facie* evidence of their content against the Borrower.

The accounts which are maintained by the Agent shall constitute, except in the case of manifest error, *prima facie* proof of the amounts advanced and the Bankers' Acceptances accepted by each Lender, the interest and other amounts due to them and the payments of principal, interest or others made to the Lenders.

#### **18.12 Binding Determinations**

The Agent shall proceed in good faith to make any determination which is required in order to apply this Agreement and, once made, such determination shall be final and binding upon all parties, except in the case of manifest error.

---

**18.13 Amendment of Article 18**

The provisions of this Article 18 relating to the rights and obligations of the Lenders and the Agent *inter se* may be amended or added to, from time to time, by the execution by the Agent and the Lenders of an instrument in writing and such instrument in writing shall validly and effectively amend or add to any or all of the provisions of this Article affecting the Lenders without requiring the execution of such instrument in writing by the Borrower.

**18.14 Decisions, Amendments and Waivers of the Lenders**

When the Lenders (or the Lenders under a particular Facility, as applicable) may or must consent to an action or to anything or to accomplish another act in applying this Agreement, the Agent shall request that each Lender (or each Lender under a particular Facility, as applicable) give its consent in this regard. Subject to the provisions of Sections 18.15 and 14.2, all decisions taken by the Lenders shall be taken as follows:

- 18.14.1 with respect to a decision to be taken by the Lenders under all of the Facilities, such decision must be taken by consent of the Majority Lenders (which majority must include at least three (3) Lenders), unless there are two or less Lenders, in which case, such decision shall be taken by unanimous consent of the Lenders under all of the Facilities;
- 18.14.2 with respect to a decision to be taken by the Lenders under a particular Facility, such decision must be taken by consent of the Majority Lenders under such Facility (which majority must include at least two (2) Lenders), unless there are two or less Lenders under such Facility, in which case, such decision shall be taken by unanimous consent of the Lenders under such Facility

The Agent shall confirm such consent to each Lender and to the Borrower.

**18.15 Authorized Waivers, Variations and Omissions**

If so authorized in writing by the Lenders in accordance with the provisions of Section 18.14, the Agent, on behalf of the Lenders, may grant waivers, consents, vary the terms of this Agreement and the Security Documents and do or omit to do all acts and things in connection herewith or therewith. Notwithstanding the foregoing, except with the prior written agreement of (a) each of the Lenders with Commitments in the Facility or Facilities being amended (or in respect of which a waiver is requested, each such Lender an “**Affected Lender**”), nothing in Section 18.14 or this Section 18.15 shall authorize (i) any extension of the date for, or decrease in the amount of, any payment of principal, interest or other amounts, (ii) any extension of any maturity date not applicable to all Facilities, or (iii) the release, in whole or in part, of any of the Security Documents (other than the Guarantees) or the Security constituted thereby, except as provided herein with respect to permitted Asset Dispositions (in Section 13.3) or as contemplated in Sections 9.3 and 13.1, and (b) each of the Lenders, nothing

---

in Section 18.14 or this Section 18.15 shall authorize (i) any change (other than an extension) of the date for, increase in the amount of, or change in the currency or mode of calculation or computation of any payment of principal, interest or other amount (including the amount of the Revolving Facility, any New Facility or the Finnvera Term Facility, except as provided in Section 2.4), (ii) any extension of any maturity date applicable to all Facilities, (iii) any change in the terms of Article 18, (iv) any change in the manner of making decisions among the Lenders including the definition of Majority Lenders and Required Lenders-Acceleration, (v) the release of the Borrower or any Guarantor, except as provided herein with respect to permitted Asset Dispositions or as contemplated in Sections 9.3 and 13.1, (vi) any change in or any waiver of the conditions precedent provided for in Article 10 or (vii) any amendment to this Section 18.15. Waivers of Events of Default not requiring the unanimous consent of the Lenders may be granted by the Majority Lenders or, for Events of Default requiring a waiver in the circumstances described in (a) above, the Affected Lenders (and not by the Required Lenders-Acceleration).

In addition, no amendment to or waiver of (A) Section 4.2 shall be made without the consent of the Issuing Lenders, (B) Section 4.3 shall be made without the consent of the Swing Line Lender, and (C) the definition of "Defaulting Lender" without the consent of the Agent, the Finnvera Agent, the Issuing Lender and the Swing Line Lender.

If any Lender is a Non-Consenting Lender, then the Borrower may, at its sole cost and expense, upon 10 days' notice to such Non-Consenting Lender and the Agent, on the condition that at such time, no Default exists and is continuing, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Article 16), all of its interests, rights and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such Assignment), provided that:

- (i) the Borrower pays the Agent the assignment fee specified in Section 16.2.2(f); and
- (ii) the assigning Non-Consenting Lender receives payment of an amount equal to the outstanding principal of its outstanding Advances, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including any breakage costs and amounts required to be paid under this Agreement as a result of prepayment of a Lender) from the Assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts).

A Non-Consenting Lender shall not be required to make any such assignment or delegation if, prior thereto, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

**"Non-Consenting Lender"** means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all Affected

---

Lenders in accordance with the terms of Section 18.15 and (b) that has been approved by the Majority Lenders.

**18.16 Provisions for the Benefit of Lenders Only – Hypothecary Representative for Quebec Purposes**

For the purposes of holding any security granted by the Borrower and the Guarantors pursuant to the laws of the Province of Québec (including the hypothecs referred to in Section 9.1.3), whether it be to secure payment of any bond issued by the Borrower or a Guarantor or not, and without limiting the powers of the Agent hereunder or under the Security Documents, each of the Lenders hereby irrevocably appoints and authorizes the Agent to act as hypothecary representative of the Lenders (in such capacity, the “**Hypothecary Representative**”) as contemplated under Article 2692 of the Civil Code of Québec, and to enter into, to take and to hold on behalf of the Lenders, and for their benefit, any hypothec, and to exercise all powers and duties that are conferred upon the Hypothecary Representative under any hypothec. Each Assignee shall be deemed to have confirmed and ratified the appointment of the Agent as the Hypothecary Representative by execution of the relevant Assignment and Assumption Agreement. The Hypothecary Representative shall (i) have the sole and exclusive right and authority to exercise, except as may be otherwise specifically restricted by the terms hereof, all rights and remedies given to the Hypothecary Representative pursuant to any hypothec, applicable laws or otherwise, and (ii) benefit from and be subject to all provisions hereof with respect to the Agent *mutatis mutandis*, including, without limitation, all such provisions with respect to the liability or responsibility to and indemnification by the Lenders.

With respect to any security granted by the Borrower or any Guarantor in favour of the Agent, acting as the person holding the power of attorney (fondé de pouvoir) of the Lenders for all purposes of the former Article 2692 of the Civil Code of Québec, under any security document governed by the laws of the province of Québec (including as security for the payment of the Debentures), the parties acknowledge and agree that the provisions of the first paragraph of this Section 18.16 apply *mutatis mutandis* to the Agent’s authority and capacity under such security document as if “person holding the power of attorney (fondé de pouvoir)” had the same meaning as “hypothecary representative”.

**18.17 Defaulting Lenders**

- 18.17.1 Notwithstanding any other provision of this Agreement, if any Lender becomes a Defaulting Lender, then the provisions of this Section 18.17 shall apply until the Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent), the Borrower, the Issuing Lender and the Swing Line Lender all agree that the Defaulting Lender has remedied all matters that caused it to be a Defaulting Lender.
  - 18.17.2 Any Standby Fee shall cease to accrue on the Defaulting Lender's unadvanced portion of any Advance.
-



- 18.17.3 The Defaulting Lender shall not be entitled to exercise any right of consent under Sections 18.14 or 18.15 and its Commitment shall not be included in determining whether the Lenders or the Majority Lenders have provided any consent under those Sections. However, the Defaulting Lender shall be entitled to exercise its right of consent in respect of (a) any matter that requires its consent hereunder including, for the avoidance of doubt, any increase in the amount of the Revolving Facility, any New Facility or the Finnvera Term Facility except as provided in Section 2.4 or the extension of the Commitment of such Defaulting Lender, and (b) any matter that requires the consent of all Lenders, but only if it would be affected differently than the other Lenders.
- 18.17.4 The Borrower's right to receive Advances of the Defaulting Lender's unadvanced Commitment under the Facilities shall be suspended and the participation of the other Lenders in the Facilities including the Swing Line shall be re-adjusted on a pro rata basis without regard to the unadvanced Commitment of the Defaulting Lender but without increasing the overall Commitments of the other Lenders. If (a) the unadvanced Commitments of the other Lenders would not be sufficient to cover their obligations together with the obligations of the Defaulting Lender under Section 4.2 or 4.3, or (b) an Event of Default has occurred and not been waived, then the Borrower shall repay the Swing Line Loan and shall provide LC Escrowed Funds to the Issuing Lender to secure Letters of Credit to the extent necessary to cover the deficiency.
- 18.17.5 If the Borrower provides LC Escrowed Funds to the Issuing Lenders to secure Letters of Credit, the Borrower shall not be required to pay LC Fees for the account of the Defaulting Lender in respect of the amount for which it has provided LC Escrowed Funds. If the obligation of the Defaulting Lender regarding Letters of Credit under Section 4.2 is borne by the other Lenders as a result of subsection 18.17.4, then the other Lenders shall be entitled to receive any LC Fee that would otherwise have been payable to the Defaulting Lender.
- 18.17.6 The Agent (or in the case of a Defaulting Lender under the Finnvera Term Facility, the Finnvera Facility Agent) may, without prejudice to the other rights of the Lenders, make adjustments to the payments to a Defaulting Lender under this Agreement as necessary to compensate the other Lenders and the Agent for the Defaulting Lender's failure to make any payment or fulfill any other obligation under this Agreement.

**18.18 Provisions for the Benefit of Lenders Only**

The provisions of this Article 18 relating to the rights and obligations of the Lenders and Agent *inter se* shall be operative as between the Lenders and Agent only, and the Borrower shall not have any rights or obligations under or be entitled to rely for any purposes upon such provisions. However, the provisions of subsection 18.2.3 and

---

**18.16 shall be applicable as between the Borrower, the Guarantors (if applicable) and the Agent.**

**18.19 Resignation of Agent**

- 18.19.1 Notwithstanding the irrevocable appointment of the Agent, a majority of Lenders holding not less than 66.67% of the Commitments may (with the consent of the Borrower), upon giving the Agent thirty (30) days prior written notice to such effect, terminate the Agent's appointment hereunder provided that a successor Agent has been appointed at or prior to the expiry of such notice.
- 18.19.2 The Agent may resign its appointment hereunder at any time without giving any reason therefor by giving written notice to such effect to each of the other parties hereto. Such resignation shall not be effective until a successor Agent has been appointed.
- 18.19.3 In the event of any such termination or resignation, the Lenders shall appoint a successor Agent that is willing to accept such role and is acceptable to the Borrower within thirty (30) days therefrom, deliver copies of all accounts to such successor and the retiring Agent shall be discharged from any further obligations hereunder but shall remain entitled to the benefit of the provisions of this Article 18 and the Agent's successor and each of the other parties hereto shall have the same rights and obligations among themselves as they would have had if such successor originally had been a party hereto as Agent.

**18.20 No Novation**

The parties hereto agree that the changes to the terms and conditions of the Credit Agreement and the amendments and restatement set out herein and the execution of these presents shall not constitute novation, and that all Security shall continue to apply to this Credit Agreement, as amended and restated by these presents, and all other obligations secured thereby.

**18.21 Erroneous Payments**

- 18.21.1 If the Agent notifies a Lender, an Issuing Lender (collectively with the Agent, the “**Finance Parties**” and individually, a “**Finance Party**”) or any Person who has received funds on behalf of a Lender or any other Finance Party under, pursuant to or in connection with any of the Loan Documents (any such Lender, other Finance Party or other recipient, a “**Payment Recipient**”) that the Agent has determined in its sole discretion (whether or not after receipt of any notice under paragraph 18.21.2) that any funds received by such Payment Recipient from the Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly
-

received by, such Payment Recipient (whether or not known to such Lender, any other Finance Party or other Payment Recipient on its behalf (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an “**Erroneous Payment**”) and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent and shall be segregated by the Payment Recipient and held in trust for the benefit of the Agent, and such Lender or other Finance Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds (in the currency so received), together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of (x) in respect of an Erroneous Payment in U.S. Dollars, the Federal Funds Effective Rate, and in respect of an Erroneous Payment in Canadian Dollars or any other currency at a fluctuating rate per annum equal to the overnight rate at which Canadian Dollars or funds in the currency of such Erroneous Payment, as the case may be, may be borrowed by the Agent in the interbank market in an amount comparable to such Erroneous Payment (as determined by the Agent) and (y) a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this Section 18.21.1 shall be conclusive, absent manifest error.

- 18.21.2 Without limiting Section 18.21.1, each Lender or other Finance Party, or any Person who has received funds on behalf of a Lender or any other Finance Party under, pursuant to or in connection with any of the Loan Documents, hereby further agrees that if it receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender or other Finance Party, or other such recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:
- (a) (A) in the case of immediately preceding clauses (x) or (y) of Section 18.21.2, an error shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error has been made (in the case of immediately preceding
-

clause (z) of Section 18.21.2), in each case, with respect to such payment, prepayment or repayment; and

- (b) such Lender or other Finance Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 18.21.2.

18.21.3 Each Lender or other Finance Party hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender or other Finance Party under any Loan Document, or otherwise payable or distributable by the Agent to such Lender or other Finance Party from any source, against any amount due to the Agent under Section 18.21.1 or under the indemnification provisions of this Agreement.

18.21.4 In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor by the Agent in accordance with Section 18.21.1, from any Lender or other Finance Party that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an “**Erroneous Payment Return Deficiency**”), upon the Agent's notice to such Lender or other Finance Party at any time, (i) such Lender or other Finance Party shall be deemed to have assigned its Advances (but not any of its Commitments) of the relevant class with respect to which such Erroneous Payment was made (the “**Erroneous Payment Impacted Class**”) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Advances (but not any of its Commitments) of the Erroneous Payment Impacted Class, the “**Erroneous Payment Deficiency Assignment**”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver a Assignment and Assumption Agreement (or, to the extent applicable, an agreement incorporating an Assignment and Assumption Agreement by reference pursuant to an approved electronic platform as to which the Agent and such parties are participants) with respect to such Erroneous Payment Deficiency Assignment, and such Lender or other Finance Party shall deliver any notes evidencing such Advances to the Borrower (or the applicable one thereof) or the Agent, (ii) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment, (iii) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender or

---

assigning Finance Party shall cease to be a Lender or Issuing Lender, as applicable, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitment which shall survive as to such assigning Lender or assigning Finance Party and (iv) the Agent may reflect in the loan register it maintains its ownership interest in the Advances subject to the Erroneous Payment Deficiency Assignment. The Agent may, in its discretion but subject to Section 16.2 (but excluding, in all events, (i) any assignment consent or approval requirements (whether from the Borrower, any Lender or otherwise) and (ii) any requirements as to the minimum amount of assignments)) sell any Advances acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender or other Finance Party shall be reduced by the net proceeds of the sale of such Advance (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender or other Finance Party (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce any of the Commitments of any Lender or other Finance Party and such Commitment shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Agent has sold an Advance (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent may be equitably subrogated, the Agent shall be contractually subrogated to all the rights and interests of the applicable Lender or other Finance Party under the Loan Documents with respect to each Erroneous Payment Return Deficiency (the “**Erroneous Payment Subrogation Rights**”).

- 18.21.5 The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Loan Obligations owed by the Borrower or any Guarantor, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from the Borrower or any other Guarantor for the purpose of making such Erroneous Payment.
- 18.21.6 To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Erroneous Payment received, including without limitation waiver of any defense based on "discharge for value" or any similar doctrine
-

18.21.7 Each party's obligations, agreements and waivers under this Section 18.21 shall survive the resignation or replacement of the Agent, any transfer of rights or obligations by, or the replacement of, a Lender or Issuing Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Loan Obligations (or any portion thereof) under any Loan Document.

**19. CERTAIN PROVISIONS RELATING TO THE FINNVERA TERM FACILITY**

**19.1 Application of Article 18**

The provisions of Article 18 shall apply to the Finnvera Facility Lenders and the Finnvera Term Facility except to the extent modified in Section 11 of Schedule "P".

**19.2 Notice by Agent to the Finnvera Facility Agent**

The Agent shall have no obligation to forward a copy of any report, notice or other document to the Finnvera Facility Lenders. The Agent shall instead forward such items to the Finnvera Facility Agent for distribution to the Finnvera Facility Lenders.

**19.3 Confirmation of Sharing**

For greater certainty, the sharing among the Lenders contemplated by Section 18.8 includes all of the Lenders including the Finnvera Facility Lenders.

**20. FORMAL DATE**

**20.1 Formal Date**

For the purposes of convenience, this Amended and Restated Agreement may be referred to as bearing the Formal Date of June 16, 2015 notwithstanding its actual date of signature.

Remainder of page intentionally left blank. Signature pages follow.

---

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT ON THE DATE AND AT THE PLACE FIRST  
HEREINABOVE MENTIONED.

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
612 St-Jacques Street  
18<sup>th</sup> floor  
Montreal, Quebec  
H3C 4M8

Attention: Vice President and Treasurer

Telephone: (514) 380-7414  
Fax: (514) 380-1983

---

**ROYAL BANK OF CANADA, as Agent**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
20 King Street West, 4th Floor  
Toronto, Ontario,  
M5H 1C4

Attention: Manager, Agency Services Group

Fax: 416-842-4023

---



**THE LENDERS, SIGNING AS REVOLVING FACILITY LENDERS:**

**ROYAL BANK OF CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
1 Place Ville Marie  
Suite 400  
Montreal, Quebec  
H3B 4R8

Attention: Frédéric Yale-Leduc

Telephone: 514-878-7054  
Fax: 514-874-1349  
Email: frederic.yale-leduc@rbccm.com

---

**NATIONAL BANK OF CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
1155 Metcalfe Street  
5<sup>th</sup> Floor  
Montreal, Quebec  
H3B 4S9

Attention: Luc Bernier, Director

Telephone: 514-390-5639  
Fax: 514-390-7860  
Email: [Luc.Bernier@nbfinancial.com](mailto:Luc.Bernier@nbfinancial.com)

---

**BANK OF AMERICA, N.A., CANADA BRANCH**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
181 Bay Street  
Toronto, Ontario  
M5J 2V8

Attention: Peter Vanderhorst, Director

Telephone: 617-434-0164  
Fax: 980-233-7788  
Email: [peter.vanderhorst@baml.com](mailto:peter.vanderhorst@baml.com)

---

**THE BANK OF NOVA SCOTIA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
Scotia Plaza  
40 King St. West  
Toronto, Ontario  
M5W 2X6

Attention: Rob King

Telephone: 416-933-1873  
Fax: 416-866-2010  
Email: [rob.king@scotiabank.com](mailto:rob.king@scotiabank.com)

---

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
500 St. Jacques  
Montreal, Quebec  
H2Y 1P1

Attention: Paul Archer / Yves Bergeron – C0000040

Telephone: 514-289-2558 / 514-289-0099

Fax: 514-289-0788

Email: paul.archer@tdsecurities.com / yves.bergeron@tdsecurities.com

---

**BANK OF MONTREAL**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
234 Simcoe Street  
3<sup>rd</sup> Floor  
Toronto, Ontario  
M5T 1T4

Attention: Frank Albernaz

Telephone: 416-598-6775  
Fax: 416-598-6230  
Email: [Frank.albernaz@bmo.com](mailto:Frank.albernaz@bmo.com)

---

**CAISSE CENTRALE DESJARDINS**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
1170 Peel Street  
Suite 300  
Montreal, Quebec  
H3B 0A9

Attention: André Roy, Director

Telephone: 514-281-7791  
Fax: 514-281-4317  
Email: [andre.roy@ccd.desjardins.com](mailto:andre.roy@ccd.desjardins.com)

---

**CANADIAN IMPERIAL BANK OF COMMERCE**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:

161 Bay Street

8<sup>th</sup> Floor

Toronto, Ontario

M5J 2S8

Attention: Anissa Rabia-Zerebi

Telephone: 514-847-6449

Email: [anissa.rabia-zerebi@cibc.ca](mailto:anissa.rabia-zerebi@cibc.ca)

---



**HSBC BANK CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
300-2001 McGill College  
Montreal, Quebec  
H3A 1G1

Attention: Annie Houle, Global Relationship Manager and Director

Telephone: 514-286-4567  
Fax: 514-285-8637  
Email: Annie\_Houle@hsbc.ca

---

**JPMORGAN CHASE BANK, N.A.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
66 Wellington Street West.  
Suite 4500  
Toronto, Ontario  
M5K 1E7

Attention: Jeffrey S. Coleman, Executive Director

Telephone: (416) 981-9200  
Fax: (416) 981-9278  
Email: [jeffrey.s.coleman@jpmorgan.com](mailto:jeffrey.s.coleman@jpmorgan.com)

---

**BANK OF TOKYO – MITSUBISHI UFJ (CANADA)**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
600 de Maisonneuve Blvd. W.  
Suite 2520  
Montreal, Quebec  
H3A 3J2

Attention: Amos Simpson, Managing Director & General Manager

Telephone: 514-875-9261  
Fax: 514-875-9392  
Email: [asimpson@ca.mufg.jp](mailto:asimpson@ca.mufg.jp)

---

**CITIBANK, N.A., CANADIAN BRANCH**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
123 Front Street West  
Toronto, Ontario  
M5J 2M3

Attention: Isabelle Côté, Managing Director

Telephone: 514-393-7502  
Fax: 866-550-2418  
Email: [isabelle.f.cote@citi.com](mailto:isabelle.f.cote@citi.com)

---

**MIZUHO BANK, LTD.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
100 Yonge Street, Suite 1102  
Toronto, Ontario  
M5C 2W1

Attention: Bill McFarland

Telephone: 416-874-1145  
Fax: 416-360-7502  
Email: [bill.mcfarland@mizuhocbus.com](mailto:bill.mcfarland@mizuhocbus.com)

---

**ICICI BANK CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
150 Ferrand Drive, Suite 1200  
Don Valley Business Park  
Toronto, Ontario  
M3C 3E5

Attention: Lester Fernandes, Sr. Account Manager

Telephone: 416-601-2775  
Fax: 416-422-2447  
Email: [Lester.fernandes@icicibank.com](mailto:Lester.fernandes@icicibank.com)

---

**LAURENTIAN BANK OF CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Address:  
1981 McGill College Avenue  
19<sup>th</sup> Floor  
Montreal, Quebec  
H3A 3K3

Attention: Michel Gendron

Telephone: 514-284-4500 (4523)  
Fax: 514-284-9723  
Email: [michel.gendron@banquelaurentienne.ca](mailto:michel.gendron@banquelaurentienne.ca)

---

**HSBC BANK PLC, as Finnvera Facility Agent**

Per: \_\_\_\_\_

Credit Matters

Address:  
Level 2, 8 Canada Square  
Canary Wharf  
London, E14 5HQ  
United Kingdom

Attention: Mike Bonnici  
  
Telephone: +44 (0) 20 7991 6256  
Fax: +44 (0) 20 7992 4428  
E-mail: mike.bonnici@hsbcib.com  
Reference: FC 1311

Operational Matters

Address:  
Level 27, 8 Canada Square  
Canary Wharf  
London, E14 5HQ  
United Kingdom

Attention: Pete Fassam  
  
Telephone: +44 (0) 20 7991 2447  
Fax: +44 (0) 20 7992 4428  
E-mail: peter.a.fassam@hsbc.com  
Reference: FC 1311

-and-

Attention: David Wilson  
  
Telephone: +44 (0) 7992 2569  
Fax: +44 (0) 20 7992 4428  
E-mail: David.a.wilson@hsbcib.com  
Reference: FC 1311

---



**THE FINNVERA TERM FACILITY LENDERS:**

**HSBC BANK PLC**

Per: \_\_\_\_\_

Credit Matters

Address:  
Level 2, 8 Canada Square  
Canary Wharf  
London, E14 5HQ  
United Kingdom

Attention: Robert Hossack  
Telephone: +44 (0) 20 7992 2571  
Fax: +44 (0) 20 7991 4347  
E-mail: robert.ihossack@hsbcib.com  
Reference: FC 1311

Operational Matters

Address:  
Level 27, 8 Canada Square  
Canary Wharf  
London, E14 5HQ  
United Kingdom

Attention: Pete Fassam  
Telephone: +44 (0) 20 7991 2447  
Fax: +44 (0) 20 7992 4428  
E-mail: peter.a.fassam@hsbc.com  
Reference: FC 1311

-and-

Attention: David Wilson  
Telephone: +44 (0) 7991 2447  
Fax: +44 (0) 20 7992 4428  
E-mail: david.a.wilson@hsbcib.com  
Reference: FC 1311

---

**THE TORONTO-DOMINION BANK**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Credit Matters

Address:  
The Toronto-Dominion Bank  
77 King Street West  
Royal Trust Tower, 19<sup>th</sup> Floor  
Toronto, Ontario M5K 1A2

Attention: Sumit Paliwal  
Telephone: (416) 983-2803  
Fax: (416) 982-7838  
E-mail: [sumit.paliwal@tdsecurities.com](mailto:sumit.paliwal@tdsecurities.com)

Operational Matters

Address:  
TD Securities  
Global Trade Finance  
500 St-Jacques Street, 8<sup>th</sup> Floor  
Montreal, Quebec H2Y 1S1

Attention: Caroline Danneau  
Telephone: (514) 289-0251  
Fax: (514) 289-1469  
E-mail: [caroline.danneau@tdsecurities.com](mailto:caroline.danneau@tdsecurities.com)

---

**SUMITOMO MITSUI BANKING  
CORPORATION OF CANADA**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Credit Matters

Address:  
Ernst & Young Tower, TD Centre  
Suite 1400, Box 172  
222 Bay St.  
Toronto, Ontario M5K 1H6

Attention: Elwood Langley, Senior Vice President

Telephone: (416) 214-3606  
Fax: (416) 367-3565  
E-mail: elwood\_langley@smbcgroup.com

-or-

Attention: Ming Chang, Vice President  
Telephone: (416) 368-4178  
Fax: (416) 367-3565  
E-mail: Ming\_Chang@smbcgroup.com

Operational Matters

Address:  
Ernst & Young Tower, TD Centre  
Suite 1400, Box 172  
222 Bay St.  
Toronto, Ontario M5K 1H6

Attention: Heather Nakamura, Manager

Telephone: (416) 214-3607  
Fax: (416) 367-3565  
E-mail: heather\_nakamura@smbcgroup.com

-or-

Attention: Andrew Yiu, Vice President  
Telephone: (416) 368-7570  
Fax: (416) 367-3565  
E-mail: andrew\_yiu@smbcgroup.com

---

**Intervention by the Guarantors as at the Third Amendment Closing Date**

The undersigned acknowledge having taken cognizance of the provisions of the foregoing Amended and Restated Credit Agreement and agree that the Guarantees and Security executed by them (A) remain enforceable against them in accordance with their terms, and (B) continue to guarantee or secure, as applicable, all of the obligations of the Persons specified in such Guarantees and Security Documents in connection with the Credit Agreement as defined above, without any limitations:

**9293-6707 QUÉBEC INC.**

**9227-2590 QUÉBEC INC.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**9230-7677 QUÉBEC INC.**

**8487782 CANADA INC.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**VIDEOTRON L.P.**, represented  
by its general partner  
**9230-7677 QUÉBEC INC.**

**VIDEOTRON G.P.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**VIDÉOTRON INFRASTRUCTURES INC.**

**4DEGRÉS COLOCATION INC. / 4DEGREES  
COLOCATION INC.**

Per: \_\_\_\_\_

Per: \_\_\_\_\_



**SCHEDULE "A" - LIST OF LENDERS AND COMMITMENTS**

**The Revolving Facility**

<b>The Revolving Facility Lenders</b>	<b>Commitment (\$)</b>	<b>Commitment (%)</b>
Royal Bank of Canada	+6\$220,000,000	10.66666671%
National Bank of Canada	+6\$220,000,000	10.66666671%
The Toronto-Dominion Bank	+6\$220,000,000	10.66666671%
The Bank of Nova Scotia	+5\$220,000,000	10.1%
Bank of Montreal	\$1950,000,000	+9.750%
Bank of America, N.A., Canada Branch	\$1950,000,000	+9.750%
JPMorgan Chase Bank, N.A.	\$1375,000,000	98.750%
Canadian Imperial Bank of Commerce	\$1275,500,000	8.750%
Fédération des Caisses Desjardins du Québec	\$1275,500,000	8.750%
<u>MUFG Bank, Ltd., Canada Branch</u>	<u>\$102,500,000</u>	<u>5.125%</u>
Citibank, N.A., Canadian Branch	\$77,500,000	5.16666673.875%
<del>MUFG Bank, Ltd., Canada Branch</del>	<del>77,500,000</del>	<del>5.1666667</del>
Laurentian Bank of Canada	\$25,000,000	1.666666725%
<b>Total</b>	<b>\$2,500,000,000</b>	<b>100%</b>

---

**SCHEDULE "B" - NOTICE OF BORROWING AND CERTIFICATE**

TO: ROYAL BANK OF CANADA, as Agent  
FROM: VIDÉOTRON LTÉE

DATE:

1) This Notice of Borrowing and Certificate is delivered to you pursuant to the Amended and Restated Credit Agreement dated as of June 16, 2015, and as same may have been further amended (the "Credit Agreement"). All defined terms set forth in this Notice of Borrowing and Certificate shall have the respective meanings set forth in the Credit Agreement

2) We hereby request an Advance under the Revolving Facility of the Credit Agreement as follows:

- (a) Date of Advance: \_\_\_\_\_
- (b) Amount of Advance: \_\_\_\_\_
- (c) Currency of Advance (\$or US\$): \_\_\_\_\_
- (d) Type of Advance: \_\_\_\_\_
- (e) Designated Period(s) (if any): \_\_\_\_\_
- (f) Maturity Date(s) (if applicable): \_\_\_\_\_
- (g) Payment Instruction (if any): \_\_\_\_\_

3) We have understood the provisions of the Credit Agreement which are relevant to the furnishing of this Notice of Borrowing and Certificate. To the extent that this Notice of Borrowing and Certificate evidences, attests or confirms compliance with any covenants or conditions precedent provided for in the Credit Agreement, we have made such examination or investigation as was, in our opinion, necessary to enable us to express an informed opinion as to whether such covenants or conditions have been complied with.

4) WE HEREBY CERTIFY THAT, in our opinion, as of the date hereof:

(a) All of the representations and warranties of the Borrower contained in Article 11 of the Credit Agreement (except where qualified in Article 11 as being made as at a particular date) are true and correct on and as of the date hereof as though made on and as of the date hereof.

(b) All of the covenants of the Borrower contained in Articles 12 and 13 of the Credit Agreement together with all of the conditions precedent to an Advance and all other terms and conditions contained in the Credit Agreement have been fully complied with.

(c) No Event of Default has occurred and no Default has occurred and is continuing.

Yours truly,  
**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_  
Title: \_\_\_\_\_

---

**SCHEDULE "B-1" - NOTICE OF REPAYMENT**

**TO: ROYAL BANK OF CANADA, as Agent**

**FROM: VIDÉOTRON LTÉE**

DATE:

1) This notice of repayment is delivered to you pursuant to the Amended and Restated Credit Agreement dated as of June 16, 2015 entered into among VIDÉOTRON LTÉE and, *inter alia*, Royal Bank of Canada as Agent (as amended and restated and in effect on the date hereof, the "**Credit Agreement**"). All defined terms set forth in this notice shall have the respective meanings set forth in the Credit Agreement.

2) We hereby advise you that we will be repaying the sum of Cdn.\$ \_\_\_\_\_ on \_\_\_\_\_ as follows [indicate amount payable in respect of the Revolving Facility as well as the type of Advance to be repaid].

3) [We hereby advise you that in accordance with the last paragraph of Section 8.2, we are cancelling the Credit under the Revolving Facility, effective \_\_\_\_\_, by \$ \_\_\_\_\_, to a maximum of \$ \_\_\_\_\_.]

Yours truly,

**VIDÉOTRON LTÉE**

Per:

Title: \_\_\_\_\_

---

**SCHEDULE "B-2" - - INTENTIONALLY DELETED**

---



**SCHEDULE “C” – ASSIGNMENT AND ASSUMPTION**

This Assignment and Assumption (the “**Assignment and Assumption**”) is dated as of the Effective Date set forth below and is entered into by and between [*Insert name of Assignor*] (the “**Assignor**”) and [*Insert name of Assignee*] (the “**Assignee**”). Capitalized terms used but not defined herein shall have the meanings given to them in the Amended and Restated Credit Agreement identified below (as amended, the “**Credit Agreement**”), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below, (i) all of the Assignor’s rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including without limitation any Letters of Credit, Guarantees and Swing Line Advances included in such facilities) and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other Loan Documents or instruments delivered pursuant thereto or the loan-transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as, the “**Assigned Interest**”). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor. The Assignee acknowledges and accepts that the Assignee and the Agent are solidary creditors of the Borrower and the Guarantors in respect of all amounts, liabilities and other obligations, present and future, of the Borrower and the Guarantors to each of them under the Credit Agreement and the Derivative Instruments as contemplated by Section 18.1.2 of the Credit Agreement and in accordance with Article 1541 of the *Civil Code of Quebec*.

1. Assignor:
2. Assignee:

[and is an Affiliate/Approved Fund of [*identify Lender*] <sup>1</sup>]

3. Borrower: **VIDÉOTRON LTÉE**

---

<sup>1</sup> Select as applicable.

