QUEBECOR

NOTICE OF ANNUAL MEETING
OF SHAREHOLDERS
AND
MANAGEMENT PROXY CIRCULAR
2017

QUEBECOR INC.
Thursday, May 11, 2017 at 9:30 a.m.
612 Saint-Jacques Street – Montréal, Québec

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2017

Date:	**Thursday, May 11, 2017**
Time:	**9:30 a.m.**
Place:	**Quebecor Building** **612 Saint-Jacques Street** **Montréal, Québec, Canada**

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

- receive the consolidated financial statements of the Corporation for the year ended December 31, 2016 and the external Auditor's report thereon;
- elect Class A Directors and Class B Directors;
- renew the mandate of the external Auditor;
- consider and, if deemed advisable, adopt a non-binding advisory resolution (the full text of which is reproduced on page 9 of the Management Proxy Circular) on the Corporation's approach to executive compensation;
- review the shareholder proposal, as set out in Schedule A of the Management Proxy Circular; and
- transact such other business as may properly be brought before the meeting or any adjournment thereof.

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

Shareholders registered at the close of business on March 14, 2017 are entitled to receive notice of the meeting. If you are unable to attend the meeting, you may vote by proxy, telephone or over the Internet. Instructions on how to proceed to vote are described on the proxy form or on the voting instruction form. To be valid, proxies must be received by the Corporation's transfer agent, CST Trust Company, 320 Bay Street, Level B1, Toronto, Ontario, Canada, M5H 4A6, no later than May 9, 2017 at 5:00 p.m., Montréal time.

BY ORDER OF THE BOARD OF DIRECTORS,

Marc M. Tremblay
Senior Vice-President, Chief Legal Officer and Public Affairs and Secretary

Montréal, Québec
March 28, 2017

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SECTION I.
GENERAL INFORMATION

SOLICITATION OF PROXIES

This Management Proxy Circular (the "**Circular**") is provided in connection with the solicitation of proxies by management of Quebecor Inc. (the "**Corporation**" or "**Quebecor**") for use at the Annual Meeting of shareholders of the Corporation to be held on Thursday, May 11, 2017 (the "**Meeting**") at the time and place and for the purposes mentioned in the notice of Meeting and at any adjournment thereof.

Except as otherwise indicated, the information contained herein is given as at **March 13, 2017**. All dollar amounts appearing in this Circular are in Canadian dollars.

Proxies are solicited primarily by mail. However, proxies may also be solicited by other means of communication or directly by officers and employees of the Corporation, but without additional compensation.

In addition, the Corporation shall, upon request, reimburse brokerage firms and other custodians for their reasonable expenses in forwarding proxies and related material to beneficial owners of shares of the Corporation.

RECORD DATE

The holders of Class A Multiple Voting Shares (the "**Class A Shares**") and the holders of Class B Subordinate Voting Shares (the "**Class B Shares** ") whose name appears on the list of shareholders prepared at the close of business on March 14, 2017 (the "**Record Date**") will be entitled to receive notice of the Meeting and to vote at the Meeting and any adjournment thereof if present or represented by proxy thereat.

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

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

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

The Class B Shares are "restricted securities" (within the meaning of the relevant Canadian regulations respecting securities) in that they do not carry equal voting rights to those attached to the Class A Shares. The Class A Shares are convertible at any time into an equal number of Class B Shares. In the aggregate, all of the voting rights associated with the Class B Shares represented, as of March 13, 2017, 17.6% of the voting rights attached to all of the issued and outstanding voting securities.

As of March 13, 2017, there were 38,776,872 Class A Shares and 82,822,892 Class B Shares outstanding.

To the knowledge of the directors and executive officers of the Corporation, and according to public information available, the only persons or companies which, as at March 13, 2017, beneficially owned or exercised control or direction over more than 10% of the shares of any class of voting shares of the Corporation were Pierre Karl Péladeau, Beutel, Goodman & Co. Ltd. ("**Beutel**"), RBC Global Asset Management Inc. ("**RBC GAM**"), Letko, Brosseau & Associates Inc. ("**Letko**") and Fidelity Management & Research Company et als ("**Fidelity**").

Name	Number of Class A Shares held	% of Class A Shares held	Number of Class B Shares held	% of Class B Shares held	% of voting rights attached to outstanding Class A and B Shares
Pierre Karl Péladeau	34,936,928	90.10	414,520	0.50	74.33
Beutel [1]	—	—	11,577,903	13.98	2.46
RBC GAM [2]	—	—	10,528,807	12.71	2.24
Letko [3]	—	—	8,380,156	10.12	1.78
Fidelity [4]	—	—	8,362,500	10.10	1.78

1. Based on an alternative monthly report for the period ended March 31, 2016 and filed on SEDAR on April 6, 2016, the last publicly available information disclosing the share ownership in Quebecor of Beutel.
2. Based on an alternative monthly report for the period ended December 30, 2016 and filed on SEDAR on January 10, 2017, the last publicly available information disclosing the share ownership in Quebecor of RBC GAM.
3. Based on an alternative monthly report for the period ended December 31, 2013 and filed on SEDAR on January 8, 2014, the last publicly available information disclosing the share ownership in Quebecor of Letko.
4. Based on an early warning report for the period ended August 31, 2013 and filed on SEDAR on September 10, 2013, the last publicly available information disclosing the share ownership in Quebecor of Fidelity Management & Research Company, Pyramis Global Advirors, LLC, Pyramis Global Advisors Trust Company, Strategic Advisers Incorporated, FIL Limited, Crosby Advisors LLC and Fidelity SelectCo, LLC.

RIGHTS IN THE EVENT OF A TAKE-OVER BID

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

VOTING OF SHARES

A. Registered shareholders

A shareholder is a registered shareholder if his name appears on his share certificate or if he holds his shares through the Direct Registration System.

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

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

Voting in person at the Meeting

A registered shareholder who intends to be present at the Meeting and who wishes to vote in person should not complete nor return the form of proxy. His vote will be taken and counted at the Meeting. The registered shareholder should present himself to a representative of CST Trust Company ("**CST**") at the registration table before entering the Meeting.

Voting by proxy

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

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

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

Revocation of a proxy

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

Voting by telephone or on the Internet

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

B. Non-registered shareholders (or beneficial shareholders)

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

A shareholder who is not sure whether he is a registered or non-registered shareholder should contact the Corporation's transfer agent, CST, at 1-800-387-0825 or, if he is outside of Canada, at 416-682-3860.

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

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

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

Voting in person at the Meeting

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

Voting by proxy (voting instruction form)

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

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

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

Revocation of a proxy

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

Voting by telephone or on the Internet

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

C. Vote by proxyholders

The persons named in the enclosed form of proxy, or voting instruction form, will vote the shares in respect of which they are appointed on any ballot in accordance with the instructions of the shareholder appointing them, and in compliance with the applicable laws and regulations. **Unless otherwise indicated, the voting rights pertaining to the shares represented by a form of proxy or voting instruction form will be voted: i) FOR the election as a director of each person listed in this Circular; ii) FOR the appointment of Ernst & Young LLP ("Ernst & Young") as external auditor of the Corporation; iii) FOR the adoption of a non-binding advisory resolution on the Corporation's approach to executive compensation ; and iv) AGAINST the shareholder proposal on a Class B director on a committee.**

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

D. Date and time limits

The date and time limits to have a duly completed and signed form of proxy or voting instruction form received by CST, the Corporation's transfer agent, 320 Bay Street, Level B1, Toronto, Ontario, Canada, M5H 4A6, or to vote using the telephone or over the Internet, have been fixed at 5:00 p.m., Montréal time, on May 9, 2017, or, if the Meeting is postponed, no later than 5:00 p.m. two business days prior to the day fixed for the postponed Meeting. Shareholders who receive materials from their intermediary should complete the voting instruction form and submit it to them as instructed on the voting instruction form. The proxy voting deadline may be waived or extended by the Chairman of the Meeting at his discretion, without notice.

SECTION II.
BUSINESS OF THE MEETING

Except for the election of directors, the resolutions submitted to a vote at the Meeting must be approved by a majority of the votes cast at the Meeting, in person or by proxy, by the holders of Class A Shares and Class B Shares, voting as a single class. Two separate votes will be taken for the election of the directors. All votes will be conducted by ballot.

FINANCIAL STATEMENTS AND EXTERNAL AUDITOR'S REPORT

The consolidated financial statements and the External Auditor's report thereon, for the financial year ended December 31, 2016, have been sent to all shareholders who have requested them and are available on the Corporation's Website at www.quebecor.com and under the Corporation's SEDAR profile at www.sedar.com. A presentation will also be made to the shareholders at the Meeting, but no vote is required thereon.

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the Board of Directors (the "**Board**") shall consist of a minimum of three and a maximum of fifteen directors. The Board has set to ten the number of directors. The Articles further provide that the members of the Board shall be divided into two categories of directors. The holders of Class B Shares, voting separately as a class, are entitled to elect 25% of the entire Board or, if 25% of the entire Board is not a whole number, the next higher whole number of members of the Board which shall constitute at least 25% of the entire Board (the "**Class B Directors**"). The holders of Class A Shares, voting separately as a class, are entitled to elect the remaining members of the Board (the "**Class A Directors**"). Both categories of directors shall serve the same term of office and shall be equal in all respects. The term of office of each director elected will expire upon the election of his successor, unless he resigns from office or his office becomes vacant by death, removal or other cause.

Majority Voting Policy – The Corporation's Board adopted a policy providing for majority voting for the election of Class B directors at meetings of the shareholders of the Corporation when an "uncontested election" of directors is held. For the purposes of this policy, an "uncontested election" means an election in which the number of nominees for director positions corresponds to the number of seats to be filled on the Board.

If the number of abstentions exceeds the number of votes for a nominee for a Class B director position, this nominee, for the purposes of this policy, will be considered not to have received the support of the shareholders, even if he was duly elected pursuant to corporate law and he must immediately submit his resignation to the Board, and this resignation will take effect upon its acceptance by the Board.

Following the receipt of a resignation submitted pursuant to the policy, the Human Resources and Corporate Governance Committee of the Corporation will promptly examine this resignation and will recommend to the Board to accept it or not. The Human Resources and Corporate Governance Committee will take into account all the factors its members consider relevant, including, without limitation, the reasons stated by the shareholders, if applicable, to abstain from voting, the resigning director's number of years of service on the Board, his qualifications and his contribution to the Corporation.

The Board will decide to accept or refuse the resignation and will disclose its decision within a maximum period of 90 days after the meeting of shareholders during which the election was held. The Board will accept the resignation, except under exceptional circumstances. Once it has made its decision, the Board will publicly disclose it by way of a press release. If it decides to refuse the resignation, it shall state the reasons for its decision in the press release. The resignation will take effect once it is accepted by the Board. Subject to any restriction imposed by legislation, the Articles or the by-laws of the Corporation, the Human Resources and Corporate Governance Committee will recommend to the Board either to (i) leave the position vacant until the next annual meeting of shareholders, or (ii) appoint a new director who, in the Board's opinion, deserves the trust of the shareholders.

A director who submits his resignation in accordance with this policy may not attend any part of any meeting of the Human Resources and Corporate Governance Committee or of the Board during which his resignation will be examined.

In a contested election (i.e. if the number of nominees for director positions is greater than the number of seats available on the Board), the nominees that receive the greater numbers of votes will be elected directors of the Corporation.

The Board did not adopt such a policy for the election of Class A Directors. This class of shares is controlled by the majority shareholder and is thus exempted from the majority voting requirement, as set forth in the TSX Company Manual.

Mr. Pierre Laurin, director since April 22, 1991 and director of Quebecor Media Inc. ("**QMI**") since May 7, 2013, has decided not to stand for re-election.

Vice Chair of the Board and Lead Director of the Corporation and of QMI since June 19, 2014, Pierre Laurin was a member of the Audit Committee of the Corporation from April 1991 to May 2014, which he chaired from May 2000 to May 2003. He was Chair of the Corporate Governance and Nominating Committee of the Corporation since its inception in May 2003 until the merger of this committee with the Human Resources and Compensation Committee in May 2016. He his a member of the Human Resources and Corporate Governance Committee of the Corporation (previously the Compensation Committee). He was also a director of Videotron Ltd. (« **Videotron** ») in 2014. After having headed HEC Montréal for many years, he became Vice-President, Planning and Administration, at Aluminium Company of Canada and President of Merrill Lynch, Québec. Officer of the Order of Canada and Chevalier de l'Ordre du Mérite de la Répulique Française, Pierre Laurin is President of the selection committee of the Bourses Pierre-Péladeau since its creation in 1999. The Board and the President and Chief Executive Officer wish to thank him warmly for his contribution during all these years.

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

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

APPOINTMENT OF THE EXTERNAL AUDITOR

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

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

The Corporation incorporates herein by reference the information pertaining to the fees paid to Ernst & Young with respect to the two most recently completed financial years contained in the Annual Information Form for the year ended December 31, 2016. The Annual Information Form may be viewed under the Corporation's SEDAR profile at www.sedar.com or on the Corporation's Website at www.quebecor.com.

NON-BINDING ADVISORY RESOLUTION ON THE CORPORATION'S APPROACH TO EXECUTIVE COMPENSATION

The Board has decided to implement a non-binding advisory vote on executive compensation to provide shareholders with an opportunity to voice their say on executive compensation for which the information is provided under section "VI. Compensation Discussion & Analysis". The analysis describes the Corporation's approach to executive compensation and outlines the components and structure of its executive compensation program.

At the Meeting, the shareholders will be asked to vote on the following advisory resolution:

> "**BE IT RESOLVED**, on an advisory basis and without diminishing the role and responsibilities of the Board of the Corporation, that the shareholders of the Corporation accept the approach to executive compensation disclosed in the Management Proxy Circular delivered in advance of the annual meeting of the shareholders of the Corporation to be held on May 11, 2017."

Since this is an advisory resolution, the results will not be binding on the Board. However, the members of the Human Resources and Corporate Governance Committee will take into account the results of the vote when reviewing, in the future, the executive compensation philosophy and programs.

The Board and management recommend that the shareholders vote **FOR** the approval of the non-binding advisory resolution on the Corporation's approach to executive compensation. Unless contrary instructions are given, the persons named on the proxy form or on the voting instruction form will vote **FOR** the approval of this resolution.

SHAREHOLDER PROPOSAL

One shareholder proposal has been submitted by the Mouvement d'éducation et de défense des actionnaires ("**MÉDAC**"). The proposal with the response of the Board are reproduced as Schedule A of this Circular.

Unless otherwise instructed, the persons named in the form of proxy or voting instruction form will vote **AGAINST** the adoption of the shareholder proposal.

OTHER BUSINESS

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

SECTION III.
BOARD OF DIRECTORS

SELECTION OF NOMINEES TO THE BOARD

As set out in the mandates of the Human Resources and Corporate Governance Committee and of the Board, the Human Resources and Corporate Governance Committee, made up entirely of independent directors, annually reviews the size and composition of the Board and its committees, the diversity of experience of the members of the Board considering the Corporation's needs, including representation of women, and submits the appropriate recommendations to the Board regarding the size and composition of the Board and its committees.

To that end, the Human Resources and Corporate Governance Committee annually reviews a matrix of the skills that it believes should be found within the Board. This matrix, which can be found in this Circular, is used to ensure that members of the Board have the required professional and operational experience, knowledge and expertise to fulfill their responsibilities as directors and to provide good stewardship of the Corporation.

The Human Resources and Corporate Governance Committee also considers the assessment of each of the directors' contributions, which is conducted through individual meetings by the Vice Chair of the Board and Lead Director, also a member of the Human Resources and Corporate Governance Committee, and the corresponding report presented to the Chair of the Board and to the Board each year.

Moreover, the Human Resources and Corporate Governance Committee, in consultation with the Board, keeps an updated list of potential candidates and ensures that female candidates are well represented in this process. Also, as indicated under section "Representation of women on the Board", the Board's intention is to achieve a Board composition target according to which women will occupy at least 40% of the seats by the close of the 2020 annual meeting of shareholders, at the latest.

When a seat on the Board must be filled, the policy for selecting candidates and diversity among the Board provides that the Chair of the Board initiates a dialogue with the members of the Board and, at his request, that the Human Resources and Corporate Governance Committee searches for candidates who correspond to the dominant thinking that emerged from the discussions, and based on the personal qualities and the qualifications criteria required for the needs of the Board. Resorting to a recruiting firm may be considered in some cases. The Chair of the Human Resources and Corporate Governance Committee recommends a list of potential nominees to the Chair of the Board. The Chair of the Board and the Chair of the Human Resources and Corporate Governance Committee meet with the President and Chief Executive Officer to discuss the above mentioned list and to select the most appropriate candidate. The Chair of the Board, or the President and Chief Executive Officer, meets with the candidate to confirm such candidate's interest and willingness to serve on the Corporation's Board. The Chair of the Board subsequently recommends the candidate to the Board.