---

4. Agent: **ROYAL BANK OF CANADA**, as the administrative agent under the Credit Agreement
5. Credit Agreement: [The Amended and Restated Credit Agreement dated as of June 16, 2015 among **VIDÉOTRON LTÉE**, the Lenders parties thereto, **ROYAL BANK OF CANADA**, as Agent, and the other agents parties thereto (as amended and restated and in effect on the date hereof)]
6. Assigned Interest:

Facility Assigned - Revolving Facility	Aggregate Amount of Commitment/Loan Obligations for all Lenders <sup>2</sup>	Amount of Commitment/Loan Obligations Assigned <sup>3</sup>	Percentage Assigned of Commitment/Loan Obligations <sup>3</sup>	CUSIP Number

7. [Trade Date: ]<sup>4</sup>

---

<sup>2</sup> Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

<sup>3</sup> Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

<sup>4</sup> To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

---

Effective Date: \_\_\_\_\_, 20\_\_ [TO BE INSERTED BY AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

**ASSIGNOR**  
**[NAME OF ASSIGNOR]**

By: \_\_\_\_\_  
Title:

**ASSIGNEE**  
**[NAME OF ASSIGNEE]**

By: \_\_\_\_\_  
Title:

Consented to and Accepted:

**ROYAL BANK OF CANADA**, as Agent

By: \_\_\_\_\_  
Title:

[Consented to:]<sup>5</sup>

**ROYAL BANK OF CANADA**, as Issuing Lender

By: \_\_\_\_\_  
Title:

**VIDÉOTRON LTÉE**

By: \_\_\_\_\_  
Title:

---

<sup>5</sup> To be added only if the consent of the Borrower and/or other parties (e.g. L/C Issuer) is required by the terms of the Credit Agreement.

---

[ ]<sup>6</sup>STANDARD TERMS AND CONDITIONS FOR  
ASSIGNMENT AND ASSUMPTION1. Representations and Warranties.

**1.1 Assignor.** The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any Lien and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the members of the VL Group, any of their Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the members of the VL Group or any other Person of any of their respective obligations under any Loan Document.

**1.2 Assignee.** The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all requirements of an Eligible Assignee under the Credit Agreement (subject to receipt of such consents as may be required under the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 12.15 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

---

<sup>6</sup> Describe Credit Agreement at option of Agent.

---

2. Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law governing the Credit Agreement.

---

## SCHEDULE "C-1" - - LOAN MARKET DATA TEMPLATE

### Recommended Data Fields – At Close

The items highlighted in bold are those that Loan Pricing Corporation (LPC) deem essential. The remaining items are those that LPC has seen become more prominent over time as transparency has increased in the U.S. Loan Market.

<b>Company Level</b>	<b>Deal Specific</b>	<b>Facility Specific</b>
<b>Issuer Name</b>	<b>Currency/Amount</b>	<b>Currency/Amount</b>
<b>Location</b>	<b>Date</b>	<b>Type</b>
<b>SIC (Cdn)</b>	<b>Purpose</b>	<b>Purpose</b>
Identification Number(s)	<b>Sponsor</b>	<b>Tenor</b>
<b>Revenue</b>	<b>Financial Covenants</b>	Term Out Option
	Target Company	<b>Expiration Date</b>
<b>*Measurement of Risk</b>	<b>Assignment Language</b>	<b>Facility Signing Date</b>
<b>S&amp;P Sr. Debt</b>	Law Firms	<b>Pricing</b>
<b>S&amp;P Issuer</b>	MAC Clause	<b>Base Rate(s)/Spread(s)/BA/LIBOR</b>
<b>Moody's Sr. Debt</b>	Springing lien	<b>Initial Pricing Level</b>
<b>Moody's Issuer</b>	Cash Dominion	<b>Pricing Grid (tied to, levels)</b>
<b>Fitch Sr. Debt</b>	Mandatory Prepays	<b>Grid Effective Date</b>
<b>Fitch Issuer</b>	Restrict'd Payments (Neg Covs)	<b>Fees</b>
S&P Implied	Other Restrictions	<b>Participation Fee (tiered also)</b>
(internal assessment)		<b>Commitment Fee</b>
<b>DBRS</b>		
Other Ratings		<b>Annual Fee</b>
<b>*Industry Classification</b>		<b>Utilization Fee</b>
Moody's Industry		<b>LC Fee(s)</b>
S&P Industry		<b>BA Fee</b>
Parent		Prepayment Fee
Financial Ratios		Other Fees to Market
		Security
		<b>Secured/Unsecured</b>
		Collateral and Seniority of Claim
		Collateral Value
		<b>Guarantors</b>
		<b>Lenders Names/Titles</b>
		<b>Lender Commitment (\$)</b>
		Committed/Uncommitted
		Distribution method
		<b>Amortization Schedule</b>
		Borrowing Base/Advance Rates
		New Money Amount
		<b>Country of Syndication</b>
		Facility Rating (Loss given default)
		<b>S&amp;P Bank Loan</b>
		<b>Moody's Bank Loan</b>
		<b>Fitch Bank Loan</b>
		<b>DBRS</b>
		<b>Other Ratings</b>

\* These items would be considered useful to capture from an analytical perspective

---

**SCHEDULE “D” – FORM OF GUARANTEE**

GUARANTEE entered into in the City of Montreal, Quebec as of •, 20•.

**BY:**

•, a corporation governed by the •, having its head office at •  
(the “**Guarantor**”);

**IN FAVOUR OF:**

**ROYAL BANK OF CANADA**, a bank governed by the Bank Act (Canada), acting for itself and as Agent and solidary creditor for each present and future Lender under the Credit Agreement hereinafter described (the “**Agent**”)

**WHEREAS** pursuant to an Amended and Restated Credit Agreement dated as of June 16, 2015, among, inter alia, Vidéotron Ltée, as borrower (the “**Borrower**”), the financial institutions that may become parties thereto from time to time, as lenders, Royal Bank of Canada, as administrative agent (as same may be amended, supplemented, replaced, restated or otherwise modified from time to time, the “**Credit Agreement**”), the Guarantor is to provide the Agent with a guarantee of all of the obligations of the Borrower under the Credit Agreement, the Derivative Instruments entered into with Lenders and the Security Documents (each as defined in the Credit Agreement);

**WHEREAS** pursuant to subsection 18.1.2 of the Credit Agreement, the Agent and each Lender are conferred the legal status of solidary creditors of the Borrower and the Guarantors (as defined in the Credit Agreement) in respect of all amounts, liabilities and other obligations owed by the Borrower and the Guarantors (as so defined) to each of them under the Credit Agreement, the Derivative Instruments entered into with Lenders and under the Security Documents, the whole in accordance with Article 1541 of the Civil Code of Québec (the “**CCQ**”);

**WHEREAS** pursuant to subsection 18.1.1 of the Credit Agreement, the Agent has been granted the authority to hold any and all Security under the Credit Agreement;

**NOW THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:**

**1. GUARANTEE**

**1.1 Guarantee**

For valuable consideration, the Guarantor hereby solidarily (jointly and severally) with the Borrower and each of the Other Guarantors, as defined in Section 2.1, guarantees to the Agent and each Lender, as solidary creditors of the Guarantor’s obligations hereunder, forthwith after demand therefor made in accordance with the provisions of the Credit Agreement, due and punctual payment of all present and future debts and liabilities, and the performance of all obligations of every nature, absolute or contingent, direct, indirect or otherwise, in any currency, now or at any time and from time to time hereafter due or owing by the Borrower to the Agent and each Lender arising under or in connection with the Credit Agreement (including under the Swing Line Facilities), the Derivative Instruments entered into with Lenders and the Security Documents (such

---

obligations as amended, amended and restated, modified, supplemented or renewed, collectively, the "Guaranteed Obligation"). The Guarantor expressly renounces to the benefits of division and discussion. The obligation undertaken by the Guarantor pursuant to this Section 1.1 is hereinafter referred to as the "Guarantee".

### **1.2 Guarantee Absolute**

The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

- (a) any lack of validity or enforceability of any of the Guaranteed Obligation; any change in the time, manner or place of payment of the Guaranteed Obligation; or the failure on the part of the Borrower or any of the Other Guarantors to carry out any of the Guaranteed Obligation;
- (b) any impossibility, impracticability, frustration of purpose, illegality, force majeure or act of government;
- (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Borrower or any of the Other Guarantors, the Agent or the Lenders or any of them or any party to any agreement to which the Agent, the Lenders, the Borrower or the Other Guarantors or any of them is a party;
- (d) any lack or limitation of power, incapacity or disability on the part of any of the Borrower or the Other Guarantors or of the directors, partners or agents thereof or any other irregularity, defect or informality on the part of any of the Borrower or the Other Guarantors in its obligations to the Agent or the Lenders or any of them;
- (e) any change or changes in the name, corporate existence or structure of any of the Borrower or Guarantors;
- (f) any other law, regulation or other circumstance which might otherwise constitute a defence available to, or a discharge of, any of the Borrower or the Other Guarantors in respect of any or all of the Guaranteed Obligation.

### **1.3 Recovery as Principal Debtor**

Any amount which may not be recoverable from the Guarantor by the Agent on the basis of a guarantee shall be recoverable by the Agent from the Guarantor as principal debtor in respect thereof and shall be paid to the Agent for the account of the Lenders forthwith after demand therefor.

## **2. DEALINGS WITH CREDIT PARTIES AND OTHERS**

### **2.1 No Release**

The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Agent or the Lenders or any of them in

---



connection with any duties or liabilities of the Borrower or the other Guarantors within the meaning of the Credit Agreement (the “Other Guarantors”) or any of them to the Agent or the Lenders or any of them, or any security therefor including any loss of or in respect of any security received by the Agent or the Lenders or any of them from the Borrower, the Other Guarantors or any other Person. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor’s liability hereunder, without obtaining the consent of or giving notice to the Guarantor, the Agent and the Lenders may:

- (a) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower or the Other Guarantors;
- (b) take or abstain from taking or enforcing securities or collateral from the Borrower or the Other Guarantors or from perfecting securities or collateral of the Borrower or the Other Guarantors;
- (c) accept compromises from the Borrower or the Other Guarantors;
- (d) subject to the applicable provisions of the Credit Agreement, apply all money at any time owing from the Borrower or the Other Guarantors or from any collateral security to such part of the Guaranteed Obligation as the Agent may see fit or change any such application in whole or in part from time to time as the Agent may see fit; for greater certainty, the Agent or any of the Lenders may at any time and from time to time, to the fullest extent permitted by law, set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Agent or any of the Lenders to or for the credit of the Guarantor against any and all of the liabilities of the Borrower, whether or not the Agent shall have made any demand under the Guarantee. The Agent or the Lenders, as the case may be, shall promptly notify the Guarantor after any such set-off and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Agent and the Lenders under this paragraph are in addition to other rights and remedies (including without limitation, other rights of set-off) that the Agent and the Lenders may have; and
- (e) otherwise deal with the all other Persons and securities as the Agent and the Lenders may see fit, acting reasonably.

## **2.2 No Exhaustion of Remedies**

The Agent and the Lenders shall not be bound or obligated to exhaust their recourse against the Borrower, the Other Guarantors, any other Person or any securities or collateral they may hold or take any other action before being entitled to demand payment from the Guarantor hereunder.

## **2.3 Accounts Binding upon the Guarantor**

Any account settled or stated in writing by or between the Agent and the Borrower shall be accepted by the Guarantor as conclusive evidence, absent manifest error, that the balance or amount thereby appearing due by the Borrower to the Agent or the Lenders is so due.

---

#### **2.4 No Set-off**

In any claim by the Agent and the Lenders against the Guarantor, the Guarantor may not assert any set-off or counterclaim that the Guarantor or any of the Other Guarantors may have against the Agent and the Lenders or any of them. In particular, any loss of or in respect of any securities received by the Agent and the Lenders or any of them from the Borrower or any other Person, and the failure to perfect any mortgage, hypothec, prior claim or security interest of any nature whatsoever, whether occasioned through the fault or negligence of the Agent and the Lenders or any of them or otherwise, shall not discharge, limit or lessen the liability of the Guarantor under this agreement.

#### **3. CONTINUING GUARANTEE**

The Guarantee shall be a continuing guarantee of the Guaranteed Obligation and shall apply to and secure all Guaranteed Obligation and shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Agent and the Lenders or any of them. The Guarantee shall continue to be effective even if at any time any payment of any of the Guaranteed Obligation is rendered unenforceable or is rescinded or must otherwise be returned by the Agent and the Lenders or any of them upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or any Other Guarantor or otherwise, all as though such payment had not been made. Any payments so rescinded or recovered from the Agent and the Lenders or any of them, whether as a preference, fraudulent transfer or otherwise, shall constitute Guaranteed Obligation for all purposes hereunder. The Guarantor hereby expressly waives the provisions of Articles 2353, 2362 and 2366 of the CCQ.

#### **4. RIGHT TO PAYMENTS**

Should the Agent and the Lenders or any of them receive from the Guarantor one or more payments on account of its liability under the Guarantee, the Guarantor shall not be entitled to claim repayment against the Borrower or the Other Guarantors until the Agent's and the Lenders' claims against the Borrower have been paid in full. In the event of the liquidation, winding-up or bankruptcy of the Borrower (whether voluntary or compulsory); or if the Borrower shall make a bulk sale of any of its assets within the meaning of any applicable legislation of any other province of Canada, under the Uniform Commercial Code of any state of the United States of America or under any other applicable Laws; or should the Borrower make any proposal, composition or scheme of arrangement with its creditors; then, in any of such events the Agent and the Lenders shall have the right to rank for their full claim and receive all dividends or other payments in respect thereof until their claim has been paid in full, and the Guarantor shall remain liable up to the amount guaranteed for any balance which may be owing to the Agent and the Lenders by the Borrower; and in the event of the valuation by the Agent and the Lenders or any of them of any security held in respect of the debts of the Borrower, or of the retention by the Agent and the Lenders or any of them of such security, such valuation and/or retention shall not, as between the Agent and the Lenders and the Guarantor, be considered as a purchase of such security, or as payment or satisfaction or reduction of the liabilities of the Borrower to the Agent and the Lenders, or any part thereof.

---

## **5. TAXES**

All payments to be made hereunder by the Guarantor shall be made free and clear of deduction for any present or future tax, levy, impost, duty, charge, assessment or fee of any nature (including interest, penalties and additions thereto) imposed by any government or other taxing authority (“**Taxes**”). If any Taxes are imposed and required to be withheld from any payment hereunder, the Guarantor shall (a) increase the amount of such payment so that the Agent and the Lenders will receive a net amount (after deduction of all Taxes, including any Taxes on the amount of any such increase) equal to the amount due hereunder, (b) pay such Taxes to the appropriate taxing authority for the account of the Agent and the Lenders, and (c) as promptly as possible thereafter, send the Agent and the Lenders an original receipt showing payment thereof, together with such additional documentary evidence as the Agent and the Lenders may from time to time reasonably require. If the Guarantor fails to perform its obligations under parts (b) or (c) of the preceding sentence, the Guarantor shall indemnify the Agent and the Lenders for any incremental taxes, interest or penalties that may become payable by the Agent and the Lenders or any of them as a consequence of such failure.

## **6. POSTPONEMENT OF SUBROGATION**

To the fullest extent permitted by law, the Guarantor hereby irrevocably postpones any claim or other rights that it may now or hereafter acquire against the Borrower or the Other Guarantors, or any of them, that arise from the existence, payment, performance or enforcement of the Guarantor’s obligations under this agreement including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy against the Borrower, the Other Guarantors, or any collateral securing any obligation of the Borrower or the Other Guarantors, or any of them, whether or not such claim, remedy or right arises under contract, including, without limitation, the right to take or receive from the Borrower or the Other Guarantors or any of them, directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, until such time as the Guaranteed Obligation and all amounts payable under this agreement have been indefeasibly paid to the Agent and the Lenders in cash. If any amount shall be paid to the Guarantor in violation of the preceding sentence at any time prior to the indefeasible cash payment in full of the Guaranteed Obligation and all other amounts payable under this agreement, such amount shall be held by the Guarantor as mandatary for the benefit of the Agent and the Lenders and shall forthwith be paid to the Agent and the Lenders to be credited and applied to the Guaranteed Obligation and all other amounts payable under this agreement.

## **7. GENERAL**

### **7.1 Representations and Warranties**

The Guarantor reiterates the representations and warranties made in the Credit Agreement to the Lenders on its behalf by the Borrower (which representations and warranties are hereby deemed to have been made by the Guarantor and to be and remain in effect at all times).

### **7.2 Covenants**

---

The Guarantor reiterates the covenants made in the Credit Agreement on its behalf by the Borrower (which are hereby deemed to have been made by the Guarantor).

### 7.3 Payment of Guaranteed Obligation, Fees and Costs

The Guarantor agrees to pay, within two Business Days of demand therefor, any amounts payable hereunder, including without limitation all out-of-pocket expenses (including the reasonable fees and expenses of the Agent's counsel) in any way relating to the enforcement or protection of the rights of the Agent and the Lenders or any of them hereunder.

### 7.4 Currency

- (a) Each payment to be made under the Guarantee will be made in the currency in which the relevant Secured Obligation is payable (the "**Specified Currency**"). To the fullest extent permitted by applicable law, any obligation of the Guarantor to make payments under the Guarantee in a Specified Currency will not be discharged or satisfied by any tender in any currency other than the Specified Currency.
  - (b) To the fullest extent permitted by applicable law, if any judgment or order expressed in a currency other than the Specified Currency is rendered (i) for any payment of any amount owing in respect of the Guarantee, or (ii) in respect of a judgment or order of another court for the payment of any amount described in (i) above, the Agent, after recovery in full of the aggregate amount to which it is entitled pursuant to the judgment or order, shall be entitled to receive immediately from the Guarantor the amount of any shortfall of the Specified Currency received by the Agent as a consequence of sums paid in such other currency, and will refund promptly to the Guarantor any excess of the Specified Currency received by the Agent as a consequence of sums paid in such other currency if such shortfall or such excess arises or results from any variation between (i) the rate of exchange at which the Specified Currency is converted into the currency of the judgment or order for the purposes of such judgment or order and (ii) the rate of exchange at which the Agent is able, acting in a reasonable manner and in good faith, in converting the currency received into the Specified Currency, to purchase the Specified Currency with the amount of the currency of the judgment or order actually received by the Agent. The term "**rate of exchange**" includes, without limitation, any premiums and costs of exchange payable in connection with the purchase of or conversion into the Specified Currency.
  - (c) To the fullest extent permitted by applicable law, the indemnities in this Section 7.4 constitute separate and independent obligations of the Guarantor from the other obligations in this agreement, will be enforceable as separate and independent causes of action, will apply notwithstanding any indulgence granted by the Agent, the Lenders or any of them and will not be affected by judgment being obtained or claim or proof being made for any other sums due in respect of this agreement.
  - (d) For the purposes of this Section 7.4, it will be sufficient for a party to demonstrate that it would have suffered a loss had an actual exchange or purchase been made.
-

**7.5 Discharge**

The Guarantor will not be discharged from any of its obligations hereunder except by a release or discharge signed in writing by the Agent, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement.

**7.6 Notice**

Any notice permitted or required to be given hereunder shall be given, in the case of the Agent, in accordance with the relevant provisions of the Credit Agreement and, in the case of the Guarantor, to its address indicated above and otherwise in accordance with the relevant provisions of the Credit Agreement.

**7.7 Entire Agreement**

Save as provided in Section 7.11, this agreement constitutes the entire agreement between the Guarantor, the Agent and the Lenders with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties except as expressly set forth herein. The Agent and the Lenders shall not be bound by any representations or promises made by the Borrower, the Other Guarantors or any of them to the Guarantor, and possession of this agreement by the Agent shall be conclusive evidence against the Guarantor that this agreement was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with. This agreement shall be operative and binding notwithstanding the non-execution thereof by any proposed signatory.

**7.8 Amendments and Waivers**

No amendment to this agreement will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Agent, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement. No waiver of any breach of any provision of this agreement will be effective or binding unless made in writing and signed by the Agent, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

**7.9 Severability**

Each provision of this agreement is separate and distinct from the others, such that any decision of a court or tribunal to the effect that any provision hereof is null or unenforceable shall in no way affect the validity of the other provisions hereof or the enforceability thereof. Any provision of this agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable Laws, the Guarantor hereby waives any provision of any Laws which renders any provision hereof prohibited or unenforceable in any respect.

---

**7.10 Interpretation**

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Credit Agreement. The words “this agreement”, “hereof”, “hereto”, etc. mean the present instrument executed by the Guarantor.

**7.11 Additional Rights**

This agreement is in addition and supplemental to all other guarantees and/or postponement agreements (whether or not in the same form as this instrument) held or which may hereafter be held by the Agent, the Lenders or any of them.

**7.12 Governing Law**

This agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.

**7.13 Benefit of Agreement**

This agreement shall extend to and enure to the benefit of the successors and assigns of the Agent and each of the Lenders and shall be binding upon the Guarantor and its successors.

**7.14 Authority of Agent**

The Guarantor acknowledges and agrees that the Agent has full authority to act on behalf of the Lenders in all matters relating to this agreement, and that any Person dealing with the Agent or the Lenders or any of them in respect of any such matter need not inquire further as to the authority of the Agent to act on behalf of the Lenders.

**7.15 Language**

The Guarantor acknowledges that it has required that the present agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto be drawn up in English. *Le soussigné reconnaît avoir exigé la rédaction en anglais de la présente convention ainsi que de tous documents exécutés, avis donnés et poursuites judiciaires intentées relativement ou à la suite de la présente convention, que ce soit directement ou indirectement.*

**7.16 Executed Copy**

The Guarantor acknowledges receipt of a fully executed copy of this agreement.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee on the date and at the place first hereinabove mentioned.

•

---

Per: \_\_\_\_\_

Name: •  
Title: •

ACCEPTED AND AGREED as of this \_\_\_\_ day of \_\_\_\_\_:

**ROYAL BANK OF CANADA,**  
in its aforementioned capacities

Per: \_\_\_\_\_

---

**SCHEDULE "E" – FORM OF SHARE PLEDGE**

[NOTE: If Videotron Ltd. is the party granting the pledge of shares, the form needs to be amended accordingly to remove any references to a guaratee]

**DEED OF MOVABLE HYPOTHEC WITH DELIVERY** granted in Montreal as of this • day of •

**BY:**

•, a company governed by the laws of • (hereinafter called the "**Grantor**")

**IN FAVOUR OF:**

**ROYAL BANK OF CANADA**, a bank governed by the Bank Act (Canada), acting for itself and as Agent and solidary creditor for each present and future Lender under the Credit Agreement hereafter described (the "**Creditor**")

**WHEREAS** pursuant to the Amended and Restated Credit Agreement dated as of June 16, 2015, among, inter alia, Vidéotron Ltée, as borrower (the "**Borrower**"), the financial institutions that may become parties thereto from time to time, as lenders, Royal Bank of Canada, as administrative agent (as same may be amended, supplemented, replaced, restated or otherwise modified from time to time, the "**Credit Agreement**"), the Grantor shall provide a pledge in favour of the Creditor of all shares and units it owns in its Subsidiaries, including • ("•");

**WHEREAS** pursuant to the Credit Agreement, the Grantor executed in favour of the Creditor a guarantee dated as of • (as amended, restated, replaced, supplemented or otherwise modified from time to time, the "**Guarantee**");

**WHEREAS** pursuant to subsection 18.1.2 of the Credit Agreement, the Creditor and each Lender are conferred the legal status of solidary creditors of the Grantor in respect of all rights, liabilities and other obligations owed by the Grantor to each of them, the whole in accordance with article 1541 of the *Civil Code of Quebec* (the "**Civil Code**");

**WHEREAS** the Creditor, as solidary creditor for each of the Lenders, has been granted the authority to hold any and all Security in respect of the Credit Agreement;

**WHEREAS** the Grantor has agreed to grant a movable hypothec with delivery on certain property;

**NOW THEREFORE, THE PARTIES HERETO HAVE AGREED AS FOLLOWS:**

**1. INTERPRETATION**

Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed thereto in the Credit Agreement.

**2. HYPOTHEC**

---



As security for the Obligations, as defined in Section 5, the Grantor hereby hypothecates (the hypothec created hereby being hereinafter called the "**Hypothec**") the Charged Property (as defined in Section 3) in favour of the Creditor, for a principal amount of \$1,587,000,000, plus an additional amount equal to twenty percent (20%) thereof to secure all costs, accessories and incidental expenses, the whole with interest from the date of this Deed at the rate of twenty-five percent (25%) per annum, calculated daily and compounded monthly, with interest on overdue interest calculated at the same rate and in the same manner.

**3. DESCRIPTION OF CHARGED PROPERTY**

The property charged by the Hypothec consists of the following securities (the "**Securities**") owned by the Grantor and which are held by the Creditor or a third Person:

<i>Number of shares, bonds, or other instruments</i>	<i>Description of the Securities and names of debtors appearing on the instruments or notes</i>
•	shares/units of • registered in the name of the Grantor and evidenced by certificate •

together with the following present and future property, without limiting the charges, hypothecs and rights arising by operation of law:

- a) renewals, replacements and substitutions of, and additions to, the Securities, whether arising out of a purchase, redemption, conversion, cancellation or any other transformation of the Securities;
- b) the proceeds, fruits and revenues of the Securities, including (by way of example and without limitation) cash, bank accounts, notes, negotiable instruments, bills, commercial paper, securities, monies, goods, contract rights, and any other movable property, corporeal or incorporeal, received when any of the Securities is sold, exchanged, collected or otherwise disposed of;
- c) any right pertaining to the Securities; and
- d) any other property delivered at any time to the Creditor,

(collectively, the "**Charged Property**").

**4. ADDITIONAL PROVISIONS**

**4.1 Transfer into Creditor's Name**

The Grantor authorizes the Creditor, at any time following an Event of Default, to transfer any Charged Property or any part thereof into its own name or that of its nominee(s) in its capacity as hypothecary creditor so that the Creditor or its nominee(s) may appear as the sole registered owner thereof.

**4.2 Voting, etc.**



Until the occurrence of an Event of Default which has not been waived, the Grantor shall be entitled to vote any and all Securities and to give consents, waivers, or ratifications in respect thereof, provided that no vote shall be cast or any consent, waiver, or ratification given or any action taken which would violate or be inconsistent with any of the terms of the Credit Agreement or this Deed or any other instrument or agreement relating to the Obligations or which would have the effect of materially impairing the position and interests of the Creditor. All such rights of the Grantor to vote and give consents, waivers and ratifications shall cease in case an Event of Default shall occur which has not been waived whereupon the Creditor shall be entitled, without limiting its other rights and remedies hereunder, to vote all or any part of the Securities whether or not transferred into the Creditor's name and give all consents, waivers and ratifications in respect of the Securities and otherwise act with respect thereto as though it were the outright owner thereof.

#### **4.3 Dividends and other Distributions**

Subject to the applicable provisions of the Credit Agreement, if any and so long as an Event of Default has not occurred which has not been waived, the Grantor may collect all cash dividends payable in respect of the Securities, provided that all cash dividends payable in respect of the Securities which are determined by the Creditor, in its absolute discretion, to represent in whole or in part an extraordinary, liquidating or other distribution in return of capital, shall be paid to the Creditor and retained by it as part of the Charged Property.

#### **4.4 Standard of Care**

The Creditor shall have no obligation to protest any of the Charged Property, to take any steps to interrupt prescription, to protect the Charged Property against any depreciation or reduction in value, to make any productive use of the Charged Property, or to protect the Grantor against any loss relating in any way to the Charged Property. In addition, the Creditor shall not be obliged to vote with respect to any of the Charged Property in connection with any subscription, conversion or other right relating to the Charged Property, nor in connection with any other matters or proceedings relating to the Charged Property, except where the Creditor is specifically requested in writing to do so and is provided with an indemnity and security which the Creditor considers sufficient, acting reasonably, together with payment of a reasonable fee to be established by the Creditor.

Without prejudice to its other rights hereunder, the Creditor may, at its discretion, comply with all provisions of law with which the holder of any securities comprised within the Charged Property from time to time is required to comply.

### **5. SECURED OBLIGATIONS**

The Hypothec shall secure the performance of all of the obligations of the Grantor to the Creditor (in its aforesaid capacities) arising under or in connection with the Guarantee and the Loan Documents to which it is a party, as from time to time heretofore or hereafter amended, supplemented, amended and restated or otherwise modified from time to time, and all of its obligations to the Creditor hereunder (collectively the "**Obligations**").

---

The Grantor shall be deemed to have once again obligated itself to perform any future obligation forming part of the Obligations in accordance with the provisions of Article 2797 of the Civil Code.

If the proceeds of realization of the Charged Property following an Event of Default are not sufficient to satisfy all Obligations, the Grantor acknowledges and agrees that the Grantor shall continue to be liable for any remaining Obligations and the Creditor shall remain entitled to full payment thereof.

## **6. REPRESENTATIONS AND WARRANTIES**

The Grantor hereby reaffirms and renews the representations and warranties made by it in the Credit Agreement, and in addition represents and warrants as follows:

### **6.1 Shareholders' Agreement – Securities**

There exists no restriction in the articles, other constating documents or in any agreement, including any shareholders' agreement, that is binding upon the Grantor regarding the assignment or transfer of the Securities which has not been complied with or waived, save and except the required consent of the management committee of • with respect to the transfer of the Securities.

## **7. COVENANTS**

The Grantor hereby reiterates the covenants made by it in the Credit Agreement and further covenants and agrees as follows:

### **7.1 Delivery**

It shall immediately remit to the Creditor, or a Person designated by the Creditor, all of the Securities that it owns and shall immediately so remit any Charged Property which comes into the possession of the Grantor, together with any power of attorney, document and confirmation that the Creditor may reasonably request in order to transfer the Charged Property, at any time following an Event of Default, into the name of the Creditor or its nominee.

### **7.2 Payment of Legal Fees and Other Expenses**

It shall:

- a) pay all costs and expenses related to the exercise of all rights created hereby. Such costs and expenses shall include all reasonable fees and expenses of consultants, mandataries or legal counsel retained in case of default; and
- b) reimburse the Creditor for all costs and expenses incurred by it for the purpose of carrying out the Grantor's obligations or of exercising its rights;

provided, however, that the obligations arising from this Section **Error! Reference source not found.** shall not exceed 20% of the principal amount of the Hypothec.

---

### **7.3 Rank of Hypothec**

The Hypothec shall always create a first ranking hypothec on the Charged Property (subject only to Permitted Charges).

### **8. EVENTS OF DEFAULT**

The Grantor shall be in default hereunder upon the occurrence of an Event of Default (any such occurrence being referred to herein as an “**Event of Default**”).

### **9. CREDITOR'S RECOURSES UPON AN EVENT OF DEFAULT**

#### **9.1 Surrender**

The Grantor shall be deemed to have voluntarily surrendered the Charged Property to the Creditor if it has not opposed the Creditor's recourse within 20 days of its receipt of a prior notice of the exercise of hypothecary rights.

#### **9.2 Additional Rights**

In order to protect or to realize upon the Charged Property, the Creditor shall be free, at the Grantor's expense, at any time following an Event of Default which is continuing, to do any or all of the following:

- a) alienate or dispose of any Charged Property which may depreciate rapidly;
- b) perform any of the Grantor's obligations;
- c) exercise any right attached to the Charged Property;
- d) acquire the Charged Property.

The Creditor shall not be bound to exercise the same hypothecary rights against all of the Charged Property, and may exercise different rights against different types of Charged Property or even against different elements of the Charged Property which are of the same type.

#### **9.3 Good Faith**

The Creditor shall exercise its rights in good faith, in a reasonable manner, taking into account all circumstances, in order to attempt to reduce the obligations of the Grantor to the Creditor.

#### **9.4 Relations with the Grantor and Others**

The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Grantor, with other Persons and with the Charged Property as the Creditor may see fit without diminishing the liability of the Grantor and without prejudice to the Creditor's rights pursuant to this Deed.

#### **9.5 No Security by Creditor**

---

The Creditor shall not be bound to make an inventory, to take out insurance or to furnish any security of any nature whatsoever.

**9.6 Special Provisions - Taking in Payment**

If the Creditor elects to exercise its right to take in payment and the Grantor requires that the Creditor instead sell the Charged Property on which such right is exercised, the Grantor hereby acknowledges that the Creditor shall not be bound to abandon its action in taking in payment unless, prior to the expiry of the time period allocated for surrender, the Creditor:

- a) has been granted security satisfactory to it to ensure that the proceeds of sale of the Charged Property will be sufficient to enable the Creditor to be paid in full;
- b) has been reimbursed for all costs and expenses incurred in connection with this Deed, including all fees of consultants and legal counsel; and
- c) has been advanced the necessary sums for the sale of the Charged Property.

The Grantor further acknowledges that the Creditor alone is entitled to select the type of sale it may wish to conduct or have conducted.

**9.7 Sale by the Creditor**

Where the Creditor sells the Charged Property itself, it shall not be required to obtain any prior valuation by a third party. The Creditor may elect to sell the Charged Property with legal warranty given by the Grantor or with a complete or partial exclusion of such warranty.

**10. MISCELLANEOUS**

**10.1 Hypothec Constitutes Additional Security**

The Hypothec created hereby is in addition to and not in substitution or replacement for any other hypothec or security held by the Creditor.

**10.2 Investment of Charged Property**

The Creditor shall be free to invest any monies or instruments received or held by it in pursuance of this Deed or to deposit same in a non-interest bearing account without having to comply with any provisions of the Civil Code concerning the investment of the property of others.

**10.3 Recourses Cumulative**

The rights and recourses of the Creditor under this Deed are cumulative and do not exclude any other rights and recourses which the Creditor might have. No omission or delay on the part of the Creditor in the exercise of any right shall have the effect of operating as a waiver of such right. The partial or sole exercise of a right or power will not prevent the Creditor from exercising thereafter any other right or power.

**10.4 Severability**

---

Any provision of this Deed which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be of no effect to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**10.5 Amendment**

No amendment to this Deed will be valid or binding unless set forth in writing and duly executed by the Grantor and the Creditor, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement. No waiver of any breach of any provision of this Deed will be effective or binding unless made in writing and signed by the Creditor, duly authorized by the Lenders in accordance with the provisions of the Credit Agreement and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

**10.6 Delegation**

The Creditor shall be free to delegate to any Person or Persons the exercise of its rights, actions or the performance of any covenant resulting from this Deed or law; in such case, the Creditor may supply such Person with any information it holds relating to the Grantor or to the Charged Property.

**10.7 Performance by Creditor**

At any time following the occurrence of an Event of Default and while same subsists, the Creditor shall be free to perform any of the Grantor's obligations under this Deed. It may then immediately request payment of any expense incurred in doing so, including interest on the Prime Rate Basis.

**10.8 Creditor as Mandatary**

The Creditor is hereby designated, effective upon the occurrence of an Event of Default and while same subsists, as the irrevocable mandatary of the Grantor with full powers of substitution for the purposes of Section 10.7 or for the purpose of carrying out any and all acts and executing any and all deeds, proxies or other documents which the Creditor may deem useful in order to exercise its rights or which the Grantor neglects or refuses to execute or to carry out.

**10.9 Liability of Creditor**

The Creditor shall not be liable for material injuries resulting from its fault, unless such fault is gross or intentional. The Creditor shall not be responsible for any loss occasioned by its taking possession of Charged Property or enforcing the terms of this Deed, nor for any neglect, failure or delay in exercising or enforcing any of its rights and recourses, nor for any act, default or misconduct of any agent, mandatary, broker, officer, employee or other Person acting for or on behalf of the Creditor. The Creditor shall be accountable only for such monies as it shall actually receive. The liability of the Creditor or, if applicable, the third party appointed to hold the Charged Property, shall be limited to exercising in regard to the Charged Property the same degree of care which it gives to similar property held at the same location.

**10.10 Benefit of Agreement**

---

The rights hereby conferred upon the Creditor shall benefit all of its successors, including any entity resulting from the merger of the Creditor with any other Person or Persons.

**10.11 Notice**

Any notice to the Grantor or the Creditor shall be delivered in the manner set forth in the Credit Agreement.

**10.12 Understanding of Grantor**

The Grantor hereby acknowledges having read this Deed and having received adequate explanations as to the nature and scope of its provisions and as to the obligations deriving therefrom.

**10.13 Governing Law**

This Deed shall be governed by and construed in accordance with the laws of the Province of Quebec.

**10.14 Language**

The parties acknowledge that they have required that the present Deed, as well as all documents, notices and legal proceedings executed, given or instituted pursuant or relating directly or indirectly hereto, be drawn up in English. Les parties reconnaissent avoir exigé la rédaction en anglais du présent acte, ainsi que de tous documents exécutés, avis donnés et procédures judiciaires intentées à la suite de ou relativement à celui-ci, que ce soit directement ou indirectement.

SIGNED as of the date and at the place first hereinabove mentioned.

•

By:

\_\_\_\_\_  
Name: •  
Title: •

ACCEPTED AND AGREED THIS \_\_\_\_ day of •, 20•.

**ROYAL BANK OF CANADA**, in its  
aforementioned capacities

By: \_\_\_\_\_

---

**SCHEDULE "F" - OFFICER'S CERTIFICATE**

I, the undersigned, \_\_\_\_\_, solely in my capacity as \_\_\_\_\_ of Vidéotron Ltée (the "**Borrower**"), and not in my personal capacity, do hereby certify as follows:

- (a) I have taken cognizance of all the terms and conditions of the Amended and Restated Credit Agreement (the "**Credit Agreement**") dated as of July 20, 2011, entered into, *inter alia*, among the Borrower, Royal Bank of Canada, as Agent and Lender, and the Lenders party thereto, as well as of all contracts, agreements and deeds pertaining thereto; and
- (b) no Default or Event of Default has occurred nor exists thereunder; and
- (c) the corporate structure of the VL Group is as set out in the diagram attached to this certificate;
- (d) each member of the VL Group holds the permits, Licences, licences and authorizations required in order to permit it to possess its property and its real estate and to carry on its business in the manner in which it is being carried on at present; and
- (e) all property to be charged by the Security Documents is located in the jurisdictions described in a schedule hereto.

All expressions referred to herein have the meanings ascribed to them in the Credit Agreement.

Executed at the City of Montreal, Province of Quebec this 20<sup>th</sup> day of July, 2011.

\_\_\_\_\_

---



**SCHEDULE "G" - INTENTIONALLY DELETED**

---

**SCHEDULE "H" – EXISTING DEBT FROM ADDITIONAL OFFERINGS, AT THE CLOSING DATE**

<b><u>Description</u></b>	<b><u>Amount</u></b>
6 7/8% Senior Notes due 2014	US\$650,000,000
6 3/8% Senior Notes due 2015	US\$175,000,000
9 1/8% Senior Notes due 2018	US\$715,000,000
7 1/8% Senior Notes due 2020	Cdn.\$300,000,000
6 7/8% Senior Notes due 2021	Cdn.\$300,000,000

---

## SCHEDULE "I" – PROPERTY OF THE VL GROUP

### 1. List of immovable properties owned by members of the VL Group:

#### (i) Vidéotron Ltée

– 200, rue Claire-Fontaine ouest	Alma	Québec
– Chemin Belter, Partie du lot 8C 5ième rang, (Buckingham)	Ange-Gardien	Québec
– 1015, Monseigneur de Laval	Baie Saint-Paul	Québec
– 367, rue de la Briquade	Blainville	Québec
– 113, rue Rivière	Bromont	Québec
– 42 rue Pelletier	Cabano	Québec
– 221 Boul. Springer	Chapais	Québec
– 385 rue Gagnon	Chibougamau	Québec
– 111 et 113 rue Vallilée	Chôte aux Outardes	Québec
– 306 Chemin Bellevue	Coaticook	Québec
– Anse to Norbert, Lot 47-1 du rang 5	Colombier	Québec
– 798 Chemin St-Jacques	Crabtree	Québec
– 1370, rue des Érables	Dolbeau-Mistassini	Québec
– 1650, rue Bernier	Drummondville	Québec
– 190 rue Edmonton, arrondissement Hull	Gatineau	Québec
– 407, Boul. Saint-René E	Gatineau	Québec
– 210, rue St-Urbain	Granby	Québec
– 27 rue Claude-Jodoin	Kirkland	Québec
– 60, rue Dassylva, Ptie du lot 169, Rang Ste-Mathilde	La Malbaie	Québec
– Chemin des loisirs, Lots 602-661	La Malbaie	Québec
– 88 avenue Bouchard est	La Pocatière	Québec
– 137, rue Millway	Lachute	Québec
– 202, route 170	L'Anse-Saint-Jean	Québec
– 122 - 124 , rue Olivier	Laurier-Station	Québec
– 1 rue de la Station	Laval	Québec
– 3665 rue Ste-Rose	Laval	Québec
– 223 route des Îles	Lévis	Québec
– 1072, Boul. Taschereau	Longueuil	Québec
– 3700 boul. Losch, Arrondissement St-Hubert	Longueuil	Québec
– 3750 rue Richelieu, Arrondissement St-Hubert	Longueuil	Québec
– 1880, boul. Industriel	Magog	Québec
– 31 rue Comeau	Maniwaki	Québec
– 397 Boul. St-Jean Baptiste	Mercier	Québec
– 61 2e Rang ouest, (Partie du lot 45A-54 du rang), Lac to la Croix	Métabetchouan	Québec
– Chemin du Sous-bois, Lot 160-P et 166-P	Mont St-Grégoire	Québec
– 207, rue Villeneuve	Mont-Laurier	Québec
– 1217 Notre-Dame Est	Montréal	Québec
– 14,165 rue Cherrier	Montréal	Québec
– 150, rue Beaubien ouest	Montréal	Québec
– 2155 Boul. Pie IX	Montréal	Québec
– 2835 boul. Pitfield, arrondissement Saint-Laurent	Montréal	Québec
– 4002 rue Ethel, arrondissement Verdun	Montréal	Québec
– 8100, rue Edison, arrondissement Anjou	Montréal	Québec
– 8101, boul. Métropolitain est, arrondissement Anjou	Montréal	Québec
– 4761, avenue Desjardins	Notre-Dame de la Doré	Québec
– 125, rue St-Jacques	Notre-Dame de Portneuf	Québec
– 103, rue Major	Papineauville	Québec
– 638 rue Principale	Pohenegamook	Québec

---

-	2125, rue Branly, arrondissement Ste-Foy	Québec	Québec
-	2200, rue Jean-Perrin	Québec	Québec
-	Côte-Bédard, Lot 1338490	Québec	Québec
-	53 Montée Taillardat, rang 1, Lot 31-18-21	Ragueneau	Québec
-	432, rue Félix-Duclos, arrondissement Le Gardeur	Repentigny	Québec
-	166, 9ième avenue	Richmond	Québec
-	2830, rue Galt Ouest	Sherbrooke	Québec
-	254 chemin des Patriotes	Sorel	Québec
-	258 Chemin des Patriotes	Sorel	Québec
-	35 Route 277 (533 Rte Bégin)	St-Anselme	Québec
-	Chemin Beaudoin, (Beebe)	Stanstead	Québec
-	Côte Ste-Anne, Partie du lot 223-25	Ste-Anne-de-Beaupré	Québec
-	Rang Taché est, lot 27-3 Rg A, Canton de Lafontaine	Ste-Perpétue	Québec
-	384, rue du Parc	St-Eustache	Québec
-	1183 rue Dufresne	St-Félicien	Québec
-	1258, boul. Sacré-Coeur	St-Félicien	Québec
-	rue Landry, Lot 34-B6	St-Honoré	Québec
-	6995, rue Picard	St-Hyacinthe	Québec
-	969, Boul. St-Antoine	St-Jérôme	Québec
-	Chemin de Desserte Sud	St-Louis de Blandford	Québec
-	4207, rue Bernard-Pilon	St-Mathieu de Beloeil	Québec
-	318 avenue Lajoie	St-Pascal de Kamouraska	Québec
-	Rang 4 lot 12A-27	St-Paul-de-Montminy	Québec
-	150 rue St-David	St-Siméon	Québec
-	720, rang Brulé	St-Thomas	Québec
-	1540 chemin St-Charles, (Lachenaie)	Terrebonne	Québec
-	664 St-Désiré	Thetford Mines	Québec
-	144 rue St-Laurent, (Cap-de-la-Madeleine)	Trois-Rivières	Québec
-	rue des Prairies, Lots 556-13, 556-14, (Cap-de-la-Madeleine)	Trois-Rivières	Québec
-	Ptie lot 272-30	Varenes	Québec
-	2476, rue Henry-Ford	Vaudreuil, Dorion	Québec
-	2785 chemin St-Antoine	Vaudreuil, Dorion	Québec
-	290, rue Notre-Dame	Victoriaville	Québec
-	298 to 300 rue Notre-Dame	Victoriaville	Québec
-	Lot 981-2	Waterloo	Québec

- The cable television networks and cable lines and systems including, without limiting the foregoing, the following land files opened at the Register of Public Service Networks and Immovables situated in the following registration divisions:

-	ARGENTEUIL	74-B-9
		74-B-11
		74-B-12
		74-B-13
		74-B-14
		74-B-15
		74-B-16
		74-B-17
-	ARTHABASKA	34-B-179
		34-B-180
		34-B-181
		34-B-199
-	BEAUCE	23-B-15 278

- BEAUHARNOIS  
70-B-9  
70-B-10  
70-B-11  
70-B-12  
70-B-14 to 70-B-181
  - BELLECHASSE  
15-B-1  
15-B-3  
15-B-7  
15-B-8  
15-B-93 to 15-B-116
  - BERTHIER  
49-B-36  
49-B-37  
BROME  
38-B-1088  
38-B-1089
  - CHAMBLY  
56-B-116  
56-B-117  
56-B-125
  - CHAMPLAIN  
32-B-18  
32-B-19
  - CHARLEVOIX NO. 1  
11-B-18  
11-B-19  
11-B-23 to 11-B-190
  - CHARLEVOIX NO. 2  
12-B-13 to 12-B-120
  - CHÂTEAUGUAY  
69-B-10  
69-B-11
  - CHICOUTIMI  
94-B-164  
94-B-165  
94-B-167  
94-B-168  
94-B-18 637 to 94-B-18 744
  - COATICOOK  
59-B-497  
59-B-498  
59-B-499  
59-B-500
  - COMPTON  
25-B-1163  
25-B-1164  
25-B-1165  
25-B-1166  
25-B-1167  
25-B-1168  
25-B-1169  
25-B-1170
  - DEUX-MONTAGNES  
73-B-6
-

		73-B-8
		73-B-16
		73-B-17
		73-B-18
		73-B-19
-	DORCHESTER	22-B-12
		22-B-53
		22-B-54
-	DRUMMOND	41-B-9759
-	GATINEAU	78-B-12
		78-B-13
		78-B-14
		78-B-15
		78-B-16
		78-B-17
		78-B-18
		78-B-19
-	HULL	79-B-6
		79-B-7
-	JOLIETTE	58-B-19
		58-B-20
-	KAMOURASKA	10-B-8
		10-B-9
		10-B-12
		10-B-13
		10-B-14
		10-B-15
		10-B-16
		10-B-17
		10-B-18
		10-B-19
		10-B-344 to 10-B-391
-	LABELLE	76-B-15
		76-B-16
-	LAC-ST-JEAN-EST	93-B-953 to 93-B-1090
-	LAC-ST-JEAN-OUEST	90-B-147
		90-B-148
		90-B-1 291 to 90-B-1 482
-	LAPRAIRIE	66-B-1053
		66-B-1054
-	L'ASSOMPTION	62-B-9
		62-B-10
		62-B-11
		62-B-12
		LAVAL

---

	64-B-6
	64-B-7
	64-B-8
	64-B-9
	LÉVIS
	21-B-127
	21-B-128
	21-B-669 to 21-B-824
- L'ISLET	13-B-13
	13-B-14
	13-B-15
	13-B-16
	13-B-17
	13-B-18
	13-B-19
	13-B-20
	13-B-21
	13-B-22
	13-B-23
	13-B-24
	13-B-109 to 13-B-132
- LOTBINIÈRE	28-B-1
	28-B-113
	28-B-117
	28-B-118
- MASKINONGÉ	47-B-17
- MISSISQUOI	54-B-1366
	54-B-1367
	54-B-1368
	54-B-1369
	54-B-1370
	54-B-1371
	54-B-1372
	54-B-1373
	54-B-1375
- MONTCALM	61-B-13
	61-B-16
	61-B-17
- MONTMAGNY	14-B-1
	14-B-4
	14-B-7
	14-B-8
	14-B-15
	14-B-16
	14-B-101 to 14-B-124
- MONTMORENCY	17-B-29
	17-B-42
	17-B-43

---

- MONTRÉAL
    - 65-B-3246
    - 65-B-3247
    - 65-B-3248
    - 65-B-3249
    - 65-B-3250
    - 65-B-3251
    - 65-B-3252
    - 65-B-3253
    - 65-B-3254
    - 65-B-3255
    - 65-B-3256
    - 65-B-3257
  
  - NICOLET (NICOLET 2)
    - 46-B-238 and 46-B-239
    - 46-B-226 to 46-B-237
    - 46-B-240 to 46-B-261
    - 46-B-370
  
  - PAPINEAU
    - 75-B-15
    - 75-B-16
    - 75-B-17
    - 75-B-18
    - 75-B-19
    - 75-B-20
  
  - PORTNEUF
    - 29-B-41
    - 29-B-42
    - 29-B-43
    - 29-B-44
  
  - QUÉBEC
    - 20-B-120
    - 20-B-126
    - 20-B-127
    - 20-B-128
    - 20-B-129
    - 20-B-226 to 20-B-357
    - 20-B-10730 to 20-B-10969
  
  - RICHELIEU
    - 50-B-4
    - 50-B-6
    - 50-B-7
    - 50-B-8
    - 50-B-9
  
  - RICHMOND
    - 35-B-6
    - 35-B-7
    - 35-B-11
    - 35-B-12
    - 35-B-13
    - 35-B-14
  
  - RIMOUSKI
    - 07-B-8
    - 07-B-20
    - 07-B-42
    - 07-B-335 to 07-B-406
-



-	ROUVILLE	52-B-121 52-B-122 52-B-123 52-B-124 52-B-125 52-B-126
-	SAGUENAY	97-B-41 97-B-42 97-B-43 97-B-44 97-B-45 97-B-46 97-B-47 97-B-48
-	SAINT-HYACINTHE	51-B-117 51-B-124 51-B-133 51-B-134 51-B-135 51-B-136
-	SAINT-JEAN	55-B-1135 55-B-1136
-	SHAWINIGAN	45-B-101
-	SHEFFORD	39-B-256 39-B-257 39-B-258 39-B-259 39-B-260 39-B-261
-	SHERBROOKE	36-B-1584 36-B-1585 36-B-1586 36-B-1587 36-B-1588 36-B-1589 36-B-1590 36-B-1591 36-B-1592 36-B-1593 36-B-1594 36-B-1595 36-B-1596 36-B-1597 36-B-1598 36-B-1600 36-B-1602
-	STANSTEAD	37-B-10 37-B-11

---

- TÉMISCOUATA
  - 09-B-64
  - 09-B-65
  - 09-B-66
  - 09-B-67
  - 09-B-346 to 09-B-417
- TERREBONNE
  - 63-B-25
  - 63-B-26
  - 63-B-27
  - 63-B-28
  - 63-B-29
  - 63-B-30
  - 63-B-31
  - 63-B-32
- THETFORD
  - 30-B-13
  - 30-B-14
- TROIS-RIVIÈRES
  - 44-B-8
  - 44-B-9
  - 44-B-10
  - 44-B-33 to 44-B-34
  - 44-B-21 to 44-B-32
  - 44-B-35 to 56
  - 44-B-165
- VAUDREUIL
  - 72-B-12
  - 72-B-13
  - 72-B-14
  - 72-B-15
  - 72-B-545 to 72-B-713
- VERCHÈRES
  - 57-B-114
  - 57-B-116
  - 57-B-117

**(ii) Vidéotron G.P.**

- rue Saint-Jacques St-Jean sur Richelieu Québec
  - The cable television networks and cable lines and systems including, without limiting the foregoing, the land files opened at the Register of Public Service Networks and Immovables situated in all registration divisions of the Land Registry Office of Québec including the following:
  - BEAUCE 23-B-15 279
  - CHAMBLY 56-B-960
  - DEUX-MONTAGNES 73-B-978
  - DRUMMOND 41-B-9 761
  - GATINEAU 78-B-4 286
-

-	HULL	79-B-641
-	MISSISQUOI	54-B-1 424
-	MONTMORENCY	17-B-82
-	MONTRÉAL	65-B-56 530
-	PAPINEAU	75-B-5 552
-	QUÉBEC	20-B-12 400 20-B-12 405
-	RICHMOND	35-B-5 931
-	SHERBROOKE	36-B-8 994
-	TERREBONNE	63-B-11 499
-	VAUDREUIL	72-B-3 695

**2. List of premises occupied by members of the VL Group**

**(i) Vidéotron Ltée**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**(ii) 9230-7677 Québec Inc.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**(iii) Vidéotron S.E.C. / Videotron L.P.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**(iv) 9227-2590 Québec Inc.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**(v) Vidéotron S.E.N.C. / Videotron G.P.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

- Leased sites for antennas in the Province of Québec

-	1405, Pentecostal Road	Cobourg	Ontario
-	3500, Ave Steeles	Markham	Ontario
-	3240, Rte Mavis	Mississauga	Ontario
-	6535, Blv. Millcreek	Mississauga	Ontario
-	861, Redwook Square	Mississauga	Ontario
-	1200 boul St-Laurent, (St-Laurent Shopping Centre)	Ottawa	Ontario

---

-	250, Albert Street	Ottawa	Ontario
-	403, Somerset Street	Ottawa	Ontario
-	100, King Street West	Toronto	Ontario
-	100, Wellington Street	Toronto	Ontario
-	101, Bloor Street	Toronto	Ontario
-	130, Adelaide St. West	Toronto	Ontario
-	130, King Street West	Toronto	Ontario
-	151, Front Street	Toronto	Ontario
-	161, Bay Street	Toronto	Ontario
-	20 Bay Street	Toronto	Ontario
-	20/40 Dundas/595 Bay Street	Toronto	Ontario
-	200, Bay Street, North Tower Royal Bank Plaza	Toronto	Ontario
-	222, Bay Street	Toronto	Ontario
-	245, Consumers	Toronto	Ontario
-	25, Adelaide Street East	Toronto	Ontario
-	250, Yonge Street	Toronto	Ontario
-	320, Bay Street	Toronto	Ontario
-	333 King Street East	Toronto	Ontario
-	333, King East	Toronto	Ontario
-	4, Banigan Blvd.	Toronto	Ontario
-	4100 Yonge Street	Toronto	Ontario
-	438, University Street	Toronto	Ontario
-	60, Adelaide Street East	Toronto	Ontario
-	60, Bloor Street	Toronto	Ontario
-	66, Wellington St. West	Toronto	Ontario
-	777, Bay Street	Toronto	Ontario
-	95, Wellington Street	Toronto	Ontario
-	7999, boul. Galeries d'Anjou, Kiosque #Z-035, Les Galeries d'Anjou	Anjou	Québec
-	115 rue Principale	Aylmer	Québec
-	1011, rue Larue	Beauport	Québec
-	600, Sir Wilfrid Laurier, #K-9, (Mail Montenach)	Beloil	Québec
-	650 chemin du Lac	Boucherville	Québec
-	2151, Boul. Lapinière	Brossard	Québec
-	6955, Boul. Taschereau	Brossard	Québec
-	9380, rue Leduc suite 45	Brossard	Québec
-	190 rue Fusey	Cap-de-la-Madeleine	Québec
-	1401, Boul. Talbot	Chicoutimi	Québec
-	21, rue Racine ouest	Chicoutimi	Québec
-	745, 43ième avenue, et 10,425 Côte de Liesse	Dorval	Québec
-	755 René-Lévesque, Kiosque #03060, Les Promenades Drummondville	Drummondville	Québec
-	1100, Boul. Maloney ouest	Gatineau	Québec
-	1160, boul. St-Joseph	Gatineau	Québec
-	171-A, rue Jean-Proulx, arrondissement Hull	Gatineau	Québec
-	320, Boul. St-Joseph	Gatineau	Québec
-	500, rue Gréber	Gatineau	Québec
-	40, rue Évangeline	Granby	Québec
-	619, rue Cowie	Granby	Québec
-	1075 Firestone, Magasin #1070	Joliette	Québec
-	1075, Boul Firestone	Joliette	Québec
-	480, rue St-Pierre	Joliette	Québec
-	175, (PDLN-PDLS)	Lac Jacques Cartier	Québec
-	7077, Newman	Lasalle	Québec
-	1600, boul. Le Corbusier, Local 117, Centre Laval	Laval	Québec
-	2205, rue Francis-Hugues	Laval	Québec

---

-	3003, Boul. Le Carrefour, Kiosque ZM09 & magasin A016	Laval	Québec
-	3665 boul. Ste-Rose	Laval	Québec
-	317, rue Marion	Legardeur	Québec
-	631 route 138, Longue Rive	Les Escoumins	Québec
-	1200 Alphonse-Desjardins, 3100, (Les Galeries Chagnon)	Lévis	Québec
-	6600, Boul. de la Rive-Sud	Lévis	Québec
-	1111 rue St-Charles O., local 130, 135 et 5e étage	Longueuil	Québec
-	80, rue St-Laurent	Longueuil	Québec
-	825, rue Saint-Laurent Ouest	Longueuil	Québec
-	2305, Chemin Rockland, Kiosque K135 & Entrepôt E281	Mont Royal	Québec
-	4480, rue Côte-de-Liesse	Mont Royal	Québec
-	1 Place Ville Marie	Montréal	Québec
-	1000, rue Gauchetière ouest	Montréal	Québec
-	1080, rue Beaver Hall	Montréal	Québec
-	1190-1192, Ste-Catherine ouest	Montréal	Québec
-	1205, rue Papineau	Montréal	Québec
-	1441, rue Carrie-Derick	Montréal	Québec
-	150, rue Beaubien ouest, Stationnement Home Depot	Montréal	Québec
-	1500, avenue Atwater, Plaza Alexis-Nihon	Montréal	Québec
-	1550, rue Metcalfe (1455 Peel)	Montréal	Québec
-	1755, Boul. René-Lévesque Est, Local 003	Montréal	Québec
-	1801 McGill College, 8e étage	Montréal	Québec
-	1981, rue McGill College	Montréal	Québec
-	2000, rue Berri	Montréal	Québec
-	2150 rue Moreau	Montréal	Québec
-	249, rue St-Antoine ouest	Montréal	Québec
-	3, Complexe-Desjardins, Espace N1-4, N2-23, E2-23,S2-3	Montréal	Québec
-	405, rue Ogilvy	Montréal	Québec
-	4050, Boul. Rosemont	Montréal	Québec
-	4201 Saint-Denis	Montréal	Québec
-	4220, de Rouen	Montréal	Québec
-	4500 rue Hochelaga	Montréal	Québec
-	4545, rue Frontenac	Montréal	Québec
-	5, Complexe Desjardins, Niveau Promenade	Montréal	Québec
-	500, rue René-Lévesque Ouest	Montréal	Québec
-	500, rue Sherbrooke Ouest	Montréal	Québec
-	5252, rue Maisonneuve ouest	Montréal	Québec
-	5800, rue St-Denis	Montréal	Québec
-	612 Saint-Jacques	Montréal	Québec
-	6528, rue Waverly	Montréal	Québec
-	6600 rue Saint-Urbain	Montréal	Québec
-	705, rue Ste-Catherine Ouest	Montréal	Québec
-	7275 rue Sherbrooke est	Montréal	Québec
-	7355, rue Coffee	Montréal	Québec
-	740, rue Notre-Dame Ouest	Montréal	Québec
-	800, de la Gauchetière ouest, Local #1160, Niveau 1, Place Bonaventure	Montréal	Québec
-	800, de la Gauchetière ouest, Local 1130, Niveau 1, Place Bonaventure	Montréal	Québec
-	8147 rue Sherbrooke	Montréal	Québec
-	888 rue de Maisonneuve	Montréal	Québec
-	2305 Chemin Rockland, Kiosque #K114	Mont-Royal	Québec

---

-	KM 108, route 175	Parc des Laurentides	Québec
-	KM 187, route 175	Parc des Laurentides	Québec
-	237, rue Hymus	Pointe-Claire	Québec
-	6801, route Trans-Canadienne	Pointe-Claire	Québec
-	1000, Ave Myrand, arrondissement Ste-Foy	Québec	Québec
-	1050 Lous-Alexandre-Taschereau, Adresse secondaire:, 1035, rue Chevrotière	Québec	Québec
-	150 René-Lévesque est	Québec	Québec
-	150, Boul. René Lévesque, Local 202	Québec	Québec
-	2700, Boulevard Laurier, arrondissement Ste-Foy	Québec	Québec
-	552, Wilfrid-Hamel	Québec	Québec
-	Les Galeries de la Capitale, 5401, boul. des Galeries	Québec	Québec
-	100, Boul. Brien	Repentigny	Québec
-	288, rue Pierre-Saindon	Rimouski	Québec
-	15, rue de la Chute	Rivière-du-Loup	Québec
-	401, Boul. Labelle	Rosemère	Québec
-	3103 Boul. Royal, Plaza de la Mauricie, Kiosque #K4	Shawinigan	Québec
-	3330 rue King Ouest	Sherbrooke	Québec
-	Carrefour de L'Estrie	Sherbrooke	Québec
-	262-274, boul. Fiset, Local 274	Sorel	Québec
-	Les Promenades St-Bruno, 1, boul. des Promenades, Kiosque #Z-037	St-Bruno	Québec
-	3200, Boulevard Laframboise, Kiosque 5120, Galerie St-Hyacinthe	St-Hyacinthe	Québec
-	145, rue Latour	St-Jean sur Richelieu	Québec
-	420, Boul. Industriel	St-Jean sur Richelieu	Québec
-	600, rue Pierre-Caisse, Carrefour Richelieu, Local 00442	St-Jean sur Richelieu	Québec
-	900, boul. Grignon, (Carrefour du Nord)	St-Jérôme	Québec
-	3131, Boul. Côte Vertu	St-Laurent	Québec
-	3700, rue Griffith	St-Laurent	Québec
-	6315, Chemin Côte-de-Liesse	St-Laurent	Québec
-	3598, rue Bernard Pilon	St-Mathieu de Beloeil	Québec
-	840, rue de L'Église	St-Romuald	Québec
-	1185, boul. Moody, magasin 100, (Galeries de Terrebonne)	Terrebonne	Québec
-	1075, rue Champflour	Trois-Rivières	Québec
-	Centre Commercial Les Rivières, 4225, Boul. des Forges, Kiosque #K87	Trois-Rivières	Québec
-	1000, rue St-Charles	Vaudreuil, Dorion	Québec
-	90, rue Charbonneau	Vaudreuil, Dorion	Québec
-	5, rue Commerce	Verdun	Québec

**(vi) Videotron US Inc.**

- Suite 1410, The Nemours Building, 1007 Orange Street, County of New Castle, Wilmington, Delaware, 19801, United States of America (Registered office)

**(vii) Vidéotron Infrastructures Inc.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8
- Leased sites for antennas in the Province of Québec

(viii) **Le SuperClub Vidéotron Ltée**

-	612 rue Saint-Jacques, Montréal Québec H3C4M8		
-	305, rue Sherbrooke Ouest	Montréal	Québec
-	4076, rue Wellington	Verdun	Québec
-	184 Scott Street	St. Catharines	Ontario
-	1040-1096 Princess St.	Kingston	Ontario
-	125 Stewart Blvd.	Brockville	Ontario
-	Heritage Sq.,6 Speers Blvd.	Amherstview	Ontario
-	4245, rue Jean-Talon Est	Saint-Léonard	Québec
-	3101, rue Masson	Montréal	Québec
-	1747, rue Fleury Est	Montréal	Québec
-	180, boul. d'Anjou	Châteauguay	Québec
-	2930, ch. Chambly	Longueuil	Québec
-	1027, boul. St-Joseph	Drummondville	Québec
-	210, ch. d'Aylmer	Gatineau	Québec
-	2309, rue St-Hubert	Jonquière	Québec
-	12886, rue Sherbrooke Est	Pointe-aux-Trembles	Québec
-	2552, rue Beaubien Est	Montréal	Québec
-	66, boul. Jacques-Cartier Nord	Sherbrooke	Québec
-	2635, av. Van Horne	Montréal	Québec
-	5632, boul. Henri-Bourassa Est	Montréal-Nord	Québec
-	2033, rue Principale	Sainte-Julie	Québec
-	400, route 132, local 122	Saint-Constant	Québec
-	840, boul. de l'Ange-Gardien Nord	L'Assomption	Québec
-	690, ch. de St-Jean	La Prairie	Québec
-	4250, 1 <sup>ère</sup> avenue, local 40A	Charlesbourg	Québec
-	1300, boul. St-Jean Baptiste	Montréal	Québec
-	3730, rue Ontario Est	Montréal	Québec
-	426, rue Principale	Lachute	Québec
-	5645, boul. Grande-Allée	Brossard	Québec
-	5144, rue Frontenac	Lac-Mégantic	Québec
-	882, boul. des Seigneurs	Terrebonne	Québec
-	1205, rue de Neuville, local 103	Gatineau	Québec
-	50 Main Street East	Hawkesbury	Ontario
-	554, boul. St-Laurent,	Louiseville	Québec
-	3343, rue Jarry Est	Montréal	Québec
-	3759, ch. d'Oka	Saint-Joseph-du-Lac	Québec
-	9770, rue Lajeunesse	Montréal	Québec
-	346 North Front Street	Belleville	Ontario
-	1080 Adelaide Street N.	London	Ontario
-	1200 rue de la Faune	Québec	Québec
-	100, boul. Brien	Repentigny	Québec
-	2350, boul. Ste-Anne	Québec	Québec
-	2236 Boul. Des Laurentides	Vimont, Laval	Québec
-	3490, boul. des Forges	Trois-Rivières	Québec
-	523, boul. Curé-Labelle	Fabreville	Québec
-	1010, boul. King Est	Sherbrooke	Québec
-	97, rue St-Germain Ouest	Rimouski	Québec
-	9115, boul. de L'Ormière	Québec	Québec
-	4073, boul. Royal	Shawinigan	Québec
-	379, boul. Bois-Francs Sud	Victoriaville	Québec
-	1330, av. du Mont-Royal Est	Montréal	Québec
-	455, boul. de Mortagne	Boucherville	Québec
-	355, boul. Gréber	Gatineau	Québec
-	855, boul. René-Lévesque Ouest	Québec	Québec

---

-	1, rue Dufferin	Salaberry-de-Valleyfield	Québec
-	481, boul. des Laurentides	Saint-Jérôme	Québec
-	2190, av. Larue	Beauport	Québec
-	2600, boul. Casavant Ouest	Saint-Hyacinthe	Québec
-	10750, boul. Lacroix	Saint-Georges	Québec
-	7000, av. de la Plaza	Sorel-Tracy	Québec
-	2105, boul. Curé-Labelle	Chomedey, Laval	Québec
-	1000, rue Cours Le Corbusier	Boisbriand	Québec
-	961, boul. Talbot	Chicoutimi	Québec
-	199, boul. Labelle	Rosemère	Québec
-	5780, boul. Gouin Ouest	Montréal	Québec
-	150, boul. des Laurentides	Pont-Viau, Laval	Québec
-	999, rue Pie XI	Thetford Mines	Québec
-	1866, av. Industrielle	Val-Bélair	Québec
-	803A, boul. Curé-Labelle	Blainville	Québec
-	50, Route du Président Kennedy, Local 170	Lévis	Québec
-	8256, boul. Maurice-Duplessis	Montréal	Québec
-	8285, rue Notre-Dame Est	Montréal	Québec
-	8675, boul. Viau	Saint-Léonard	Québec
-	5965, rue de Verdun	Verdun	Québec
-	6112, rue Sherbrooke Ouest	Montréal	Québec
-	215, boul. Fiset	Sorel-Tracy	Québec
-	5852, boul. Léger	Montréal-Nord	Québec
-	965, boul. d'Auteuil	Duvernay, Laval	Québec
-	84, boul. Industriel	Repentigny	Québec
-	97, rue Principale Est	Farnham	Québec
-	2815, ch. des Quatre-Bourgeois	Sainte-Foy	Québec
-	1221, rue Charles-Albanel	Sainte-Foy	Québec
-	350, rue Beaudry Nord	Joliette	Québec
-	295, boul. Armand-Thériault	Rivière-du-Loup	Québec
-	6425, rue Beaubien Est	Montréal	Québec
-	19, rue Beausoleil	Saint-Gabriel-de-Brandon	Québec
-	465, boul. du Pont	Saint-Nicolas	Québec
-	1025, boul. Curé-Poirier Ouest	Longueuil	Québec
-	6072, rue Sherbrooke Est	Montréal	Québec
-	1135, rue Décarie	Saint-Laurent	Québec
-	2700, boul. des Promenades	Deux-Montagnes	Québec
-	511, boul. Royal	Malartic	Québec
-	1258, 3e avenue	Val-d'Or	Québec
-	25, boul. Don Quichotte	L'Île-Perrot	Québec
-	203, 7e Avenue	Dolbeau-Mistassini	Québec
-	4260, rue Ste-Catherine Est	Montréal	Québec
-	299, boul. Sir Wilfrid-Laurier	Saint-Lambert	Québec
-	1950, boul. Curé-Labelle	Saint-Jérôme	Québec
-	161, 1re Avenue Ouest	Amos	Québec
-	2619 boul. Louis XIV	Beauport	Québec
-	600, boul. Jacques-Bizard	L'Île-Bizard	Québec
-	1360, boul. Montarville	Saint-Bruno	Québec
-	468, rue St-Patrice Ouest	Magog	Québec
-	30, rue Morin	Sainte-Agathe-des-Monts	Québec
-	1149, boul. de Ste-Adèle	Sainte-Adèle	Québec
-	131 chemin du lac Millette, suite 101	Saint-Sauveur	Québec
-	824, boul. Thibeau	Trois-Rivières	Québec
-	585, av. St-Charles	Vaudreuil-Dorion	Québec
-	250, boul. Sir Wilfrid-Laurier	Beloeil	Québec
-	5253, av. du Parc	Montréal	Québec