In February 2017, as authorized by the Articles of the Corporation, and following the recommendation made by the Corporate Governance and Nominating Committee, the Board named Pierre Dion as a new director. Prior to that date, Pierre Dion was, since April 2014, President and Chief Executive Officer of the Corporation.

To ensure operational effectiveness, since 2013, the Corporation's directors are also directors of QMI. Pursuant to the shareholders' agreement governing QMI, QMI shareholders have the right to name representatives to the QMI Board based on their respective holdings. Consequently in 2017, CDP Capital d'Amérique Investissements Inc. ("**CDP**"), a subsidiary of the Caisse de dépôt et placement du Québec, has the right to appoint two representatives to the QMI Board. CDP informed the Corporation that its representatives on the QMI Board would be Christian Dubé and Normand Provost.

Advance notice for the submission of director nominations

In 2015, the Corporation adopted an Advance Notice By-Law (the "**By-Law**"), which was ratified by the shareholders in May 2015. The By-Law sets the conditions under which holders of Class A and Class B Shares may exercise their right to submit director nominations by fixing a deadline by which such nominations must be submitted by a shareholder to the Corporation prior to any annual or special meeting of shareholders.

Under the By-Law, any shareholder who wishes to submit director nominations must notify in writing the Secretary of the Corporation in a timely manner at the head office of the Corporation. To be timely, a shareholder's notice must be received (i) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting, or of any postponement or adjournment thereof, provided that if the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice by the shareholder may be made not later than the close of business on the 10th day following the public announcement; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors, not later than the close of business on the 15th day following the first public announcement of the date of the special meeting. The form and content of the notice are also prescribed by the By-law. The Board may, in its sole discretion, waive any requirement of the By-Law.

For the purposes of the By-Law, "public announcement" of a meeting shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its SEDAR profile (www.sedar.com).

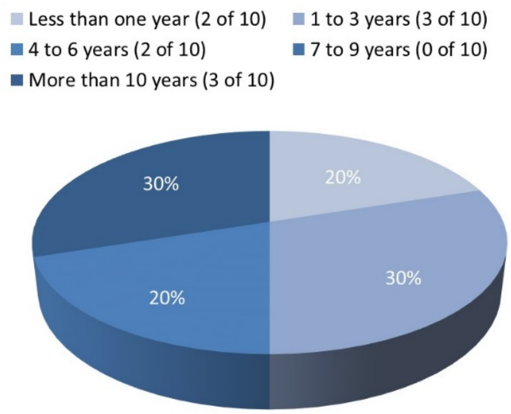
Term of directors and age limit to sit on Board

The Corporation has not set an age limit to sit on the Board or established a term limit for directors. A description of the procedure for renewal on the Board is found in this section. The Human Resources and Corporate Governance Committee and the Board are of the opinion that requiring directors to retire at a certain age would deprive the Board of valuable inputs from directors who have acquired experience, expertise, and extensive knowledge of the Corporation over the years. According to the Board, a director may act independently from management even if he has been on the Board for several years.

The Corporation considers that the criteria that should prevail in the selection of nominees for director positions are the nominees' knowledge and experience. However, the Corporation endeavors to strike a balance between the need to include members with extensive experience of the Corporation on one hand, and the need to renew and have new perspectives on the other.

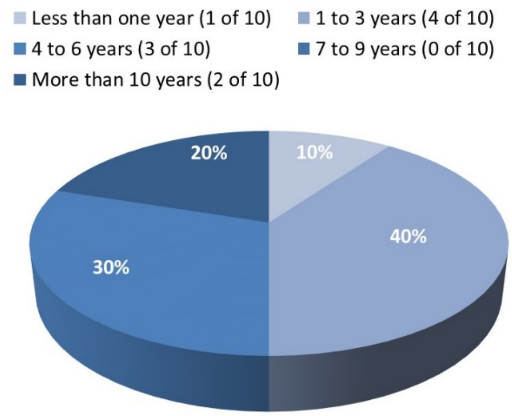
As shown in the following charts, the average number of years of service of the directors sitting on the Board in 2016 was 7 years, and the average of those who are nominated for election in 2017 will be 5.4 years. This serves to create a healthy balance on the Board between 1) long-standing input (more specifically from the Chair of the Board and the Vice Chair of the Board), which ensures stability on the Board, and 2) input with a newer vision.

2016



Average : 7 years

2017



Average: 5.4 years

If we were to take into account the 22 years Érik Péladeau served on the Quebecor Board, from January 1988 to May 2010, the average would be 9.2 years in 2016 and 7.6 years in 2017.

Representation of women on the Board

The Corporation has always been sensitive to female representation on the Board. The presence of women, who hold 20% of the seats on the Board, one of them being the Chair of the Human Resources and Corporate Governance Committee, is a testament to this.

As announced by the Chair of the Board at the 2016 annual meeting of shareholders, the Human Resources and Corporate Governance Committee recommended that the Board adopt a written *Policy on selecting candidates for director positions and on diversity among directors*. This policy was approved by the Board in January 2017 and formalises the existing candidate selection procedure which already encouraged searching for candidates with diverse experiences for director positions.

Furthermore, this policy outlines the Board's intentions to achieve a Board composition target according to which women will occupy at least 40% of seats by the close of the 2020 annual meeting of shareholders, at the latest.

The procedure of selection of nominees and renewal of the Board is described under section "Selection of nominees to the Board".

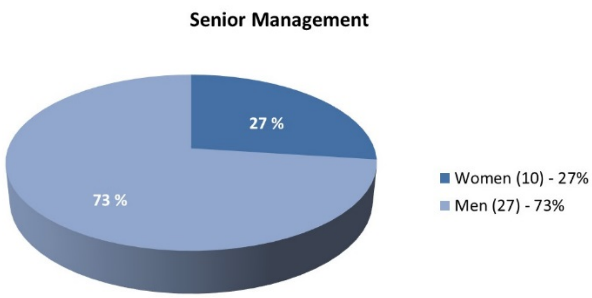
The Human Resources and Corporate Governance Committee is responsible for the implementation and the efficiency of the *Policy on selecting candidates for director positions and on diversity among directors* and reports to the Board thereupon.

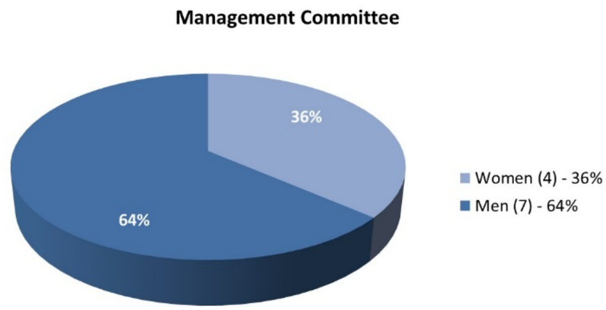
Representation of women in senior management

Several women already hold senior management positions, both within the Corporation and its key subsidiaries, and a large number of women represents a strong succession for these positions, both within the Corporation and its key subsidiaries. For these reasons, the Corporation has not established a formal policy on the representation of women in senior management.

Out of the 37 senior management positions within the Corporation and its key subsidiaries, ten are held by women, a proportion of 27%. Two of them are President and Chief Executive Officer of two of the three business sectors of QMI, being the President and Chief Executive Officer of Videotron and the President and Chief Executive Officer of TVA Group Inc. ("**TVA**") and of Quebecor Media Group (business sector of QMI). These companies and business sectors generate over 99% of the Corporation's net income. As for QMI, out of the 11 members of the Management Committee, four are women, a proportion of 36%.

The following charts illustrate the ratio of the representation of women in senior management of Quebecor and its subsidiaries.





IDENTITY OF THE NOMINEES FOR ELECTION

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

The information on shares held was provided to the Corporation by each of the nominees. The number of shares, deferred share units ("**DSU**") and the value of the DSUs are given as of December 31, 2016. For additional information concerning minimum shareholding requirements, please refer to the section entitled "Policy regarding Minimum Shareholding by Directors" of this Circular.

CLASS A DIRECTORS

Independent
Director since 2016
Age: 55
Montréal
Québec (Canada)

Voting result at the
2016 Annual Meeting:

Votes in favour: 99.99%
Votes withheld: 0.01%

ANDRÉ P. BROSSEAU

André P. Brosseau is Chairman of the Board and Chief Executive Officer of Avenue Capital Markets BNB Inc., a private consulting investment firm for growth companies that he founded in 2010.

He currently serves as a director, Chairman of the Audit Committee and member of the Compensation Committee for DMD Digital Health Connections Group Inc., a digital solutions company in the United States pharmaceutical industry, of which he is one of the five founders. He was until very recently a board member for BlueRush Media Group Corp., a digital marketing firm based in Toronto. He is Chair of the Audit Committee for the OSMO Foundation and The Notman House, a Montreal-based business accelerator.

Mr. Brosseau was President for Blackmont Capital Markets in Toronto until June 2009 and then served as Chairman of Quebec Capital Markets until May 2010. From 1994 to 2007, André P. Brosseau 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.

Committee of the Board

Member of the Audit Committee

Other public corporation directorships

DMD Digital HealthConnections Group Inc.
- Chairman of the Audit Committee
- Chairman of the Corporate Governance Committee
- Member of the Compensation Committee

Securities of the Corporation held as at December 31, 2016

Shares held	Value of shares *	DSUs held	Market value of DSUs **	Total value of shares and DSUs held	Minimum holding requirement met (√) or time limit to meet
Nil	n/a	2,087	$78,158	$78,158	May 12, 2021

* being the greater of the total purchase price or the weighted average price of the shares on December 31, 2016 as defined in the Policy regarding minimum shareholding by directors

** as defined in the Directors' DSU Plan

Non independent
Director since 2017
Age: 52
Saint-Bruno
Québec (Canada)

Voting result at the
2016 Annual Meeting:

Votes in favour: n/a
Votes withheld: n/a

PIERRE DION

Pierre Dion is Chair of the Board of Quebecor Media Inc. since February 15, 2017.

He was President and Chief Executive Officer of Quebecor from April 2014 to February 2017, and also served, since August 2016, as President and Chief Executive Officer of Quebecor Sports and Entertainment Group. He joined TVA Group in 2004 as Executive Vice President and Chief Operating Officer, and was appointed President and CEO of TVA Group in 2005.

As President and CEO of Quebecor, Pierre Dion and his team completed nine major transactions aimed at maximizing the Corporation's profitability. During his tenure at TVA Group, he increased TVA Network's lead in the ratings and spearheaded an expansion strategy that saw the creation of eight specialty channels in order to maintain TVA Group's dominance of Québec's television landscape. In September 2011, the TVA Sports channel was launched under his leadership. After only three years, TVA Sports became the NHL's official French-language broadcaster in Canada. Previously, Pierre Dion held various management positions with Videotron from 1990 to 1996 and then served as President and CEO of a major Canadian publisher.

Pierre Dion graduated from Bishop's University in Lennoxville with a BBA in 1988 and completed the Executive Business Program at Queen's University in Kingston, Ontario in 1999. He is actively involved in the community and has served a director of the Board of Trade of Metropolitan Montreal. He is currently a member of the Council of Governors of the Society for the Celebrations of Montréal's 375th Anniversary.

Committee of the Board

None

Other public corporation directorships

Mr. Dion is not a member of the Board of Directors of any other public corporations.

Securities of the Corporation held as at December 31, 2016

Mr. Dion does not hold shares of the Corporation. As at December 31, 2016, Mr. Dion was not a director of the Corporation and did not participate in the Directors' DSU Plan.

Pierre Dion holds 400 Class B non-voting shares of TVA.

Independent
Director since 2003
Age: 70
Montréal
Québec (Canada)

Voting result at the 2016 Annual Meeting:

Votes in favour: 99.99%
Votes withheld: 0.01%

JEAN LA COUTURE
FCPA, FCA

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

Jean La Couture is a Fellow of the Ordre des comptables professionnels agréés du Québec. He headed Le Groupe Mallette (an accounting firm) before becoming, from 1990 to 1994, President and Chief Executive Officer of The Guarantee Company of North America. He is currently a director of the following corporations:

- Quebecor Media Inc. – Chairman of the Audit Committee
- Videotron Ltd. – Chairman of the Audit Committee
- Caisse de dépôt et placement du Québec – Chairman of the Investments and Risk Management Committee
- Groupe Pomerleau – Chairman of the Board

Committee of the Board

Chairman of the Audit Committee

Other public corporation directorships

Innergex Renewable Energy Inc.
Chairman of the Board
Member of the Corporate Governance Committee
Member of the Audit Committee

Securities of the Corporation held as at December 31, 2016

Shares held	Value of shares *	DSUs held	Market value of DSUs **	Total value of shares and DSUs held	Minimum holding requirement met (√) or time limit to meet
6,000 Class B Shares	$224,700	28,459	$1,065,790	$1,290,490	√

* being the greater of the total purchase price or the weighted average price of the shares on December 31, 2016 as defined in the Policy regarding minimum shareholding by directors
** as defined in the Directors' DSU Plan

Independant
Director since 2011
Age: 66
Lachute
Québec (Canada)

Voting result at the 2016 Annual Meeting

Votes in favour: 99.99%
Votes withheld: 0.01%

SYLVIE LALANDE

Sylvie Lalande is Chair of the Board of Directors of TVA Group Inc. and is a corporate director.

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

Ms. Lalande is also a director and member of the Human Resources and Compensation Committee of Quebecor Media Inc. and director of Videotron Ltd.

In November 2013, Ms. Lalande was appointed Chair of the Board of the CAS (Laval University).

Committee of the Board

Chair of the Human Resources and Corporate Governance Committee

Other public corporation directorships

TVA Group Inc.
Chair of the Board of Directors
Chair of the Human Resources and Corporate Governance Committee

Securities of the Corporation held as at December 31, 2016

Shares held	Value of shares *	DSUs held	Market value of DSUs **	Total value of shares and DSUs held	Minimum holding requirement met (√) or time limit to meet
2,000 Class B Shares	$74,900	22,572	$845,321	$920,221	√

* being the greater of the total purchase price or the weighted average price of the shares on December 31, 2016 as defined in the Policy regarding minimum shareholding by directors
** as defined in the Directors’ DSU Plan

Ms. Lalande also holds 10,817 Class B non-voting shares of TVA.

GENEVIÈVE MARCON

Independent
Director since 2012
Age: 48
Lac Beauport
Québec (Canada)

Voting result at the
2016 Annual Meeting

Votes in favour: 99.99%
Votes withheld: 0.01%

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

Ms. Marcon is associated with the revitalization of the Saint-Roch neighbourhood in Québec City, where she conducted several restoration and construction projects for the transformation of this neglected neighbourhood into an attractive urban center. Ms. Marcon, who has a background in industrial relations from Laval University, has also made her mark in the retail business sector. In 2015, Ms. Marcon earned a university certificate in corporate governance from the Collège des administrateurs de sociétés. Ms. Marcon is also a director of Quebecor Media Inc.

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

Committee of the Board

Member of the Human Resources and Corporate Governance Committee

Other public corporation directorships

Ms. Marcon is not a member of the Board of Directors of any other public corporations.

Securities of the Corporation held as at December 31, 2016

Shares held	Value of shares *	DSUs held	Market value of DSUs **	Total value of shares and DSUs held	Minimum holding requirement met (√) or time limit to meet
Nil	n/a	15,793	$591,448	$591,448	√

* being the greater of the total purchase price or the weighted average price of the shares on December 31, 2016 as defined in the Policy regarding minimum shareholding by directors
** as defined in the Directors' DSU Plan

Non-independent
Director since 1999
Age: 78
Montréal
Québec (Canada)

Voting result at the
2016 Annual Meeting

Votes in favour: 99.96%
Votes withheld: 0.04%

THE RIGHT HONOURABLE BRIAN MULRONEY
P.C., C.C., LL.D.

The Right Honourable Brian Mulroney is Chair of the Board of Directors of the Corporation and a Senior Partner of the law firm Norton Rose Fulbright Canada LLP.

He practiced law before assuming the presidency of Iron Ore Company of Canada. He subsequently entered politics as Leader of the Progressive Conservative Party which he led to victory in September 1984. He was Prime Minister of Canada until 1993. He then returned to the practice of law, and joined the well established Canadian law firm of Norton Rose Fulbright Canada (previously Ogilvy Renault) based in Montréal. The Right Honourable Brian Mulroney serves on a number of Boards of Directors and committees in Canada as well as abroad, including that of Quebecor Media Inc. and Videotron Ltd. He is also Chair of the Board of the International Advisory Council of Barrick Gold Corporation (Toronto).

He is also Companion of the Order of Canada as well as Grand Officier de l'Ordre national du Québec.

Committee of the Board

None

Other public corporation directorships

The Blackstone Group L.P. (New York)

Wyndham Worldwide Corporation (New Jersey)
Chair of the Compensation Committee
Member of the Corporate Governance Committee

Securities of the Corporation held as at December 31, 2016

Shares held	Value of shares *	DSUs held	Market value of DSUs **	Total value of shares and DSUs held	Minimum holding requirement met (√) or time limit to meet
2,000 Class A Shares	$74,900	81,338	$3,046,108	$3,121,008	√

* being the greater of the total purchase price or the weighted average price of the shares on December 31, 2016 as defined in the Policy regarding minimum shareholding by directors
** as defined in the Directors' DSU Plan

ÉRIK PÉLADEAU

Mr. Péladeau is President of Groupe Lelys Inc., a corporation he acquired in 1984 which specializes in flexographic label printing.

Érik Péladeau has been associated with different companies throughout the Quebecor group where he worked for more than 28 years. He spearheaded the diversification of Quebecor's digital content offerings with the creation of Quebecor Multimedia. Érik Péladeau was a director of Quebecor Inc. from January 1988 to May 2010, and Vice Chairman of the Board for much of that period. He has also been a director of Quebecor Media Inc. from January 2001 to September 2009, notably as Vice Chairman fo the Board.

Érik Péladeau is active in many charitable organizations. He has also been a director of The Jean Coutu Group (PJ) Inc. He is also a member of the Board of Directors of Quebecor Media Inc.

Non-independent
Director since 2015
Age: 62
Lorraine
Québec (Canada)

Voting results at the 2016 Annual Meeting

Votes in favour: 99.99%
Votes withheld: 0.01%

Committee of the Board

None

Other public corporation directorships

Mr. Péladeau is not a member of the Board of Directors of any other public corporations.

Securities of the Corporation held as at December 31, 2016

Shares held	Value of shares *	DSUs held	Market value of DSUs **	Total value of shares and DSUs held	Minimum holding requirement met (√) or time limit to meet
100 Class A Shares 200 Class B Shares	$11,235	4,503	$168,637	$179,872	July 29, 2020

* being the greater of the total purchase price or the weighted average price of the shares on December 31, 2016 as defined in the Policy regarding minimum shareholding by directors

** as defined in the Directors' DSU Plan

Independent
Director since 2016
Age: 60
Montreal
Québec (Canada)

Voting results at the 2016 Annual Meeting

Votes in favour:	69.76%
Votes withheld:	30.24%

CHRISTIAN DUBÉ

Mr. Dubé is Executive Vice-President, Québec, of the Caisse de dépôt et placement du Québec (the « **Caisse** »), one of the largest institutional fund managers in Canada and North America. Mr. Dubé sits on the Caisse's Executive Committee and on the Investment-Risk Committee.

Mr. Dubé represented the riding of Lévis in the Québec National Assembly from 2012 to 2014. He was notably Vice-Chair of the Commission des finances publiques. Prior to entering politics, he led a distinguished career in the private sector. A chartered accountant by training, he worked at Price Waterhouse before co-founding MIA Biron Lapierre Dubé & associés in 1986 and becoming, in 1992, Head of Finance at Coopers & Lybrand. From 1996 to 2004, he held executive positions at Domtar, including that of Executive Vice-President and Chief Financial Officer. Between 2004 and 2008, he was Vice-President and Chief Financial Officer at Cascades, and from 2009 to 2012, he managed its European branch. Mr. Dubé sits on the Board of Directors of Cirque du Soleil, Bombardier Transportation and Ciment McInnis. Previously, he sat on several other boards including those of Norampac, National Bank Financial, Héroux-Devtek and Fido, and chaired the board of Reno De Medici in Europe.

Mr. Dubé holds a Bachelor of Business Administration from Université Laval and is a member of the Canadian institute of Chartered Accountants.

Committee of the Board

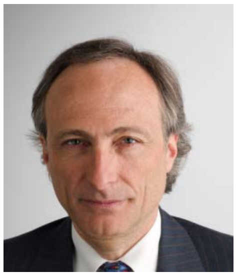
None

Other public corporation directorships

Mr. Dubé is not a member of the Board of Directors of any other public corporations.

Securities of the Corporation held as at December 31, 2016

As at December 31, 2016, Christian Dubé did not hold shares of the Corporation. Mr. Dubé, who is a representive of CDP on the Board of QMI, is compensated by CDP. Consenquently, he does not receive DSUs of the Corporation. His compensation as director is entirely paid to CDP. Therefore, the policy regarding minimum shareholding does not apply to Mr. Dubé.



ROBERT PARÉ

Mr. Robert Paré is a corporate lawyer and senior partner at Fasken Martineau DuMoulin LLP.

Mr. Paré is a member of the Board of Directors and of the Compensation, Nominating and Corporate Governance Committee of Group ADF inc. since 2009 and a member of the Board of Directors and of the Nominating and Governance Committee and of the Human Resources and Compensation Committee of RONA Inc. since 2009. He is also a member of the Board of Directors of Essilor Canada Ltd. since 1995.

Mr. Paré is the current Chairman of the Board of the Institute of Corporate Directors ("**ICD**") – Quebec Chapter and is also a member of the Board of Directors of the Montreal Institute Heart Foundation, as well as a member of the Board of Directors of Quebecor Media Inc.

Non-independent
Director since 2014
Age: 62
Westmount
Québec (Canada)

Voting result at the 2016 Annual Meeting

Votes in favour: 73.53%
Votes withheld: 26.47%

Committee of the Board

None

Other public corporation directorships

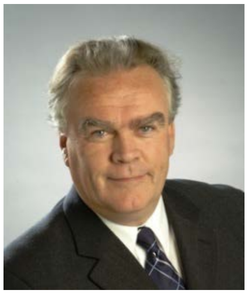
ADF Group Inc.
Member of the Compensation, Nominating and Corporate Governance Committee

Securities of the Corporation held as at December 31, 2016

Shares held	Value of shares *	DSUs held	Market value of DSUs **	Total value of shares and DSUs held	Minimum holding requirement met (√) or time limit to meet
16,500 Class B Shares	$617,925	8,309	$311,172	$929,097	√

* being the greater of the total purchase price or the weighted average price of the shares on December 31, 2016 as defined in the Policy regarding minimum shareholding by directors

** as defined in the Directors' DSU Plan



Independent
Director since 2013
Age: 62
Brossard
Québec (Canada)

Voting result at the
2016 Annual Meeting

Votes in favour: 67.84%
Votes withheld: 32.16%

NORMAND PROVOST

Mr. Provost is a corporate director. From May 2014 to December 2015, Normand Provost was Assistant to the President of the Caisse de dépôt et placement du Québec (the "**Caisse**"), one of the largest institutional fund managers in Canada and North America.

Between October 2003 and May 2014, Normand Provost was Executive Vice-President, Equity of the Caisse. Mr. Provost joined the Caisse in 1980 and has held several positions within the institution, ranging from Advisor and Investment Manager, specializing in midsize businesses, to President of the subsidiary CDP Capital d'Amérique Investissements inc. ("**CDP**"), from 1995 to 2003. In addition to his responsibilities in the investment sector, Mr. Provost served as Chief Operating Officer of the Caisse from April 2009 to March 2012. Normand Provost was also a member of the Caisse's Executive Committee.

Between September 2009 and May 2014, backed by his extensive knowledge of the Québec business community, Mr. Provost has assumed the leadership of all of the Caisse's initiatives in Québec.

Mr. Provost is director and member of the Audit Committees of Quebecor Media Inc. and of Videotron Ltd. and a director of the Fondation de l'entrepreneurship. In addition, he sits on the Supervisory Board and on the Compensation and Human Resources Committee of Groupe Kéolis S.A.S. Since March 2015, Mr. Provost also sits on the Board of Directors and on the Investment Committee of Desjardins Financial Security.

Committee of the Board

Member of the Audit Committee

Other public corporation directorships

Mr. Provost is not a member of the Board of Directors of any other public corporations.

Securities of the Corporation held as at December 31, 2016

Shares held	Value of shares *	DSUs held	Market value of DSUs **	Total value of shares and DSUs held	Minimum holding requirement met (√) or time limit to meet
Nil	n/a	3,494	$130,850	$130,850	January 1st, 2021

* being the greater of the total purchase price or the weighted average price of the shares on December 31, 2016 as defined in the Policy regarding minimum shareholding by directors

** as defined in the Directors' DSU Plan

Matrix of skills - nominees for election

The Human Resources and Corporate Governance Committee maintains a matrix of the skills that it believes necessary to be possessed within the Board.

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

In addition to those skills, all nominees for election as a director hold two key skills, namely experience as a member of the Board of a public or private corporation and experience in corporate governance i.e. understanding of the requirements of good corporate governance usually acquired as a senior executive or director of a public corporation or through training schools, such as the ICD or the CAS.

Nominees for election	Entrepreneur-ship / Mergers / Acquisitions	Communic-ations / Marketing	Finance / Accounting / Risk Manage-ment	Legal / Public and Regulatory Affairs	Compens-ation / Labor Relations / Human Resources / Pension Plans	Media / Content / Entertainment	Telecom-munications	Retail Business
André P. Brosseau	√	√	√				√	
Pierre Dion	√	√	√	√	√	√	√	√
Christian Dubé	√		√	√			√	
Jean La Couture	√		√		√	√	√	
Sylvie Lalande	√	√		√	√	√	√	
Geneviève Marcon	√	√	√			√		√
Brian Mulroney	√	√	√	√	√	√	√	
Robert Paré	√		√	√	√			√
Érik Péladeau	√	√	√		√	√		√
Normand Provost	√		√		√		√	

Definitions of the areas of expertise

Entrepreneurship / Mergers / Acquisitions: Experience as Chief Executive Officer or senior executive of a public company or of a medium-sized or large company or organization and / or experience in important merger and acquisition operations.

Communications / Marketing: Experience as senior executive or director in the communications or marketing industry.

Finance / Accounting / Risk Management: Experience with, or understanding of, financial accounting and reporting, and Canadian GAAP/IFRS and/or experience in, or understanding of, internal risk controls, risk assessment, risk management and/or reporting.

Legal / Public and Regulatory Affairs: Legal experience and/or experience with relevant government agencies and/or experience in, or understanding of, public policy in Canada and /or experience in a regulatory environment with agencies such as the CRTC or the Competition Bureau.

Compensation / Labor Relations / Human Resources / Pension Plans: Experience as senior executive or director in the compensation, labor relations, human resources and pension plans sectors.

Media / Content / Entertainment: Experience as senior executive, director or entrepreneur in the media or content sectors (television, newspapers) and/or in arts and culture and/or in events management.

Telecommunications: Experience as senior executive or director in the telecommunications sector.

Retail Business: Experience as senior executive or director in the retail business.

Board interlocks

The Board does not limit the number of its directors who sit on the same board of another public corporation but reviews interlocking board memberships and believes disclosing them is relevant. As of this date, none of the nominees standing for election sit together on other public corporations.

Attendance at Board and committee meetings

The following table sets forth the attendance of directors at meetings of the Board and of its committees held during the financial year ended December 31, 2016.

Directors	Board and Committees	Attendance at Meetings
André P. Brosseau [1]	Board Audit Committee	5 out of 5 3 out of 3
Christian Dubé [1]	Board	5 out of 5
Jean La Couture	Board Audit Committee	7 out of 7 7 out of 7
Sylvie Lalande	Board Human Resources and Compensation Committee [3] Corporate Governance and Nominating Committee [3] Human Resources and Corporate Governance Committee	7 out of 7 3 out of 3 2 out of 2 2 out of 2
Pierre Laurin	Board Human Resources and Compensation Committee [3] Corporate Governance and Nominating Committee [3] Human Resources and Corporate Governance Committee	7 out of 7 3 out of 3 1 out of 2 2 out of 2
A. Michel Lavigne [2]	Board Audit Committee Human Resources and Compensation Committee	3 out of 3 4 out of 4 3 out of 3
Geneviève Marcon	Board Corporate Governance and Nominating Committee [3] Human Resources and Corporate Governance Committee	7 out of 7 2 out of 2 2 out of 2
Brian Mulroney	Board	7 out of 7
Robert Paré	Board	7 out of 7
Érik Péladeau	Board	5 out of 7
Normand Provost	Board Audit Committee	6 out of 7 5 out of 7
Overall Rate of Attendance	**Board Meetings** **Committee Meetings**	**96 %** **93 %**

1. Was appointed as a director on May 12, 2016.
2. Ceased to be a director on May 12, 2016.
3. The Human Resources and Compensation Committee and the Corporate Governance and Nominating Committee merged on May 12, 2016 under the name Human Resources and Corporate Governance Committee.

COMPENSATION OF DIRECTORS

Since July 1, 2013, with a view to efficiency and cost-effectiveness, the Boards of Directors of the Corporation and QMI are "mirrors", meaning that the directors of the Corporation are also directors of QMI. Since that date, the Corporation assumes 40% and QMI assumes 60% of the cost of the compensation and attendance fees payable to the directors. The only exceptions are the compensation of the Chair of the Board and Vice Chair of the Board and Lead Director of the Corporation, which are assumed at 50% by the Corporation.

All directors who are not employees of the Corporation received, during the financial year ended December 31, 2016, the following compensation:

Annual Compensation	($)
Chair of the Board of Directors [1]	390,000
Vice Chair of the Board and Lead Director	60,000
Vice Chair of the Board (since May 2016)	10,000
Base Compensation of Directors	90,000
Chair of the Audit Committee	30,000
Chair of the Human Resources and Corporate Governance Committee (since May 2016)	26,000
Chair of the Human Resources and Compensation Committee (until May 2016)	15,000
Chair of the Corporate Governance and Nominating Committee (until May 2016)	11,000
Members of the Audit Committee (except Chair)	15,000
Members of the Human Resources and Corporate Governance Committee (except Chair) (since May 2016)	17,000
Members of the Human Resources and Compensation Committee (except Chair) (until May 2016)	11,000
Members of the Corporate Governance and Nominating Committee (except Chair) (until May 2016)	6,000
Members of the Executive Committee (QMI only)	5,000
Attendance fees – lump sum	20,000

1. The Chair of the Board does not receive additional compensation for acting as director. Also, he receives no attendance fees for attending Board meetings.

Directors' DSU Plan

In order to further align the interests of directors with those of its shareholders, the Corporation has implemented a Directors' DSU Plan (the "**DSU Plan"**). Under the DSU Plan, each director must receive a portion of his compensation in the form of units, such portion representing at least 50% of the annual base compensation ("**mandatory portion**"). Subject to certain conditions, each director may elect to receive in the form of units any percentage, up to 100%, of the total fees payable for his services as a director, including the balance of the annual base compensation, meeting attendance fees and any other fees payable to the director. When the required minimum shareholding described in the section entitled "Policy regarding Minimum Shareholding by Director" of this Circular is reached, the mandatory portion is reduced to a minimum of 10% of the annual base compensation as director.

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

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

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

Policy regarding Minimum Shareholding by Directors

The Board of the Corporation approved the establishment of a Policy regarding Minimum Shareholding by Directors which came into force on May 7, 2015. Since that date, each director of the Corporation who is not an executive officer is required, within five years of (i) the time when he becomes a director of the Corporation or (ii) the adoption of the Policy regarding Minimum Shareholding by Directors, whichever is later, to hold shares or DSUs of the Corporation, with a value of at least three times the basic annual fee received as a director ("**minimum shareholding requirement**") and, in the case of the Chair of the Board, a value equivalent to the minimum shareholding requirement for directors.

Once the five-year period has expired, each director who is not an executive officer shall hold such minimum shareholding throughout his mandate.

The following tables set forth the details of the annual compensation and attendance fees paid to the directors for the year 2016, as well as a summary of the compensation distribution.