---



-	400, boul. du Séminaire Nord	St-Jean-sur-Richelieu	Québec
-	720, Montée Paiement	Gatineau	Québec
-	5178, ch. Queen Mary	Montréal	Québec
-	5245, boul. Cousineau	Saint-Hubert	Québec
-	2768, rue Laurier, CP 91	Rockland	Ontario
-	168, 25e Avenue	Saint-Eustache	Québec
-	354, boul. Arthur-Sauvé	Saint-Eustache	Québec
-	1450, boul. Père-Lelièvre	Duburger	Québec
-	5333, boul. Laurier, local 100	Terebonne (La plaine)	Québec
-	241, boul. Samson	Sainte-Dorothée, Laval	Québec
-	437, rue du Pont	Mont-Laurier	Québec
-	1360, rue Notre-Dame	L'Ancienne-Lorette	Québec
-	2020, boul. René-Gaultier	Vareennes	Québec
-	10A, boul. Georges-Gagné	Delson	Québec
-	407, rue de St-Jovite	Mont-Tremblant	Québec
-	912, rue Commerciale	Saint-Jean-Chrysostome	Québec
-	81, boul. Taché Ouest	Montmagny	Québec
-	85, av. Plante	Vanier	Québec
-	7579, boul. Newman	LaSalle	Québec
-	541, boul. Curé-Labelle	Chomedey, Laval	Québec
-	1770, av. de L'Église	Montréal	Québec
-	8465, boul. Henri-Bourassa	Charlesbourg	Québec
-	5000, rue Wellington	Verdun	Québec
-	3698, boul. Taschereau	Greenfield Park	Québec
-	9295, rue Sherbrooke Est	Montréal	Québec
-	535, rue Villeray	Montréal	Québec
-	1264, rue Jean-Talon Est	Montréal	Québec
-	477A Boul. Ste-Anne	Sainte-Anne-des-Plaines	Québec
-	5760, boul. Jean XXIII	Trois-Rivières	Québec
-	1397, 6e Avenue	Grand-Mère	Québec
-	8200, boul. Taschereau	Brossard	Québec
-	1201, boul. de Périgny	Chambly	Québec
-	420, rue St-Charles Ouest	Longueuil	Québec
-	275, rue St-Antoine Nord	Lavaltrie	Québec
-	7, rue Robert	Saint-Basile-Le-Grand	Québec
-	1116, boul. Vachon Nord, cp.19	Sainte-Marie	Québec
-	746, av. Buckingham, suite A	Buckingham	Québec
-	10, rue Papineau	Joliette	Québec
-	55, rue Marie de l'Incarnation	Québec	Québec
-	2220, ch. Gascon	Terrebonne	Québec
-	685, boul. Laure	Sept-Îles	Québec
-	1001, boul. Laflèche	Baie-Comeau	Québec
-	39, boul. St-Luc, local 100	Saint-Jean-sur-Richelieu	Québec
-	199, route 138	Donnacoona	Québec
-	3440, ch. des Quatre-Bourgeois	Sainte-Foy	Québec
-	18, rue du Manège	Coaticook	Québec
-	515, boul. Lacombe	Le Gardeur	Québec
-	1070, Montée Masson	Mascouche	Québec
-	9, boul. de la Salette	Saint-Jérôme	Québec
-	750, av. du Phare Ouest	Matane	Québec
-	3465, boul. Dagenais Ouest	Fabreville	Québec
-	1890, av. Dollard	LaSalle	Québec
-	13425 Boul. Curé-Labelle	Mirabel	Québec
-	1305, rue des Cascades	Saint-Hyacinthe	Québec
-	211, av. du Pont Sud	Alma	Québec
-	531, rue Saint-Louis	Saint-Lin-Laurentides	Québec

---

-	3285, 1re Avenue	Rawdon	Québec
-	4795, boul. Bourque	Rock Forest	Québec
-	914, boul. Maloney Est	Gatineau	Québec
-	550, boul. d'Iberville	Saint-Jean-sur-Richelieu	Québec
-	4526, boul. St-Laurent	Montréal	Québec
-	83, rue Ellice	Beauharnois	Québec
-	9, boul. Montcalm Nord, porte 17	Candiac	Québec
-	179, av. St-Alphonse	Roberval	Québec
-	572, boul. Arthur-Sauvé	Saint-Eustache	Québec
-	600, Montée du Moulin, local 24	Saint-François, Laval	Québec
-	1334, boul. Sacré-Coeur	Saint-Félicien	Québec
-	15020, boul. Henri-Bourassa	Québec	Québec
-	13960-5, Montée St-Simon	Mirabel	Québec
-	277, Montée des Pionniers	Lachenaie	Québec
-	356, boul. Sir-Wilfrid-Laurier	Mont-Saint-Hilaire	Québec
-	560, rue Conrad	Granby	Québec
-	2148, boul. Lapinière	Brossard	Québec
-	75, boul. des Châteaux, local 201	Blainville	Québec
-	828, av. Gilles Villeneuve	Berthierville	Québec
-	777, boul. Lebourgneuf local 115	Québec	Québec
-	28, boul. du Mont-Bleu	Gatineau	Québec
-	63, Montée Gagnon,	Bois-des-Fillions	Québec
-	1811, Ste-Angelique	St-Lazare	Québec
-	24 rue Du Couvent, local #1	l'Épiphanie	Québec
-	1625 3 <sup>e</sup> avenue	Val-d'Or	Québec
-	574 rue principale	Granby	Québec
-	2645 Boul. Curé-Labelle, local 105	Prévost	Québec
-	3615 Notre-Dame Ouest	St-Henri	Québec
-	281 King Street	Port Colborne	Ontario
-	1000 Gerrard Street East, Unit C13-14	Toronto	Ontario
-	12 Highland Drive.		
-	Fonthill Shopping Centre, Hwy #20	Fonthill	Ontario

For information purposes, the following are premises occupied outside of Québec and Ontario (however these do not contain material assets belonging to members of the VL Group):

-	169 Dundonald St.	Fredericton	New Brunswick
-	102 Main St., Unit 5	Fredericton	New Brunswick
-	454 Granville Street	Summerside	Prince Edward Island
-	39 Commonwealth Ave. Unit 7	Mt. Pearl	Newfoundland
-	#9-2539 Main Street	Winnipeg	Manitoba
-	8 Hardy Ave.	Grand Falls-Windsor	Newfoundland
-	Mailing address: P.O. Box 21211,	St. John's	Newfoundland
-	26 Hamlyn Road, St. John's	St. John's	Newfoundland
-	30, rue de l'Église	Edmundston	New Brunswick

**(ix) Jobboom Inc.**

- 612 rue Saint-Jacques, Montréal Québec H3C4M8

**Part 2**  
**List of Non-Material Real Estate (Section 13.3)**

<b>No</b>	<b>Address</b>	<b>Value</b>
055	14165 Cherrier, Montréal	\$130,867.00
062	Lot 556-13, 556-14, Cap-de-la Madeleine	\$92,300.00
067	Lot 601-1-2, Notre-Dame-des-Laurentides	\$86,000.00
348	Lot 981-2 canton de Shefford, Waterloo	\$19,200.00
362	St-Honoré	\$300.00
678	3338, Tolmies Corners, Roxboro, Ontario	\$29,125.00
311	1512 Chemin St-Jean (Concession 9), Clarence-Rockland, Ontario	\$61,000.00

---

**SCHEDULE “J” - OFFICER’S COMPLIANCE CERTIFICATE**

**TO: ROYAL BANK OF CANADA, as Agent**

We have reviewed the Amended and Restated Credit Agreement dated as of June 16, 2015 (as modified, supplemented, amended or amended and restated from time to time, the “**Credit Agreement**”) entered into among VIDÉOTRON LTÉE, Royal Bank of Canada, as Agent and the Lenders (as defined in the Credit Agreement), and hereby certify that:

- (i) with the exceptions listed below (if any), as of the date of this certificate, the Borrower has complied with all the terms and conditions of the Credit Agreement;
- (ii) the Adjusted Consolidated assets, EBITDA and Debt owned, generated or owed by the VL Group is not less than 85% of the consolidated assets, EBITDA and Debt of the Borrower [*if any of these elements is less than 85%, provide an accurate percentage*];
- (iii) the aggregate assets and EBITDA attributable to the Borrower and the Guarantors is [not less than 85% of the consolidated assets and EBITDA of the Borrower] **{or}** [% [*cannot be less than 80%*] of the consolidated assets and % [*cannot be less than 80%*] of the consolidated EBITDA of the Borrower], such EBITDA in each case calculated on a rolling four-quarter basis;
- (iv) [For annual Compliance Certificate alone; if both assets and EBITDA attributable to the Borrower and the Guarantors represent not less than 85% of the consolidated assets and EBITDA of the Borrower, this will be provided only at the reasonable request of the Agent] [if applicable] annexed hereto is all of the information necessary to permit the Agent and the Lenders to calculate the EBITDA and assets attributable to (a) the Borrower and the Guarantors, and (b) the Borrower on a consolidated basis; and
- (v) no Default has occurred and is continuing and no Event of Default has occurred or exists under the Credit Agreement [*or, if a Default or Event of Default exists, set out the details and proposed solutions*].

We attach a Compliance Certificate demonstrating the Borrower’s compliance with the financial covenants listed in subsections 12.11.1 and 12.11.2, [as well as compliance with the covenant contained in Section 12.12 of the Credit Agreement], in each case for the latest period required under subsection {12.15.1 - quarterly} {12.15.2 - annual} **{choose one}**.

\_\_\_\_\_  
Name and Title  
Date: \_\_\_\_\_

List of Defaults or Events of Default (either list or state “none”. If any exist, set out particulars, period of existence and actions proposed)

\_\_\_\_\_

**COMPLIANCE CERTIFICATE**

**Maintenance of Ratios (Section 12.11)**

Quarter ending \_\_\_\_\_

(Indicate if the information provided herein is provided on a consolidated or Adjusted Consolidated basis)

1. Leverage Ratio (Debt to EBITDA)

(A) Debt \$ \_\_\_\_\_

(B) EBITDA \$ \_\_\_\_\_

Ratio of Debt to EBITDA (A/B) = \_\_\_\_\_

2. Interest Coverage Ratio

(B) EBITDA \$ \_\_\_\_\_

(D) Interest Expense \$ \_\_\_\_\_

Ratio of EBITDA to Interest Expense (B/D) = \_\_\_\_\_

**Calculation of Debt (A)**

*plus* Borrowed money (excluding QMI Subordinated Debt) \$ \_\_\_\_\_

*plus* Hedging Exposure \$ \_\_\_\_\_

*plus* Deferred purchase price \$ \_\_\_\_\_

*plus* Obligations secured by Charges \$ \_\_\_\_\_

*plusplus* Capital and Synthetic Leases \$ \_\_\_\_\_

*plus* Contingent Obligations \$ \_\_\_\_\_

*equals* B/A's, letters of credit and Guarantees \$ \_\_\_\_\_

**DEBT (A):** \$ \_\_\_\_\_

---

**Calculation of EBITDA (B)**

<i>plus</i>	(i)	Net income or loss of Borrower	\$ _____
<i>plus</i>	(ii)	non-controlling interests	\$ _____
<i>plus</i>	(iii)	extraordinary items	\$ _____
<i>plus</i>	(iv)	Interest Expense	\$ _____
<i>plus</i>	(v)	Income tax expense	\$ _____
	(vi)	Depreciation and amortization	\$ _____
<i>plus or minus</i>			
<i>plus</i>	(vii)	Forex translation gains / losses	\$ _____
<i>minus</i>	(viii)	Non-cash financial charges	\$ _____
<i>minus</i>	(ix)	Income or expense related to Back-to-Back Securities	\$ _____
	(x)	EBITDA of Subsidiaries not members of the Relevant Group	\$ _____
<i>Equals</i>		<b>EBITDA (B)</b>	\$ _____

---

**Covenant Compliance (Section 12.12)**

*(To be reported on only annually, unless requested more frequently by the Agent. However, if both assets and EBITDA attributable to the Borrower and the Guarantors represent at least 85% of the consolidated assets and EBITDA of the Borrower, detailed calculations will be provided only at the request of the Agent)*

**Borrower and Guarantors required to have 80% of Borrower's consolidated EBITDA and assets (12.12)**

**Calculation of % of Assets**

(i)	Total assets of Borrower (consolidated)	\$	_____
<i>minus</i>			
(ii)	Assets owned by Persons not Borrower or Guarantors	\$	_____
<i>equals</i>			
(iii)	Total assets of Borrower and Guarantors	\$	_____
	Ratio of assets of Borrower and Guarantors to Borrower consolidated assets (must not be less than 80%)	(= (iii)/(i) =	_____

**Calculation of % of EBITDA**

(i)	Total EBITDA of Borrower (consolidated)	\$	_____
<i>minus</i>			
(ii)	EBITDA generated by Persons other than Borrower or Guarantors	\$	_____
<i>equals</i>			
(iii)	Total EBITDA of Borrower and Guarantors	\$	_____
	Ratio of EBITDA of Borrower and Guarantors to Borrower consolidated EBITDA (must not be less than 80%)	(= (iii)/(i) =	_____

---

**SCHEDULE "K" - INTENTIONALLY DELETED**

---



**SCHEDULE "L" - GUARANTORS AND MEMBERS OF THE VL GROUP AS AT THE**  
**FOURTH~~SIXTH~~ AMENDMENT CLOSING DATE**

**MEMBERS OF THE VL GROUP**

VIDÉOTRON LTÉE (Borrower)

9293-6707 QUÉBEC INC. (Guarantor)

VIDEOTRON INFRASTRUCTURES INC. (Guarantor)

MOBILE & INTERNET FIZZ INC. (Guarantor)

TÉLÉDISTRIBUTION AMOS INC. ~~(Guarantor)~~<sup>7</sup>

VIDEOTRON US INC.

9176-6857 QUÉBEC INC

CABLOVISION WARWICK INC.<sup>8</sup>

[VMEDIA INC.](#)

[RIVERTV INC.](#)

[2251723 ONTARIO INC.](#)

[VCC INDIA PRIVATE LTD.](#)

**GUARANTORS**

9293-6707 QUÉBEC INC. (Guarantor)

VIDEOTRON INFRASTRUCTURES INC. (Guarantor)

MOBILE & INTERNET FIZZ INC. (Guarantor)

~~TÉLÉDISTRIBUTION AMOS INC. (Guarantor)~~

---

<sup>7</sup> [Liquidated into Vidéotron Ltée as of December 31, 2022 and in the process of being dissolved.](#)

<sup>8</sup> [Liquidated into Vidéotron Ltée as of December 31, 2022 and in the process of being dissolved.](#)

---

---

**SCHEDULE "M" – INTENTIONALLY DELETED**

---

## SCHEDULE "N" – FORM OF SUBORDINATION AGREEMENT FOR BACK-TO-BACK SECURITIES

This SUBORDINATION AGREEMENT is dated as of □, 20□□ (the "Agreement").

To: Royal Bank of Canada, for itself and as Agent under the Credit Agreement (defined below) for the Lenders (the "Agent"), Videotron Ltée, a Quebec company (the "Obligor"), as obligor under the ● dated as of □, and □ in the principal amount of \$□ and \$□, respectively, made by the Obligor in favour of ● (the "Subordinated Notes"), and ●, as holder (the "Holder") of the Subordinated Notes, for ten dollars and other good and valuable consideration received by each of the Obligor and the Holder from the Agent and by each of the Obligor and the Holder from the other, agree as follows:

### 1. Interpretation.

(a) "**Cash, Property or Securities**". "Cash, Property or Securities" shall not be deemed to include securities of the Obligor or any other Person provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided herein with respect to the Subordinated Notes, to the payment of all Senior Indebtedness which may at the time be outstanding; provided, however, that (i) all Senior Indebtedness is assumed by the new Person, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of the Senior Indebtedness are not, without the consent of such holders, altered by such reorganization or readjustment.

(b) "**payment in full**". "payment in full", with respect to Senior Indebtedness, means the receipt on an irrevocable basis of cash in an amount equal to the unpaid principal amount of the Senior Indebtedness and premium, if any, and interest and any special interest thereon to the date of such payment, together with all other amounts owing with respect to such Senior Indebtedness.

(c) "**Senior Indebtedness**". "Senior Indebtedness" means, at any date all indebtedness (including, without limitation, any and all amounts of principal, interest, special interest, additional amounts (including amounts owed under any Derivative Instrument entered into with a Lender, as defined in the Credit Agreement), premium, fees, penalties, indemnities and "post-petition interest" in bankruptcy and any reimbursement of expenses) under (1) the Indentures described as (i) "US\$650,000,000 6<sup>7</sup>/<sub>8</sub>% Senior Notes due 2014", (ii) "US\$175,000,000 6<sup>3</sup>/<sub>8</sub>% Senior Notes due 2015", (iii) "US\$715,000,000 9<sup>1</sup>/<sub>8</sub>% Senior Notes due 2018", (iv) "Cdn.\$300,000,000 7<sup>1</sup>/<sub>8</sub>% Senior Notes due 2020", and (v) Cdn.\$300,000,000 6<sup>7</sup>/<sub>8</sub>% Senior Notes due 2021 including, without limitation, the "Notes", the "Subsidiary Guarantees", the "Exchange Notes", the "Additional Notes" and any Guarantee of the Exchange Notes or the Additional Notes (in each case, as defined in the relevant Indenture) and (2) the Amended and Restated Credit Agreement, dated as of June 16, 2015, among the Obligor, the Lenders as defined therein, and Royal Bank of Canada, as administrative agent (the "**Credit Agreement**"; capitalized terms used herein without definition having the meanings set forth therein).

### 2. Agreement Entered into Pursuant to Credit Agreement.

---

The Obligor, the Agent and the Lenders are entering into this Agreement pursuant to the provisions of the Credit Agreement, pursuant to which Videotron Ltée may borrow up to Cdn. \$650,000,000 on a committed basis (the “**Credit**”).

3. **Subordination.**

The indebtedness represented by the Subordinated Notes shall be subordinated as follows:

(a) **Agreement to Subordinate.** The Obligor, for itself and its successors and assigns, and the Holder agree that the indebtedness evidenced by the Subordinated Notes (including, without limitation, principal, interest, premium, fees, penalties, indemnities and “post-petition interest” in bankruptcy (as same is interpreted under the US Bankruptcy Code) and any reimbursement of expenses) is subordinate and junior in right of payment, to the extent and in the manner provided in this Section 3, to the prior payment in full of all Senior Indebtedness. The provisions of this Section 3 are for the benefit of the Agent acting on behalf of the holders from time to time of Senior Indebtedness under the Credit Agreement, including the Lenders as defined therein, and such holders are hereby made obligees hereunder to the same extent as if their names were written herein as such, and they (collectively or singly) may proceed to enforce such provisions.

(b) **Liquidation, Dissolution or Bankruptcy.**

- (i) Upon any distribution of assets of the Obligor to creditors or upon a liquidation or dissolution or winding-up of the Obligor or in a bankruptcy, arrangement, liquidation, reorganization, insolvency, receivership or similar case or proceeding relating to the Obligor or its property or other marshalling of assets of the Obligor:
- (A) the holders of Senior Indebtedness shall be entitled to receive payment in full of all Senior Indebtedness before the Holder shall be entitled to receive any payment of principal of or interest on, or any other amount owing in respect of, the Subordinated Notes;
  - (B) until payment in full of all Senior Indebtedness, any distribution of assets of the Obligor of any kind or character to which the Holder would be entitled but for this Section 3 is hereby assigned to the holders of Senior Indebtedness absolutely and shall be paid by the Obligor or by any receiver, trustee in bankruptcy, liquidating trustee, agents or other Persons making such payment or distribution to, the Agent on behalf of the holders of Senior Indebtedness under the Credit Agreement, as their interests may appear; and
  - (C) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Obligor of any kind or character, whether in Cash, Property or Securities, shall be received by the Holder before all Senior Indebtedness is paid in full, such payment or distribution shall be held in trust for the benefit of and shall be paid over to the Agent on behalf of the holders of Senior Indebtedness under the Credit
-

Agreement, as their interests may appear, for application to the payment of all Senior Indebtedness under the Credit Agreement until all such Senior Indebtedness shall have been paid in full after giving effect to any concurrent payment or distribution to the holders of Senior Indebtedness under the Credit Agreement in respect of such Senior Indebtedness.

- (ii) If (A) a bankruptcy, reorganization, insolvency, receivership or similar proceeding relating to the Obligor or its property (a “**Reorganization Proceeding**”) is commenced and is continuing and (B) the Holder does not file proper claims or proofs of claim in the form required in a Reorganization Proceeding prior to 45 days before the expiration of the time to file such claims, then (1) upon the request of the Agent, the Holder shall file such claims and proofs of claim in respect of the Subordinated Notes and execute and deliver such powers of attorney, assignments and proofs of claim or proxies as may be directed by the Agent to enable it to exercise in the sole discretion of the Agent any and all voting rights attributable to the Subordinated Notes which are capable of being voted (whether by meeting, written resolution or otherwise) in a Reorganization Proceeding and enforce any and all claims upon or in respect of the Subordinated Notes and to collect and receive any and all payments or distributions which may be payable or deliverable at any time upon or in respect of the Subordinated Notes, and (2) whether or not the Agent shall take the action described in clause (1) above, the Agent shall nevertheless be deemed to have such powers of attorney as may be necessary to enable the Agent to exercise such voting rights, file appropriate claims and proofs of claim and otherwise exercise the powers described above for and on behalf of the Holder.

(c) **Relative Rights.** This Section 3 defines the relative rights of the Holder and the holders of Senior Indebtedness. Nothing in this Section 3 shall:

- (i) impair, as between the Obligor and the Holder, the obligation of the Obligor, which is absolute and unconditional, to pay the principal of and interest on the Subordinated Notes in accordance with their terms; or
- (ii) affect the relative rights of the Holder and creditors of the Obligor other than the holders of Senior Indebtedness; or
- (iii) affect the relative rights of the holders of Senior Indebtedness among themselves or opposite the Obligor under the Loan Documents; or
- (iv) prevent the Holder from exercising its available remedies upon a default, subject to the rights of the holders of Senior Indebtedness to receive cash, property or other assets otherwise payable to the Holder.

(d) **Subordination May Not Be Impaired.**

---

- (i) No right of any holder of Senior Indebtedness to enforce the subordination of indebtedness evidenced by the Subordinated Notes shall in any way be prejudiced or impaired by any act or failure to act by the Obligor or by any such holder or the Agent, or by any non-compliance by the Obligor with the terms, provisions or covenants herein, regardless of any knowledge thereof which any such holder or the Agent may have or be otherwise charged with. Neither the subordination of the Subordinated Notes as herein provided nor the rights of the holders of Senior Indebtedness with respect hereto shall be affected by any extension, renewal or modification of the terms, or the granting of any security in respect of, any Senior Indebtedness or any exercise or non-exercise of any right, power or remedy with respect thereto.
  - (ii) The Holder agrees that all indebtedness evidenced by the Subordinated Notes will be unsecured by any Charge (as defined in the Credit Agreement) or by any Lien (as defined in the Indenture) upon or with respect to any property of the Obligor.
  - (iii) The Holder agrees not to exercise any offset or counterclaim or similar right in respect of the indebtedness evidenced by the Subordinated Notes except to the extent payment of such indebtedness is permitted and will not assign or otherwise dispose of the Subordinated Notes or the indebtedness which it evidences unless the assignee or acquirer, as the case may be, agrees to be bound by the terms of this Agreement.
- (e) Holder Entitled to Rely.

Upon any payment or distribution pursuant to this Section 3, the Holder shall be entitled to rely (i) upon any order or decree of a court of competent jurisdiction in which any proceedings of the nature referred to in Section (b) are pending, (ii) upon a certificate if the liquidating trustee or agent or other person in such proceedings making such payment or distribution to the Holder or its representative, if any, or (iii) upon a certificate of the Agent or any representative (if any) of the holders of Senior Indebtedness for the purpose of ascertaining the persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Obligor, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Section 3

#### 4. **Enforceability.**

Each of the Obligor and the Holder represents and warrants that this Agreement has been duly authorized, executed and delivered by each of the Obligor and the Holder and constitutes a valid and legally binding obligation of each of the Obligor and the Holder, enforceable in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles; and on the date hereof, the Holder shall deliver an opinion or opinions of counsel to such effect to the Agent for the benefit of the Lenders.

---

5. **Miscellaneous.**

(a) Until payment in full of all the Senior Indebtedness, the Obligor and the Holder agree that no amendment shall be made to any of the Subordinated Notes which would affect the rights of the holders of the Senior Indebtedness.

(b) This Agreement may not be amended or modified in any respect, nor may any of the terms or provisions hereof be waived, except by an instrument signed by the Obligor, the Holder and the Agent.

(c) This Agreement shall be binding upon each of the parties hereto and their respective successors and assigns and shall inure to the benefit of the Agent and each and every holder of Senior Indebtedness and their respective successors and assigns.

(d) This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(e) The Holder and the Obligor each hereby irrevocably agrees that any suits, actions or proceedings arising out of or in connection with this Agreement may be brought in any state or federal court sitting in The City of New York or any court in the Province of Quebec and submits and attorns to the non-exclusive jurisdiction of each such court.

(f) The Holder and the Obligor will whenever and as often as reasonably requested to do so by the Agent, do, execute, acknowledge and deliver any and all such other and further acts, assignments, transfers and any instruments of further assurance, approvals and consents as are necessary or proper in order to give complete effect to this Agreement.

(g) Each of the Holder and the Obligor irrevocably appoints CT Corporation System, as its authorized agent in the State of New York upon which process may be served in any such suit or proceedings, and agrees that service of process upon such agent, and written notice of said service to CT Corporation System, by the person serving the same to the addresses listed below, shall be deemed in every respect effective service of process upon the Holder or the Obligor, as applicable, in any such suit or proceeding.

If to the Obligor:



If to the Holder:



Each of the Holder and the Obligor further agrees to take any and all action as may be necessary to maintain such designation and appointment of such agent in full force and effect for a period of ten years from the date of this Agreement.

---



IN WITNESS WHEREOF, the Obligor and the Holder each have caused this Agreement to be duly executed.

●

by \_\_\_\_\_

Name: ■

Title: ■

●

by \_\_\_\_\_

Name: ■

Title: ■

---

**SCHEDULE “O” – JOINDER AGREEMENT**

**JOINDER AGREEMENT**

**THIS JOINDER AGREEMENT**, dated as of \_\_\_\_\_, 20 (this “**Agreement**”), by and among [NEW LENDERS] (each a “**New Lender**” and collectively the “**New Lenders**”), VIDÉOTRON LTÉE (the “**Borrower**”), the several banks and other financial institutions or entities from time to time parties thereto, Royal Bank of Canada, as Agent (in such capacity, the “**Agent**”).

**RECITALS:**

**WHEREAS** reference is hereby made to the Amended and Restated Credit Agreement dated as of June 16, 2015 (as it may be further amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”; the terms defined therein and not otherwise defined herein being used herein as therein defined), by and among the Lenders party thereto from time to time and the Agent; and

**WHEREAS** subject to the terms and conditions of the Credit Agreement, the Borrower may increase the existing Commitments by obtaining New Commitments and entering into one or more Joinder Agreements with the New Lenders.

**NOW, THEREFORE**, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Each New Lender party hereto hereby agrees to commit to provide its respective New Commitment as set forth on Schedule “A” annexed hereto, on the terms and subject to the conditions set forth below:

Each New Lender (i) confirms that it has received a copy of the Credit Agreement and the Security Documents, together with copies of the financial statements referred to therein and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Joinder Agreement (this “**Agreement**”); (ii) agrees that it will, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the Security Documents as are delegated to the Agent by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) acknowledges and accepts that such New Lender and the Agent are solidary creditors of the Borrower and the Guarantors in respect of all amounts, liabilities and other obligations, present and future, of the Borrower and the Guarantors to each of them under the Credit Agreement and the Derivative Instruments as contemplated by Section 18.1.2 of the Credit Agreement and in accordance with Article 1541 of the *Civil Code of Quebec*; and (v) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender.

Each New Lender hereby agrees to make its Commitment on the following terms and conditions:

---

1. **New Lenders.** Each New Lender acknowledges and agrees that upon its execution of this Agreement, such New Lender shall become a “Lender” under, and for all purposes of, the Credit Agreement and the Security Documents, and shall be subject to and bound by the terms thereof, and shall perform all the obligations of and shall have all rights of a Lender thereunder.
  2. **Credit Agreement Governs.** Except as set forth in this Agreement, New Advances shall otherwise be subject to the provisions of the Credit Agreement and the Security Documents.
  3. **The Borrower’s Certifications.** By its execution of this Agreement, each of the undersigned officers, to the best of his or her knowledge, and the Borrower hereby certify that:
    - i. The representations and warranties contained in the Credit Agreement and the Security Documents are true and correct in all material respects on and as of the date hereof to the same extent as though made on and as of the date hereof, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties were true and correct in all material respects on and as of such earlier date;
    - ii. No event has occurred and is continuing or would result from the addition of the Commitments from the New Lenders as contemplated hereby that would constitute a Default or an Event of Default;
    - iii. The Borrower has performed in all material respects all agreements and satisfied all conditions required to be performed or satisfied by it under the Credit Agreement on or before the date hereof; and
    - iv. After giving effect to this Joinder Agreement and the aggregate new Commitments, the Borrower is (and will be on a pro forma basis) in compliance with the financial tests described in Section 12.11 of the Credit Agreement.
  4. **The Borrower’s Covenants.** By its execution of this Agreement, the Borrower hereby covenants that:
    - i. The Borrower shall make all payments required pursuant to the Credit Agreement in connection with the New Commitments, including the payment of any fees in respect of such New Commitment; and
    - ii. The Borrower shall deliver or cause to be delivered the legal opinions and documents required pursuant to subsection 2.4.3 of the Credit Agreement.
  5. **Notice.** For purposes of the Credit Agreement, the initial notice address of each New Lender shall be as set forth below its signature below.
  6. **Recording of the New Loans.** Upon execution and delivery hereof, the Agent will record the New Advances made by New Lenders in the Register.
-

7. **Amendment, Modification and Waiver.** This Agreement may not be amended, modified or waived except by an instrument or instruments in writing signed and delivered on behalf of each of the parties hereto.
8. **Entire Agreement.** This Agreement, the Credit Agreement and the Security Documents constitute the entire agreement among the parties with respect to the subject matter hereof and thereof and supersede all other prior agreements and understandings, both written and verbal, among the parties or any of them with respect to the subject matter hereof.
9. **Governing Law.** This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the province of Quebec.
10. **Severability.** Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms or provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.
11. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

[Remainder of page intentionally left blank]

---

**IN WITNESS WHEREOF**, each of the undersigned has caused its duly authorized officer to execute and deliver this Joinder Agreement as of [\_\_\_\_\_, \_\_\_\_].

**[NAME OF NEW LENDER]**

By: \_\_\_\_\_

Name:

Title:

Notice Address:

Attention:

Telephone:

Facsimile:

**VIDÉOTRON LTÉE**

By: \_\_\_\_\_

Name:

Title:

By: \_\_\_\_\_

Name:

Title:

---

**ROYAL BANK OF CANADA**  
as Agent

By: \_\_\_\_\_  
Name:  
Title:

---

**SCHEDULE A  
TO JOINDER AGREEMENT**

Name of Lender	Type of Commitment	Amount
[ ]	New Commitment	\$ _____
		Total: \$ _____

---

## **SCHEDULE “P”– FINNVERA TERM FACILITY**

None of the provisions of this Schedule “P” shall apply to the Revolving Facility Lenders or the Revolving Facility.

### **1. TRANCHE A CREDIT**

Subject to the provisions of the Credit Agreement, and in particular, to the provisions of Article 2 of this Schedule “P”, each Tranche A Lender agrees to make available to the Borrower, individually and not jointly and severally or solidarily, its Tranche A Commitment in the Tranche A Credit, which Tranche A Credit consists of the Finnvera Term Facility in a maximum amount equal to Cdn.\$75,000,000. All Tranche A Advances under the Finnvera Term Facility shall be in Canadian Dollars alone. The Finnvera Term Facility will not revolve and any amount prepaid or repaid may not be reborrowed.

### **2. PURPOSE**

All Tranche A Advances made by the Tranche A Lenders to the Borrower under the Finnvera Term Facility in accordance with the provisions of this Schedule “P” shall be used to, without duplication, (i) finance up to the CAD Equivalent of (x) 85% of the Purchase Price and (y) costs for local services up to a maximum of 30% of the Purchase Price by way of reimbursement to the Borrower for eligible payments made by the Borrower to NSN under the NSN Contract; (ii) pay up to 100% of the upfront portion of the ECA Premium A from the proceeds of the first Tranche A Advance; and (iii) pay all other amounts approved by Finnvera and owed in connection with the NSN Contract, the whole subject to and in accordance with the terms and conditions of this Schedule “P”.

### **3. ADVANCES AND OPERATION OF ACCOUNTS**

#### **3.1 Tranche A Notice of Borrowing**

Subject to the applicable provisions of this Schedule “P” but not more than once per calendar month, the Borrower shall be entitled to request multiple Tranche A Advances under the Finnvera Term Facility, to be made on any Business Day during the Availability Period and in accordance with the payment program set forth in the NSN Contract, up to the maximum amount of the Tranche A Credit, upon delivery of an irrevocable written Tranche A Notice of Borrowing to the Finnvera Facility Agent at or before 3:00 P.M. (London, England time) at least four (4) Business Days prior to the date of the proposed Tranche A Advance.