Directors Compensation Table

Name	Compensation					Share-based Awards		All Other Compensation ($)	Total Compensation Paid ($)
	Annual Compensation ($)	Attendance fees ($)	Compensation Chair of Committee ($)	Compensation Committee Member ($)	Total Compensation ($)	Awards under DSU Plan ($)	Dividends Paid in the Form of Units ($)		
André P. Brosseau	28,681	12,747	—	9,560	50,988 [1]	28,681	78	6,374 [2]	**86,121**
Christian Dubé	57,363	12,747	—	—	70,110 [3]	—	—	—	**70,110**
Jean La Couture	67,500	20,000	36,374 [4]	5,000	128,874	22,500	4,764	25,000 [5]	**181,138**
Sylvie Lalande	45,000	20,000	20,560	3,989	89,549 [6]	45,000	3,459	150,000 [7]	**288,008**
Pierre Laurin	105,000	20,000	—	17,000	142,000	45,000	4,563	—	**191,563**
A. Michel Lavigne	16,442	7,308	5,481	7,308	36,539	16,442	647	89,855 [8]	**143,483**
Geneviève Marcon	45,000	20,000	—	13,011	78,011 [9]	45,000	2,338	—	**125,349**
Brian Mulroney	390,000	—	—	—	390,000 [10]	—	13,258	100,000 [11]	**503,258**
Robert Paré	45,000	20,000	—	5,000	70,000 [12]	45,000	1,096	—	**116,096**
Érik Péladeau	45,000	20,000	—	—	65,000 [13]	45,000	465	760,977 [14]	**871,442**
Normand Provost	45,000	20,000	—	18,187	83,187 [15]	45,000	241	10,000 [2]	**138,428**
TOTAL	**889,986**	**172,802**	**62,415**	**79,055**	**1,204,258**	**337,623**	**30,909**	**1,142,206**	**2,714,996**

1. Mr. Brosseau elected to receive the total amount in DSUs.
2. Compensation for acting as member of the Audit Committee of Videotron.
3. Mr. Dubé being a representative of CDP and being compensated by CDP, does not receive DSUs of the Corporation. His compensation for acting as director is entirely paid to CDP.
4. This amount includes compensation for acting as Vice Chair of the Board (since May 2016).
5. Compensation for acting as Chairman of the Audit Committee of Videotron.
6. Ms. Lalande elected to receive the total amount in DSUs.
7. Compensation for acting as Chair of the Board of TVA. Of this amount, $15,000 were received in DSUs of TVA.
8. Compensation for acting as director of TVA (being $86,201, of which $15,000 were received in DSUs of TVA) and as member of the Audit Committee of Videotron ($3,654).
9. Ms. Marcon elected to receive the total amount in DSUs.
10. Of this amount, Mr. Mulroney elected to receive $195,000 in DSUs.
11. Compensation for acting as consultant.
12. Mr. Paré elected to receive the total amount in DSUs.
13. Mr. Péladeau elected to receive the total amount in DSUs.
14. Annual retiring allowance. This annuity was acquired during the 32 years Mr. Péladeau was an employee of the Corporation and of QMI.
15. Mr. Provost elected to receive the total amount in DSUs.

Breakdown of the directors' fees for acting as director of Quebecor and its subsidiaries

Name	Compensation Distribution	
	Cash ($)	Units ($)
André P. Brosseau	6,374	79,747
Christian Dubé	70,110	—
Jean La Couture	153,874	27,264
Sylvie Lalande	135,000	153,008
Pierre Laurin	142,000	49,563
A. Michel Lavigne	111,393	32,090
Geneviève Marcon	—	125,349
Brian Mulroney	295,000	208,258
Robert Paré	—	116,096
Érik Péladeau	760,977	110,465
Normand Provost	10,000	128,428
Total	**1,684,728**	**1,030,268**

Share-based awards

The following table sets forth for each director all DSUs awards outstanding as at December 31, 2016. No stock options of the Corporation and its subsidiaries were held by directors at that date.

Directors	Share-based Awards		Minimum holding requirement met (√) or time limit to meet
	Number of DSUs that have not vested (#)	Market or payout value of DSUs that have not vested [1] ($)	
André P. Brosseau	2,087	78,158	May 12, 2021
Christian Dubé	—	—	n/a [2]
Jean La Couture	28,459	1,065,790	√
Sylvie Lalande	22,572	845,321	√
Pierre Laurin	27,638	1,035,043	√
A. Michel Lavigne [3]	3,949	147,890	n/a
Geneviève Marcon	15,793	591,448	√
Brian Mulroney	81,338	3,046,108	√
Robert Paré	8,309	311,172	√
Érik Péladeau	4,503	168,637	July 29, 2020
Normand Provost	3,494	130,850	January 1st, 2021

1. The value of the DSUs is based on the weighted average trading price of the Class B Shares on the Toronto Stock Exchange over the five trading days immediately preceding December 31, 2016, which was $37.45 per share. According to the DSU Plan, the units only vest after the director ceases to be a member of the Board.

2. The Policy regarding minimum shareholding by directors does not apply to Mr. Dubé. Mr. Dubé acts as a representative of CDP at the Board of QMI and is compensated by CDP. Consequently, he does not receive DSUs of the Corporation. His compensation for acting as director is entirely paid to CDP.

3. Mr. Lavigne ceased to be a director in May 2016. As stipulated in the DSUP, he has until December 15, 2017 to redeem his DSUs.

As at December 31, 2016, the directors (including A. Michel Lavigne) held a total value of $7,420,418 in DSUs of the Corporation.

Additional disclosure relating to nominees

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

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

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

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

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

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

SECTION IV.
STATEMENT OF CORPORATE GOVERNANCE PRACTICES

INDEPENDENCE OF NOMINEES

Within the meaning of section 1.4 of *Regulation 52-110* of the Canadian Securities Administrators, an independent director is a director who has no direct or indirect material relationship with the Corporation, namely a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of the director's independent judgment. After having examined the relationships of each nominee, the Human Resources and Corporate Governance Committee and the Board have determined that a majority, being six of the ten individuals nominated for election to the Board are independent of the Corporation.

Nominees for election	Independent	Non independent
André P. Brosseau	André P. Brosseau is considered independent because he has no direct or indirect material relationship with the Corporation.	
Pierre Dion		Pierre Dion is not independent because he was President and Chief Executive Officer of the Corporation until February 15, 2017.
Christian Dubé	Christian Dubé is considered independent because he has no direct or indirect material relationship with the Corporation.	
Jean La Couture	Jean La Couture is considered independent because he has no direct or indirect material relationship with the Corporation.	
Sylvie Lalande	Sylvie Lalande is considered independent because she has no direct or indirect material relationship with the Corporation.	
Geneviève Marcon	Geneviève Marcon is considered independent because she has no direct or indirect material relationship with the Corporation.	
The Right Honourable Brian Mulroney		The Right Honourable Brian Mulroney is not independent because he is a senior partner of the law firm Norton Rose Fulbright Canada LLP, principal legal counsels to the Corporation and its subsidiaries. In addition, he receives consulting fees (please refer to the "Directors Compensation Table" of this Circular).
Robert Paré		Robert Paré is not independent because he is a senior partner of the law firm Fasken Martineau DuMoulin LLP, important legal counsels to the Corporation and its subsidiaries.
Érik Péladeau		Érik Péladeau is not independent because of the family links with Pierre Karl Péladeau, controlling shareholder and President and Chief Executive Officer of the Corporation.
Normand Provost	Normand Provost is considered independent because he has no direct or indirect material relationship with the Corporation.	

The Chair of the Board is appointed each year from among the members of the Board. The Board is of the opinion that maintaining separate Chair and Chief Executive Officer positions allows the Board to function independently of management. If the Chair of the Board is not independent, a Lead Director is appointed from among the independent directors. The Vice Chair of the Board may hold both offices.

<u>In camera sessions</u>

After each meeting of the Board and of its committees, a meeting of the directors is held, at which members of management are not in attendance, which encourages free and open discussions among the directors. This meeting is followed by a meeting of the independent directors.

BOARD MANDATE

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

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

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

POSITION DESCRIPTIONS

Chair of the Board, Vice Chair of the Board and Lead Director, Vice Chair of the Board and Chair of each Board Committee

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

The Chair of the Board is responsible for the efficient operation of the Board. He ensures that the Board fully executes its mandate and that the directors clearly understand and respect the boundaries between the responsibilities of the Board and the responsibilities of management. The Vice Chair of the Board and Lead Director performs all the functions of the Chair of the Board during his absence or inability to act, namely presiding over Board and shareholders' meetings. He assists the Chair of the Board in his functions. Also, since the Chair of the Board is not an independent director, as Lead Director, he chairs in camera meetings of independent directors in order to give directors the opportunity to privately discuss on certain topics. He assists the Board to act independently from management and from any important shareholder of the Corporation.

The Vice Chair of the Board assists the Chair of the Board and perform all the functions the Chair of the Board during his absence or inability to act, namely presiding over Board and shareholders' meetings of the Corporation in the absence of the Chair of the Board or in the absence of the Vice Chair of the Board and Lead Director.

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

President and Chief Executive Officer

The Board has adopted a position description for the President and Chief Executive Officer of the Corporation.

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

ORIENTATION AND CONTINUING EDUCATION

The mandate of the Human Resources and Corporate Governance Committee provides that this committee is responsible for establishing and reviewing a training and orientation program for directors. Each director has access, via the Corporation's electronic portal of the Corporation, to a Guide for Directors (the "**Guide**") which is updated continuously. The Guide contains, among other things, the mandates and working plans of the Board and the committees, the Code of Ethics, the principal policies of the Corporation as well as useful information about the Corporation. Upon their appointment, the new directors receive training on the Corporation's electronic portal, allowing them, in particular, to identify any useful information about Quebecor contained in the Guide. The Vice Chair of the Board and Lead Director and the Secretary assist them in their learning process as directors of the Corporation and inform them of the practices of the Corporation in corporate governance and particularly of the role of the Board, of its committees and of each director. Senior management of Quebecor also provides new directors with historical and forward-looking information regarding the Corporation's market position, operations and financial situation, to ensure that the directors understand the nature, functioning and positioning of the Corporation.

Members of senior management regularly make presentations to the Board regarding Quebecor's principal business sectors and on the major trends related to its main activities. Thus, the directors received technical training given by the representatives of Videotron and information on corporate social responsibility on environmental issues.

In addition, the directors attended the 2-day sessions where the strategic plans of the Corporation and its subsidiaries have been presented as well as the main orientations for 2017-2019.

Moreover, aware of the importance for the directors of keeping their knowledge and skills up to date, of improving themselves and of acquiring new competencies relevant to board service, and after evaluating the different means that would allow the directors to always remain well informed about the regulatory environment and the latest trends in corporate governance, the Corporation offers all directors the possibility of attending training sessions organized by specialized firms on topics of interest. Such trainings may deal with strategic management, risk management, performance measurement and management, financial information and management, human resources, succession management and compensation, and are aimed at helping the directors to fully play their role. Thus, in 2016, training sessions were offered to the directors, particularly the following sessions offered by the ICD:

- Three CEOs Talking: Their expectations from their Board
- Update of the economy and understanding Brexit: What every Board of Directors should know
- Brexit and US elections: What a Board of Directors needs to know
- US Elections: What a Board of Directors needs to know

In addition, several directors participated on their own initiative in continuing education courses, symposiums, seminars or conferences on relevant topics related to their functions as director organized or offered by academic institutions, professional corporations or similar bodies, or spoke at such seminars or training sessions on topics related to the performance of duties as a director.

In between Board meetings, directors are also provided with analyst reports, relevant media reports and other documentation to keep them informed of any changes within the Corporation, the industry or the regulatory environment. Since the beginning of 2016, directors have access to a specialized weekly press review which addresses business and technological topics related to the affairs of the Corporation, which is filed on the electronic portal. In addition, directors can communicate at any time with senior management to discuss presentations made to the Board or any other questions of interest.

INTERACTION WITH SHAREHOLDERS

The Board recognizes the importance of listening to the Corporation's shareholders. Its communications with the Corporation's shareholders are improved by each of the following practices:

- The Corporation's website, which contains a section devoted to relations with the Corporation's investors;
- Conference calls with financial analysts and institutional investors in which the Corporation's quarterly results are presented and discussed;
- Ongoing investor relations initiatives and participation in sector-related conferences.

Aware of the shareholders' concerns, the Board also implemented several measures, in particular:

- The advisory vote on executive officers' compensation;
- The adoption of a clawback policy;
- The separate disclosure of votes according to share classes, as can be seen under the Corporation's SEDAR profile at www.sedar.com;
- The adoption of a policy to encourage having women on the Board with the aim of reaching a target for the composition of the Board; and
- The adoption of trading and hedging restrictions.

The Board and its committees are examining and reviewing other interaction-related initiatives that they deem likely to strengthen the Corporation's long-term commitment to its shareholders, in order to promote the processes allowing the shareholders to express their points of view on issues of governance, compensation and other topics. The Corporation believes that this kind of interaction helps it fulfill its responsibilities in accordance with its best interests and those of its shareholders.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

Aware of its social and environmental responsibility ("**SER**"), the Corporation is already significantly involved in SER. A concerted approach was implemented in 2017 with the creation of a central committee within the Corporation, whose mandate will cover the following three components:

- Environment/sustainable development;
- Philanthropy; and
- Human resources/Employee experience.

ETHICAL BUSINESS CONDUCT AND VARIOUS INTERNAL POLICIES

The Corporation has adopted a Code of Ethics that applies, without distinction, to all directors, officers and employees of the Corporation, and to those of its subsidiaries (except for TVA and Videotron, each one having their own Code of Ethics) to encourage and promote a culture of ethical business conduct within the Corporation. The Code of Ethics may be consulted under the Corporation's SEDAR profile at www.sedar.com. The Code is also available on the Corporation's Website at www.quebecor.com. The Human Resources and Corporate Governance Committee reviews and approves all amendments made to the Code of Ethics.

The Code of Ethics is given to all of the Corporation's employees who undertake in writing to abide by the Code, either by signing the declaration included in the Code, or by signing the attendance sheet when a presentation of the Code is made. Every four years, the employees must re-sign the declaration concerning the Code, except if a substantital review of the Code has been made during this period, in which case, all employees will receive a new copy of the Code and a new declaration will be requested from the employees.

Furthermore, the Vice-President, Internal Audit reports to the relevant Audit Committee on all waivers from compliance with the Code of Ethics (related to conflicts of interest, files and registers, assets of the Corporation, confidential information, insider trading transactions, the Corporation's funds and its conduct in competition matters) reported to him through the ethics' line and the steps taken by the Corporation to correct them. The Chair of the Audit Committee informs the Board thereof at each regular meeting of the Board. The Vice-President, Internal Audit also reports annually to the Human Resources and Corporate Governance Committee.

Neither the Board nor the Human Resources and Corporate Governance Committee have allowed waivers from compliance with the Code of Ethics by a director or executive officer over the past twelve months or during any part of the year 2016. Accordingly, no material change report was needed or filed.

The Audit Committee reviews related party transactions. Every year, directors and executives of the Corporation must declare in a questionnaire any conflict of interests and have the obligation to inform the Corporation of any changes that might occur thereafter. The Secretary of the Corporation reviews the questionnaires completed by the directors and reports to the Human Resources and Corporate Governance Committee on any violation, real or anticipated, of the provisions of the Code of Ethics on conflict of interests. If a director is in a situation of conflict of interests during any discussions occurring at a meeting of the Board or one of its committees, he must declare his interest and withdraw from the meeting so as not to participate in the discussions or in any decisions which may be made. This is noted in the minutes of the meeting.

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

In particular, the Board has approved a *Policy relating to the use of privileged information* which reminds directors, senior executives and employees of the Corporation who have access to confidential information likely to affect the market price or value of the Corporation's securities or of any third party, party to significant negotiations, that they may not trade in shares of Quebecor or of the third party as long as the information has not been fully made public and as long as a reasonable period of time has not elapsed since public disclosure. Furthermore, the directors and senior executives of the Corporation, and all other persons who are insiders of Quebecor, may not trade in securities of Quebecor during certain periods set forth in the said policy. In 2016, the Corporation modified this policy to also prohibit insiders from purchasing securities as more fully described in the section entitled "Compensation-Related Risk Management Practices" of the Compensation Analysis of this Circular.

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

ASSESSMENT

The Board Mandate provides that it has the responsibility for assessing the whole Board. Thus, each year, each Committee Chair reports to the Board on the work carried out during the most recently completed financial year and provides the Board with a certification indicating whether or not the committee has covered the required elements of its mandate.

It is the responsibility of the Vice Chair of the Board and Lead Director to assess the contribution of each director through individual meetings. At those meetings, the Vice Chair of the Board and Lead Director reviews, in particular, with each director, that director's assessment of the effectiveness of the Board and the contribution of its members. A report thereon is presented to the Chair of the Board and to the Board each year and this assessment is taken into account by the Human Resources and Corporate Governance Committee in its analysis of the composition of the Board. Moreover, annually the Board collegially assesses the Chair of the Board and the Vice Chair of the Board and Lead Director in an in camera meeting. The Board places great importance in the conduct of such assessments without using an external consultant. This provides a tailored approach and allows the Board to benefit from the contribution of each director individually.

SECTION V.
COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

Chair : Jean La Couture
Members : André P. Brosseau and Normand Provost

Mandate

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

The Corporation hereby incorporates by reference the additional information on its Audit Committee set out in its Annual Information Form for the financial year ended December 31, 2016. The Annual Information Form is available under the Corporation's profile on SEDAR at www.sedar.com and or the Corporation's website.

Members

The current members of the Audit Committee are Mr. Jean La Couture, Chair of the Committee and Messrs André P. Brosseau and Normand Provost. Each member of the Audit Committee is independent and financially literate within the meaning of the regulations of the Canadian Securities Administrators. Additional information regarding the experience of each of the Audit Committee members is contained in the Annual Information Form of the Corporation for the year ended December 31, 2016.

Meetings

The Audit Committee meets at least once each quarter and reports on its activities to the Board. Activities reviewed by the Audit Committee are described in its mandate and annual work plan. At each quarterly meeting, the Audit Committee has the opportunity to meet separately in camera with each of the Chief Financial Officer, the Internal Auditor and the external Auditors. In addition, it holds an in camera session without management present at each meeting.

2016 Highlights

The Audit Committee held seven meetings in 2016. In these meetings, as stipulated in its mandate, the Audit Committee continued to focus on five main elements:

- evaluation of the quality and relevance of disclosed financial information;
- examination of the adequacy of policies and processes for internal controls over financial reporting;
- risk management, particularly including operational risks related to information technology and cybersecurity;
- monitoring of the application of the International Financial Reporting Standards ("IFRS"); and
- oversight of all aspects of internal and external audit program.

Financial Reporting

- The Audit Committee attended presentations by the Corporation's Chief Financial Officer and made inquiries related to the quarterly and annual financial performance and operating results of the Corporation, including its reporting segments, relative to results in prior periods.
- It reviewed with management and the external Auditor the quality and the acceptability of the Corporation's accounting policies and any changes proposed thereto, including (i) all major accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the impact of their use and the treatment recommended by the external Auditor, and (iii) the disclosure and impact of

contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

- It reviewed and discussed with the Chief Executive Officer and the Chief Financial Officer their readiness to certify the interim and annual financial statements and related disclosure materials, as required under Canadian securities legislation.
- It reviewed with management and the external auditor the annual audited consolidated financial statements and quarterly unaudited consolidated financial statements of the Corporation and its subsidiaries, and obtained explanations from management on all significant variances with comparative periods, before recommending their approval to the Board and their public release, including related press releases and management's discussion and analysis.
- It reviewed and recommended to the Board for approval key securities filings that contain financial information, including the Annual Information Form, and their disclosure or filing with the appropriate regulatory authorities.

External Auditor

- The Audit Committee oversaw the work of the external Auditor and reviewed and approved the annual audit plan.
- It met quarterly with the representatives of the external Auditor without management present.
- It reviewed and pre-approved all audit services and pre-approved all non-audit services provided to the Corporation and its subsidiaries by the external Auditor for the financial year 2016.
- It ensured compliance with legal and regulatory requirements regarding (i) the rotation of the external Auditor's partners responsible for the Corporation's records and (ii) the external Auditor's participation in the Canadian Public Accountability Board's program.
- It evaluated the adequacy of the policy with regard to the independence of the external Auditor.
- With management, it developed the plan for implementing the new comprehensive and in-depth process for evaluating the external Auditor every five years and conducted the annual evaluation of the external Auditor with each member of the Audit Committee and key employees involved in financial management. The evaluation focused on various elements, including the assessment of the professional qualifications of the partner in charge and his team, the quality of the exchanges and discussions held with the representatives of the external Auditor during the year, as well as the quality of audit plans and fees.
- It recommended that the Board submit to the vote of shareholders the appointment of the external Auditor for the year ending on December 31, 2017. This recommendation is made after consideration, among other things, of the annual evaluation of the external Auditor.
- It examined and recommended that the Board approve the compensation of the external Auditor for auditing services provided throughout 2016.

Disclosure Controls and Procedures, Internal Control and Risk Management

- The Audit Committee reviewed the internal audit program, its scope and capacity to ensure the effectiveness of the systems of internal control and financial reporting accuracy.
- It reviewed quarterly reports on internal audit activities.
- It obtained assurance of the internal audit program's independence and effectiveness and ensured that the internal audit program has the resources necessary to fulfill its mandate.
- It reviewed and oversaw the management of the main operational risks of the Corporation and its key subsidiaries, and reviewed the reports on the methods implemented by management to protect the Corporation's property and information systems, including the elements of cybersecurity.
- It attended regular presentations on risk mitigation strategies implemented by executive officers who are responsible for particular risks.
- It reviewed the internal auditors' evaluation of the Corporation's disclosure controls and internal control systems and risk mitigation progress.
- It met regularly with the internal Auditor without management present. It received briefings from management regarding key internal audit report followups.

- It reviewed quarterly the results of the cascading certifications by key persons in the financial reporting and disclosure controls processes to provide reasonable assurance to the Chief Executive Officer and the Chief Financial Officer.
- It met with management, the internal Auditor and external Auditor in 2016 to obtain progress reports on management's documentation and evaluation process of Internal Control over Financial Reporting ("**ICFR**"). The Chief Executive Officer and Chief Financial Officer submitted their report to the Audit Committee on their examination of the design and effectiveness of ICFR as at December 31, 2016. No material weaknesses in the design or operation of ICFR were noted.
- It considered reports on litigation from the Chief Legal Officer and on matters relating to compliance with laws and regulations.
- It received and considered quarterly reports regarding the receipt, investigation and treatment of whistleblowing, ethics and internal control complaints.

Other Items Reviewed by the Audit Committee

- The Audit Committee reviewed the Committee's mandate, approved minor amendments thereto, for further recommendation to the Board for approval.
- It reviewed and approved the Audit Committee's annual work plan.
- It reviewed certain business sectors and subsidiaries of the Corporation which do not have their own audit committee.
- It took note of quarterly reports on taxation, particularly concerning all tax adjustments and the impact of all current or projected taxes.
- It reviewed the state of the pension plans of QMI and its subsidiaries.
- It reviewed and expressed satisfaction with the methodology and bases used to calculate incentives for executives of QMI and its subsidiaries.
- It reviewed all related party transactions and the inter-company sharing of management fees on an annual basis.

The Audit Committee fulfilled all of the tasks within its mandate for the financial year ended December 31, 2016. The Audit Committee will continue, among other things, to regularly oversee the management's evaluation process and the effectiveness of the Corporation's ICFR throughout 2017.

The Audit Committee,

Jean La Couture, Chair
André P. Brosseau
Normand Provost

HUMAN RESOURCES AND CORPORATE GOVERNANCE COMMITTEE REPORT

Chair: Sylvie Lalande
Members: Pierre Laurin and Geneviève Marcon

The Human Resources and Corporate Governance Committee is a committee of the Board which assists the Board (i) in discharging its responsibilities relating to the appointment, evaluation and compensation of senior management and for supervising the process of succession planning; and (ii) in developing the approach to corporate governance issues and in identifying new Board nominees. This committee is the result of the merger, on May 12, 2016, of the Human Resources and Compensation Committee and of the Corporate Governance and Nominating Committee.

Members

The three current members of the Human Resources and Corporate Governance Committee are Sylvie Lalande, Chair, Pierre Laurin and Geneviève Marcon, each of them being independent. On the basis of their professional background, education and involvement on numerous boards of directors, all members, individually and collectively, have the required experience to ensure that the Human Resources and Corporate Governance Committee effectively fulfils its mandate.

Ms. Lalande has held several management positions that led her to monitor various aspects of executive compensation. Ms. Lalande is also Chair of the Board and Chair of the Human Resources and Corporate Governance Committee of TVA. She was also Chair of the Corporate Governance and Human Resources Committee of Ovivo Inc. until September 9, 2016. In addition, she attended the Corporate Governance University Certification Program of the CAS with respect to various topics relating to talent management and executive compensation as well as the governance program relating to pension plans.

For his part, Mr. Laurin, who holds a doctorate from the Harvard Business School, was a teacher of business policy at HEC Montreal in addition to leading this institution for several years. For more than 10 years, Mr. Laurin was Chair of the Board of Atrium Innovations Inc. to which its compensation committee reported.

As for Ms. Marcon, who is also a graduate from the Corporate Governance University Certification Program of the CAS, she is an accomplished entrepreneur with experience supervising all aspects of human resources within her numerous companies and various projects. She also has training in labour relations from Université Laval. She joined the committee on May 12, 2016.

At the Meeting, the Chair of the Human Resources and Corporate Governance Committee will be available to answer questions or address shareholders' concerns about compensation.

Meetings

The Human Resources and Corporate Governance Committee holds at least four meetings per year. The committee Chair reports the committee's proceedings and recommendations to the Board. At each meeting, the Human Resources and Corporate Governance Committee holds an in-camera session without executives present. The committee may occasionally meet privately with the President and Chief Executive Officer and the Vice-President, Human Resources of QMI.

2016 Highlights

In 2016, the Human Resources and Compensation Committee held three meetings and the Corporate Governance and Nominating Committee met twice. The Human Resources and Corporate Governance Committee, resulting from the merger of these two committees in May 2016, held two meetings in 2016. As stipulated in the committee's mandate, in these meetings the Human Resources and Corporate Governance Committee focused on the following key components:

- Review of the Corporation's succession plan.
- Establishment of a new medium- and long-term incentive plan and recommendation to the Board to approve the DSUs plan for the employees and the Performance Share Units ("**PSUs**") plan as well as initial grants under the new plan to replace the practice of regular grants of stock options.

- 2015 performance review and recommendation to the Board of bonuses to be paid for 2015 to the Corporation's President and Chief Executive Officer and Senior Vice-President and Chief Financial Officer.
- Review of market practices and establishment of new shareholding requirements.
- Review of the Corporation's President and Chief Executive Officer's and Senior Vice-President and Chief Financial Officer's 2016 performance objectives and recommendation to the Board.
- Review of directors' compensation.
- Review of market practices and recommendation to the Board to adopt a policy regarding trading and hedging transactions.
- After analysis, decision to merge the Human Resources and Compensation Committee and the Corporate Governance and Nominating Committee.

Succession Plan

One of the main responsibilities of the Human Resources and Corporate Governance Committee is to ensure that a succession plan is in place for the Corporation's executive officers. Annually, the Human Resources and Corporate Governance Committee reviews and analyzes the succession plan prepared by Quebecor's management and reports to the Board. This succession plan is submitted for all business sectors of the Corporation being: Telecom Group, Media Group and Sports and Entertainment Group. Thus, in order to ensure a high-quality succession plan for senior management positions, Quebecor looks to its entire talent pool to identify the best candidates. This does not prevent seeking an externally-sourced candidate for certain positions. The annual succession planning process includes three groups: senior management succession, positions deemed critical by management and promising candidates in the entire organization.

During this process, the profile of the persons occupying positions deemed critical and their potential successors are also analysed thoroughly by the Human Resources and Corporate Governance Committee. Promising candidates are identified, and management ensures that an appropriate development plan is in place for each of them. The succession planning process is implemented for all business units to ensure efficient talent management.

Risk Assessment

The Human Resources and Corporate Governance Committee has assessed the risks associated with the executive officer compensation plans and envisions no incentive for executive officers to take excessive risks for personal financial gain. A detailed examination of the risk assessment is included in the **"**Compensation-Related Risk Management Practices**"** section.

Mandate

Among the Human Resources and Corporate Governance Committee's responsibilities, the following are included:

- review annually the succession plan of senior management;
- recommend to the Board the appointment of senior management of Quebecor and approve the terms and conditions of their hiring, retirement or termination;
- review annually the objectives that the Chief Executive Officer is expected to reach, evaluate him in light of those objectives and other factors deemed relevant by the Human Resources and Corporate Governance Committee, report annually to the Board on the results of its evaluation, and recommend to the Board the Chief Executive Officer's total compensation and overall objectives;
- after consulting the Chief Executive Officer and the Chair of the Audit Committee of Quebecor, review the performance assessment of the Chief Financial Officer and recommend to the Board his overall compensation;
- determine grants of DSUs and PSUs and make appropriate recommendations to the Board when required;
- ensure that Quebecor has a competitive compensation structure so as to attract, motivate and retain qualified individuals that the Corporation requires to meet its business objectives;
- ensure that the policies and compensation programs in place do not encourage executives to take excessive risks or make profitable short-term decisions that could undermine the long-term viability of Quebecor.

- recommend to the Board the corporate governance practices it deems appropriate;
- supervise disclosure of the Corporation's corporate governance practices;
- ensure that a Code of Ethics promoting the respect of the values responding to the required integrity standards within corporations is in place, released and enforced. Examine and approve all amendments to this Code of Ethics; and
- approve any waiver from compliance with the Code of Ethics to directors and officers of the Corporation, and ensure disclosure of any such waiver in accordance with applicable regulations.

The Human Resources and Corporate Governance Committee carries out its mandate, which is available on the Corporation's website, within the parameters of compensation policies implemented by Quebecor which provide a framework for the overall compensation structure described in the next section.

The Human Resources and
Corporate Governance Committee,

Sylvie Lalande, Chair
Pierre Laurin
Geneviève Marcon

SECTION VI.
COMPENSATION DISCUSSION & ANALYSIS

Dear Shareholders,

On behalf of the Board, we are pleased to present you with our executive compensation approach, and the principles upon which the Board develops our compensation policy.

In 2016, our advisory vote on executive officers' compensation was met with great support, with more than 98% of votes (99.93% of Class A Shares and 88.83% of Class B Shares) in favour of our executive compensation plan. We are grateful for this support and we believe that it strongly confirms that our compensation philosophy creates a direct connection between the shareholders' interests and those of management.

Again this year, upon the recommendation of the Human Resources and Corporate Governance Committee, the Board invites you to make your voice heard by taking part in the advisory vote on our overall compensation approach for executive officers. To help you in your analysis, we invite you to examine the highlights concerning our performance in the following pages and the details of our overall compensation approach for executive officers. You will be able to see the quality of this important aspect of our governance architecture with regard to compensation, and our commitment to continuous improvement.

Financial 2016 at a glance

In 2016, we demonstrated our ability to maintain steady organic growth, driven by growth generated by our mobile and Internet access services as well as our business telecommunications solutions, while focusing on offering leading content and prioritizing optimal convergence with our distribution platforms. The following table summarizes the financial performance, as well as some noteworthy accomplishments in our various business sectors over the last financial year.

Financial operations
• Quebecor's sales totalled $4.02 billion in 2016, a $125.8 million (3.2%) increase compared with the previous financial year, and its adjusted operating income increased by $53.4 million (3.7%) • The debt-equity ratio, expressed by the ratio of short- and long-term debt (including derivative financial instruments, but excluding convertible debentures) on the adjusted operating income, improved to attain 3.2x as of December 31, 2016 • Redemption of 609,300 Class B Shares in the ordinary course of business in 2016 • Increased annual dividend for the second consecutive year, resulting in a 80% cumulative growth in two years

Telecom Group	Media Group	Sports and Entertainment Group
• Growth of $144.8 million (4.8%) in sales, and growth of $63.6 million (4.6%) in adjusted operating income • Increase of 125,300 connections (16.3%) in our mobile telephony service and increase of $3.31 (6.9%) of average monthly revenue per user • Acquisition of Fibrenoire, a company specializing in corporate connectivity services • Construction of a new data centre in Montreal and expansion of the Quebec data centre (4Degrees Colocation)	• Growth of $1.0 million in sales for TVA • Market share growth of 1.4 for all TVA channels • Growth of 12.1% in subscription revenue for TVA Sports channel • TVA Sports was the official French-language broadcaster for the National Hockey League's third World Cup of Hockey • Growth of $4.7 million (51.6%) in adjusted operating income for the magazine sector	• Videotron Centre ranked 5th among Canadian amphitheatres for number of show tickets sold • Gestev became the official banner for all shows and events produced by Quebecor • Record attendance for a franchise of the Canadian Hockey League in the Quebec Remparts' 2015-2016 season

Highlights from 2016 in executive compensation and outlook for 2017

Changes to our business strategy, sound governance standards, best practices for risk management and our competitive environment drove us to make several major moves in 2016 to continue linking overall compensation to Corporation performance at a competitive price for shareholders. Therefore, we:

- Proceeded with modest, targeted increases in overall compensation, equalling less than 2%, for a limited number of executive officers;
- Renewed our medium- and long-term incentive plan and, as a result, discontinued regular grants of stock options; and
- Took measures to ensure that executives identified by the committee have an interest in the Corporation's shareholding.