#### **3.2 Type of Tranche A Advance**

Tranche A Advances made by a Domestic Tranche A Lender or a Foreign Tranche A Lender in accordance with Section 3.6 of this Schedule “P” shall be in the form of Tranche A CDOR Advances.

---



**3.3 Notice of New Tranche A Designated Period**

Upon the expiration of any Tranche A Designated Period applicable to any Tranche A CDOR Advance, the Borrower shall have the option to request the continuation of all or any portion (in minimum amounts of Cdn.\$1,000,000 or such smaller amount corresponding to the Tranche A CDOR Advance Amount of such Tranche A Advance on the Tranche A Rollover Date upon delivery of an irrevocable written Notice of New Tranche A Designated Period to the Finnvera Facility Agent at or before 3:00 P.M. (London, England time) at least four (4) Business Days prior to the date of the Tranche A Rollover Date. Except in respect of the whole or a portion of the Tranche A Advance Amount for which the Borrower has delivered a Notice of Repayment in accordance with the provisions of Section 5.2 of this Schedule "P", if the Borrower has not delivered a Notice of New Tranche A Designated Period in a timely manner in accordance with the provisions of this Section 3.3, the Borrower shall be deemed to have chosen a new Tranche A Designated Period of 6 months (or such shorter period expiring on the next Repayment Date). For greater certainty, if only a portion of a Tranche A Advance is continued under this Section 3.3, the portion not so continued shall be prepaid and cancelled.

**3.4 Determination of Interest**

The Finnvera Facility Agent shall determine the CDOR Rate which will be in effect on the date of the Tranche A Advance or the Tranche A Rollover Date, as the case may be (which, in each case, must be a Business Day), with respect to the Tranche A CDOR Advance Amount, having a maturity of 30 to 183 days (during the Availability Period) or 1, 3 or 6 months (during the period of 24 months from the Signing Date) or 3 or 6 months (thereafter), as requested by the Borrower and subject to availability, from the date of the Tranche A Advance or the Tranche A Rollover Date, as the case may be. However, if the Borrower has not delivered a notice to the Finnvera Facility Agent in a timely manner in accordance with the provisions of Section 3.1 or 3.3 of this Schedule "P", as the case may be, the Borrower shall be deemed to have chosen a Tranche A Designated Period of 6 months (or such shorter period expiring on the next Repayment Date).

Notwithstanding the foregoing, each Tranche A Advance other than the initial Tranche A Advance shall have a Tranche A Designated Period expiring on the next Tranche A Rollover Date.

**3.5 Operation of Accounts**

The Finnvera Facility Agent shall maintain in its books at the Finnvera Facility Agency Branch a record of the Term Loan attesting as to the total of the Borrower's indebtedness to the Tranche A Lenders. These accounts or registers shall constitute, in the absence of manifest error, *prima facie* proof of the total amount of the indebtedness of the Borrower to the Tranche A Lenders, of the date of any Tranche A Advance made to the Borrower and of the total of all amounts paid by the Borrower from time to time with respect to principal and interest owing on the Term Loan and the fees and other sums payable in connection with the Finnvera Term Facility.

---

### **3.6 Apportionment of Tranche A Advances**

The amount of each Tranche A Advance will be apportioned among the Tranche A Lenders by the Finnvera Facility Agent by reference to the Tranche A Commitment of each Tranche A Lender, as such Tranche A Commitment shall be immediately prior to the making of any Tranche A Advance. If any amount disbursed by the Finnvera Facility Agent to the Borrower is not in fact made available to the Finnvera Facility Agent by a Tranche A Lender, the Finnvera Facility Agent shall be entitled to recover such amount (together with interest thereon at the rate determined by the Finnvera Facility Agent as being its cost of funds in the circumstances) on demand from such Tranche A Lender or, if such Tranche A Lender fails to reimburse the Finnvera Facility Agent for such amount, on demand from the Borrower.

### **3.7 Limitations on Advances**

- 3.7.1 The undrawn Tranche A Credit available under the Finnvera Term Facility shall cease to be available at the expiry of the Availability Period.
- 3.7.2 The aggregate principal amount of each Tranche A Advance (other than the initial Tranche A Advance) shall not exceed the CAD Equivalent (determined as of the date of the Tranche A Notice of Borrowing issued in connection with such Tranche A Advance) of (i) 85% of the portion of the Purchase Price for which such Tranche A Advance is made and (ii) costs for local services up to a maximum amount which, when combined with all amounts previously disbursed by the Tranche A Lenders in reimbursement of costs for local services, does not exceed 30% of the portion of the Purchase Price paid to date (collectively, the "**Maximum Amount**") and, in the case of the initial Tranche A Advance only, the sum of the Maximum Amount and up to 100% of the upfront portion of the ECA Premium A.

### **3.8 Notices Irrevocable**

Any notice given to the Finnvera Facility Agent in accordance with Article 3 of this Schedule "P" may not be revoked or withdrawn.

### **3.9 Market for Tranche A CDOR Advances**

- 3.9.1 If at any time or from time to time as a result of market conditions, (i) there exists no appropriate or reasonable method to establish the CDOR Rate for a Tranche A CDOR Advance Amount, or a Tranche A Designated Period, or (ii) the Finnvera Facility Agent receives notification from two or more Tranche A Lenders whose Tranche A Commitments exceed, in the aggregate, 20% of the Tranche A Credit, that the CDOR Rate does not accurately reflect its Cost of Funds, then the relevant Tranche A Lenders shall, prior to the date of a Tranche A
-

Advance or the Tranche A Rollover Date, so advise the Finnvera Facility Agent and shall thereupon not be obliged to honor any Tranche A Notices of Borrowing or any Notices of New Tranche A Designated Period and the Borrower's option to request Tranche A CDOR Advances or any rollovers thereof, as the case may be, shall thereupon be suspended upon notice by the Finnvera Facility Agent to the Borrower, and, until such time as the Finnvera Facility Agent has determined that the circumstances having given rise to such suspension no longer exist, in respect of which determination the Finnvera Facility Agent shall advise the Borrower within a reasonable delay, the rate of interest applicable to such Tranche A Lenders' portion of any Tranche A Advance shall be calculated and payable on a Cost of Funds Basis plus a margin of 0.875%, in the case of rollovers of Tranche A Advances which were originally Tranche A CDOR Advances or in the case of new Tranche A Advances which would otherwise have been Tranche A CDOR Advances in accordance with the provisions of Section 3.6 of this Schedule "P". For the purposes of paragraph **Error! Reference source not found.** of this Section 3.9, a Tranche A Lender shall notify the Finnvera Facility Agent of its Cost of Funds as soon as practicable and in any event before interest is due to be paid in respect of the relevant Tranche A Advance.

- 3.9.2 If the events described in clause (i) or (ii) of subsection 3.9.1 above occur and the Finnvera Facility Agent or the Borrower so requires, the Finnvera Facility Agent and the Borrower shall enter into negotiations (for a period of not more than thirty (30) days) with a view to agreeing on a substitute basis for determining the rate of interest payable to each Tranche A Lender affected by such above-mentioned events. Any alternative basis agreed upon pursuant to the above shall, with the prior consent of all of the Tranche A Lenders, be binding on all parties, it being agreed that such alternative basis shall apply only to the Tranche A Lenders affected by the relevant events described in such clause (i) or (ii).
- 3.9.3 For greater certainty, if no such agreement on an alternative basis is reached in accordance with the provisions of subsection 3.9.2 above, the provisions of 3.9.1 shall apply.

### **3.10 Suspension of Tranche A CDOR Advances**

If Canadian Dollar deposits are not available to the Foreign Tranche A Lenders in the ordinary course of business in amounts sufficient to permit them to make or continue a Tranche A Advance for a Tranche A Designated Period, the Foreign Tranche A Lenders shall, prior to the date of a Tranche A Advance or the Tranche A Rollover Date, so advise the Finnvera Facility Agent and thereupon be relieved from their obligation to make or continue a Tranche A Advance until such time as such funds become available in sufficient amounts, but they shall comply with the provisions of Section 3.11 of this Schedule "P".

---

**3.11 Specific Clause with Regard to Foreign Tranche A Lenders**

In the event of a suspension of the Borrower's right to request Tranche A Advances (including conversions and extensions thereof) from one or more Foreign Tranche A Lenders under Section 3.10 of this Schedule "P" (each a "**Tranche A Affected Lender**"), each Tranche A Affected Lender shall, concurrently with the notice described in Section 3.10 of this Schedule "P", seek alternative sources of funding the Tranche A Advances and, if sufficient funds are obtained, shall notify the Borrower as to when such funds will be available for Tranche A Advances. On the date indicated in such latter notice, the Tranche A Affected Lender shall be deemed to have made a Tranche A Advance with interest payable on a Cost of Funds Basis.

If within 5 Business Days following the notice described in Section 3.10 of this Schedule "P", there remain one or more Tranche A Affected Lenders who have not been deemed to have made a Tranche A Advance on a Cost of Funds Basis under the preceding paragraph, such Tranche A Affected Lender (a "**Tranche A Incapable Lender**") shall (i) provide an additional notice to the Finnvera Facility Agent and the Borrower of such fact and (ii) the parties will negotiate such amendments to this Schedule "P" as may be required to give full effect to such intention, it being understood that the Borrower alone will bear all foreign exchange risks.

**3.12 Limits on Tranche A CDOR Advances**

Nothing in this Agreement shall be interpreted as authorizing the Borrower to borrow by way of Tranche A CDOR Advances for a Tranche A Designated Period expiring on a date which is after the expiry of the next Repayment Date.

**3.13 Exclusion of Finnvera Facility Agent, the Security Agent and Tranche A Lenders Liability in respect of NSN Contract**

It is expressly understood and agreed by the Borrower, the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders that there is no contractual relationship, either express or implied, between the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders, on the one hand, and the Borrower, NSN or any other Person supplying any work, services or material in connection with the NSN Contract, on the other hand, and that the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders shall not be liable to the Borrower, NSN or any such other Person in connection with the NSN Contract. The Borrower is not and shall not be the agent of the Finnvera Facility Agent, the Security Agent or the Tranche A Lenders for any purpose. There shall be no third party beneficiary of this Schedule "P", express or implied, other than Finnvera.

**4. INTEREST AND FEES****4.1 Interest at the CDOR Rate**

The principal amount of the Tranche A CDOR Advances, which at any time and from time to time remains outstanding, shall bear interest, calculated daily, on the daily balance of such Tranche A CDOR Advances, from each Tranche A Rollover Date, at the annual rate

---

(calculated based on a 365-day year) applicable to each of such days which corresponds to the CDOR Rate applicable to each Tranche A CDOR Advance Amount, plus a margin of 0.875%, and shall be effective from each Tranche A Rollover Date up to and including the date prior to the next Tranche A Rollover Date.

**4.2 Intentionally Deleted**

**4.3 Payment of Interest**

The interest payable in accordance with the provisions of Sections 4.1 and 4.2 of this Schedule "P" and calculated in the manner hereinabove set forth on the amount outstanding from time to time is payable to the Finnvera Facility Agent, for the account of the relevant Tranche A Lenders, in arrears on the last day of the Tranche A Designated Period.

If the relevant Tranche A Designated Period is not equal to 1, 2, 3 or 6 months, then the CDOR Rate, shall be determined by the application of straight line interpolation (rounding upwards, if necessary, to the nearest multiple of 0.01%) by reference to two CDOR Rates, one of which shall be the rate per annum for the period shorter than the stated term by the least number of days, and the other of which shall be the rate per annum for the period which is longer than the stated term by the least number of days.

**4.4 Fixing of CDOR Rate**

The CDOR Rate shall be transmitted to the Borrower at approximately 3:00 P.M. (London, England time) on the same Business Day as:

4.4.1 the date on which the Tranche A CDOR Advance is to be made; or

4.4.2 the relevant Tranche A Rollover Date.

**4.5 Arrears of Interest**

Any arrears of interest or principal payable by the Borrower to the Finnvera Facility Agent or the Tranche A Lenders in connection with the Term Loan shall bear interest at the Default Rate.

**4.6 Maximum Interest**

The amount of the interest or fees payable in applying this Schedule "P" shall not exceed the maximum rate permitted by Applicable Law. Where the amount of such interest or such fees is greater than such maximum rate, the amount shall be reduced to the highest rate which may be recovered in accordance with the applicable provisions of Applicable Law.

---

#### 4.7 Commitment Fee

The Borrower shall pay to the Finnvera Facility Agent, for the account of the Tranche A Lenders, a commitment fee (the "Commitment Fee") in accordance with the terms and conditions of the Commitment Fee Letter attached hereto as Exhibit "P-6" to this Schedule "P".

#### 4.8 Finnvera Closing Fee

On the later of (i) the Closing Date and (ii) the date on which the conditions set forth in subsection 6.2.1 have been met, the Borrower shall pay to the Finnvera Facility Agent, for the account of Finnvera, and to each Tranche A Lender a closing Fee of Cdn\$7,500 each. Notwithstanding any other terms of this Schedule "P", the foregoing closing Fee shall be the only Fee payable to the Tranche A Lenders and to Finnvera for the approval of and entry into the amendments made to the Credit Agreement on the Closing Date.

#### 4.9 ECA Premium A

If all or any part of the upfront portion of the ECA Premium A is not paid by the Borrower to the Finnvera Facility Agent, for the account of Finnvera, prior to the requested date of the initial Tranche A Advance after the Closing Date (the "**Outstanding ECA Premium A**"), the Finnvera Facility Agent shall deduct the Outstanding ECA Premium A from the proceeds of the initial Tranche A Advance after the Closing Date and remit same to Finnvera concurrently therewith.

#### 4.10 Interest Act

For the purposes of the *Interest Act* (Canada), any amount of interest or fees calculated herein using 360 or 365 days per year and expressed as an annual rate is equal to the said rate of interest or fees multiplied by the actual number of days comprised within the calendar year, divided by 360 or 365, as the case may be. The parties agree that all interest in this Schedule "P" will be calculated using the nominal rate method and not the effective rate method, and that the deemed re-investment principle shall not apply to such calculations. In addition, the parties acknowledge that there is a material distinction between the nominal and effective rates of interest and that they are capable of making the calculations necessary to compare such rates.

### 5. PAYMENT, REPAYMENT AND PREPAYMENT

#### 5.1 Repayment of the Term Loan

If the Tranche A Credit is fully drawn prior to the First Repayment Date, the Borrower hereby agrees to repay the principal amount outstanding under the Finnvera Term Facility in seventeen (17) equal and consecutive semi-annual instalments to be made on each Repayment Date. If the Tranche A Credit is not fully drawn prior to the First Repayment Date, the Borrower hereby agrees to repay (i) on the First Repayment Date, 1/17th of the principal amount outstanding under the Finnvera Term Facility on such First Repayment Date, and (ii) on each succeeding Repayment Date up to and including the Maturity Date,

---

a fraction of the principal amount outstanding under the Finnvera Term Facility on such Repayment Date, the numerator of which is 1 and the denominator of which is 17 minus the number of Repayment Dates then past.

**5.2 Voluntary Repayment and Prepayment of the Term Loan or Cancellation of the Tranche A Credit**

On any Business Day, after having given ten (10) Business Days prior written notice to the Finnvera Facility Agent substantially in the form of Exhibit "P-2" to this Schedule "P", the Borrower may repay or prepay, in minimum amounts of Cdn.\$1,000,000 (or the remaining amount of principal under the Term Loan) or in whole multiples of Cdn.\$1,000,000 (or the remaining amount of principal under the Term Loan), all or part of the principal amount of the Term Loan under the Finnvera Term Facility for the account of the Tranche A Lenders, provided that (i) in respect of the Tranche A CDOR Advances, no repayment may be made on a day other than a Tranche A Rollover Date, save as provided in Section 7.4 of the Credit Agreement and in Section 5.3 of this Schedule "P", with all interest accrued and unpaid on the amounts so prepaid; and (ii) if any prepayment of principal is made prior to the Eighth Repayment Date, a fee equal to 1.00% of the principal amount so prepaid shall be due and payable to the Tranche A Lenders; provided further that the cumulative amount of any and all such prepayment fee(s) (including any such fees due and payable in connection with the Tranche B Loan) shall not exceed Cdn.\$750,000. All repayments and prepayments under this Section 5.2 shall be applied against the instalments contemplated by Section 5.1 of this Schedule "P" in the inverse order of maturity of such instalments.

In addition, the Borrower may, upon the same notice, cancel any portion of the Tranche A Credit that has not been drawn by the Borrower. No Commitment Fee shall be payable in respect of any portion of the Tranche A Credit so cancelled as and from the effective date of its cancellation. The Borrower shall not be permitted to draw Tranche A Advances in respect of any portion of the Tranche A Credit so cancelled.

Notwithstanding the foregoing, the Term Loan may not be voluntarily repaid or prepaid, in whole or in part, and the Tranche A Credit may not be cancelled in whole or in part unless and until such time as the Tranche B Loan has been fully repaid and/or cancelled.

**5.3 Cash Collateralization or Payment of Losses Resulting from a Prepayment**

If a prepayment to be made (whether under this Schedule "P" or otherwise) would require the repayment of a Tranche A CDOR Advance on a day other than the last day of the Tranche A Designated Period, the Borrower (i) shall provide to the Finnvera Facility Agent cash collateral in an amount equal to the principal amount of such Tranche A CDOR Advance, which cash collateral shall be deemed a repayment of such Tranche A Advance and shall be held by the Finnvera Facility Agent in an interest bearing account and used to repay same at maturity or on the next Tranche A Rollover Date; or (ii) may elect to prepay such Tranche A CDOR Advance and pay to the Finnvera Facility Agent for the account of the Tranche A Lenders the amount of the losses, costs and expenses suffered or incurred by the Tranche A Lenders with respect thereto which are referred to in Section 7.4 of the Credit Agreement.

---

**5.4 Currency of Payments**

All payments, repayments and prepayments, as the case may be, of principal and interest under the Term Loan, all other amounts owed under this Schedule "P" and, except as otherwise indicated in the Fee Letter and the Commitment Fee Letter as being payable in US Dollars or Euros, all Tranche A Fees, shall be made in Canadian Dollars alone.

**5.5 Payments by the Borrower to the Finnvera Facility Agent**

All payments to be made by the Borrower in connection with this Schedule "P" shall be made in funds having same day value to the Finnvera Facility Agent, at the Finnvera Facility Agency Branch, or at any other office or account designated by the Finnvera Facility Agent. Any such payment shall be made on the date upon which such payment is due, in accordance with the terms hereof, no later than 3:00 P.M. (London, England time).

**5.6 Payment on a Business Day**

Each time a payment, repayment or prepayment is due (whether under this Schedule "P" or otherwise) on a day that is not a Business Day, it shall be made on the following Business Day.

**5.7 Payments by the Tranche A Lenders to the Finnvera Facility Agent**

Any amounts payable to the Finnvera Facility Agent by a Tranche A Lender shall be paid in funds having same day value to the Finnvera Facility Agent by such Tranche A Lender on a Business Day at the Finnvera Facility Agency Branch.

**5.8 Payments by the Finnvera Facility Agent to the Borrower**

Any payment received by the Finnvera Facility Agent for the account of the Borrower shall be paid in funds having same day value to the Borrower on the date of receipt, or if such date is not a Business Day, on the next Business Day.

**5.9 Application of Payments**

- 5.9.1 Except as otherwise indicated herein, all payments made to the Finnvera Facility Agent by the Borrower for the account of the Tranche A Lenders shall be distributed the same day by the Finnvera Facility Agent, in accordance with its normal practice, in funds having same day value, among the Tranche A Lenders to the accounts last designated in writing by each Tranche A Lender to the Finnvera Facility Agent, *pro rata* in accordance with their respective Tranche A Commitments, and notice thereof shall be given to the Borrower by the Finnvera Facility Agent within a reasonable delay.
- 5.9.2 Except as otherwise indicated herein or as otherwise determined by the Tranche A Lenders, all payments made by the Borrower to the Finnvera
-



Facility Agent on behalf of the Tranche A Lenders shall be applied by the Tranche A Lenders as follows:

- (a) to the fees, costs, expenses and accessories of the Finnvera Facility Agent and the Security Agent contemplated by Article 7 and Section 17.5 of the Credit Agreement and subsection 8.1.1 (iii) of this Schedule "P" or by the Security Documents;
- (b) to the fees, costs, expenses and accessories of the Tranche A Lenders contemplated by Article 7 and Section 17.5 of the Credit Agreement or by the Security Documents;
- (c) to all amounts due under Article 4 of this Schedule "P";
- (d) to the repayment of the principal amount of the Term Loan in the inverse order of maturity of the instalments contemplated by Section 5.1 of this Schedule "P";
- (e) to any other amounts due pursuant to this Schedule "P".

**5.10 No Set-Off or Counterclaim by Borrower**

All payments by the Borrower shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim.

**5.11 Obligations Absolute**

The obligation of the Borrower to make payments and perform its other obligations under this Schedule "P" are, subject to the terms and conditions of this Schedule "P", unconditional and irrevocable and shall not be in any way affected, released or discharged by reason of any matter or circumstance whatsoever affecting or relating to or arising in connection with NSN and/or the NSN Contract.

**6. CONDITIONS PRECEDENT**

**6.1 Initial Tranche A Advance under the Finnvera Term Facility**

The terms and conditions of this Schedule "P" and all rights and obligations of any of the Borrower, the Finnvera Facility Agent and the Tranche A Lenders under this Schedule "P" shall not come into force or effect and, for greater certainty, the Tranche A Lenders shall have no obligation to make an initial Tranche A Advance under the Finnvera Term Facility, until such time as each of the conditions set out in this Section 6.1 of this Schedule "P" have been fulfilled (either prior to or concurrently with the making of any such initial Tranche A Advance) to the entire satisfaction of the Finnvera Facility Agent and the Tranche A Lenders:

- 6.1.1 certified copies of all of the constating documents, borrowing by-laws and resolutions of and certificates of incumbency of the Borrower and
-

the Guarantors shall have been provided to the Finnvera Facility Agent and the Security Agent;

- 6.1.2 the Tranche A Lenders and the Tranche B Lenders shall have been provided with satisfactory evidence that the Borrower and the Guarantors are duly constituted, validly existing and in good standing under the laws of their jurisdiction of organization and each other jurisdiction where they are qualified to do business and that each of them has the necessary power and capacity to carry on business in the Province of Québec and to be a party to the Amending Agreement, the Tranche B Loan Agreement and/or the Security Documents (as applicable) and to be bound by them;
- 6.1.3 the Amending Agreement shall have been duly executed and delivered;
- 6.1.4 the Tranche B Loan Agreement shall have been duly executed and delivered;
- 6.1.5 the Commitment Fee Letter shall have been duly executed and delivered;
- 6.1.6 the Finnvera Facility Agent shall have received copies of all closing documentation previously delivered to the Agent by or on behalf of the Borrower in connection with the Credit Agreement and relating to the Borrower or any of the Guarantors or their respective property including, without limitation, the Security Documents and copies of all existing title and search reports prepared by lawyers or notaries with respect to any immovable property charged by the Security Documents, together with all existing updates of same;
- 6.1.7 the Borrower shall have delivered to the Finnvera Facility Agent a certificate in the form of Exhibit "P-3" signed by an officer stipulating and certifying:
- (a) that such officer has taken cognizance of all the terms and conditions of the Amending Agreement and of all contracts, agreements and deeds pertaining to the Amending Agreement;
  - (b) that no Default or Event of Default has occurred or exists under this Schedule "P";
  - (c) that the corporate structure of Quebecor Media Inc. and the VL Group is as set out in the diagram attached to the certificate;
  - (d) as to the location of the movable property owned by the VL Group as of the Signing Date;
-

- (e) that each member of the VL Group holds the permits, Licences, licences and authorizations required in order to permit it to possess its property and its real estate and to carry on its business in the manner in which it is being carried on at present; and
- (f) that the execution and delivery of and performance by the Borrower of its obligations under the NSN Contract in accordance with its terms and the completion of the transactions contemplated therein do not require any consents or approvals, do not violate any Laws, and do not conflict with, violate or constitute a breach under the documents of incorporation or by-laws of the Borrower;

- 6.1.8 Finnvera shall have delivered to the Finnvera Facility Agent and the Finnvera Facility B Agent the ECA Guarantee in form and substance satisfactory to the Tranche A Lenders and the Tranche B Lenders;
  - 6.1.9 the Tranche A Lenders and the Tranche B Lenders shall have received a certified copy of the NSN Contract;
  - 6.1.10 the Finnvera Facility Agent shall have received and reviewed, to its entire satisfaction, acting reasonably, copies of all movable and personal property and other searches undertaken against the Borrower and each Guarantor and each of their respective predecessors and dated a date reasonably close to the Signing Date;
  - 6.1.11 the Finnvera Facility Agent shall have received a copy of any certificates of insurance delivered to the Agent relating to policies protecting the members of the VL Group and their movable property, activities, business interruption and third party liability against any form of loss;
  - 6.1.12 the Borrower shall have delivered any other document, declaration, certificate, agreement, instrument or notice reasonably required by and in form and substance acceptable to the Finnvera Facility Agent, the Finnvera Facility B Agent, the Security Agent and the Finnvera Facility B Security Agent;
  - 6.1.13 the Finnvera Facility Agent shall have received a certificate of incumbency of NSN and evidence that the persons listed therein are authorized signatories of NSN;
  - 6.1.14 the Finnvera Facility Agent, the Tranche A Lenders, the Security Agent, the Finnvera Facility B Agent, the Tranche B Lenders, the Finnvera Facility B Security Agent, Finnvera and their respective counsel shall have received the entire amount of all fees, costs, premiums and expenses owed to them as of the Signing Date in connection with the Finnvera Term Facility, the Tranche B Loan, the Amending Agreement,
-

the Tranche B Loan Agreement and the Security Documents (as applicable) including, without limitation, the Finnvera Handling Fee, the ECA Premium A (as applicable) and all Tranche A Fees that are due and payable as at the Signing Date;

- 6.1.15 the Borrower shall have delivered to the Finnvera Facility Agent the favourable legal opinion of counsel to the Borrower and the Guarantors, addressed to the Finnvera Facility Agent, the Security Agent, the Tranche A Lenders and their respective counsel, in form and substance acceptable to the Finnvera Facility Agent, the Security Agent, and their counsel, acting reasonably, including, with regard to the continued legality, validity, enforceability and opposability of all relevant Guarantees and Security;
- 6.1.16 the Borrower shall have delivered to the Finnvera Facility B Agent the favourable legal opinion of counsel to the Borrower and the Guarantors, addressed to the Finnvera Facility B Agent, the Finnvera Facility B Security Agent, the Tranche B Lenders and their respective counsel, in form and substance acceptable to the Finnvera Facility B Agent, the Finnvera Facility B Security Agent and their counsel, acting reasonably;
- 6.1.17 the Finnvera Facility Agent shall have received the favourable legal opinion of each of their Canadian and Finnish counsel addressed to the Finnvera Facility Agent, the Security Agent, the Tranche A Lenders and their respective counsel, in form and substance acceptable to the Finnvera Facility Agent, the Security Agent, and their counsel, acting reasonably, including, with respect to the opinion of Finnish counsel only, with regard to the legality, validity and enforceability of the ECA Guarantee; and
- 6.1.18 the Finnvera Facility B Agent shall have received the favourable legal opinion of each of their Canadian and Finnish counsel addressed to the Finnvera Facility B Agent, the Finnvera Facility B Security Agent, the Tranche B Lenders and their respective counsel, in form and substance acceptable to the Finnvera Facility B Agent, the Finnvera Facility B Security Agent, and their counsel, acting reasonably, including, with respect to the opinion of Finnish counsel only, with regard to the legality, validity and enforceability of the ECA Guarantee.

## **6.2 Initial Tranche A Advance under the Finnvera Term Facility after the Closing Date**

The terms and conditions of this Schedule "P", as amended on the Closing Date, and all rights and obligations of any of the Borrower, the Finnvera Facility Agent and the Tranche A Lenders under this Schedule "P", as amended on the Closing Date, shall not come into force or effect and, for greater certainty, the Tranche A Lenders shall have no obligation to

---

make an initial Tranche A Advance under the Finnvera Term Facility after the Closing Date until such time as:

- 6.2.1 the Finnvera Facility Agent has received, to its entire satisfaction, an amendment to the ECA Guarantee; and
- 6.2.2 the Finnvera Facility B Agent has received, to its entire satisfaction, an irrevocable written notice from the Borrower requesting the cancellation of the Tranche B Credit and termination of the Tranche B Loan Agreement.

**6.3 Conditions Precedent to any Tranche A Advance**

The obligation of the Tranche A Lenders to make any Tranche A Advance under the Finnvera Term Facility is conditional upon each of the following conditions having been satisfied (provided however, for greater certainty, that, except for the condition set forth in subsection 6.3.1, none of the following conditions shall apply in respect of any continuation of a Tranche A Advance on a Tranche A Rollover Date pursuant to Section 3.3 of this Schedule "P"):

- 6.3.1 the representations and warranties contained in the Credit Agreement shall continue to be true and correct (except where stated to be made as at a particular date);
- 6.3.2 the Borrower shall have delivered to the Finnvera Facility Agent a completed Tranche A Notice of Borrowing;
- 6.3.3 nothing shall have occurred which would constitute a Material Adverse Change; and
- 6.3.4 no Default shall have occurred and be continuing and no Event of Default shall have occurred.

**6.4 Waiver of Conditions Precedent**

The conditions set out in Section 6.3 of this Schedule "P" are solely for the benefit of the Tranche A Lenders and may be waived by the Finnvera Facility Agent with the unanimous consent of all Tranche A Lenders without prejudice to the right of the Finnvera Facility Agent to assert any such condition in connection with any subsequently requested Tranche A Advance.

**6.5 Discretionary Requirements to any Tranche A Advance**

The obligation of the Tranche A Lenders to make any Tranche A Advance under the Finnvera Term Facility may, in the sole and exclusive discretion of the Tranche A Lenders, be subject to the Finnvera Facility Agent and/or the Tranche A Lenders requesting satisfaction of the following requirements, which requirements shall, in the case of requirements 6.5.1 to 6.5.3 only, be attested to by way of a Tranche A Borrowing

---

Certificate to be delivered concurrently with the delivery of the Tranche A Notice of Borrowing relating to such Tranche A Advance:

- 6.5.1 that the Borrower has delivered to the Finnvera Facility Agent a completed Tranche A Borrowing Certificate with copies of all Required Documents annexed thereto, which Tranche A Borrowing Certificate and Required Documents shall reflect that (a) the aggregate principal amount of all Tranche A Advances made to date, together with the principal amount of the proposed Tranche A Advance, does not exceed the sum of (i) the CAD Equivalent of (x) 85% of the portion of the Purchase Price paid to date and (y) costs for local services up to a maximum of 30% of such portion of the Purchase Price paid to date and (ii) up to 100% of the upfront portion of the ECA Premium A; and (b) all invoices which have been issued to the Borrower to date under the NSN Contract and in respect of which the Tranche A Notice of Borrowing referred to in subsection 6.3.2 above has been delivered by the Borrower have been paid in full;
- 6.5.2 that all of the information, reports and other documents and all data, as well as the amendments thereto, provided to the Finnvera Facility Agent or to Finnvera, by or on behalf of the Borrower in connection with the NSN Contract, have been, at the time same were provided, complete, true and accurate in all material respects;
- 6.5.3 that the NSN Contract has not been terminated and has been in full force and effect as of the date of any invoice of NSN which is the object of such requested Tranche A Advance;
- 6.5.4 that the ECA Guarantee has not been terminated and is in full force and effect; and
- 6.5.5 that the Finnvera Facility Agent has not received any request from Finnvera that the Tranche A Advances be suspended unless any such request has since been withdrawn.

The provisions of this Section 6.5 may not be amended or added to, at any time or from time to time, without the written consent and agreement of the Finnvera Facility Agent and the Tranche A Lenders.

**7. INTENTIONALLY OMITTED**

**8. ADDITIONAL COVENANTS**

In addition to the affirmative covenants and negative covenants set forth in Articles 12 and 13 of the Credit Agreement, respectively, the Borrower, for itself and each member of the VL Group and with respect to itself and each member of the VL Group, agrees as follows:

---

**8.1 Payment of Fees and Other Expenses**

Without duplication with Section 12.14 of the Credit Agreement and whether the transactions contemplated by this Schedule "P" are concluded or not and whether or not any part of the Tranche A Credit is actually advanced, in whole or in part, the Borrower shall pay all fees, premiums and reasonable costs and expenses relating to the Tranche A Credit (in each case, subject to providing the Borrower with supporting documentation in relation thereto), including in particular:

- 8.1.1 the reasonable legal fees, costs and expenses incurred by Finnvera, the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders for (i) the negotiation, drafting, signing and/or service of the Commitment Fee Letter, the Credit Agreement, the Security Documents, the ECA Guarantee and all documents accessory thereto, (ii) any amendments, renunciations, consents or examinations pertaining to the Commitment Fee Letter, the Credit Agreement, the Security Documents, the ECA Guarantee and such accessory documents, and (iii) any enforcement of or the making of any claim under the ECA Guarantee, provided that the payment pursuant to this subsection 8.1.1 of fees, costs and expenses incurred by Finnvera shall be subject to and limited to what is permitted by the terms of Section 8.2 of this Schedule "P"; and
- 8.1.2 without duplication with subsection 8.1.1 of this Schedule "P", all Tranche A Fees.

All amounts due to the Finnvera Facility Agent, the Security Agent and the Tranche A Lenders pursuant to this Schedule "P" shall bear interest at the Default Rate from the date of their disbursement or undertaking or, in the case of the Commitment Fee, the Finnvera Handling Fee and the Tranche A Fees, from the date on which they become due and payable, until the Borrower has repaid same in full, with interest on unpaid interest at the Default Rate. The obligations of the Borrower under this Section 8.1 shall subsist notwithstanding the full repayment of the Term Loan under the provisions hereof.