2016 was, therefore, a transition year for our approach to compensating executive officers. In 2017, following full participation from all Videotron executives in the Corporation's new medium- and long-term incentive plan, the transition will be completed for the Named Executive Officers and our new compensation approach will come into full effect, continuing to support the deployment of our strategic plan.

In conclusion

The Human Resources and Corporate Governance Committee is of the opinion that the current policies, plans and compensation levels for executive officers at Quebecor are tied to the performance of the Corporation and reflect a healthy compensation that is competitive in its market.

We look forward to meeting you at the annual meeting,

The Chair of the Board,
The Right Honourable Brian Mulroney

The Human Resources and Corporate Governance Committee,

Sylvie Lalande, Chair
Pierre Laurin
Geneviève Marcon

COMPENSATION ANALYSIS

Changes in 2016

Each year, the Corporation examines the overall compensation approach for executive officers to coordinate it with the business strategy, the shareholders' interests and the Corporation's lifecycle. In 2016, the Corporation made several notable changes.

Sound Governance Practices

- Adoption of restrictions for trading and hedging transactions for participants in the medium- and long-term incentive plan, following the recommendation of the Human Resources and Corporate Governance Committee.
- Establishment of new shareholding requirements for approximately fifty employees with the most experience.
- Renewal of the Corporation's medium- and long-term incentive plan to increase the proportion of grants from 35% to 55%. Vesting of the grants is dependent on achieving challenging corporate objectives that are integrated with the strategic plan.

Medium- and Long-Term Incentive Plan

- With respect to a "one team" approach, a new medium- and long-term incentive plan is offered to approximately fifty leaders with the most experience.
- Adoption of a new medium-term PSU plan. The performance criteria is established based on the sum of the three-year cumulative consolidated cash flows for Quebecor PSUs and the three-year average profit margin for TVA PSUs.
- Adoption of a new long-term DSU plan. DSUs are vested at the end of a six-year term or at the normal retirement age.
- Discontinuation of regular grants of stock options and grants with a three-year horizon, which are replaced by annual grants of DSUs and PSUs under the new plans.

Target Direct Compensation

- Overall, the target annual direct compensation of the Named Executive Officers decreased in 2016 compared to 2015.

What Quebecor Does

✓ Alignment of **performance-based compensation** with the requirements of the three-year strategic plan:
  - Short-term incentive payments are calculated based on the achievement of corporate financial objectives throughout the year
  - Quebecor PSU grants (accounting for 55% of the value of equity granted) vest according to cumulative consolidated cash flows over three years and TVA PSUs on the three-year average profit margin

✓ **Compensation breakdown focused on at-risk compensation** with the adoption of a new share-based medium- and long-term incentive plan that now directly links more than half of the Named Executive Officers' overall target compensation to the price of Corporation's shares

✓ **Delayed cashing** of a significant portion of the variable share-based compensation at the time of the employees's retirement or departure, to the extent that the units are vested

✓ **Personal involvement** in shareholding required for executive officers

✓ Establishment of **minimum performance thresholds** below which no variable compensation is granted

✓ **Prohibition of bypassing** the philosophy behind compensation plans by hedging or speculative transactions on the Corporation's securities

✓ For some executives, application of a **clawback policy** of compensation amounts granted

✓ Balance of a mix of compensation methods, and capping of performance objectives to **control compensation-related risks**

✓ **Globally** defining compensation compared to the market

✓ Projecting **compensation-performance connection** based on various scenarios to ensure it remains sufficient

✓ Support from an **independent external compensation consultant** who does not provide any other services to the Corporation

What Quebecor Does Not Do

✗ No supplemental executive retirement plan ("**SERP**") for the Named Executive Officers

✗ No excessive perquisites

✗ No bonus or multi-year grants guarantee

✗ No employment termination clause exceeding 24 months of compensation

✗ No exercise price changes for stock options

✗ No excessive dilution of shareholders' equity through long-term incentive plans

Compensation principles

Compensation of executive officers is structured based on major guiding principles.

First, the Corporation believes that an executive officer’s overall compensation must be tied to performance so as to contribute to the increased value of shareholders’ equity through the establishment and achievement of the Corporation’s and its subsidiaries’ business strategy. The Corporation must continually ensure it offers competitive compensation to not only attract, but also retain, talented employees, who are a key to its success.

Quebecor also believes that compensation must prioritize personal involvement of executives in the Corporation’s shareholding and discourage excessive risk-taking.

In addition, compensation components offered to the holder of a position must be consistent with that person’s scope of influence. As such, the higher a position is in the hierarchy and the bigger the influence this position has on the Corporation’s consolidated results, the larger the portion of this person’s compensation envelope that will be variable (at risk), deferred, dependent on the achievement of consolidated corporate objectives and aligned with the total shareholder return.

The Human Resources and Corporate Governance Committee may enhance any of these components, as it sees fit, to reward a promotion, improve retention, show recognition or balance out the other compensation components.

Quebecor considers performance and skills fundamental factors for its employees’ salary growth and determination of their overall compensation. Thus, overall executive compensation is also based on principles of fairness in recognizing attitudes, abilities and skills, such as:

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

Objectives of compensation components

Compensation for the President and Chief Executive Officer of Quebecor, the Chief Financial Officer and the other three most highly compensated executives who held their positions as at December 31, 2016 (collectively, the "**Named Executive Officers**") may consist of one or more of the following components according to the objectives to prioritize:

	Compensation Components	Description	Reasons	Eligibility
Fixed	Base salary	Annual cash compensation commensurate with skills, responsibilities, individual performance and the reference market	• Attract, retain, motivate and provide financial security • Recognize individuals' attitudes, abilities, skills and accomplishments	All employees
Variable (at risk)	Short-term incentive (bonus)	Annual cash incentive if the corporate objectives of the business unit/individual are achieved	• Motivate to achieve (or exceed) short-term strategic and business objectives	Professionals and senior positions
	Medium-term incentive PSUs	The right to receive, in cash, the equivalent of the market value of a Class B Share of Quebecor or a Class B non-voting share of TVA, on the settlement date, under the condition that the vesting requirements and performance objectives have been achieved	• Motivate to achieve (or exceed) the corporate operational objectives of the strategic plan • Align participants' interests with those of the shareholders • Promote collaboration and convergence of efforts among participants	Certain senior managers and executive officers
	Long-term incentive DSUs	The right to receive, in cash, the equivalent of the market value of a Class B Share of Quebecor or a Class B non-voting share of TVA, at the time of redemption upon retirement or termination of employment, under the condition that the units are vested	• Align participants' interests with those of the shareholders in the very long term • Promote behaviours and decision-making required for the Corporation to continue on a trajectory of cautious long-term growth • Personnally engage participants in the Corporation's shareholding and promote participants' accumulation of capital until retirement	Certain senior managers and executive officers
Indirect	Non-wage benefits	Flexible plan that may differ among subsidiaries	• Support and promote employee health and well-being (both physical and financial)	All employees
	Pension	Plan types offered may differ among subsidiaries	• Provide financial security during retirement	Most employees
	Perquisites	Company vehicle or car allowance and complete annual medical evaluation	• Create loyalty and promote health of talent on a competitive basis • Promote optimization of workdays	Certain senior managers and executive officers

Horizon and Objectives of Direct Compensation Components

With the changes implemented in 2016, an average of 54% of the compensation of the Corporation's executive officers is now better linked to the cumulative total shareholder return over all their future years of service. The Corporation believes, on the one hand, that personal involvement of executive officers in the Corporation's shareholding allows for aligning long-term interests of executive officers with those of the shareholders and that it discourages excessive risk-taking. On the other hand, the Corporation believes that this personal involvement will, if the cumulative total shareholder return ends up meeting expectations, allow for accumulating assets that will ensure the maintenance of a good quality of life during retirement, even though the Corporation does not offer a supplemental executive retirement plan for the Named Executive Officers.

Beyond base compensation, at-risk compensation components balance several priorities. In the short term, the compensation is linked to the achievement of annual individual and group priorities. In the medium term, the compensation is aligned primarily on the share price and on the operational achievement group priorities included in the strategic plan approved by the Board. Finally, long-term compensation is aligned with the cumulative total shareholder return in the very long term. Thus, the majority of the Named Executive Officers' compensation is at-risk, deferred and aligned with share price.

	2016	2017	2018	2019	2020	2021	2022	2023	2024

Base salary	Cash	• Fixed portion of direct compensation
Short-term incentive (bonus)	Cash	• Payable after one year, depending on the adjusted operating income and the year's prioritized strategic objectives • Maximum payment varying from 1.6 times to 2 times the target, depending on position
Medium-term incentive	**Quebecor and/or TVA PSUs** 1 PSU = value of one Quebecor share (Class B) or TVA share (Class B non-voting)	• Vesting after three years, depending on achieved performance • Performance factor established based on Quebecor's cumulative consolidated free cash flows (EBITDA-CAPEX) and, in TVA's case, its average profit margin • Performance factor between 0% and 125% of target
Long-term incentive	**Quebecor and/or TVA DSUs** 1 DSU = value of one Quebecor share (Class B) or TVA share (Class B non-voting)	• Vesting after six years • Payment upon retirement or following the end of employment under the condition that the units are vested

No policy prevents the Human Resources and Corporate Governance Committee from awarding or, when applicable, recommending to the Board a bonus even if the performance objective has not been reached or from increasing or decreasing an award or payment.

Reference Market

The Human Resources and Corporate Governance Committee periodically reviews the competitiveness of executive officer compensation. Compensation offered by the Corporation is defined based on (i) the reference market, (ii) the target positioning in the desired market, (iii) the employee's performance and (iv) the Corporation's financial resources. Hexarem Inc. ("**Hexarem**"), an independent consulting firm recognized for its executive compensation expertise, collaborated on creating personalized and reliable comparison groups that were approved by the Human Resources and Corporate Governance Committee.

Two comparison groups were considered to define compensation for the executive officers named below:

1. President and Chief Executive Officer, Quebecor and QMI
2. Senior Vice-President and Chief Financial Officer, Quebecor and QMI
3. President and Chief Executive Officer, Videotron
4. Senior Vice-President, Chief Legal Officer and Public Affairs and Secretary, Quebecor and QMI

Group 1 Listed Canadian corporations in the communications sector
BCE Inc.
Bell Media
Cineplex Inc.
Cogeco Inc.
Corus Entertainment Inc.
Manitoba Telecom Services Inc.
Postmedia Network Canada Corp.
Rogers Communications Inc.
Shaw Communications Inc.
TELUS Communications Inc.
Thomson Reuters Corporation
Torstar Corporation
Transcontinental Inc.
Yellow Pages Limited

Group 2 Listed corporations, with headquarters in Quebec, with sales over $1 B	
Aimia Inc.	Intact Financial Corporation
Air Canada	Lassonde Industries Inc.
Alimentation Couche-Tard Inc.	Metro Inc.
Amaya Inc.	National Bank of Canada
BCE Inc.	Power Corporation of Canada
Bombardier Inc.	Resolute Forest Products
BRP Inc.	RONA Inc.
CAE Inc.	Saputo Inc.
Canadian National Railway Company	SNC-Lavalin Group Inc.
Cascades Inc.	Stella-Jones Inc.
CGI Group Inc.	Tembec Inc.
Cogeco Inc.	The Jean Coutu Group (PJC) inc.
Colabor Group Inc.	Transat A.T. Inc.
Dollarama Inc.	Transcontinental Inc.
Domtar Corporation	TransForce Inc.
Dorel Industries Inc.	Uni-Sélect Inc.
Gildan Activewear Inc.	Valeant Pharmaceuticals International, Inc.
Industrial Alliance Insurance and Financial Services Inc.	WSP Global Inc.

A separate comparison group was also approved to define the position of President and Chief Executive Officer for TVA and Quebecor Media Group. This group is made up of the following corporations:

Canadian corporations in the media sector	
BCE Inc.	Postmedia Network Canada Corp.
Canadian Broadcasting Corporation	Rainmaker Entertainment Inc.
Cineplex Inc.	Rogers Communications inc.
Corus Entertainment Inc.	Sirius XM Canada Holdings Inc.
DHX Media Ltd.	Stingray Digital Group Inc.
Entertainment One Ltd.	Télé-Québec
Glacier Media Inc.	theScore, Inc.
IMAX Corporation	Torstar Corporation
Mood Media Corporation	Transcontinental Inc.
Newfoundland Capital Corporation Limited	Yellow Pages Limited

Market data may be adjusted by Hexarem to reflect sales and the scope of each position compared to similar positions in the comparison groups.

Independent External Compensation Consultant

As stipulated in its mandate, the Human Resources and Corporate Governance Committee has the authority to hire its own external advisor, and to approve its compensation, in connection with consulting services concerning the compensation of the Named Executive Officers. The Human Resources and Compensation Committee, in collaboration with management, determine and approve all mandates that are given to its independent compensation consultant.

In October 2015, the Human Resources and Corporate Governance Committee commissioned Hexarem as an external independent consultant. Since then, the committee has commissioned Hexarem to carry out a market benchmark study of executive officer compensation, as well as an analysis of consistency between the former compensation approach and the Corporation's current position in its corporate lifecycle. This analysis served as a basis for an additional mandate to extensively review the medium- and long-term incentive plan for executive officers in 2016. At the request of the committee and under its supervision, certain steps of this review resulted from a collaboration between the external independent consultant and the President and Chief Executive Officer. In the past, Willis Towers Watson ("**Towers**") provided consulting on executive compensation, focused in particular on a market evaluation of certain executive positions' compensation.

In 2016, Hexarem also shared its expertise on executive officer compensation and compensation governance during certain committee and Board meetings.

The fees paid to Hexarem and Towers during the last two financial years were as follows:

Type of fees	2016		2015	
	Hexarem	Towers	Hexarem	Towers
Executive Compensation – Related Fees	$222,013	$ —	$59,165	$ —
All other fees – Evaluation of market practices on compensation policy	$ —	$ —	$ —	$2,215

Compensation-Related Risk Management Practices

The Corporation must take certain risks to remain competitive and encourage executive officers to achieve growth objectives expected by shareholders. However, the Human Resources and Corporate Governance Committee ensures that policies and compensation plans in place do not encourage executives to take excessive risks. It is therefore important for senior executives' objectives to not encourage them to make decisions that are profitable in the short term but that could undermine the Corporation's long-term viability. For this purpose, the following measures have been implemented:

1. Cap on payments related to short- and medium-term incentive plans

Payments of short-term incentive bonuses are capped, depending on the role of the person holding the position, between 1.6 times and 2 times the target. In addition, the PSU plan performance factor is capped at 1.25 times the target. These ceilings limit incentives to take unnecessary and excessive financial and operational risks to improve performance with the aim of increasing the participants' compensation.

2. Long-term incentive based on share price with payment deferred to retirement

The DSU plan does not allow participants to receive payment of the value of their units before retirement or termination of employment, under the condition that the units are vested. This very long-term horizon discourages individuals from taking excessive risks that could cause participants to lose the shareholding value that they have earned since the plan opening. In addition, the DSU plan encourages all participants to protect the shareholders' equity by monitoring risk-taking at all levels within the Corporation.

3. Clawback policy

Effective January 1st, 2015, the Board adopted a compensation clawback policy for certain members of senior management. Under this policy, which applies to the President and Chief Executive Officer and to the Chief Financial Officer of the Corporation and of its major subsidiaries and business units ("**member of management**"), the Board may, to the full extent permitted by governing laws and to the extent it determines that it is in the Corporation's best interest to do so, require reimbursement of all or a portion of any bonus or incentive compensation received by a member of management or to proceed with the cancellation of any unvested grants made to a member of management if:

(i) the amount of the bonus or incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results that were subsequently the cause of or affected by a restatement of all or a portion of the Corporation's financial statements;

(ii) the member of management engaged in gross negligence, intentional misconduct or fraud that caused or partially caused the need for the restatement; and

(iii) the bonus or incentive compensation which would have been paid to the member of management, or the profit he would have made, had the financial results been properly reported, would have been lower than the bonus or incentive compensation received.

In these circumstances, the Board has the discretion to recover from the member of management all or a portion of any incentive compensation paid up to three years preceeding the date the Corporation had to proceed with a restatement of its financial statements.

4. Trading and hedging transactions restrictions

In 2016, the Corporation modified its confidential information usage policy to prohibit the Corporation's directors, executives and employees from purchasing securities, subject to obtaining prior approval from the Human Resources and Corporate Governance Committee, including futures, equity swaps, exchange fund shares or options, which are designed to cover or compensate a decrease in the market value of equity securities (or equivalents, such as DSUs or PSUs, for which the value results from that of the equity securities) that were granted to them as compensation.