**8.2 Waiver Fees**

- 8.2.1 The Borrower shall pay to the Finnvera Facility Agent, for the account of Finnvera, all fees owed to the Tranche A Lenders in connection with any decisions taken, amendments consented to and waivers and consents granted to the Borrower (further to the request of the Borrower for same) by the Tranche A Lenders pursuant to Section 18.14 of the Credit Agreement with respect to any provisions of the Credit Agreement which are either applicable only to the Finnvera Term Facility or are shared between and applicable to both the Revolving Facility and the Finnvera Term Facility (in which latter case, such fees shall only be paid to the Finnvera Facility Agent, for the account of Finnvera, if they are otherwise payable to any other Lenders), the whole
-

only to the extent either (a) such decisions, amendments, consents and waivers are taken, consented to or granted by the Tranche A Lenders in the last six (6) months of the Term of the Revolving Facility and in accordance with the request made by the Borrower, or (b) such decisions, amendments, consents and waivers are taken, consented to or granted by the Tranche A Lenders during the Availability Period strictly in connection with a Default or an Event of Default and in accordance with the request made by the Borrower.

- 8.2.2 The Borrower shall also pay to the Finnvera Facility Agent, for the account of Finnvera, all fees owed to the Tranche A Lenders in connection with any decisions taken, amendments consented to and waivers and consents granted to the Borrower (further to the request of the Borrower for same) by the Tranche A Lenders pursuant to Section 18.15 of the Credit Agreement but, to the extent there are Lenders other than the Tranche A Lenders, only if such fees are otherwise payable to such other Lenders.

### **8.3 ECA Guarantee**

If (i) the ECA Guarantee is illegal or becomes illegal or is terminated or no longer in full force and effect or (ii) Finnvera is released from any liability thereunder, and the events in (i) or (ii) above in any way restrict the rights or remedies of the Finnvera Facility Agent under the ECA Guarantee in respect of any amounts already disbursed to the Borrower by way of Tranche A Advances and any interest accrued thereon, the Borrower shall, within 10 days following the date on which the Finnvera Facility Agent makes a written demand therefor, find a replacement guarantee or other instrument satisfactory to all Tranche A Lenders, unless within such 10 day period all Tranche A Lenders confirm in writing that the Borrower is released from its obligations under this covenant, it being understood and agreed that any such replacement guarantee or instrument and any proceeds derived therefrom shall be for the sole and exclusive benefit of the Tranche A Lenders, provided that the Borrower shall not be obligated or liable under this Section 8.3 to the extent the events in (i) or (ii) above are a direct consequence of any act of fraud or bad faith or any gross negligence or wilful misconduct of or on the part of the Finnvera Facility Agent or the Tranche A Lenders.

### **8.4 Cancellation of Tranche B Credit**

The Borrower shall have sent to the Finnvera Facility B Agent by no later than the Closing Date an irrevocable written notice requesting the cancellation of the Tranche B Credit and termination of the Tranche B Loan Agreement.

## **9. EVENTS OF DEFAULT**

In addition to the events of default set forth in Article 14 of the Credit Agreement, the occurrence of any of the following events shall constitute an Event of Default unless remedied within the prescribed delays or renounced in writing:

---



- 9.1 if the Borrower fails to pay the ECA Premium A or make any payment of interest or principal with respect to the Term Loan when due, or
- 9.2 if the Borrower fails to respect its obligations and undertakings under Section 8.3, or
- 9.3 if the Borrower or any Guarantor fails to respect any of its obligations and undertakings under this Schedule "P" or another undertaking of the Borrower or any Guarantor with respect to the Term Loan not otherwise contemplated by this Section 9.3 or by Section 14.1 of the Credit Agreement and has not remedied the Default within 15 days following the date on which the Finnvera Facility Agent has given written notice to the Borrower.

## 10. ASSIGNMENT

### 10.1 Assignment by the Borrower

The rights of the Borrower under the provisions of the Credit Agreement are purely personal and may not be transferred or assigned, and the Borrower may not transfer or assign any of its obligations, such assignment being null and of no effect opposite the Tranche A Lenders and rendering any balance outstanding of the amounts referred to in Section 14.2 of the Credit Agreement immediately due and payable at the option of the Tranche A Lenders and further releasing the Tranche A Lenders from any obligation to make any further Tranche A Advances under the provisions of this Schedule "P".

### 10.2 Assignments and Transfers by the Tranche A Lenders

- 10.2.1 Subject to the written approval of Finnvera, each Tranche A Lender may, at its own cost, assign or transfer to a Person entitled to lend money in Canada (the "**Tranche A Assignee**") in accordance with this Article 10 of this Schedule "P" up to 100% of its rights, benefits and obligations under the Credit Agreement with the prior written consent of the Borrower, which shall not be unreasonably withheld or delayed. After the occurrence of an Event of Default, any Tranche A Lender may transfer all or any part of its rights, benefits and obligations under the Credit Agreement to any Person, without the consent of the Borrower, but upon notice to the Finnvera Facility Agent and the Borrower and subject to the consent of Finnvera.
  - 10.2.2 Notwithstanding subsection 10.2.2 of this Schedule "P", each Tranche A Lender shall be entitled to assign or transfer, at its own cost and without the consent of the Borrower, in accordance with the other provisions of this Article 10 of this Schedule "P", its rights, benefits and obligations under the Credit Agreement, in whole or in part, (i) to Finnvera; (ii) subject to the written approval of Finnvera, after the Availability Period; or (iii) subject to the written approval of Finnvera, to a parent or subsidiary corporation or an Affiliate of such Tranche A Lender or to an Approved Fund.
-

- 10.2.3 Notwithstanding anything in this Article 10, a Tranche A Lender may not assign or transfer any of its rights, benefits and obligations under the Credit Agreement, in whole or in part, unless such Tranche A Lender also assigns and transfers, in its capacity as Tranche B Lender and concurrently therewith, the same portion of its rights, benefits and obligations with respect to the Tranche B Loan to the same assignee.

### **10.3 Transfer Agreement**

If a Tranche A Lender wishes to assign or transfer all or any of its rights, benefits and obligations under the Credit Agreement in accordance with Section 10.2 of this Schedule "P", then such assignment or transfer shall be effected by the execution and delivery of a duly completed and executed Finnvera Transfer Agreement by such Tranche A Lender to the Finnvera Facility Agent together with a transfer fee of Cdn.\$3,500 (except where the Tranche A Assignee is Finnvera in which case no such transfer fee shall be payable), at least 5 Business Days prior to the effective date of such transfer, whereupon, to the extent that in such Finnvera Transfer Agreement such Tranche A Lender seeks to assign or transfer its rights and obligations under the Credit Agreement:

- 10.3.1 such Tranche A Lender shall be released from further obligations to the Borrower with respect to the portion of the obligations of such Tranche A Lender assumed by the Tranche A Assignee under the Credit Agreement;
- 10.3.2 the Tranche A Assignee shall assume the obligations of such Tranche A Lender under the Credit Agreement and acquire the rights of such Tranche A Lender in respect of the Borrower, without novation of the Borrower's obligations;
- 10.3.3 the Finnvera Facility Agent, such Tranche A Lender and the Tranche A Assignee shall acquire the same rights and assume the same obligations between themselves as they would have acquired and assumed had the Tranche A Assignee been an original party to the Credit Agreement with the obligations under the Credit Agreement assumed and the rights acquired by it as a result of such assignment or transfer; and
- 10.3.4 the Borrower, the Finnvera Facility Agent and such Tranche A Lender shall all execute such documents and perform such acts as may be required to give effect to the transfer or assignment.

### **10.4 Notice**

The Finnvera Facility Agent shall promptly deliver an executed copy of any Finnvera Transfer Agreement to each party thereto.

---

**10.5 Sub-Participations**

A Tranche A Lender may, at its own cost, grant one or more sub-participations in its rights, benefits and obligations under the Credit Agreement, provided that, notwithstanding any such sub-participation, such Tranche A Lender shall remain, insofar as the Borrower and the Finnvera Facility Agent are concerned, as the Tranche A Lender responsible under the Credit Agreement, and the Borrower shall not be obliged to recognize any such sub-participant as having the rights against it which it would have if it had been a party to the Credit Agreement.

**10.6 General**

Notwithstanding anything contained in this Article:

- 10.6.1 The Finnvera Facility Agent shall act as agent for each Tranche A Assignee and, in this connection, with respect to all decisions, notices and other matters relating to anything referred to in this Schedule "P" or in the Credit Agreement relating to the Finnvera Term Facility, the Borrower shall only be obliged to give notice to or request consents from the Finnvera Facility Agent; and
- 10.6.2 the amounts payable by the Borrower under this Schedule "P" shall not increase, whether in respect of withholding on account of taxes or otherwise, as a result of any such assignment or transfer to a Tranche A Assignee which is a non-resident of Canada as defined in the Income Tax Act (Canada).

**11. THE FINNVERA FACILITY AGENT AND THE TRANCHE A LENDERS****11.1 Authorization of Finnvera Facility Agent**

- 11.1.1 Each Tranche A Lender hereby irrevocably appoints and authorizes the Finnvera Facility Agent to act for all purposes as its agent under and in connection with the Finnvera Term Facility (including, without limitation, its role as guarantee holder of the ECA Guarantee for and on behalf of the Tranche A Lenders pursuant to the ECA Guarantee) with such powers as are expressly delegated to the Finnvera Facility Agent by the terms of the Credit Agreement and/or the ECA Guarantee, together with such other powers as are reasonably incidental thereto and undertakes not to take any action on its own. Notwithstanding the provisions of the *Civil Code of Quebec* relating to contracts generally and to mandate, the Finnvera Facility Agent shall have no duties or responsibilities except those expressly set forth in this Schedule "P". As to any matters not expressly provided for by this Schedule "P", the Finnvera Facility Agent shall act under or in connection with this Schedule "P" in accordance with the instructions of the Tranche A Lenders in accordance with the provisions of this Article 11, but, in the absence of any such instructions, the Finnvera Facility Agent may (but
-

shall not be obliged to) act as it shall deem fit in the best interests of the Tranche A Lenders, and any such instructions and any action taken by the Finnvera Facility Agent in accordance with this Article 11 shall be binding upon each Tranche A Lender. The Finnvera Facility Agent shall not, by reason of the Credit Agreement and/or the ECA Guarantee, be deemed to be a trustee for the benefit of any Tranche A Lender, the Borrower or any other Person and the Finnvera Facility Agent's duties under this Schedule "P" and/or the ECA Guarantee are solely mechanical and administrative in nature. Neither the Finnvera Facility Agent nor any of its directors, officers, employees or agents shall be responsible to the Tranche A Lenders for any recitals, statements, representations or warranties contained in the Credit Agreement or in any certificate or other document referred to, or provided for in (including, without limitation, the ECA Guarantee), or received by any of them under, the Credit Agreement and/or the ECA Guarantee, for the value, validity, effectiveness, genuineness, enforceability or sufficiency of the Credit Agreement, or any other document referred to or provided for in the Credit Agreement (including, without limitation, the ECA Guarantee) or any collateral provided for by the Credit Agreement or for any failure by the Borrower to perform its obligations under the Credit Agreement. The Finnvera Facility Agent may employ agents and attorneys-in-fact to assist the Finnvera Facility Agent and shall not be responsible for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. Neither the Finnvera Facility Agent nor any of its directors, officers, employees or agents shall be responsible for any action taken or omitted to be taken by it or them under or in connection with the Credit Agreement (including, without limitation, the ECA Guarantee), except for its or their own gross negligence or wilful misconduct.

**11.2 Finnvera Facility Agent's Responsibility**

- 11.2.1 The Finnvera Facility Agent shall be entitled to rely upon any certificate, notice or other document (including any cable, telegram, telex or facsimile) believed by it to be genuine and correct and to have been signed or sent by or on behalf of the proper person or persons, and upon advice and statements of legal advisers, independent accountants and other experts selected by the Finnvera Facility Agent. The Finnvera Facility Agent may deem and treat each Tranche A Lender as the holder of the Tranche A Commitment in the Term Loan made by such Tranche A Lender for all purposes hereof unless and until a Tranche A Assignment has been completed in accordance with Section 10.2 of this Schedule "P".
- 11.2.2 The Finnvera Facility Agent shall not be deemed to have knowledge of the occurrence of a Default or Event of Default unless the Finnvera Facility Agent has received notice from the Agent, a Tranche A Lender
-

or the Borrower describing such a Default or Event of Default and stating that such notice is a "Notice of Default". In the event that the Finnvera Facility Agent receives such a notice of the occurrence of a Default or Event of Default or otherwise becomes aware that a Default or Event of Default has occurred, the Finnvera Facility Agent shall promptly give notice thereof to the Tranche A Lenders.

- 11.2.3 The Finnvera Facility Agent shall have no responsibility, (a) to the Borrower on account of the failure of any Tranche A Lender to perform its obligations under the Credit Agreement, or (b) to any Tranche A Lender on account of the failure of (i) the Borrower to perform its obligations under the Credit Agreement or (ii) Finnvera to perform its obligations under the ECA Guarantee.
- 11.2.4 Each Tranche A Lender severally represents and warrants to the Finnvera Facility Agent that it has made its own independent investigation of the financial condition and affairs of the Borrower in connection with the making and continuation of its Tranche A Commitment in the Term Loan under this Schedule "P" and has not relied on any information provided to such Tranche A Lender by the Finnvera Facility Agent in connection with the Credit Agreement (including, without limitation, the ECA Guarantee), and each Tranche A Lender represents and warrants to the Finnvera Facility Agent that it shall continue to make its own independent appraisal of the creditworthiness of the Borrower while the Term Loan is outstanding or the Tranche A Lenders have any obligations under the Credit Agreement.

### **11.3 Rights of Finnvera Facility Agent as Tranche A Lender**

With respect to its Tranche A Commitment in the Term Loan, the Finnvera Facility Agent in its capacity as a Tranche A Lender shall have the same rights and powers under the Credit Agreement as any other Tranche A Lender and may exercise the same as though it were not acting as the Finnvera Facility Agent and the term "Tranche A Lender" shall, unless the context otherwise indicates, include the Finnvera Facility Agent in its capacity as a Tranche A Lender. The Finnvera Facility Agent may (without having to account therefor to any Tranche A Lender) accept deposits from, lend money to and generally engage in any kind of banking or other business with the Borrower as if it were not acting as the Finnvera Facility Agent and may accept fees and other consideration from the Borrower for customary services in connection with the Credit Agreement and the Term Loan and otherwise without having to account for the same to the Tranche A Lenders.

### **11.4 Indemnity**

Each Tranche A Lender agrees to indemnify the Finnvera Facility Agent, to the extent not otherwise reimbursed by the Borrower, rateably in accordance with its respective Tranche A Commitment, for any and all liabilities, obligations, losses, damages, penalties, actions,

---

judgements, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against, the Finnvera Facility Agent in any way relating to or arising out of the Credit Agreement, the Security Documents or any other documents contemplated by or referred to in the Credit Agreement, the Security Documents or such other documents or the transactions contemplated by the Credit Agreement (including, without limitation, the ECA Guarantee), the Security Documents or such other documents (excluding, unless a Default or Event of Default is apprehended or has occurred and is continuing, normal administrative costs and expenses incidental to the performance of its agency duties under the Credit Agreement) or the enforcement of any of the terms of the Credit Agreement, the Security Documents or such other documents (including, without limitation, the ECA Guarantee), provided that no Tranche A Lender shall be liable for any of the foregoing to the extent they arise from the Finnvera Facility Agent's gross negligence or wilful misconduct.

**11.5 Notice by Finnvera Facility Agent to Tranche A Lenders**

As soon as practicable after its receipt thereof, the Finnvera Facility Agent will forward to each Tranche A Lender a copy of each report, notice or other document required by the Credit Agreement to be delivered to the Finnvera Facility Agent for such Tranche A Lender.

**11.6 Protection of Finnvera Facility Agent**

11.6.1 The Finnvera Facility Agent shall not be required to keep itself informed as to the performance or observance by the Borrower of the Credit Agreement or any other document referred to or provided for in the Credit Agreement or such other document or to inspect the properties or books of the Borrower. Except (in the case of the Finnvera Facility Agent) for notices, reports and other documents and information expressly required to be furnished to the Tranche A Lenders by the Finnvera Facility Agent under the Credit Agreement, the Finnvera Facility Agent shall have no duty or responsibility to provide any Tranche A Lender with any credit or other information concerning the affairs or financial condition of the Borrower which may come to the attention of the Finnvera Facility Agent, except where provided to the Finnvera Facility Agent for the Tranche A Lenders, provided that such information does not confer any advantage to the Finnvera Facility Agent as a Tranche A Lender over the other Tranche A Lenders. Nothing in the Credit Agreement shall oblige the Finnvera Facility Agent to disclose any information relating to the Borrower if such disclosure would or might, in the opinion of the Finnvera Facility Agent, constitute a breach of any Applicable Laws or duty of secrecy or confidence.

11.6.2 Unless the Finnvera Facility Agent shall have been notified in writing or by telegraph, telex or facsimile by any Tranche A Lender, prior to the date of a Tranche A Advance requested under this Schedule "P" or the

---

Tranche A Rollover Date, that such Tranche A Lender does not intend to make available to the Finnvera Facility Agent such Tranche A Lender's proportionate share of such Tranche A Advance, based on its Tranche A Commitment, the Finnvera Facility Agent may assume that such Tranche A Lender has made such Tranche A Lender's Tranche A Commitment in such Tranche A Advance available to the Finnvera Facility Agent on the date of such Tranche A Advance and the Finnvera Facility Agent may, in reliance upon such assumption, make available to the Borrower a corresponding amount. If such corresponding amount is not in fact made available to the Finnvera Facility Agent by such Tranche A Lender (and such amount was disbursed by the Finnvera Facility Agent to the Borrower), the Finnvera Facility Agent shall be entitled to recover such amount (together with interest thereon at the rate determined by the Finnvera Facility Agent as being its cost of funds in the circumstances) on demand from such Tranche A Lender or, if such Tranche A Lender fails to reimburse the Finnvera Facility Agent for such amount on demand, from the Borrower.

- 11.6.3 Unless the Finnvera Facility Agent shall have been notified in writing or by telegraph, telex or facsimile by the Borrower, prior to the date on which any payment is due, to the Finnvera Facility Agent or the Tranche A Lenders under the Credit Agreement that the Borrower does not intend to make such payment, the Finnvera Facility Agent may assume that the Borrower has made such payment when due and the Finnvera Facility Agent may, in reliance upon such assumption, make available to each Tranche A Lender on such payment date an amount equal to such Tranche A Lender's *pro rata* share of such assumed payment. If it is established that the Borrower has not in fact made such payment to the Finnvera Facility Agent, each Tranche A Lender shall forthwith on demand repay to the Finnvera Facility Agent the amount made available to such Tranche A Lender (together with interest at the rate determined by the Finnvera Facility Agent as being its cost of funds in the circumstances).

**11.7 Notice by Tranche A Lenders to Finnvera Facility Agent**

Each Tranche A Lender shall endeavour to use its best efforts to notify the Finnvera Facility Agent of the occurrence of any Default or Event of Default forthwith upon becoming aware of such event, but no Tranche A Lender shall be liable if it fails to give such notice to the Finnvera Facility Agent.

**11.8 Sharing Among the Tranche A Lenders**

Without duplication with Section 18.8 of the Credit Agreement:

- 11.8.1 Each Tranche A Lender agrees that as amongst themselves, except as otherwise provided for by the provisions of the Credit Agreement, all
-

amounts received by the Finnvera Facility Agent, in its capacity as agent of the Tranche A Lenders, pursuant to the Credit Agreement or any other document contemplated by the Credit Agreement (including, without limitation, in its role as guarantee holder for and on behalf of the Tranche A Lenders pursuant to the ECA Guarantee) (whether received by voluntary payment, by the exercise of the right of set-off or compensation or by counterclaim, cross-claim, separate action or as proceeds of realization of any security, other than agency fees), and all amounts received by any Tranche A Lender in relation to the Credit Agreement (including, without limitation, the ECA Guarantee) shall be shared by each Tranche A Lender *pro rata*, in accordance with their respective Tranche A Commitment and each Tranche A Lender undertakes to do all such things as may be reasonably required to give full effect to this Section 11.8. If any amount which is so shared is later recovered from the Tranche A Lender who originally received it, each other Tranche A Lender shall restore its proportionate share of such amount to such Tranche A Lender, without interest. The Finnvera Facility Agent shall not be bound to account to any Tranche A Lender for any sum or the profit element of any sum received by it for its own account.

- 11.8.2 As a necessary consequence of the foregoing, each Tranche A Lender shall share, in a percentage equal to its Tranche A Commitment, any losses incurred as a result of any Default or Event of Default by the Borrower, and shall pay to the Finnvera Facility Agent, within two (2) Business Days following a request by the Finnvera Facility Agent, any amount required to ensure that such Tranche A Lender bears its *pro rata* share of such losses, if any. Such obligation to share losses shall be absolute and unconditional and shall not be affected by any circumstance, including, without limitation, (1) any set-off, compensation, counterclaim, recoupment, defence or other right which such Tranche A Lender may have against the Finnvera Facility Agent, the Borrower or any other Person for any reason whatsoever; (2) the occurrence or continuance of any Default or Event of Default; (3) any adverse change in the condition (financial or otherwise) of the Borrower or any other Person; (4) any breach of the Credit Agreement by the Borrower or any other Person; or (5) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing. If any Tranche A Lender does not make available the amount required under this Section 11.8, the Finnvera Facility Agent shall be entitled to recover such amount on demand from such Tranche A Lender, together with interest thereon at the rate determined by the Finnvera Facility Agent as being its cost of funds in the circumstances from the date of non-payment until such amount is paid in full.
-



**11.9 Procedure with respect to Tranche A Advances**

Subject to the provisions of this Schedule "P", upon receipt of a Tranche A Notice of Borrowing or a Notice of New Tranche A Designated Period from the Borrower and no later than three (3) Business Days prior to the date of the proposed Tranche A Advance or the Tranche A Rollover Date, the Finnvera Facility Agent shall, without delay, advise each Tranche A Lender of the receipt of such notice, of the date of such Tranche A Advance or the Tranche A Rollover Date, of its proportionate share of the amount of each Tranche A Advance or continuation thereof and of the relevant details of the Finnvera Facility Agent's account(s). Each Tranche A Lender shall disburse its proportionate share of each Tranche A Advance, taking into account its Tranche A Commitment, and shall make it available to the Finnvera Facility Agent on the date of the Tranche A Advance fixed by the Borrower, by depositing its proportionate share of the Tranche A Advance in the Finnvera Facility Agent's account in Canadian Dollars or US Dollars, as the case may be. Once the Borrower has fulfilled the conditions stipulated in this Schedule "P", the Finnvera Facility Agent will make such amounts available to the Borrower on the date of the Tranche A Advance, at the Finnvera Facility Agency Branch, and, in the absence of other arrangements made in writing between the Finnvera Facility Agent and the Borrower, by transferring or causing to be transferred an equivalent amount in accordance with the instructions of the Borrower which appear in the Tranche A Notice of Borrowing with respect to each Tranche A Advance; however, the obligation of the Finnvera Facility Agent with respect to this Section 11.9 is limited to taking the steps judged commercially reasonable in order to follow such instructions, and once undertaken, such steps shall constitute conclusive evidence that the amounts have been disbursed in accordance with the applicable provisions. The Finnvera Facility Agent shall not be liable for damages, claims or costs imputed to the Borrower and resulting from the fact that the amount of a Tranche A Advance did not arrive at its agreed-upon destination.

**11.10 Accounts kept by each Tranche A Lender**

Each Tranche A Lender shall keep in its books, in respect of its Tranche A Commitment, accounts for the Tranche A CDOR Advances and other amounts payable by the Borrower to such Tranche A Lender under the Credit Agreement. Each Tranche A Lender shall make appropriate entries showing, as debits, the amount of the Debt of the Borrower to it in respect of the Tranche A CDOR Advances, the amount of all accrued interest and any other amount due to such Tranche A Lender pursuant to the Credit Agreement and, as credits, each payment or repayment of principal and interest made in respect of such indebtedness as well as any other amount paid to such Tranche A Lender pursuant to the Credit Agreement. These accounts shall constitute (in the absence of manifest error or of contradictory entries in the accounts of the Finnvera Facility Agent referred to in Section 3.5 of this Schedule "P") *prima facie* evidence of their content against the Borrower.

The accounts which are maintained by the Finnvera Facility Agent shall constitute, except in the case of manifest error, *prima facie* proof of the amounts advanced by the Tranche A Lenders, the interest and other amounts due to them and the payments of principal, interest or others made to the Tranche A Lenders.

---

**11.11 Binding Determinations**

The Finnvera Facility Agent shall proceed in good faith to make any determination which is required in order to apply the Credit Agreement and, once made, such determination shall be final and binding upon all parties, except in the case of manifest error.

**11.12 Amendment of Article 11**

The provisions of this Article 11 relating to the rights and obligations of the Tranche A Lenders and the Finnvera Facility Agent *inter se* may not be amended or added to, at any time or from time to time, without the consent and agreement of the Finnvera Facility Agent and the Tranche A Lenders by way of an instrument in writing, which instrument in writing shall validly and effectively amend or add to any or all of the provisions of this Article affecting the Tranche A Lenders without requiring the execution of such instrument in writing by the Borrower.

**11.13 Provisions for the Benefit of Tranche A Lenders Only**

The provisions of this Article 11 relating to the rights and obligations of the Tranche A Lenders and Finnvera Facility Agent *inter se* shall be operative as between the Tranche A Lenders and Finnvera Facility Agent only, and the Borrower shall not have any rights or obligations under or be entitled to rely for any purposes upon such provisions. However, the provisions of subsection 11.2.3 of this Schedule "P" shall be applicable as between the Borrower, the Guarantors (if applicable) and the Finnvera Facility Agent.

**11.14 Resignation of Finnvera Facility Agent**

- 11.14.1 Notwithstanding the irrevocable appointment of the Finnvera Facility Agent, the Majority Tranche A Lenders and the Majority Tranche B Lenders (as defined in the Tranche B Loan Agreement) may collectively (with the consent of the Borrower), upon giving the Finnvera Facility Agent thirty (30) days prior written notice to such effect, terminate the Finnvera Facility Agent's appointment under this Schedule "P" provided that a successor Finnvera Facility Agent has been appointed at or prior to the expiry of such notice.
  - 11.14.2 The Finnvera Facility Agent may resign its appointment under this Schedule "P" at any time without giving any reason therefor by giving written notice to such effect to each of the Borrower and the Tranche A Lenders. Such resignation shall not be effective until a successor Finnvera Facility Agent has been appointed.
  - 11.14.3 In the event of any such notice of termination or resignation, the Majority Tranche A Lenders and the Majority Tranche B Lenders (as defined in the Tranche B Loan Agreement) shall collectively appoint a successor Finnvera Facility Agent that is willing to accept such role and is acceptable to the Borrower within thirty (30) days therefrom, deliver copies of all accounts to such successor and the retiring Finnvera
-

Facility Agent shall be discharged from any further obligations under the Credit Agreement but shall remain entitled to the benefit of the provisions of this Article 11 and the Finnvera Facility Agent's successor and each of the Borrower and the Tranche A Lenders shall have the same rights and obligations among themselves as they would have had if such successor had originally acted as agent under the Finnvera Term Facility. If the Majority Tranche A Lenders and the Majority Tranche B Lenders have not collectively appointed a successor Finnvera Facility Agent within thirty (30) days of the delivery of any notice of termination or resignation as set forth above, the Finnvera Facility Agent (with the consent of the Borrower, which consent shall not be unreasonably withheld or delayed) may appoint a successor Finnvera Facility Agent.

## **12. NOTICES**

Except where otherwise specified in this Schedule "P", all notices, requests, demands or other communications between the Finnvera Facility Agent, the Tranche A Lenders and the Borrower shall be in writing and shall be deemed to have been duly given or made to the party to whom such notice, request, demand or other communication is given or permitted to be given or made, when delivered to the party (by certified mail, postage prepaid, or electronic mail or by facsimile or by physical delivery) to the address of such party and to the attention indicated under the signature of such party to the Amending Agreement or to any other address which said parties may subsequently communicate to each other in writing. Notwithstanding the foregoing, any notice shall be deemed to have been received by the party to whom it is addressed (a) upon receipt if sent by mail and (b) if e-mailed or telecopied before 3:00 P.M. (time of recipient) on a Business Day, on that day and if telecopied after 3:00 P.M. (time of recipient) on a Business Day, on the Business Day next following the date of transmission. If normal postal or electronic mail or telecopier service is interrupted by strike, work slow-down, fortuitous event or other cause, the party sending the notice shall use such services which have not been interrupted or shall deliver such notice by messenger in order to ensure its prompt receipt by the other party.

## **13. REVERSAL OF DECISIONS, AMENDMENTS AND WAIVERS**

Upon the expiry of the Term (as such Term may be further extended from time to time) of and the cancellation of the Revolving Facility, the Tranche A Lenders shall have the option but not the obligation to, in their sole discretion and with the prior written consent of the Majority Tranche A Lenders, reverse any decisions taken, amendments made and waivers and consents granted to the Borrower (further to the request of the Borrower for same) by the Majority Lenders at any time during the last six (6) months of the Term of the Revolving Facility with respect to any provisions of the Credit Agreement which are shared between and applicable to the Revolving Facility and the Finnvera Term Facility, the whole to the extent that the Majority Tranche A Lenders did not vote in favour of such decision, amendment, waiver or consent.

---

**14. DECISIONS, AMENDMENTS AND WAIVERS**

The Borrower agrees and acknowledges that in connection with any request made by it for any material amendment, consent or waiver under the Loan Documents, the Finnvera Facility Agent shall seek the consent of Finnvera and comply with the written instructions and notices of Finnvera in respect of any such request.

**15. CONFIDENTIALITY**

Each of the Finnvera Facility Agent and the Tranche A Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) on a need to know basis, to its Affiliates and its Affiliates' respective partners, directors, officers, employees, agents, advisors and representatives (to the extent necessary to administer or enforce the Credit Agreement) (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and will be bound and instructed to keep such Information confidential); (b) to the extent requested by any regulatory authority having jurisdiction over it (including any self-regulatory authority); (c) to the extent required by Applicable Law or other legal process; (d) to any other party to the Credit Agreement; (e) to the extent reasonable, in connection with the exercise of any remedies under the Credit Agreement or any action or proceeding relating to the Credit Agreement or the enforcement of rights under the Credit Agreement; (f) subject to an agreement containing provisions substantially the same as those of this Article, to (x) any Tranche A Assignee or participant in, or any prospective Tranche A Assignee of or participant in, any of its rights or obligations under this Schedule "P" and (y) any actual or prospective counterparty (or its advisors) to any swap, hedge, derivative, credit-linked note or similar transaction relating to the Borrower and its obligations; (g) to any Person with the consent of the Borrower; (h) to any Person to the extent such Information (x) is or becomes publicly available other than as a result of a breach of this Article or (y) becomes available to the Finnvera Facility Agent or any Tranche A Lender on a non-confidential basis from a source other than the Borrower and provided such source has not, to the knowledge of the Finnvera Facility Agent or such Tranche A Lender, breached a duty of confidentiality owed to the Borrower, the Finnvera Facility Agent or the Tranche A Lenders; (i) to Finnvera; or (j) to NSN, to the extent necessary in the reasonable opinion of the Finnvera Facility Agent and only in respect of the mechanics of the disbursement of Tranche A Advances. For purposes of this Article, "Information" means all information relating to the Borrower or any of its Affiliates or any of their respective businesses including all information relating to the transactions contemplated by this Schedule "P", other than any such information that is available to the Finnvera Facility Agent or any Tranche A Lender on a non-confidential basis prior to such receipt. Any Person required to maintain the confidentiality of Information as provided in this Article shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information. In addition, the Finnvera Facility Agent may disclose to any agency or organization that assigns standard identification numbers to loan facilities such basic information describing the facilities provided hereunder as is necessary to assign unique identifiers (and, if requested, supply a copy of this Schedule "P"), it being understood that the Person to whom such disclosure is

---

made will be informed of the confidential nature of such Information and instructed to make available to the public only such Information as such person normally makes available in the course of its business of assigning identification numbers. In addition, and notwithstanding anything in this Schedule "P" to the contrary, the Finnvera Facility Agent and the Tranche A Lenders may disclose the existence of the credit facilities established under this Schedule "P" and non-sensitive information relating to same to Finnvera (who may publish same on their website), market data collectors, recognized trade publishers and similar service providers for general circulation in the loan market and/or for general advertising purposes.

---

**EXHIBIT "P-1" - LIST OF TRANCHE A LENDERS AND TRANCHE A COMMITMENTS**

<b><u>Tranche A Lender</u></b>	<b><u>Tranche A Commitment (Cdn.\$)</u></b>	<b><u>Tranche A Commitment (%)</u></b>
The Toronto-Dominion Bank	\$37,500,000	50.0%
HSBC Bank plc	\$28,125,000	37.5%
Sumitomo Mitsui Banking Corporation of Canada	\$9,375,000	12.5%
<b>Total</b>	<b>\$75,000,000</b>	<b>100%</b>

---

**EXHIBIT "P-1A" - TRANCHE A NOTICE OF BORROWING**

TO: **HSBC BANK PLC**, as Finnvera Facility Agent

FROM: **VIDÉOTRON LTÉE**

DATE:

1) This Tranche A Notice of Borrowing is delivered to you pursuant to Section 3.1 of Schedule "P" to the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented or otherwise modified from time to time (the "**Credit Agreement**"). Unless otherwise indicated herein, all defined terms set forth in this Tranche A Notice of Borrowing shall have the respective meanings set forth in Exhibit "P-5" to Schedule "P" to the Credit Agreement.

2) We hereby request a Cdn.\$ \_\_\_\_\_ (representing the CAD Equivalent of US\$ \_\_\_\_\_) Tranche A Advance under the Finnvera Facility A of the Credit Agreement as follows:

- (a) Date of Tranche A Advance: \_\_\_\_\_
- (b) Amount of Tranche A Advance: \_\_\_\_\_
- (c) Tranche A Designated Period: \_\_\_\_\_
- (d) Payment instruction (if any): \_\_\_\_\_

3) We have understood the provisions of Schedule "P" to the Credit Agreement which are relevant to the furnishing of this Tranche A Notice of Borrowing. To the extent that this Tranche A Notice of Borrowing evidences, attests or confirms compliance with any covenants or conditions precedent provided for in the Credit Agreement (including, without limitation, those set forth in Schedule "P" to the Credit Agreement), we have made such examination or investigation as was, in our opinion, necessary to enable us to express an informed opinion as to whether such covenants or conditions have been complied with.