5. Policy on minimum executive shareholding

Executive shareholding encourages cautious management of the shareholders' equity. On July 13, 2016, the Board approved the implementation of new shareholding requirements. From this date forward, all participants in the medium- and long-term incentive plan must, within a period of four years, meet the requirements of the minimum executive shareholding policy, equalling 1.5 times their individual medium- and long-term incentive target. A participant's total shareholding is calculated as being the fair market value of the sum of the following securities and security equivalents held by the participant:

- Class A Shares of Quebecor
- Class B Shares of Quebecor
- Vested and non-vested DSUs linked to Class B Shares of Quebecor
- Class A Shares of TVA
- Class B non-voting shares of TVA
- Vested and non-vested DSUs linked to Class B non-voting shares of TVA

It should be noted that the Board reserves the right to extend the period granted for reaching the minimum shareholding threshold in the event of extraordinary circumstances.

As of December 31, 2016, shareholding of the Named Executive Officers is as follows:

	Minimum Shareholding Policy			Quebecor Shareholding [1]		TVA Shareholding [1]		Total Shareholding		Status
	Target %	Multiple of Salary	$	Shares	DSUs	Shares	DSUs	Multiple of Salary	$	
Pierre Dion	325	4.875x	6,337,500	$—	$642,352	$1,300	$65,523	0.55x	709,175	Progressing
Jean-François Pruneau	170	2.55x	1,275,000	$11,196	$335,955	$—	$34,271	0.76x	381,422	Progressing
Manon Brouillette	250	3.75x	2,925,000	$—	$450,900	$—	$—	0.58x	450,900	Progressing
Julie Tremblay	175	2.625x	1,673,438	$20,153	$248,029	$—	$201,929	0.74x	470,111	Progressing
Marc M. Tremblay	160	2.40x	1,140,000	$156,744	$168,948	$—	$17,235	0.72x	342,926	Progressing

1 On December 30, 2016, the closing price of the Class B Shares of the Corporation on the Toronto Stock Exchange was $37.32 per share, and the closing price of the Class B non-voting shares of TVA was $3.25. The Named Executive Officers do not hold Class A Shares of the Corporation or of TVA.

6. Guidelines Extending the Options Holding Period

In order to better align senior executives' interests with those of the shareholders and to focus on long-term corporate performance, the Corporation's Human Resources and Corporate Governance Committee implemented, in 2015, guidelines extending the holding period of options granted to certain executive officers of the Corporation under the QI and QMI option plans in force.

Under these guidelines adopted by the Corporation, certain designated executive officers are required to hold their options for a minimum of two years following their vesting date. Over this period, any option held by such executive officer that becomes vested under the terms of the applicable plan may not be exercised before the minimum period has elapsed. The guidelines provide for a reduction of the minimum holding period to one year following vesting date for all the options that become vested on or after the executive officer's 59th birthday.

Since April 1, 2015, the extended holding period of the vested options applies to all Named Executive Officers for all the options that will be granted. It is to be noted that no stock options have been granted since that date.

Named Executive Officers' Direct Compensation

Compensation for the Named Executive Officers is established and approved by the Human Resources and Corporate Governance Committee, except for the President and Chief Executive Officer and the Chief Financial Officer of the Corporation, whose compensation is recommended by the committee and subsequently approved by the Board. Compensation for the President and Chief Executive Officer of TVA and Quebecor Media Group is also reviewed by TVA's Human Resources and Corporate Governance Committee and approved by TVA's Board. Compensation for the President and Chief Executive Officer of Videotron is reviewed by the Corporation's Human Resources and Corporate Governance Committee and approved by Videotron's Board.

Details regarding different direct compensation components for the named executive officers are included in the following pages.

Change of Role for Pierre Dion

On February 16, 2017, the Corporation announced the nomination of Pierre Karl Péladeau as President and Chief Executive Officer of the Corporation and QMI. Pierre Dion ceased to occupy the positions he held since April 2014, and was named a director of the Corporation and of QMI as well as Chairman of the QMI Board.

In accordance with his employment contract and as explained in the 2016 circular, Pierre Dion was entitled to severance pay corresponding to 24 months of pay, equalling a sum of $7,233,406. It was agreed that payment of this sum would be spread over three years: 2017, 2018 and 2019. This agreement was ratified by the Board of the Corporation. Pierre Dion agreed not to be compensated for his responsibilities as director of the Corporation, for a period of up to two years.

Following his departure as President and Chief Executive Officer, one-third of the 870,000 options that were granted to him in May 2014, which were not yet vested, were cancelled.

As outlined in the DSU plan, 80% of DSUs granted under the new medium- and long-term incentive plan for 2016 were cancelled. Regarding PSUs granted under this new plan, Pierre Dion redeemed 33% of them, corresponding to one year of participation.

It should be noted that Pierre Dion continues to be held to a certain number of obligations towards the Corporation, including regarding i) non-competition with the Corporation and ii) non-solicitation of the Corporation's clients and employees.

Base salary

The annual base cash compensation is commensurate with skills, responsibilities, individual performance and the reference market.

Certain salary adjustments were made in 2016, in particular following a market benchmark study of overall compensation for the Named Executive Officers. Overall, base salaries of the Named Executive Officers rose 1.64% compared to 2015.

	2015 Salary	2016 Salary	Variation
Pierre Dion	$1,300,000	$1,300,000	0.00%
Jean-François Pruneau	$490,000	$500,000	2.04%
Manon Brouillette	$780,000	$780,000	0.00%
Julie Tremblay	$625,000	$637,500	2.00%
Marc M. Tremblay	$438,000	$475,000	8.45%
Total	**$3,633,000**	**$3,692,500**	**1.64%**

Short-Term Incentive

In short-term incentive plans, although the financial objective based on adjusted operating income[1] remains a key performance indicator, some target strategic objectives have been integrated in order to reward the implementation of specific components for each of the Corporation's business sectors. For example, the successful integration of acquired businesses, transformation of certain historic business models, market share growth, tight control over cost and balance sheet management are all objectives that allow for establishing and maintaining a solid foundation for rolling out our strategic plan. The objectives for each of the executive officers are reviewed annually to ensure alignment with the Corporation's business objectives.

Payment of all short-term incentive bonuses is dependent on achieving the target adjusted operating income. Bonuses paid for 2016 varied from 67% to 175% of the Named Executive Officers' individual targets, as shown in the table below.

Short-Term Incentive Payments in 2016

Short-term incentive bonus payments were paid to the Named Executive Officers based on achievement of the financial (65%) and strategic (35%) objectives listed below:

	Financial Objectives (in thousands of $)					Strategic Objectives		Total
Pierre Dion Target: 100% of salary		Adjusted and budgeted operating income of the Corporation			Result achieved in 2016	• Proactively guide the search for new promising segments to ensure the Corporation's steady growth and sustainability • Monitor the development of new promising segments for the Corporation (mobile strategy – digital and technological shift) • Reach the desired number of events at the Videotron Centre while maximizing profitability	Result achieved in 2016	Weighted average 65%/35%
		< Target	Target	Maximum				
	Objective	100%	100%	105%	103.8%			
	Performance factor	0%	100%	200%	**175%**		**175%**	**175%**

[1] Adjusted operating income is a financial measure that is not consistent with IFRS. For the definition of this measure and its reconciliation with the financial measure established in accordance with IFRS in the Corporation's financial statements, please refer to Management's Discussion and Analysis for the year ended December 31, 2016, which is available on our Website and on the SEDAR Website at www.sedar.com.

Jean-François Pruneau
Target: 50% of salary

	Adjusted and budgeted operating income of the Corporation			Result achieved in 2016	Individual objectives	Result achieved in 2016	Weighted average 65%/35%
	< Target	Target	Maximum				
Objective	100%	100%	105%	103.8%	• Establish a financing strategy for the Corporation's various segments regarding various investment projects • Establish cost-reduction strategies for all of the Corporation's segments • Centralize activities for the Corporation's finance and technology segments to achieve operational savings		
Performance factor	0%	100%	160%	**145%**		**160%**	**150%**

Manon Brouillette
Target: 100% of salary

	Adjusted and budgeted operating income of Videotron			Result achieved in 2016	Individual objectives	Result achieved in 2016	Weighted average 65%/35%
	< Target	Target	Maximum				
Objective	100%	100%	105%	102.7%	• Attain revenue and profitability budgeted by the Telecom Group • Reach the objectives set for the cost control project • Monitor the development of promising future technology projects		
Performance factor	0%	100%	180%	**143%**		**180%**	**156%**

Julie Tremblay
Target : 80 % of salary

	Adjusted and budgeted operating income of Quebecor Media Group and TVA			Result achieved in 2016	Individual objectives	Result achieved in 2016	Weighted average 65% / 35%
	< Target	Target	Maximum				
30.75% objective Media Group excluding TVA	100%	100%	105%	159%	• Improve operating margins (specifically: improve ratios of "Revenue" vs content cost) • Improve the financial performance of TVA Sports (specifically: establish strategies to increase subscription revenue) • Develop the Mels business sector (specifically: improve its positioning in Canada and internationally) • Become the digital media leader (specifically: catch up on shows)		
Performance factor	0%	100%	160%	**160%**			
69.25% TVA objective	100%	100%	108%	95.2%			
Performance factor	0%	100%	160%	**0%**		**100%**	**67%**

Marc M. Tremblay
Target : 50 % of salary

	Adjusted and budgeted operating income of the Corporation			Result achieved in 2016	Individual objectives	Result achieved in 2016	Weighted average 65% / 35%
	< Target	Target	Maximum				
Objective	100%	100%	105%	103.8%	• Control legal costs throughout the Corporation • Establish an internal/external communication policy that is consistent with the Corporation's values and mission • Actively guide the Sports and Entertainment Group in its development		
Performance factor	0%	100%	160%	**145%**		**160%**	**230%** [1]

[1] Marc M. Tremblay had an extraordinary year as the Corporation's Chief Legal Officer and Public Affairs and Secretary due to strategic mandates he completedwithin the Corporation. To this effect, a discretionary amount of $190,000 was paid.

A significant portion of the Named Executive Officers' compensation is contingent on the achievement of performance objectives, which are in large part described in the table above. The Corporation will not give further details on the performance objectives of executive officers, because it believes that the disclosure of this information would be seriously detrimental to its interests in the extremely competitive sector in which it operates, because this is confidential, strategic information. Indeed, the adjusted operating income objectives set by the Corporation account for various sensitive strategic factors and the Corporation believes that it is not advisable to disclose this information.

The performance objectives set and approved by the Human Resources and Corporate Governance Committee or Boards of the Corporation, TVA or Videotron, as applicable, are sufficiently ambitious and difficult to reach to be in line with the philosophy encouraging bonuses to be tied to performance. The portion of total compensation of each of the Named Executive Officers tied to objectives that were only partially shared and which are more specifically tied to achieving the adjusted operating income, is 88% for Pierre Dion, 75% for Jean-François Pruneau, 72% for Manon Brouillette, 42% for Julie Tremblay and 35% for Marc M. Tremblay.

Medium-Term Incentive

More than half of the medium- and long-term incentive for the Named Executive Officers is paid as PSUs. The main characteristics of Quebecor's and TVA's PSU plans are shown in the table below:

	Performance Share Unit
Definition	The right to receive, in cash, the equivalent of the market value of a Class B Share of Quebecor or a Class B non-voting share of TVA on the settlement date, under the condition that the vesting requirements and performance objectives have been achieved. No share of the authorized share capital can be issued.
Grant	The Human Resources and Corporate Governance Committees of Quebecor and TVA, if applicable, determine and approve the target value of PSUs granted to participants and make appropriate recommendations to the Board when necessary. The number of PSUs granted is then established by dividing (i) the target granting value approved by the committees by (ii) the market value of Quebecor or TVA shares, as case may be. Market value of shares is established based on the weighted average price of Quebecor's Class B Shares on the Toronto Stock Exchange over the five market days immediately preceding the grant date and, in the case of TVA, on the weighted average price of Class B non-voting shares on the Toronto Stock Exchange over the 30 market days immediately preceding the grant date.
Vesting	Unless the Human Resources and Corporate Governance Committees of Quebecor and TVA, if applicable, decide otherwise, PSUs shall be vested at the end of the three-year performance cycle, under the condition that the performance objectives have been achieved. Dividend equivalents credited under a grant of PSUs become vested on the same schedule as the granted PSUs.

Performance Adjustment Factor	For each three-year performance cycle, the Human Resources and Corporate Governance Committees of Quebecor and TVA, at their full discretion, approve performance objectives used to calculate the performance adjustment factor for the term of the performance cycle. The adjustment factor may vary from 0.00x and 1.25x the target. <u>Quebecor PSU performance objectives (2016-2018 performance cycle)</u>: The proportion of Quebecor PSUs that will become vested depends on the 2016-2018 cumulative consolidated free cash flows [1] achieved by Quebecor. (see table A below) [1] Consolidated free cash flows for the PSU plan consisting of earnings before interest, taxes, depreciation and amortization (EBITDA) minus planned capital investments (CAPEX). <u>PSU performance objectives for TVA (2016-2018 performance cycle)</u>: The proportion of TVA PSUs that will become vested depends on the 2016-2018 three-year average profit margin achieved by TVA. (see table B below)
Settlement	The number of vested PSUs is calculated with the formula [(i) + (ii)] X (iii), where: (i) Corresponds to the number of PSUs granted to the participant on the grant date; (ii) Corresponds to the number of PSUs credited as dividend equivalents linked to a grant between the grant date and the settlement date; and (iii) Corresponds to the approved performance adjustment factor for the performance cycle specific to the grant. PSUs are usually paid in cash within the 90 days following the end of the performance cycle, based on the underlying shares' market value at the time of settlement.

	Under threshold	Threshold	Target	Maximum
Three-year cumulative consolidated free cash flows (2016-2018) (In millions of dollars)	Under 95%	95%	100%	105% and more
Performance adjustment factor	0.00x	0.50x	1.00x	1.25x

	Under threshold	Threshold	Target	Maximum
Three-year average profit margin (2016-2018)	Under 75%	75%	100%	125% and more
Performance adjustment factor	0.00x	0.50x	1.00x	1.25x

Long-Term Incentive

A large portion of the medium- and long-term incentive for the Named Executive Officers is paid as DSUs. The main characteristics of the DSU plan are shown in the table below:

	Deferred Share Unit
Definition	The right to receive, in cash, the equivalent of the market value of a Class B Share of Quebecor or a Class B non-voting share of TVA, at the time of redemption upon retirement or termination of employment, under the condition that it is vested. No share of the authorized share capital can be issued.
Grant	The Human Resources and Corporate Governance Committees of Quebecor and TVA, if applicable, determine and approve the target value of DSUs granted to participants and make appropriate recommendations to the Boards when necessary. The number of DSUs granted is then established by dividing (i) the target granting value approved by the committees by (ii) the market value of Quebecor or TVA shares, as case may be. Market value of shares is established based on the weighted average price of Class B Shares of Quebecor on the Toronto Stock Exchange over the five market days immediately preceding the grant

	date and, in the case of TVA, on the weighted average price of Class B non-voting shares on the Toronto Stock Exchange over the 30 market days immediately preceding the grant date.
Vesting	Unless the Human Resources and Corporate Governance Committees of Quebecor and TVA decide otherwise, DSUs are vested at the end of the six-year vesting period or in accordance with the plan provisions, in the event of employment termination before this date. Dividend equivalents credited under a grant of DSUs become vested on the same schedule as the granted DSUs.
Redemption	Vested DSUs credited to a participant may be redeemed in cash by the Corporation and their value is payable after the participant is no longer an employee of the Corporation.

Since 2016, the new medium- and long-term incentive plan has included regular annual grants of PSUs and DSUs. This plan replaces the customized medium-term incentive plans and grants of stock options. However, one final grant under the Videotron medium-term incentive plan was made to Manon Brouillette, in early 2016, before the new plan came into effect.

Nevertheless, the Corporation's and QMI's stock option plans have been retained for extraordinary circumstances.

Pierre Dion
President and
Chief Executive Officer

Pierre Dion was appointed Chairman of the Board of Quebecor Media and a director of Quebecor on February 15, 2017. He was President and Chief Executive Officer of Quebecor since April 2014, and also served, since August 2016, as President and Chief Executive Officer of Quebecor Sports and Entertainment Group. He joined TVA Group in 2004 as Executive Vice President and Chief Operating Officer, and was appointed President and CEO of TVA Group in 2005.