4) WE HEREBY CERTIFY THAT, as of the date hereof:

- (a) All of the representations and warranties of the Borrower contained in Article 11 of the Credit Agreement (except where qualified in such Article 11 as being made as at a particular date), are true and correct on and as of the date hereof as though made on and as of the date hereof.
  - (b) All of the covenants of the Borrower contained in Articles 12 and 13 of the Credit Agreement, as supplemented by Article 8 of Schedule "P" to the Credit Agreement, together
-

with all of the conditions precedent to a Tranche A Advance and all other terms and conditions contained in the Credit Agreement have been fully complied with.

(c) No Event of Default (as defined in the Credit Agreement) has occurred and no Default (as defined in the Credit Agreement) has occurred and is continuing.

Yours truly,

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

---



**EXHIBIT "P-1B" – NOTICE OF NEW TRANCHE A DESIGNATED PERIOD AND CERTIFICATE**

TO: **HSBC BANK PLC, as Finnvera Facility Agent**

FROM: **VIDÉOTRON LTÉE**

DATE:

1) This Notice of New Tranche A Designated Period and Certificate is delivered to you pursuant to Section 3.3 of Schedule "P" to the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented or otherwise modified from time to time (the "**Credit Agreement**"). Unless otherwise indicated herein, all defined terms set forth in this Notice of New Tranche A Designated Period and Certificate shall have the respective meanings set forth in EXHIBIT "P-5" to Schedule "P" to the Credit Agreement.

2) We hereby request that you continue the Tranche A Advances made under the Finnvera Facility A of the Credit Agreement as follows:

- (A) Tranche A Rollover Date: \_\_\_\_\_
- (b) Amount of Tranche A Advances to be rolled over (*minimum Cdn.\$1,000,000 or such smaller amount corresponding to the Tranche A CDOR Advance Amount, as applicable, of the Tranche A Advances to be continued hereunder*): \_\_\_\_\_
- (c) New Tranche A Designated Period: \_\_\_\_\_
- (d) Payment instruction (if any) \_\_\_\_\_

3) We have understood the provisions of Schedule "P" to the Credit Agreement which are relevant to the furnishing of this Notice of New Tranche A Designated Period and Certificate. To the extent that this Notice of New Tranche A Designated Period and Certificate evidences, attests or confirms compliance with any covenants provided for in the Credit Agreement (including, without limitation, those set forth in Schedule "P" to the Credit Agreement), we have made such examination or investigation as was, in our opinion, necessary to enable us to express an informed opinion as to whether such covenants have been complied with. For greater certainty, none of the conditions precedent provided for in the Credit Agreement (other than that set forth in subsection 6.2.1 of Schedule "P" to the Credit Agreement) shall apply in respect of this Notice of New Tranche A Designated Period and Certificate and the continuation of the Tranche A Advances requested hereunder.

4) WE HEREBY CERTIFY THAT, as of the date hereof:

---

(a) All of the representations and warranties of the Borrower contained in Article 11 of the Credit Agreement (except where qualified in such Article 11 as being made as at a particular date), are true and correct on and as of the date hereof as though made on and as of the date hereof.

(b) All of the covenants of the Borrower contained in Articles 12 and 13 of the Credit Agreement, as supplemented by Article 8 of Schedule "P" to the Credit Agreement and all other terms and conditions contained in the Credit Agreement have been fully complied with.

(c) No Event of Default (as defined in the Credit Agreement) has occurred and no Default (as defined in the Credit Agreement) has occurred and is continuing.

Yours truly,

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

---

**EXHIBIT "P-2" - NOTICE OF REPAYMENT**

TO: **HSBC BANK PLC, as Finnvera Facility Agent**

FROM: **VIDÉOTRON LTÉE**

DATE:

- 1) This notice of repayment is delivered to you pursuant to Section 5.2 of Schedule "P" to the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement"). All defined terms set forth in this notice shall have the respective meanings set forth in Schedule "P" to the Credit Agreement.
- 2) We hereby advise you that we will be repaying the sum of Cdn.\$\_\_\_\_\_ on \_\_\_\_\_ as follows [**indicate amount payable in respect of the Finnvera Facility A as well as the type of Tranche A Advance to be repaid**].
- 3) As to an amount of Cdn. \$\_\_\_\_\_, the above-mentioned payment should be treated as a [**voluntary repayment/prepayment**] under Section 5.2 of Schedule "P" to the Credit Agreement, which we understand will have the effect of reducing the amount of the Finnvera Facility A by an equal amount (or by an equivalent amount, if in US\$).

Yours truly,

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

---

**EXHIBIT "P-3" – OFFICER'S CERTIFICATE**

I, the undersigned, \_\_\_\_\_, the \_\_\_\_\_, of Vidéotron Ltée (the "**Borrower**"), do hereby certify as follows:

- (a) I have taken cognizance of all the terms and conditions of the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, as well as of all contracts, agreements and deeds pertaining thereto; and
- (b) no Default or Event of Default has occurred nor exists thereunder; and
- (c) the corporate structure of the VL Group is as set out in the diagram attached to this certificate; and
- (d) all of the movable property owned by the VL Group as of the date hereof is located in the province of Québec and in Ontario and, with respect to Videotron US Inc. only, in the United States;
- (e) each member of the VL Group holds the permits, Licences, licences and authorizations required in order to permit it to possess its property and its real estate and to carry on its business in the manner in which it is being carried on at present; and
- (f) the performance by the Borrower of its obligations under the NSN Contract in accordance with its terms and the completion of the transactions contemplated therein do not require any consents or approvals, do not violate any Applicable Laws, and do not conflict with, violate or constitute a breach under the documents of incorporation or by-laws of the Borrower.

All expressions referred to herein have the meanings ascribed to them in the Credit Agreement.

Executed at the City of Montreal, Province of Quebec this \_\_\_\_ day of \_\_\_\_\_, 2011.

Encl.

---

**EXHIBIT "P-4" – FINNVERA TRANSFER AGREEMENT**

TO: **HSBC BANK PLC** (the "**Finnvera Facility Agent**"); and

**VIDÉOTRON LTÉE** (the "**Borrower**")

**WHEREAS** the Borrower entered into a Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may have been further amended, restated, supplemented or otherwise modified from time to time (the "**Credit Agreement**"), with the Finnvera Facility Agent, as Finnvera Facility agent and Tranche A Lender, and with other Tranche A Lenders, whereby the Tranche A Lenders agreed to provide the Borrower with certain credit facilities; and

**WHEREAS** pursuant to and in accordance with Article 10 of Schedule "P" to the Credit Agreement, a Tranche A Lender may, [**with the prior consent of and/or notice to the Borrower/the Finnvera Facility Agent/Finnvera** (*include as applicable in the circumstances*)] assign or transfer all or any of its rights, benefits and obligations under the Credit Agreement by duly completing, executing and delivering to the Finnvera Facility Agent and to the Borrower this Finnvera Transfer Agreement; and

**WHEREAS** \_\_\_\_\_ (the "**Transferor**") wishes to assign or transfer to \_\_\_\_\_ (the "**Assignee**") the rights, benefits and obligations of the Transferor under the Credit Agreement specified herein;

**WHEREAS** [**the Borrower/the Finnvera Facility Agent/Finnvera** (*include as applicable in the circumstances*)] have [**consented/been notified** (*include as applicable in the circumstances*)] in writing to such assignment or transfer pursuant to the provisions of Article 10 of Schedule "P" to the Credit Agreement [**and have reiterated their consent hereby** (*include as applicable in the circumstances*)];

**NOW THEREFORE** in consideration of the foregoing and of one dollar (\$1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, the signatories hereto agree as follows:

1. Unless otherwise indicated herein, all capitalized terms defined in Exhibit "P-5" of Schedule "P" to the Credit Agreement and not otherwise defined herein have the same meaning as in Exhibit "P-5" of Schedule "P" to the Credit Agreement.

2. The Transferor assigns and transfers to the Assignee the following rights, benefits and obligations, without warranty (the "**Transfer**"):

(description of the transferred rights, benefits and obligations, indicating retained interest or fees, if applicable, extent of the Assignee's interest and any applicable arrangements if any Tranche A CDOR Advances are outstanding at the time of the Assignment)

---

(the "**Transferred Rights**" and the "**Transferred Obligations**", as applicable). The Transfer shall be effective as of \_\_\_\_\_, \_\_\_\_\_.

3. If the Tranche A Advances made by the Assignee are less than the proportionate share of all Tranche A Advances based on the Tranche A Commitment of the Assignee in the Tranche A Credit, the Assignee shall, on demand, indemnify the Transferor in respect of the principal amount of the corresponding Tranche A Advances made by the Transferor in excess of the Transferor's Tranche A Commitment. The Tranche A Advances in respect of which the Assignee is bound to indemnify the Transferor are set out in Schedule "B" hereto. On the effective date of the Transfer, the Transferor shall pay to the Assignee the indemnity fees in respect of [**Tranche A CDOR Advances**] in the amounts specified in Schedule "B" during the period in which the Assignee is to indemnify the Transferor.

4. The Assignee accepts the Transfer and assumes the Transferred Obligations without novation and without warranty (the "**Assumption**"). The Assignee acknowledges and accepts that the Assignee and the Agent (as defined in the Credit Agreement) are solidary creditors of the Borrower and the Guarantors (as defined in the Credit Agreement) in respect of all amounts, liabilities and other obligations, present and future, of the Borrower and the Guarantors (as defined in the Credit Agreement) to each of them under the Credit Agreement as contemplated by Section 18.1.2 of the Credit Agreement and in accordance with Article 1541 of the *Civil Code of Quebec*.

5. The Transfer and the Assumption are governed by and subject to Article 10 of Schedule "P" to the Credit Agreement.

6. The Transferor and the Assignee acknowledge that arrangements have been made between them as to the portion, if any, of Tranche A Fees and interest received or to be received by the Transferor pursuant to Schedule "P" to the Credit Agreement and to be paid by the Transferor to the Assignee.

7. The Assignee acknowledges and confirms that it has not relied upon and that neither the Transferor nor the Finnvera Facility Agent has made any representation or warranty whatsoever as to the due execution, legality, effectiveness, validity or enforceability of the Credit Agreement or any other documentation or information delivered by the Transferor or the Finnvera Facility Agent to the Assignee in connection therewith or for the performance thereof by any party thereto or for the performance of any obligation by any Subsidiary (as defined in the Credit Agreement) or for the financial condition of the Borrower or of any Subsidiary. All representations, warranties and conditions expressed or implied by law or otherwise are hereby excluded.

8. The Assignee represents and warrants that it has itself been, and will continue to be, solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Borrower and has not relied and will not hereafter rely on the Transferor and/or the Finnvera Facility Agent to appraise or keep under review on its behalf the financial condition, creditworthiness, affairs, status or nature of the Borrower. The Assignee acknowledges and agrees that it has no right to obtain any non-public information directly from the Borrower and that it will request any information it requires solely from the Finnvera Facility Agent.

---

9. Each of the Transferor and the Assignee represents and warrants to the other and to the Finnvera Facility Agent, the other Tranche A Lenders and the Borrower, that it has the right, capacity and power to enter into the Transfer and the Assumption in accordance with the terms hereof and to perform its obligations arising therefrom, and all action required to authorize the execution and delivery hereof and the performance of such obligations has been duly taken.

10. This Finnvera Transfer Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec, Canada.

11. The parties confirm having requested that this document be drafted in the English language. Les parties confirment avoir requis que ce document soit rédigé en langue anglaise.

Following the Transfer and Assumption, Exhibit "P-1" to Schedule "P" to the Credit Agreement will be replaced by Schedule "A" annexed hereto.

AND THE PARTIES HAVE SIGNED AS OF \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
as Transferor

\_\_\_\_\_  
as Assignee

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

**[CONSENTED TO AND ACKNOWLEDGED:]** *(include and adjust signatories as applicable in the circumstances)*

FINNVERA PLC  
Per: \_\_\_\_\_

VIDÉOTRON LTÉE  
Per: \_\_\_\_\_

Per: \_\_\_\_\_

Per: \_\_\_\_\_

---

## EXHIBIT "P-5" – INTERPRETATION AND DEFINITIONS

### Definitions

Capitalized terms used and not otherwise defined in this Schedule "P" have the meanings ascribed thereto in the Credit Agreement. The following words and expressions, when used in Schedule "P" or in any agreement supplementary to the Credit Agreement, unless the contrary is stipulated, have the following meaning:

"**Amending Agreement**" means the Tenth Amending Agreement to the Credit Agreement dated as of November 13, 2009 between, *inter alia*, the Borrower, the Agent, the Finnvera Facility Agent, and certain lenders;

"**Availability Period**" means, with respect to the Finnvera Term Facility, the period from the Signing Date (subject to satisfying the conditions precedent set forth in Article 6 of Schedule "P") until the earlier of (i) the date falling 24 months after the Signing Date and (ii) the full utilization, cancellation or termination of the Finnvera Term Facility;

"**Business Day**" means any day, except Saturdays, Sundays and other days which in Montreal or Toronto (Canada) or London (England) or, to the extent Finnvera becomes a Tranche A Assignee under Schedule "P" or is subrogated into the rights of any Tranche A Lender, Helsinki (Finland), are holidays or days on which banking institutions are not authorized to be open or required by law or by local proclamation to close;

"**CAD Equivalent**" means the equivalent in Canadian Dollars of any value or sum denominated in US Dollars using the rate of exchange quoted by the Bank of Canada as the noon mid-market spot rate for such conversion on the day preceding the Business Day on which such determination is made;

"**CDOR Rate**" means, with respect to any Tranche A Designated Period of 30 to 183 days relating to a Tranche A CDOR Advance, the annual rate of discount or interest which is the arithmetic average of the discount rates (rounded upwards to the nearest multiple of 0.01%) for bankers' acceptances denominated in Canadian Dollars for such term and face amount identified as such on the Reuters Screen CDOR Page at approximately 10:00 A.M. (Montreal time) on the date on which such Tranche A CDOR Advance is to be made or on the Tranche A Rollover Date, as the case may be, or if such day is not a Business Day, then on the immediately preceding Business Day (as adjusted by the Finnvera Facility Agent after 10:00 A.M. (Montreal time) to reflect any error in any posted rate or in the posted average annual rate). If the rate does not appear on the Reuters Screen CDOR Page as contemplated above, then the CDOR Rate on any day shall be calculated by the Finnvera Facility Agent at the arithmetic average of the discount rates (rounded upwards to the nearest multiple of 0.01%) for bankers' acceptances denominated in Canadian Dollars for such term comparable to the Tranche A Designated Period and such face amount comparable to the Tranche A CDOR Advance Amount of, and as quoted by, the Schedule "I" Reference Banks, as of 10:00 A.M. (Montreal time) on that day, or if that day is not a Business Day, then on the immediately preceding Business Day. Each calculation by the Finnvera Facility Agent of the CDOR Rate shall be binding and conclusive for all purposes, absent manifest error;

---



"**Commitment Fee Letter**" means the letter agreement dated November 13, 2009 entered into between the Borrower and the Finnvera Facility Agent, as same may be amended, restated, supplemented, amended and restated or otherwise modified from time to time;

"**Cost of Funds**" means a Tranche A Lender's cost of funds as determined by it and expressed as an annual rate to borrow Canadian dollars for a Tranche A Designated Period including, *inter alia*, as the case may be, the cost of keeping base, excess or emergency reserves (as may be required from time to time by Law and competent authorities), the cost of Canada deposit insurance and any tax or assessment that must be deducted or withheld by such Tranche A Lender, as applicable, and as described by such Tranche A Lender to the Borrower by way of a statement which sets forth the calculations used in determining such cost of funds;

"**Cost of Funds Basis**" means the basis of calculation of interest on the Tranche A Advances, or any part thereof, made or deemed to have been made in accordance with the provisions of Sections 3.9 and 3.11 of Schedule "P", respectively;

"**Credit Agreement**" means the credit agreement dated as of November 28, 2000 entered into among, *inter alia*, the Borrower, the financial institutions party thereto from time to time and Royal Bank of Canada, as administrative agent (as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented, amended and restated or otherwise modified from time to time);

"**Default Rate**" means, for any day, the CDOR Rate which would apply to bankers' acceptances with a period of one month, plus 4%;

"**Domestic Tranche A Lender**" means a Tranche A Lender who is a resident of Canada (within the meaning of the *Income Tax Act* (Canada)) and any other Tranche A Lender who has the ability to fund via the CDOR Rate;

"**ECA Guarantee**" means the Buyer Credit Guarantee Agreement Bc 112-08 dated November 13, 2009 (and the General Conditions for Buyer Credit Guarantees dated March 1, 2004 annexed thereto) granted by ECA to and in favour of, among others, the Tranche A Lenders, in connection with, *inter alia*, the Finnvera Term Facility, as same may be amended, restated, supplemented, amended and restated or otherwise modified from time to time;

"**ECA Premium A**" means the premiums payable by the Borrower to or for the account of ECA in respect of the ECA Guarantee;

"**Eighth Repayment Date**" means the date that falls 42 months after the First Repayment Date;

"**Euros or "€"** means the lawful currency of the member states of the European Union;

"**Fee Letter**" means the letter agreement dated as of March 5, 2009 entered into between the Borrower, HSBC Bank plc and TD Securities, as amended on November 13, 2009 and as same may be amended, restated, supplemented, amended and restated or otherwise modified from time to time;

"**Finnvera**" or "**ECA**" means Finnvera plc;

---

"**Finnvera Facility Agency Branch**" means the branch of the Finnvera Facility Agent located at 8 Canada Square, Canary Wharf, London, UK, E14 5HQ, or such other address which the Finnvera Facility Agent may notify the Borrower from time to time;

"**Finnvera Facility Agent**" means HSBC Bank plc, in its capacity as facility agent for all of the Tranche A Lenders;

"**Finnvera Facility B Agent**" means HSBC Bank plc, in its capacity as facility agent for all of the Tranche B Lenders;

"**Finnvera Facility B Security Agent**" means The Toronto-Dominion Bank, in its capacity as security agent for all the Tranche B Lenders;

"**Finnvera Term Facility**" means the facility under which the Tranche A Credit is made available pursuant to Section 1 of Schedule "P";

"**Finnvera Transfer Agreement**" means a transfer agreement substantially in the form annexed to this Schedule "P" as Exhibit "P-4";

"**First Repayment Date**" means June 15, 2010;

"**Foreign Tranche A Lender**" means a Tranche A Lender who is a non-resident of Canada (within the meaning of the *Income Tax Act* (Canada)) and who is authorized by law to lend money in Canada;

"**LIBOR Reference Banks**" means HSBC Bank plc, Barclays Bank plc and UBS AG and any other leading banks in the London inter-bank market as may be agreed to from time to time by the Finnvera Facility Agent and the Borrower;

"**Majority Tranche A Lenders**" means Tranche A Lenders having at least 51% of the Tranche A Commitments;

"**Maturity Date**" means June 15, 2018;

"**Notice of New Tranche A Designated Period**" means a notice substantially in the form of Exhibit "P-1B" to Schedule "P" delivered to the Finnvera Facility Agent by the Borrower in accordance with the provisions of Section 3.3 of Schedule "P";

"**Notice of Repayment**" means a notice substantially in the form of Exhibit "P-2" to Schedule "P" delivered to the Finnvera Facility Agent by the Borrower in accordance with the provisions of Section 5.2 of Schedule "P";

"**NSN**" means Nokia Siemens Networks Oy and any affiliates thereof;

"**NSN Contract**" means, collectively, the Master Purchase Agreement and the Care Agreement, each dated October 21, 2008 between the Borrower, as purchaser, and NSN, as supplier, as amended, restated, supplemented or otherwise modified from time to time;

---

"**Purchase Price**" means the purchase price for telecommunications equipment, software and related goods and services not being equipment, software, goods and services of Canadian origin purchased or to be purchased by the Borrower from NSN pursuant to and as more fully set out in the NSN Contract;

"**Regulatory Approval**" means the receipt of all material consents and approvals of all governmental bodies having jurisdiction which are required to be obtained in connection with the consummation of the NSN Contract including, without limitation, the approval of the CRTC;

"**Repayment Date**" means the First Repayment Date and each date that falls at the end of each 6-month period thereafter up to and including the Maturity Date;

"**Required Documents**" means the documents listed in and annexed to each Tranche A Notice of Borrowing;

"**Schedule I Reference Banks**" means The Toronto-Dominion Bank and any other bank or banks named in Schedule I to the *Bank Act* (Canada) as may be agreed from time to time by the Finnvera Facility Agent and the Borrower;

"**Security Agent**" means The Toronto-Dominion Bank, in its capacity as security agent for all the Tranche A Lenders;

"**Signing Date**" means the date of execution of the Amending Agreement;

"**Term Loan**" means, at any time, the aggregate of the Tranche A Advances outstanding in accordance with the provisions of Schedule "P", together with all unpaid interest thereon and any other amount in principal, interest and accessory fees, costs and expenses payable to the Finnvera Facility Agent or the Tranche A Lenders by the Borrower pursuant to the Credit Agreement including, without limitation, the Tranche A Fees, the Commitment Fee and the Finnvera Handling Fee;

"**Tranche A Advance**" means any advance by a Tranche A Lender under Schedule "P", including a Tranche A CDOR Advance;

"**Tranche A Advance Amount**" means a Tranche A CDOR Advance Amount;

"**Tranche A Assignee**" has the meaning ascribed to it in subsection 16.2.1 of Schedule "P" and shall be deemed to include Finnvera if an assignment and transfer is made to it in accordance with the provisions of Article 10 of Schedule "P";

"**Tranche A Assignment**" means an assignment of all or a portion of a Tranche A Lender's rights and obligations under Schedule "P" in accordance with Sections 10.2 and 10.3 of Schedule "P";

"**Tranche A Borrowing Certificate**" means a certificate substantially in the form of Exhibit "P-7" to Schedule "P" delivered to the Finnvera Facility Agent by the Borrower in accordance with the provisions of Section 6.5 of Schedule "P";

"**Tranche A CDOR Advance Amount**" means the amount of any given Tranche A CDOR Advance or any continuation (in whole or in part) thereof;

---

"**Tranche A CDOR Advances**" means, at any time, any Cdn.\$ Tranche A Advances made by a Domestic Tranche A Lender bearing interest at the CDOR Rate;

"**Tranche A Commitment**" means the portion of the Tranche A Credit for which a Tranche A Lender is responsible, as set out in Exhibit "P-1" to Schedule "P";

"**Tranche A Credit**" means the aggregate amount available to the Borrower under the Finnvera Term Facility;

"**Tranche A Designated Period**" means, with respect to a Tranche A Advance, a period designated by the Borrower in accordance with Section 3.4 of Schedule "P";

"**Tranche A Fees**" means the fees, premiums and other charges payable to the Finnvera Facility Agent, the Security Agent, Finnvera and the Tranche A Lenders in accordance with the provisions of the Fee Letter;

"**Tranche A Lender**" or "**Tranche A Lenders**" means the lenders listed in Exhibit "P-1" to Schedule "P", together with any Tranche A Assignee(s), or, as the context permits, any of them alone, which, in each case, has not ceased to be a lender in accordance with the provisions of Schedule "P";

"**Tranche A Notice of Borrowing**" means a notice substantially in the form of Exhibit "P-1A" to Schedule "P" delivered to the Finnvera Facility Agent by the Borrower in accordance with the provisions of Section 3.1 of Schedule "P";

"**Tranche A Rollover Date**" means, with respect to a Tranche A Advance, the date of any such Tranche A Advance, or the first day of any Tranche A Designated Period;

"**Tranche B Lenders**" means the lenders from time to time party to the Tranche B Loan Agreement, including their successors and permitted assigns;

"**Tranche B Loan**" means the term loan granted to the Borrower by HSBC Bank plc, The Toronto-Dominion Bank and each other Tranche B Lender pursuant to the Tranche B Loan Agreement;

"**Tranche B Loan Agreement**" means the credit agreement dated November 13, 2009 pursuant to which the Tranche B Loan is made available to the Borrower, as same may be amended, restated, supplemented, amended and restated or otherwise modified from time to time.

---

**EXHIBIT "P-6" – COMMITMENT FEE LETTER**



HSBC Bank plc  
Level 18  
8 Canada Square  
London  
E14 5HQ

November 13, 2009

**Vidéotron Ltée**  
612 Saint-Jacques Street, 13 Floor  
Montreal, Quebec  
H3C 4M8

**Attention: Mr. Jean-François Pruneau, Vice President, Finance**

Dear Mr. Pruneau:

This letter is delivered to you in connection with (i) Schedule "P" to that certain Credit Agreement dated as of November 28, 2000, as amended by a First Amending Agreement dated as of January 5, 2001, a Second Amending Agreement dated as of June 29, 2001, a Third Amending Agreement dated December 12, 2001 and accepted by the lenders party thereto as of December 21, 2001, a Fourth Amending Agreement dated as of December 23, 2002, a Fifth Amending Agreement dated as of March 24, 2003, a Sixth Amending Agreement dated as of October 8, 2003, a Seventh Amending Agreement dated as of November 19, 2004, an Eighth Amending Agreement dated as of March 6, 2008, a Ninth Amending Agreement dated as of April 7, 2008, and a Tenth Amending Agreement dated as of November 13, 2009 entered into between Vidéotron Ltée ("Vidéotron"), as borrower, the financial institutions party thereto from time to time, as lenders, Royal Bank of Canada, as administrative agent, and HSBC Bank plc, as agent (the "Finnvera Term Facility Agent") to certain lenders from time to time (the "Tranche A Lenders") providing credit facilities guaranteed by Finnvera plc (the "Finnvera Term Facility") in an aggregate principal amount of Cdn.75,000,000 (as so amended and as same may be further amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"); and (ii) the Finnvera Facility B Credit Agreement dated as of November 13, 2009 between Vidéotron, as borrower, the financial institutions party thereto from time to time, as lenders (the "Tranche B Lenders"), HSBC Bank plc, as agent (the "Finnvera Facility B Agent"), and The Toronto-Dominion Bank, as security agent, pursuant to which credit facilities

---

guaranteed by Finnvera plc (the "Finnvera Facility B") are made available to Vidéotron in an aggregate principal amount of the CAD Equivalent (as defined therein) of the difference between US\$100,000,000 and the aggregate of the USD Equivalent (as defined therein) of each drawing made under the Finnvera Term Facility (as amended, restated, supplemented, amended and restated or otherwise modified from time to time, the "Finnvera Facility B Credit Agreement").

The fees set forth below shall be non-refundable and deemed to be fully earned on the date on which they are respectively due and shall be in addition to, and not creditable against, any other fees, premiums, costs, expenses and other charges payable pursuant to or in connection with the Credit Agreement, the Finnvera Facility B Credit Agreement or otherwise. Your obligation to pay such fees will not be subject to counterclaim or setoff for, or be otherwise affected by, any claim or dispute you may have, and all such fees shall be paid free and clear of deductions, taxes or withholdings of any kind.

In connection with and in consideration for the agreements contained in the Credit Agreement and the Finnvera Facility B Credit Agreement, you agree with the Finnvera Term Facility Agent and the Finnvera Facility B Agent, respectively, as follows:

**COMMITMENT FEE.** You will pay to HSBC Bank plc, as Finnvera Term Facility Agent and Finnvera Facility B Agent, for the account of the Tranche A Lenders and the Tranche B Lenders, respectively, a commitment fee (the "Commitment Fee") in US Dollars of 0.375% per annum calculated from and as of November 13, 2009 on the day to day undrawn portion of USD 100,000,000, representing the aggregate principal amount available under the Finnvera Term Facility and the Finnvera Facility B, collectively. The Commitment Fee shall be payable semi-annually in arrears on December 10<sup>th</sup> and June 10<sup>th</sup> of each year up to and including the last day of the Availability Period (as defined in the Finnvera Facility B Credit Agreement).

No party to this commitment fee letter is authorized to show or circulate this letter or disclose the contents of this letter to any person or entity (other than its legal and financial advisors in connection with its evaluation of this letter), except (i) as required by law, (ii) to any other party to the Credit Agreement, and (iii) by the Finnvera Term Facility Agent and the Finnvera Facility B Agent to potential Tranche A Lenders and Tranche B Lenders, respectively.

This letter shall enure to the benefit of the Finnvera Term Facility Agent and the Finnvera Facility B Agent and their successors and assigns and shall be binding on you and your successors and assigns.

This letter will be governed by and interpreted in accordance with the laws of the Province of Québec and the laws of Canada applicable in such Province.

This letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this letter (whether by delivery of an original of the same or by facsimile transmission) shall be as effective as delivery of a manually executed counterpart of this letter.

The parties hereto have expressly required that this letter be drafted in the English language. *Les parties aux présentes ont expressément exigé que les présentes soient rédigées en langue anglaise.*

THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

---

Yours truly,

**HSBC BANK PLC**

By: \_\_\_\_\_  
Name:  
Title:

ACCEPTED AND AGREED TO  
AS OF THE DATE FIRST WRITTEN ABOVE:

**VIDÉOTRON LTÉE**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

---

**EXHIBIT "P-7" – TRANCHE A BORROWING CERTIFICATE**

TO: **HSBC BANK PLC**, as Finnvera Facility Agent

FROM: VIDÉOTRON LTÉE

DATED: \_\_\_\_\_

1) This Tranche A Borrowing Certificate is delivered to you pursuant to Section 6.4 of Schedule "P" to the Credit Agreement originally dated as of November 28, 2000, as amended and restated as of July 20, 2011, and as same may be further amended, restated, supplemented or otherwise modified from time to time (the "**Credit Agreement**"). Unless otherwise indicated herein, all defined terms set forth in this Tranche A Borrowing Certificate shall have the respective meanings set forth in Exhibit "P-5" to Schedule "P" to the Credit Agreement.

2) Attached hereto are true and complete copies of: **[invoices, evidence of payment, receipts]**.

3) We have already paid the amount of US\$ \_\_\_\_\_ (the "**Purchase Price Portion**") to NSN in accordance with the NSN Contract for the goods and services of non-Canadian origin covered by the aforementioned documents. Amounts invoiced and paid relate to the value of such goods manufactured and supplied to date and of such services rendered to date.

4) We have already paid the amount of US\$ \_\_\_\_\_ to NSN in accordance with the NSN Contract for the local services covered by the aforementioned documents. Amounts invoiced and paid relate to the value of such local services rendered to date.

5) WE FURTHER WARRANT THAT:

(a) The amount claimed in paragraph 2)(b) of the Tranche A Notice of Borrowing (the "**Requested Tranche A Advance Amount**") of even date herewith executed and delivered by the Borrower to the Finnvera Facility Agent is **[less than or]** equal to the CAD Equivalent of (x) 85% of the Purchase Price Portion and (y) costs for local services up to a maximum amount which, when combined with all amounts previously disbursed by the Tranche A Lenders in reimbursement of costs for local services, does not exceed 30% of the portion of the Purchase Price paid to date, **[(in initial Tranche A Notice of Borrowing only, as applicable) plus Cdn.\$ \_\_\_\_\_ which represents all or part of the upfront portion of the ECA Premium A]**.

(b) The Requested Tranche A Advance Amount does not include any amounts which have already been claimed under any other Tranche A Notice of Borrowing.

(c) The Requested Tranche A Advance Amount, when added to the principal amounts of all other Tranche A Advances made prior to the date hereof, does not exceed (i) the sum of (x) the CAD Equivalent of 85% of the portion of the Purchase Price paid to date, (y) the CAD Equivalent of costs for local services up to a maximum of 30% of such portion of the Purchase Price paid to date, and (z) 100% of the upfront portion of the ECA Premium A or (ii) Cdn.\$75,000,000.

(d) The NSN Contract has not been terminated and has been in full force and effect as of the date of the invoice(s) to be financed under the Tranche A Notice of Borrowing of even date herewith.

---



6) We enclose a true and complete copy of a certificate of NSN relating to the invoices to be financed under the Tranche A Notice of Borrowing of even date herewith.

7) We undertake to supply you with such additional information and documentation and clarification as reasonably necessary in connection with the ECA Guarantee and agree not to hold you responsible for any delay in meeting the request for reimbursement under the Tranche A Notice of Borrowing of even date herewith occasioned by such request for information.

Yours truly,

**VIDÉOTRON LTÉE**

Per: \_\_\_\_\_

---

**FORM OF SUPPLIER'S CERTIFICATE**

**FROM:** NOKIA SIEMENS NETWORKS CANADA INC., as the supplier under the NSN Contract

**TO:** VIDÉOTRON LTÉE, as the purchaser under the NSN Contract

**AND TO:** HSBC BANK PLC, as Finnvera Facility Agent

**DATED:** \_\_\_\_\_

**Re:** Term loan facility in the maximum principal amount of Cdn.\$75,000,000 (the "Finnvera Facility A") made available to Vidéotron Ltée (the "Borrower") by HSBC Bank plc, The Toronto-Dominion Bank, Credit Suisse AG, Sumitomo Mitsui Banking Corporation of Canada and any other lenders from time to time (the "Tranche A Lenders"), guaranteed by Finnvera plc (the "ECA Guarantee"), and administered by HSBC Bank plc, as agent to the Tranche A Lenders (the "Finnvera Facility Agent"), the whole in connection with the Master Purchase Agreement and the Care Agreement dated October 21, 2008 between the Borrower, as purchaser, and Nokia Siemens Networks Canada Inc., as supplier (collectively, and as amended, restated, supplemented or otherwise modified from time to time, the "NSN Contract")

Dear Sirs:

1. We refer to the "Tranche A Borrowing Certificate" dated \_\_\_\_\_ (the "**Reimbursement Request Certificate**"), which has been made available to us. We understand that the Borrower has requested a drawing under the Finnvera Facility A in order to reimburse a payment made in respect of the NSN Contract and we give this certificate in connection with such requested drawing.
2. We confirm that:
  - (i) the NSN Contract has been in full force and effect and has not been terminated as of the date of the invoices to which the Reimbursement Request Certificate relates;
  - (ii) the statements in paragraphs 3 and 4 of the Reimbursement Request Certificate are true and accurate in all respects;
  - (iii) the amount claimed by the Borrower for reimbursement in connection with the Reimbursement Request Certificate to which this certificate relates does not include any amount for which we have received a disbursement under the Finnvera Facility A or for which the Borrower has previously received a reimbursement under any document of which we have notice; and
  - (iv) we have received from the Borrower 100% of the amount of the relevant invoice(s) to which the Reimbursement Request Certificate relates.

By:

---

Authorized Signatory

---

**SCHEDULE "Q" – SENIOR MNOTES INDENTURE**

---

## List of Subsidiaries of Videotron Ltd.

<u>Name of Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>	<u>Equity Interest/Voting Interest</u>
Videotron Infrastructures Inc.	Canada	100% / 100%
Videotron US Inc.	Delaware	100% / 100%
SETTE inc.	Québec	84.53% / 84.53%
Fizz Mobile & Internet Inc.	Québec	100% / 100%
VMedia Inc.	Canada	100% / 100%
2251723 Ontario Inc.	Ontario	100% / 100%
RiverTV Inc.	Canada	100% / 100%

---

## **CODE OF ETHICS**

(Revised February 13, 2023)

---

---

## **SCOPE**

---

This Code of Ethics (the “**Code**”) applies, without distinction, to all directors, members of the management and employees (hereinafter collectively referred to as “**employees**” or individually as “**employee**”) of Videotron Ltd. (“**Videotron**” or the “**Corporation**”), as well as to those of its subsidiaries, its divisions and business units.

To facilitate the reading of this Code, the use of the singular shall include the plural and vice versa.

## **PURPOSE**

---

The Corporation’s reputation and the trust and confidence of those with whom it deals, are an integral part of its success. The Corporation is committed to managing its business in accordance with a set of values that adhere to the highest standards of integrity and excellence.

Now, more than ever, corporations must adopt certain guidelines to ensure that all employees behave in accordance with these values.

## **RESPONSIBILITY**

---

Every employee is responsible for becoming generally familiar with and for following this Code. The same applies to the Corporation policies, guidelines and practices (the “**Policies**”) as well as all laws, rules and regulations that apply to their position with the Corporation and their level of responsibility.

This Code does not describe all of the Corporation Policies. Needless to say, each employee must also comply without restriction with all other Policies that may exist from time to time within the Corporation Policies.

The Board of Directors of Videotron, through its Audit and Risk Management Committee (the “**Committee**”), is responsible for ensuring that a procedure is in place to denounce any violation to this Code, including more specifically, a toll-free telephone line and a website (both operated by an independent third party). Please see Appendix 1, “Ethics whistle-blowing line – Questions and answers,” attached to this Code, which provides more detailed information about how to use this confidential, anonymous phone line and website.

The Human Resources manager, along with the Vice President, Internal Audit of Quebecor Media inc. (“**QMI**”) and the Vice President, Legal Affairs and Corporate Secretariat of QMI revise the Code when deemed appropriate and recommend any amendment to the Committee. Following the approval by the said Committee, the revised Code is distributed to all employees.

## **WORK ENVIRONMENT**

---

All employees must follow the Corporation’s management principles and adopt behaviours that allow for the application of Policies in relation to, among other things, diversity and inclusion, discrimination, health, safety and well-being at work, drug and/or alcohol use and harassment, as summarized below.

---

**Diversity and inclusion**

The Corporation recognizes and respects diversity in the work environment. The Corporation is committed to maintaining an inclusive, respectful, equitable work environment that is accessible to all (employees, clients, suppliers, visitors, volunteers). The Corporation is committed to promoting access to employment equality and to taking reasonable measures in order to represent the society in which it is evolving.

Hiring processes at the Corporation are carried out in a manner that is respectful of differences. Decisions made in relation to recruiting, assignments and promotions are based solely on skills, qualifications, abilities and individual performance.

**Discrimination**

The Corporation is committed to equal employment opportunity without regard to race, colour, religion, gender, pregnancy, civil status, ethnic or national origin, age (except as provided by law), political convictions, language, social condition, a handicap or the use of any means to palliate a handicap, sexual orientation and gender diversity, provided that the person is able to perform the functions that are incumbent to their position.

The Corporation considers that all human beings are equal and, as such, they must be treated and treat each other with mutual respect. The Corporation is committed to fight against prejudice and discrimination in all forms within its organization. Consequently, discriminating against any employee, applicant or person with whom the Corporation does business on the basis of personal characteristics is prohibited.

**Health, safety and well-being at work**

The Corporation is committed to making health, safety and well-being at work a common objective. It recognizes its employees' value and the important part they play in reaching its business goals. The Corporation confirms its commitment to promoting their health, safety and well-being.

The Corporation commits to taking the necessary measures to protect the health and safety of its employees, and, when applicable, its clients, suppliers, visitors and volunteers. Each employee is responsible for actively participating in identifying workplace risks and must take all necessary precautions to prevent workplace accidents and work-related injuries, whether on the Corporation's work premises or while an employee is working remotely, regardless of their location.

**Use of drugs and/or alcohol**

The Corporation wishes to offer all its employees a safe, healthy and productive work environment. The workplace must be maintained as an alcohol- and drug-free environment to protect the health and safety of all its employees. The consumption of legal and illegal drugs and alcohol, other than medication with a valid prescription, by an employee fulfilling their work duties, whether on the Corporation's premises or elsewhere, is prohibited. The possession, distribution, sharing, purchase or sale of legal and illegal drugs and alcohol by an employee on the Corporation's premises is prohibited. Any exceptions must be approved in

---



---

advance by the Vice President of the department in question. Employees may consult the *Policy on the use of drugs and alcohol* for additional information.

Each employee bears sole responsibility not only for being capable and able to do their work, but also for doing that work in a manner that is safe for them and their colleagues and the general public. No employee who has consumed a substance that alters their physical and/or psychological ability to work safely and professionally will be tolerated at the workplace or on the site where they are fulfilling work duties, regardless of their location.

### **Harassment**

The Corporation fulfills its obligations in terms of health and safety of its employees by maintaining an environment free from all forms of harassment and violence and provides its employees with clear procedures to report term. Employees are asked to refer to the applicable Corporation or subsidiary policy to this effect.

### **RELATIONS WITH CUSTOMERS AND SUPPLIERS**

---

Videotron is a customer-driven company committed to optimizing the contribution of its employees, technology and other resources in order to meet or exceed customer expectations.

Employees should always act in a professional and courteous manner in their dealings with customers and suppliers. They must maintain an honest and loyal relationship with them, in full compliance with the Corporation's contractual obligations and the applicable laws and regulations.

No employee must ever make false representations, and any misunderstanding should be clarified as soon as possible.

Each employee has a duty to keep confidential any personal or business information about customers and suppliers to which the employee gains or has access to in the course of their work or otherwise in the Corporation, whether be it verbal, written or electronic information. Examples are customer documentation, specifications, the content of their publications or information on the customer's company obtained in the course of doing business. In all cases, this information is strictly confidential and is of a proprietary nature belonging to the customer and can only be used to provide the services requested by the customer.

### **CONFLICT OF INTEREST**

---

The Corporation expects and requires its employees to always act in its best interest. It also expects and requires its employees to be and to remain, at all times, free of any conflicting interests or relationships and to refrain from acting or being in a situation of conflict of interests, or in situations that have the appearance of a conflict of interest.

---

### **Directors**

Directors are required to notify the Chair of the Committee or the Vice President, Legal Affairs and Corporate Secretariat of QMI or the Secretary of QMI of any interest they have in a contract or operation to which the Corporation is party to during their mandate as Director.

A director who finds they are in a conflict of interest during any Board or Committee meeting of the Corporation must immediately disclose the nature and value of their interest and, within the limits of the applicable laws, refrain from participating in any discussion about the conflicting issue or from voting thereon.

### **Members of the management and other employees**

A conflict of interest arises whenever the employee's personal interests interfere (or seems to interfere) or conflicts (or seems to conflict) with the interest of the Corporation. In any decision taken in the course of their job, the employee must always act in an objective manner, in the best interest of the Corporation and unaffected by any consideration of personal gain for the employee or any legal or physical person associated with them, including friends or relatives. An employee must always refrain from helping any other business or person in securing any contract with the Corporation from which they can derive a personal benefit.

It is impossible to provide an exhaustive list of all situations that could give rise to real or potential conflicts of interest. For instance, a conflict of interest would exist when an employee:

- either for their benefit or that of any person, association or company, conducts activities during working hours that are neither directly related to, nor required, for their functions (except with the management's specific request or permission) and which deprive the Corporation from the employee's services or prevent that employee from devoting all efforts and attention to the Corporation's affairs;
  - as a result of an outside third-party relationship, is in a position that could:
    - make personal gain for the benefit of that employee or any relative or friend;
    - render the employee partial towards the third party contrary to the best interest of the Corporation;
    - place the employee in an equivocal, embarrassing or ethically questionable position towards that third party; or
    - reflect unfavourably on the integrity and honesty of the employee;
  - takes on for themselves or takes advantage of business opportunities that belong to the Corporation or are discovered through the use of the Corporation's resources, property, information or the employee's position with the Corporation;
  - uses the Corporation's property or information, or their position held within the Corporation, for personal gain, including to further their interest or that of relatives or friends;
-

- accepts gifts (other than of a nominal, symbolic or promotional nature) from a supplier, client or any other person which has, or may have dealings with the Corporation;
- directly or indirectly competes with the Corporation or has a relationship that is harmful or detrimental to the Corporation's best interest;
- engages in business or gainful activities that might be detrimental to the best interest of the Corporation. The term "business or gainful activities" includes any professional activity, supervision or training of other persons, or consultation or advice, for any form of remuneration.

Every employee who may find himself in or be brought into a situation of conflict of interest or the appearance thereof, should make a full written disclosure of the circumstances to their immediate supervisor, the Human Resources manager and, when this situation arises with a member of the management, to the Vice President, Legal Affairs and Corporate Secretariat of QMI and the Corporate Secretary of QMI.

### **CORPORATION PROPERTY**

---

The employees have a responsibility to help protect the Corporation's property and assets and to ensure that they are used in accordance with their intended use.

Such property includes, and is not limited to, offices and office equipment, supplies, computers, art works, telephone and video equipment, vehicles, tools, equipment, buildings, real property, information, databases, files, funds, communication networks, information and intellectual property.

The Corporation's property is intended for use by employees in the performance of their duties and not for personal use, unless they have prior authorization for such use. When an employee is authorized to work at home or off-site or while travelling, they must ensure that Corporation property is kept secure and separate from their personal property.

Intellectual property such as patents, authors' rights, trademarks, domain names, industrial designs and business secrets are the property of the Corporation.

### **Information Security**

The Corporation is committed to maintaining information security (whatever form information takes and whatever media it is kept on). Security is required for documents produced or received in a work context, computer equipment, software applications and the documentation required to operate them, software programs and packages, electronic data processing, data processed and stored, and the physical locations, at any location where an employee works or fulfills work duties, where information assets may be stored. Employees take part in maintaining this security by apprising themselves of and following Policies that are implemented by the Corporation that affect any aspect of information security, including the *Policy on*

---

*Information Security.* Any disrespect of these regulations could expose the Corporation to significant financial and legal consequences.

All possible safeguards must be taken to prevent theft, misuse or illegitimate use, unauthorized disclosure, damage, loss, sabotage, carelessness and waste of the Corporation's property and information, at any location where an employee works or fulfills work duties.

Employees must take training sessions on information security when management requires it.

#### **Computer, telephone and Internet networks**

The Corporation may monitor the use of its property at all times including the computer and telecommunication networks and the data and communication transiting through them. Minimal occasional personal use of the telephone and the Internet is allowed, as long as it does not hinder work performance. Employees should have no expectation of privacy when using the Corporation's technology resources. Messages, communications and the use of the Internet may be monitored from time to time by the Corporation.

Internet use for illegal or unauthorized purposes is strictly forbidden. For this reason, unless an employee's work requires it, no employee may access content involving games, pornography, content related to terrorism, racism and/or offensive content, or social encounters or any other form of access that provides content of that nature.

#### **Electronic mail**

The use of electronic mail requires the same level of attention and reserve than any other written communication. Language must be appropriate, and the addressees must be only those to whom the message is relevant. Confidential information must not circulate electronically without appropriate measures being taken to protect them and prevent them from losing the protection that they would otherwise have. Electronic mail favours direct communication without nuance and reserve; consequently, it must not be used to discuss matters that could lead to contentious issues or to exchange comments related to such matters. It is obviously possible to communicate electronically with the Legal Affairs Department of QMI as long as the communications addressed to this department bear the mention "Confidential and privileged, covered by professional confidentiality" when the purpose of this communication is to obtain a legal opinion or is being sent in the context of current or future litigation.

#### **Remote work**

Employees must ensure that they comply with all applicable Corporation Policies and guidelines regardless of where they fulfill their work duties, whether on- or off-site. To that end, the *Policy on Remote Work* outlines certain requirements with respect to information security when the employee is not at the Corporation's workplace.

---



---

## CORPORATION FUNDS

---

When an employee's position involves the use of Corporation funds, it is the responsibility of the employee to exercise their good judgment, on the Corporation's behalf, to ensure that the Corporation gets the best commercial value in return.

Employees who incur expenses in the performance of their duties can only seek reimbursement for expenses that were actually paid for goods and services and that are reasonable and pre-authorized. They are required to provide all supporting documentation and appropriate receipts with their reimbursement request.

Employees who have access to Corporation funds in any form are expected to be familiar with the Corporation's prescribed practices and procedures pertaining thereto. Corporation funds are any monies or documents that have or represent financial value. Corporation funds include, but are not limited to, currency, cheques, vouchers, credit, receivables, payables, money orders, expenses, reimbursements and pay cheques.

It is clearly understood that Corporation funds are not for personal use or for business use without pre-approval.

No expenditure of Corporation funds will be approved unless the manager responsible for approving the expenditure is satisfied with the justification for and the amount of such expenditure. Whenever this is the case, such approval shall be granted in accordance with the Corporation's *Policy on Limits of Authority*.

## CONFIDENTIAL INFORMATION

---

In the course of their employment, employees may have access to confidential information about the Corporation, as well as its customers and suppliers, and about other employees of the Corporation. "**Confidential information**" is any information, either verbal or written, regardless of which medium it is communicated through, that is not generally known by the public. This includes, but is not limited to, information on technology, business data such as order backlog, customer specific billing rates and financial data.

Measures must be taken to limit access to such Confidential information to only those persons who "need to know" it in the performance of their duties and those privy thereto must be advised that they have the obligation to keep it confidential.

Third parties who have access to Confidential information concerning the Corporation must be advised that they cannot divulge such information to anyone without the Corporation's consent. The Corporation may request such outside parties to sign a confidentiality and non-disclosure agreement. Outside parties must also be advised not to trade the Corporation's securities as long as the Confidential information has not been made public.

It is the responsibility of each employee to act in good faith and to treat any Confidential information with the utmost care. If necessary, the employees are to refer to the *Disclosure Policy* of Videotron.

---



---

In order to prevent the misuse or inadvertent disclosure of Confidential information, the procedures set forth below must be observed at all times by employees, regardless of where they fulfill their work duties, whether on- or off-site:

- documents and files containing Confidential information must be kept in a safe place to which access is restricted to only those employees who “need to know” such information in the performance of their duties;
- confidential matters should not be discussed in public places (elevators, hallways, restaurants, airplanes, taxis, or elsewhere);
- confidential documents should not be read or remain visible in public places and should not be discarded where third parties can retrieve them;
- employees must ensure that they maintain the confidentiality of information in their possession inside or outside the workplace and/or when fulfilling work duties, regardless of their location;
- transmission of documents containing Confidential information by electronic means or by fax should be made and received under secure conditions; and
- unnecessary copying of confidential documents should be avoided and documents containing Confidential information should be promptly removed from conference rooms and work areas after the meetings; extra copies should be shredded or otherwise destroyed in a safe manner.

The rules set out above apply not only to the Corporation’s and the Quebecor Group’s information, but also to information that belongs to a third party, such as a supplier, customer or competitor. Moreover, a new employee may not disclose any Confidential information about their previous employer.

Likewise, an employee leaving the Corporation remains bound by the obligation to safeguard its Confidential information, even after they have left.

#### **INSIDER TRADING**

---

The Stock Exchange and Securities laws and regulations contain provisions governing the use and disclosure of non-public information that may have a significant effect on the market price of a public corporation’s shares. Any person that contravenes those provisions may be subject to heavy fines and damages.

Since the Corporation is part of the Quebecor Group and Quebecor Inc. is a corporation with shares listed on the Toronto Stock Exchange, it is illegal for anyone to trade in securities of Quebecor Inc. or securities of any of its subsidiaries listed on a stock exchange, if that person is aware of important information about any of Quebecor Group’s corporations that has not been publicly disclosed. It is also illegal for anyone to inform any person about important non-public information, other than in the normal course of business.

Therefore, the Corporation's directors, members of the management and employees who are aware of Confidential information that could have an effect on the market price of the securities of one of Quebecor Group’s public corporations or those of other related parties with whom there are ongoing important

---

negotiations, are prohibited from trading in shares of these public corporations or those other related parties, until the information has been fully publicly disclosed for a period of 24 hours and they are aware of any other Confidential information. Advising anyone to buy, sell, or in any other way trade in securities of these corporations or those of other related parties is also forbidden.

In addition, directors and members of the management of the Corporation, as well as all the insiders of Quebecor Group's public corporations are prohibited from trading in the securities of these corporations during certain trading blackout periods stipulated under their respective *Policy relating to the use of privileged information and insider trading transactions*.

When an employee is uncertain whether they may trade the securities of Quebecor Group's public corporations, they must refer to Videotron's *Disclosure Policy* and the *Policy relating to the use of privileged information and insider trading transactions* currently in effect and contact the Corporate Secretary of the Corporation before engaging in such a transaction.

## **BUSINESS RECORDS**

---

The Corporation follows extremely high standards with regards to the accuracy and integrity in which its business records are maintained. These serve as a base for the management of its business, the assessment and carrying out of its obligations towards its shareholders, employees, clients and suppliers, as well as for assuring compliance with legal, fiscal and financial requirements. Consequently, employees must record information with precision and integrity, so that all business records of the Corporation are reliable and accurate.

Employees must maintain the Corporation's business records, including its books, accounts, financial statements, transaction files and litigation files with integrity and precision, in a manner that accurately reflects its commercial activities and in compliance with the legal and regulatory requirements and with other Policies of the Corporation.

All the financial activities must be properly recorded in the accounting records and the accounting procedures must be supported by the appropriate internal controls.

Work orders, supporting documents, invoices, time sheets, pay slips, contracts and other similar data must be factually accurate, true, complete and maintained according to the Corporation's current practices.

Employees must not remove or destroy any file or record without the authorization of their immediate supervisor. Such authorization will only be granted in accordance with the applicable laws and relevant Corporation Policies.

Deliberate recording of wrong data on any report, record or memorandum constitutes a dishonest act that may have a serious impact on the Corporation's operations and is therefore an unacceptable practice.

---

---

**INTERACTIONS WITH THE PUBLIC**

---

The Corporation wishes to maintain open and honest communication with the public, the investment community, the media and the securities regulatory authorities. To ensure that the Corporation complies with the law while protecting its interest and confidential issues, only the Corporation's designated spokespersons are authorized to represent and deal on its behalf with the public, the investment community, the securities regulatory authorities and the media, the whole in conformity with Videotron's *Disclosure Policy* in force.

Thus, employees who are not designated spokespersons must not respond, under any circumstances, to inquiries from the public, the investment community, the media, the securities regulatory authorities or others, unless specifically asked to do so by a designated spokesperson. If an employee receives such a request, whether verbal or written, the employee must forthwith direct it to one of the Corporation's designated spokespersons.

An employee may not represent the Corporation in public, in any manner whatsoever, unless specifically requested to do so by the management, the Board of Directors, or a designated spokesperson. When an employee expresses a personal view in a public forum, they may not use the Corporation's letterhead or its e-mail or any reference to their business address or title.

When an employee is asked to make a public presentation about their job within the Corporation, that employee must obtain their immediate supervisor's approval. In case of doubt, the immediate supervisor must seek advice from the Communication Department.

Moreover, any employee who wishes to review, evaluate (including giving an online "star rating") or comment on a Corporation or Quebecor Group product or service under their own name must, when doing so, clearly disclose their employment relationship with the Corporation. Otherwise, the employee must refrain from commenting publicly on any Corporation or Quebecor Group product or service. If in doubt about the applicability of this principle, the employee should contact Human Resources.

---

**POLITICAL ACTIVITIES**

---

Employees are authorized to carry out political activities, when these activities take place outside working hours, do not conflict with their work and when none of the Corporation's assets are involved in these activities. An employee may stand as a candidate during elections or for any political position. However, as soon as possible before confirming their commitment, they must inform in writing their immediate supervisor, the Human Resources manager, the Vice President, Internal Audit of QMI and the Vice President, Legal Affairs and Corporate Secretariat of QMI to discuss how this commitment might affect their responsibilities at the Corporation and the measures that can be taken to manage any potential conflicts of interest.

---



---

Once officially elected, an employee must inform the Vice President, Legal Affairs and Corporate Secretariat of QMI and the Secretary of QMI and avoid any conflict of interest that comes up in relation to their elected position and their job.

Subject to applicable laws, time off will not be offered to an employee who intends to use this time to i) campaign for another individual, run as a candidate, act as an official agent for a candidate or ii) work for a political organization.

Finally, employees may freely express their points of view on social issues or matters of public interest, but they must at all times be clear that the opinions they express are theirs and not the Corporation's.

The Corporation and its employees follow all applicable laws regulating contributions to parties wherever the Corporation operates.

## **SOCIAL MEDIA**

---

As a communications company, the Corporation recognizes the importance of social media (Facebook, YouTube, Twitter, Instagram, LinkedIn, apps, blogs, etc.) as tools which facilitate communication, exchanges and transmission of information in a fast and efficient manner. However, the use of social media, even for personal use, comprises certain risks that could tarnish the Corporation's reputation. The speed of social media communications, the level of interactivity of its users, as well as the limitless access they provide, justify the need for higher vigilance.

As the use of social media is making it increasingly difficult to make a distinction between personal and professional life, when an employee uses social media for personal purposes or collaborates on an external website, they must use their personal email address, communicate under their own name and never identify themselves as an authorized spokesperson of the Corporation. The employee may however note in their profile that they work for the Corporation (and must disclose his employment relationship when he makes an evaluation, a comment or a review of a product or service of the Quebecor group), but must not make any declaration that might harm the image of the Corporation. Obligations of confidentiality and loyalty to the Corporation apply at all times and in all environments. Employees are expected to use the appropriate internal processes and channels when communicating about the Corporation. They are also expected to be vigilant in their communications when choosing to express an opinion on social media and to act respectfully towards the Corporation, its customers, its products and its competitors, as well as their colleagues, past and present.

## **RESPECT FOR THE ENVIRONMENT**

---

The Corporation is concerned about the health and well-being of its employees and of the communities surrounding its installations. Therefore, it is committed to respect the laws and regulations in force in matters of environment and will favour any procedure or initiative from its employees aiming at reducing any negative impact on the quality of air, ground or water that could result from its activities.

---

---

**COMPETITION BEHAVIOUR**

---

The Corporation seeks to outperform its competitors fairly and honestly and to achieve competitive advantages through superior performance. Employees should always strive to deal honestly with the Corporation's customers, suppliers, competitors and other employees. No one should benefit from an undue commercial advantage of anyone through manipulation, concealment, abuse of privileged information, false representation, or any other unfair dealing practice.

The employees must also comply to all competition laws. In addition, no employee may participate in discussions, agreements, projects, arrangements, whether formal or informal, with competitors or potential competitors, on issues dealing with prices, pricing rates, territories or customers to be served.

Penalties imposed for non-compliance with competition laws are severe. They entail heavy fines, prison sentences and damages. These penalties are equally applicable to the employees and the employer. Also, an investigation resulting from an alleged violation of the competition laws could seriously prejudice the Corporation.

Due to the complexity of the competition laws, the Corporation recommends that its employees consult, as needed, QMI's Legal Affairs Department on such matters.

---

**LEGAL COMPLIANCE**

---

As a general rule of conduct, all employees of the Corporation must, at all times, comply with all laws and regulations applicable to the Corporation and to the citizens in general.

In order to become familiar with and comply with the laws and regulations that affect or govern their area of responsibility, employees can consult with and be guided by their immediate supervisor or QMI's Legal Affairs Department. Decisions regarding the application of such laws and regulations should not be made without the advice of QMI's Legal Affairs Department. Similarly, an employee should avoid proceeding in a manner which, in the opinion of such Department, would be in violation of the law.

---

**QUESTIONS AND REPORTING VIOLATIONS**

---

If, at any time, an employee is unsure about whether any act or conduct may contravene this Code or if they have any question in connection therewith, they should seek advice from the Human Resources manager of the Corporation. Equally, any question regarding ways to address ethical matters should be brought to the attention of their immediate supervisor or the Human Resources manager.

Employees who become aware of any behaviour in violation of this Code, other Corporation Policies or any law, rule or regulation applicable to the Corporation, are encouraged to report it promptly to their immediate supervisor. If this procedure is not appropriate under the circumstances or if no satisfactory answer is

---



---

obtained, employees should contact their manager, the Legal Affairs manager of QMI or the Internal Audit manager of QMI.

No employee should accept any instruction from their immediate supervisor that contravenes this Code, other Corporation Policies or any applicable law, rule or regulation of which they are aware, and employees should immediately report any instruction that contravenes this Code to one of the managers identified in the preceding paragraph.

All reporting of a violation will be dealt with confidentially, within the limits imposed by law and the Corporation will not tolerate any kind of reprisal against any person who, in good faith, reports to the Corporation real or potential issues relating to violations of this Code, other Corporation Policies or any applicable law, rule or regulation.

The Corporation recognizes that employees may be reluctant to report certain types of violations or infractions. It is for that reason that the Corporation offers a confidential toll-free telephone line and website operated by an independent third party. This will allow employees to anonymously report any questionable actions that contravene the Code.

In such cases, the Corporation hopes that its employees will report any type of violations or infractions. For more information concerning this toll-free confidential and anonymous telephone line and website, the employees are invited to refer to Appendix 1 of this Code, which is entitled "Ethics whistle-blowing line - Questions and Answers".

## **VIOLATION**

---

Any violation of this Code or other Corporation Policies or applicable rules or regulations, may result in disciplinary measures, ranging from a simple warning or reprimand, to termination of employment and/or administrative measures.

Disciplinary measures may be taken against any employee, for directly violating or enticing others to violate this Code, other Corporation Policies or applicable laws or regulations. An employee can also be subject to disciplinary action if they fail to cooperate with an investigation relating to any such violation of the Code, knowingly falsely accuses another employee of a violation or retaliates against a person who reports a violation or suspects a violation.

Disciplinary measures will also be taken against any manager who is aware that one of their staff members is about to engage in a prohibited conduct and who fails to take preventive action. Managers may also be subject to disciplinary action if they fail to effectively supervise their staff.

Furthermore, non-compliance to laws and regulations could entail civil or criminal lawsuits resulting in potential fines and prison sentences.

---



---

## COMMUNICATION OF THE CODE

---

The Human Resources manager is responsible for ensuring that the Code is available to each employee and that each new employee confirms, by their signature, that they have taken note of it.

The Human Resources manager, in conjunction with the Vice President, Internal Audit of QMI are responsible for sending the Code to all employees of the Corporation every year and for obtaining their confirmation that they have taken note of it. Every two years, the Corporation completely revises the Code to ensure that it reflects the evolution of the Corporation's industry. A new edition of the Code will be made available to employees whenever any changes have been made to it.

---

## **APPENDIX 1**

### **ETHICS WHISTLE-BLOWING LINE - QUESTIONS AND ANSWERS**

#### **Who provides the service?**

The ethics whistle-blowing line is a telephone service and a website operated by ClearView Strategic Partners Inc. (the “**whistle-blowing service**”), an independent third party. Employees may access their website at [www.clearviewconnects.com](http://www.clearviewconnects.com) or dial 1-877-821-5801.

#### **Why use this service?**

The Corporation attaches a great deal of importance to the values of honesty and integrity. All employees are encouraged to report all complaints or all forms of suspicious acts that might contravene the Code. If an employee is uncomfortable reporting this type of information through the normal chain of command, then they are able to report it without fear of reprisal through the toll-free confidential telephone line or secure website.

#### **Who can use this service?**

All employees without distinction and any third parties.

#### **When to use this service?**

You should call 1-877-821-5801 or access the [www.clearviewconnects.com](http://www.clearviewconnects.com) website as soon as you notice a suspicious behaviour.

For example:

- Accounting irregularities;
- Falsification of the Corporation’s records;
- Fraud;
- Misuse of confidential information (Insider Trading);
- Irregularity in the handling or reporting of financial transactions;
- Significant breach of internal controls;
- Theft;
- Discrimination;
- Conflict of interest.

You must keep in mind that if you wait too long before reporting the incident, it becomes more difficult to investigate the matter.

#### **How is anonymity preserved?**

Except for some specific cases, you will never be asked to provide your name when you call the whistle-blowing service. If you identify yourself, there can be no retaliation or reprisal. The service is offered to resolve situations of wrongdoing and not for the purpose of identifying the employee who reported it.

---



When you use the whistle-blowing service website, your e-mail address is automatically encrypted to preserve your identity. The whistle-blowing service has formally undertaken not to divulge any confidential information received from an employee (including their name) without that employee's specific consent. Also, the Corporation has unconditionally undertaken to preserve the anonymity and confidentiality.

**What happens when you use the toll-free telephone line?**

When you call, an agent of the whistle-blowing service with the necessary skills is automatically assigned to take the call in your language. You will have to provide forthwith the following information: the circumstances of the incident, the persons involved, and any other information (i.e. dates, time, names, places, and credible witnesses, if possible).

The whistle-blowing service agent will ask you to identify the name of the Corporation, subsidiary, or division where the incident you wish to report took place. In some cases, they may have to ask you to disclose the exact address. After gathering all the information pertaining to the incident, they will ask you to categorize the incident according to a pre-established list and will ask you specific questions relating to that particular category. The whistle-blowing service agent will then provide you with a user code and login, which will be valid for as long as the complaint is under investigation. You will have to write down that information, since the whistle-blowing service will not keep any trace of it, so as to preserve your identity. If you lose that information, you will not be able to consult your incident report. The user code and login will enable you to call the whistle-blowing service back and to verify the status of your report. If you call back, it is possible that the whistle-blowing service agent will ask you to answer additional questions received from the Corporation's representatives who are responsible for reviewing and analyzing the incident reports.

**What happens when you use the whistle-blowing service website?**

The procedure used to report an incident on the website is similar to the telephone reporting procedure.

When you access the whistle-blowing service website, please follow the instructions.

To begin, you will have to first enter the name of the Corporation, subsidiary or division where the incident you wish to report took place. You may then access the Web page dedicated to the Corporation. You will be able to read the Corporation's welcome message and you will be invited to consult its Code of Ethics, which is posted on that Web page. You will have to describe the incident and provide the following information: the circumstances of the incident, the persons involved, and any other information (i.e. dates, time, names, places, and credible witnesses, if possible). You will then have to categorize the incident according to a pre-established list by checking the appropriate box and answer specific questions relating to that particular category. Once you have replied to all the questions, you will be assigned a user code and a login, which will be valid for as long as the complaint is under investigation. You will have to write down that information, since the whistle-blowing service will not keep any trace of it, so as to preserve your identity. If you lose that information, you will not be able to consult your incident report. You will be able to verify the status of your incident report on the whistle-blowing service website by using your user code and login. After a preliminary



review of the incident report, the Corporation's representatives (who are responsible for reviewing and analyzing the incident report) will be able to add additional questions in the report, if deemed necessary.

**Who may investigate?**

A representative of QMI's Internal Audit department, or a representative of the Corporation's Human Resources or a representative of the Corporation's Legal Affairs Corporate Secretariat are the only ones who are authorized to make investigations.

**When is the service available?**

It is available 24 hours a day, 7 days a week.

**Will the employees filing a complaint be informed of the results of any investigation?**

No, they will not be informed of the results of the investigation.

## EMPLOYEE DECLARATION

I, the undersigned, hereby acknowledge that I have received a copy of the Code of Ethics of Videotron Ltd. and that I agree to comply with its provisions.

### ATTACHED DOCUMENTS

### INITIALS

Policy on the use of social media and online evaluation of products and services of Quebecor and its subsidiaries

\_\_\_\_\_

Directive on the Secure Use of Information Assets

\_\_\_\_\_

Code of Ethics

\_\_\_\_\_

By signing at the bottom of this page, I certify that I have read and understand the documents I have received and agree to comply with the terms and conditions referenced in each of these documents.

I understand that any violation may result in disciplinary action, up to and including dismissal.

\_\_\_\_\_  
**NAME (IN CAPITAL LETTERS)**

\_\_\_\_\_  
**DEPARTMENT / LOCATION**

\_\_\_\_\_  
**SIGNATURE**

\_\_\_\_\_  
**DATE**

The sections related to the reporting of violations apply only to those areas where it is permitted by laws and regulations.

---



**Certification of the Principal Executive Officer of  
Videotron Ltd.  
pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Pierre Karl Péladeau, President of Videotron Ltd. (the "Company"), certify that:

1. I have reviewed this annual report on Form 20-F of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 27, 2023

/s/ Pierre Karl Péladeau  
Name: Pierre Karl Péladeau  
Title: President

---

**Certification of the Principal Financial Officer of  
Videotron Ltd.  
pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jean-François Lescadres, Vice President Finance of Videotron Ltd. (the "Company"), certify that:

1. I have reviewed this annual report on Form 20-F of the Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: March 27, 2023

/s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

---

**Certification of the Principal Executive Officer of  
Videotron Ltd.  
pursuant to 18 U.S.C. Section 1350,  
as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Videotron Ltd. (the “Company”) on Form 20-F for the year ending December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Pierre Karl Péladeau, President of the Company, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 27, 2023

/s/ Pierre Karl Péladeau  
Name: Pierre Karl Péladeau  
Title: President

---

*The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.*

---

**Certification of the Principal Financial Officer of  
Videotron Ltd.  
pursuant to 18 U.S.C. Section 1350,  
as adopted pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Videotron Ltd. (the “Company”) on Form 20-F for the year ending December 31, 2022, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Jean-François Lescadres, Vice President Finance, hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 27, 2023

/s/ Jean-François Lescadres  
Name: Jean-François Lescadres  
Title: Vice President Finance

---

*The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Report or as a separate disclosure document.*

---