As President and CEO of Quebecor, Pierre Dion and his team completed nine major transactions aimed at maximizing the Corporation's profitability. During his tenure at TVA Group, he increased TVA Network's lead in the ratings and spearheaded an expansion strategy that saw the creation of eight specialty channels in order to maintain TVA Group's dominance of Québec's television landscape. In September 2011, the TVA Sports channel was launched under his leadership. After only three years, TVA Sports became the NHL's official French-language broadcaster in Canada. Previously, Pierre Dion held various management positions with Videotron from 1990 to 1996 and then served as President and CEO of a major Canadian publisher.

Pierre Dion graduated from Bishop's University in Lennoxville with a BBA in 1988 and completed the Executive Business Program at Queen's University in Kingston, Ontario in 1999. He is actively involved in the community and has served a director of the Board of Trade of Metropolitan Montreal. He is currently a member of the Council of Governors of the Society for the Celebrations of Montréal's 375th Anniversary.

Restructuring of Total Target Compensation through Renewal of Medium- and Long-Term Incentive Plans

The Corporation discontinued regular grants of stock options in 2015 in favour of a new medium- and long-term incentive plan balancing annual grants of PSUs and DSUs. Pierre Dion therefore received his first grant of PSUs and DSUs in 2016.

Compensation if the former plan was continued

Target compensation	$	% of salary
Base salary	$1,300,000	
Short term	$1,300,000	100%
Medium term • Debt/EBITDA ratio • Maximum payment: 100% of target	$2,600,000	200%
Long term: Options • Quebecor or QMI share price	$2,925,000	225%
Medium- and long-term total	$5,525,000	425%
Total target direct compensation	**$8,125,000**	

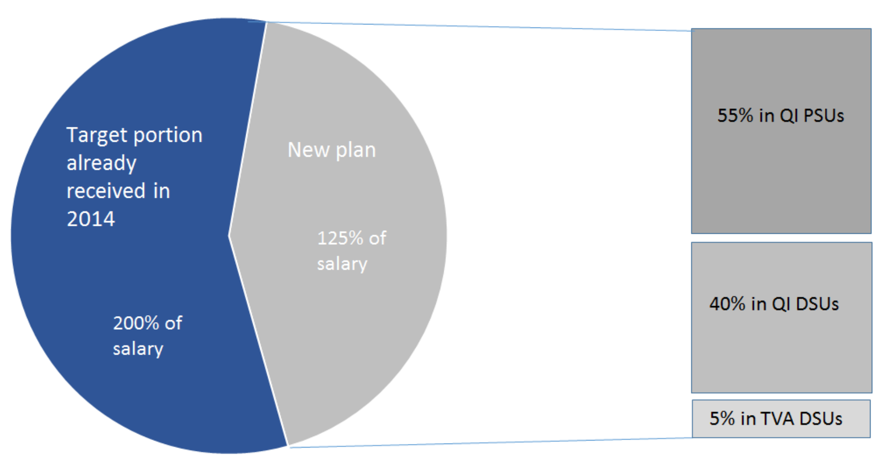
Compensation paid under the new plan

Target compensation	$	% of salary
Base salary	$1,300,000	
Short term	$1,300,000	100%
Medium term: Quebecor PSUs • Quebecor cash flow • Maximum payment: 125% of target	$2,323,750	179%
Long term: Quebecor DSUs • Quebecor share price	$1,690,000	130%
Long term: Quebecor (TVA) DSUs • TVA share price	$211,250	16%
Medium- and long-term total	$4,225,000	325%
Total target direct compensation	**$6,825,000**	

2016 Medium- and Long-Term Grants: A Transition Year

The Corporation used to grant stock options with a three-year compensatory value horizon. Pierre Dion received his last grant of stock options in 2014, which covered three years of long-term incentive under the former plan.

2016 PSUs and DSUs granted to Pierre Dion were reduced as a result and the new medium- to long-term plan will come into full effect in 2017.



Jean-François Pruneau
Senior Vice-President and Chief Financial Officer

Jean-François Pruneau has been Senior Vice President and Chief Financial Officer of Quebecor since November 2010. He joined the Corporation in May 2001 and served, in turn, as Director of Corporate Finance, Assistant Treasurer, Treasurer, and Vice President, Finance of Quebecor, Quebecor Media, Videotron and Sun Media Corporation.

Jean-François Pruneau holds an M.Sc. in finance from HEC Montréal and has been a member of the Montréal chapter of the CFA Institute since 2000. Before joining Quebecor, he held treasury positions with BCE Media and Canadian National Railway. He was also a lecturer at HEC Montréal from 1994 to 2003.

Since 2012, Jean-François Pruneau has been Chairman of the Board and a member of the Executive Committee of the Fondation Père Sablon, which raises money to support child development through sports and outdoor activities. He is also a member of the Juvenile Diabetes Research Foundation (JDRF) national campaign committee and co-chaired JDRF's Montreal Ride for Diabetes Research in 2012 and 2013. The honours he has received include the "Financial executive of a large corporation" award in "The Aces of Finance" competition, organized by the Québec section of FEI Canada.

Restructuring of Total Target Compensation through Renewal of Medium- and Long-Term Incentive Plans

The Corporation discontinued regular grants of stock options in 2015 in favour of a new medium- and long-term incentive plan balancing annual grants of PSUs and DSUs. Jean-François Pruneau therefore received his first grant of PSUs and DSUs in 2016.

Compensation if the former plan was continued

Target compensation	$	% of salary
Base salary	$500,000	
Short term	$250,000	50%
Medium term • Debt/EBITDA ratio • Maximum payment: 100% of target	$250,000	50%
Long term: Options • Quebecor or QMI share price	$600,000	120%
Medium- and long-term total	$850,000	170%
Total target direct compensation	**$1,600,000**	

Compensation paid under the new plan

Target compensation	$	% of salary
Base salary	$500,000	
Short term	$250,000	50%
Medium term: Quebecor PSUs • Quebecor cash flow • Maximum payment: 125% of target	$467,500	93.5%
Long term: Quebecor DSUs • Quebecor share price	$340,000	68.0%
Long term: Quebecor (TVA) DSUs • TVA share price	$42,500	8.5%
Medium- and long-term total	$850,000	170%
Total target direct compensation	**$1,600,000**	

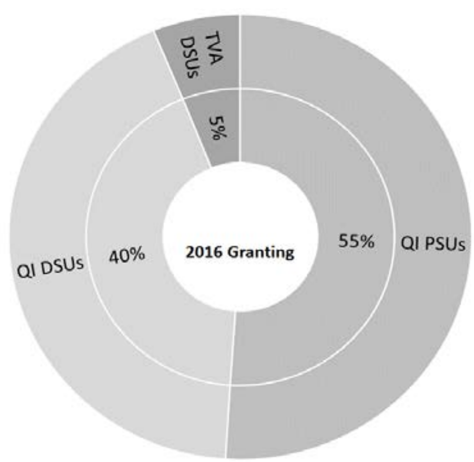
2016 Medium- and Long-term Grants : Full Coverage

In 2016, Jean-François Pruneau participated fully in the new medium- to long-term incentive plan.

The 2016 grant included three components:

1. Quebecor PSUs
2. Quebecor DSUs
3. Quebecor DSUs (based on TVA share price)

No transition year is required in the case of Jean-François Pruneau, as the grant of options received in 2013 covered three long-term incentive years up to 2015.



Manon Brouillette
President and Chief Executive Officer, Videotron

Manon Brouillette has been President and Chief Executive Officer of Videotron, which includes Videotron Business Solutions, Vidéotron Le Superclub, 4Degrees and Fibrenoire, since 2013. With her team of 6,500 talented employees, Manon pursues Videotron's mission of providing Quebecers with the best possible telecommunications and entertainment experience. She has been with the organization since 2004.

Manon Brouillette graduated from Université Laval with a bachelor's degree in communications and marketing. She received the university's distinguished alumnus award in 2013. She has also completed the University of Western Ontario's Ivey Executive Program.

Manon Brouillette sits on the boards of SFR in Europe and the École de technologie supérieure (ÉTS) in Montréal. She is also Executive Vice-Chair of the Quartier de l'innovation and a director of the Sainte-Justine Hospital Foundation.

The many awards and distinctions Manon has received in the course of her career include the Stratège prize from the Association des professionnels de la communication et du marketing (2006), the Growth Award from the Cable and Telecommunications Association for Marketing (2007), the Germaine-Gibara Leadership award from the Fédération des chambres de commerce du Québec (2014), inclusion in the Canada's Most Powerful Women: Top 100 list (2014, 2016) and the Private Sector Executive award from the Réseau des Femmes d'affaires du Québec (2016).

Restructuring of Total Target Compensation through Renewal of Medium- and Long-Term Incentive Plans

The Corporation discontinued regular grants of stock options in 2015 in favour of a new medium- and long-term incentive plan balancing annual grants of PSUs and DSUs. Manon Brouillette therefore received her first grant of PSUs and DSUs in 2016.

Compensation if the former plan was continued		
Target compensation	$	% of salary
Base salary	$780,000	
Short term	$780,000	100%
Medium term • EBITDA, cash flow and Revolution Project • Maximum payment: 100% of target	$780,000	100%
Long term: Options • Quebecor or QMI share price	$1,170,000	150%
Medium- and long-term total	$1,950,000	250%
Total target direct compensation	**$3,510,000**	

Compensation paid under the new plan		
Target compensation	$	% of salary
Base salary	$780,000	
Short term	$780,000	100%
Medium term: Quebecor PSUs • Quebecor cash flow • Maximum payment: 125% of target	$1,072,500	137.5%
Long term: Quebecor DSUs • Quebecor share price	$877,500	112.5%
Medium- and long-term total	$1,950,000	250%
Total target direct compensation	**$3,510,000**	

2016 Medium- and Long-Term Grants : A Transition Year

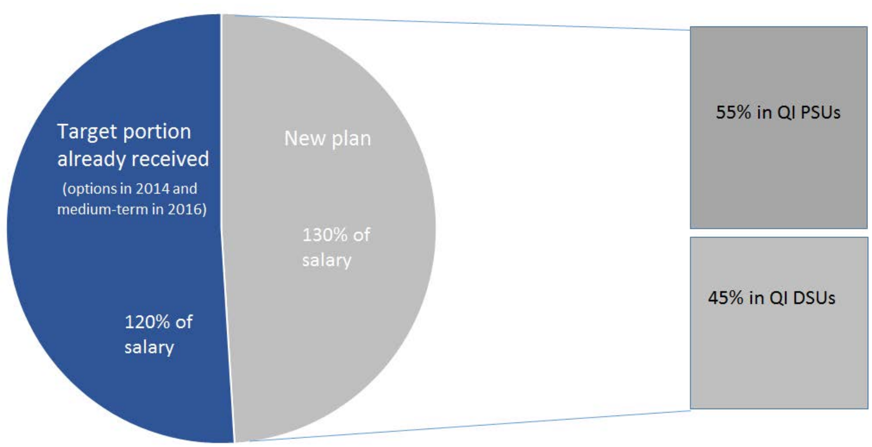
Manon Brouillette received her last medium-term grant in 2016, as it was granted before the new plan came into effect

- Target value of 100% of salary

In addition, in 2014 she received a grant of options covering three years of long-term incentive under the former plan

- Target value of 20% of salary

2016 PSUs and DSUs granted to Manon Brouillette were reduced as a result, and the new medium- to long-term plan will come into full effect in 2017.



Julie Tremblay
President and Chief Executive Officer, TVA and Quebecor Media Group

Julie Tremblay has been President and Chief Executive Officer of TVA Group and of Quebecor Media Group, Quebecor's entertainment and news media business, since July 30, 2014. She has been with the Corporation for more than 27 years. She served as Vice President, Human Resources of Quebecor and Quebecor Media for more than 8 years and then as Chief Operating Officer of Sun Media Corporation from June 2011 to September 2013. In September 2013, she was named President and CEO of Sun Media Corporation, which has since been folded into Quebecor Media Group.

As President and CEO of Quebecor Media Group and TVA Group, she is responsible for the newspapers business (including *Le Journal de Montréal*, *Le Journal de Québec* and the free daily *24 heures*), publishing, music, broadcasting (including TVA Network and the specialty channels), film production and audiovisual services (MELS), out-of-home advertising, printing, distribution, the advertising sales and marketing unit, and a press agency.

Julie Tremblay graduated from McGill University with a B.A. in political science and has been a member of the Québec Bar since 1984. Prior to joining Quebecor, she practised law with a major law firm. Julie Tremblay's civic commitments including serving on the boards of Fondation Montréal, the Society for the Celebrations of Montréal's 375th Anniversary, and the Board of Trade of Metropolitan Montreal.

Restructuring of Total Target Compensation through Renewal of Medium- and Long-Term Incentive Plans

The Corporation discontinued regular grants of stock options in 2015 in favour of a new medium- and long-term incentive plan balancing annual grant of PSUs and DSUs. Julie Tremblay therefore received her first grant of PSUs and DSUs in 2016.

Compensation if the former plan was continued

Target compensation	$	% of salary
Base salary	$637,500	
Short term	$510,000	80%
Medium term • Adjusted profit margin • Maximum payment: 100% of target	$318,750	50%
Long term: Options • QMI share price	$796,875	125%
Medium- and long-term total	$1,115,625	175%
Total target direct compensation	**$2,263,125**	

Compensation paid under the new plan

Target compensation	$	% of salary
Base salary	$637,500	
Short term	$510,000	80%
Medium term: TVA PSUs • Profit margin of the strategic plan • Maximum payment: 125% of target	$334,688	53%
Medium term: Quebecor PSUs • Quebecor cash flow • Maximum payment: 125% of target	$278,906	44%
Long term: TVA DSUs • TVA share price	$251,016	39%
Long term: Quebecor DSUs • Quebecor share price	$251,016	39%
Medium- and long-term total	$1,115,625	175%
Total target direct compensation	**$2,263,125**	

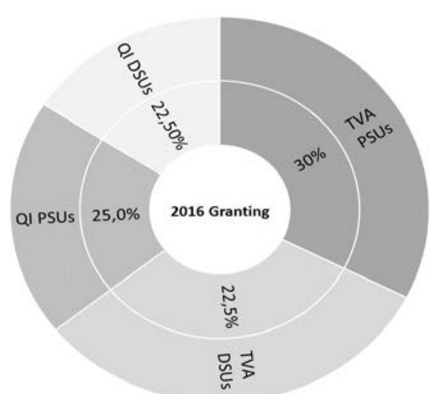
2016 Medium- and Long-Term Grants : Full Coverage

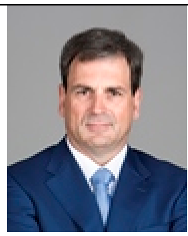
In 2016, Julie Tremblay participated fully in the new medium- to long-term incentive plan.

The 2016 grant included four components:

1. TVA PSUs
2. Quebecor PSUs
3. TVA DSUs
4. Quebecor DSUs

No transition year is required in the case of Julie Tremblay, as the grant of options received in 2013 covered three long-term incentive years up to 2015.





Marc M. Tremblay
Senior Vice-President, Chief Legal Officer and Public Affairs and Secretary

Marc M. Tremblay, Senior Vice President, Chief Legal Officer and Public Affairs, and Corporate Secretary, joined Quebecor in 2007 as Vice President, Legal Affairs.

He heads a legal department that is responsible for meeting the needs of all subsidiaries and divisions in virtually all areas of law, including corporate and commercial law, securities law, labour disputes and labour law, intellectual property (copyright and trademarks), and real estate law. He also oversees the corporate secretariat and communications departments, which employ some 50 professionals.

Before joining Quebecor, he practised law with Ogilvy Renault (now Norton Rose Fulbright Canada), where he represented many major Québec firms from a wide range of industries, including media, pulp and paper, food, financial services, retail, metallurgy and manufacturing. He became a partner in 1990 and, in 2006, director of the employment and labour law group, which included some 30 lawyers at the time.

Marc M. Tremblay is Vice Chairman of the Board of the Fondation du CHUM, an Éducaloi ambassador, and a governor of the Fondation du Barreau du Québec.

Restructuring of Total Target Compensation through Renewal of Medium- and Long-Term Incentive Plans

The Corporation discontinued regular grants of stock options in 2015 in favour of a new medium- and long-term incentive plan balancing annual grants of PSUs and DSUs. Marc M. Tremblay therefore received his first grant of PSUs and DSUs in 2016.

Compensation if the former plan was continued

Target compensation	$	% of salary
Base salary	$475,000	
Short term	$237,500	50%
Medium term • Debt /EBITDA ratio • Maximum payment: 100% of target	$190,000	40%
Long term: Options • Quebecor or QMI share price	$570,000	120%
Medium- and long-term total	$760,000	160%
Total target direct compensation	**$1,472,500**	

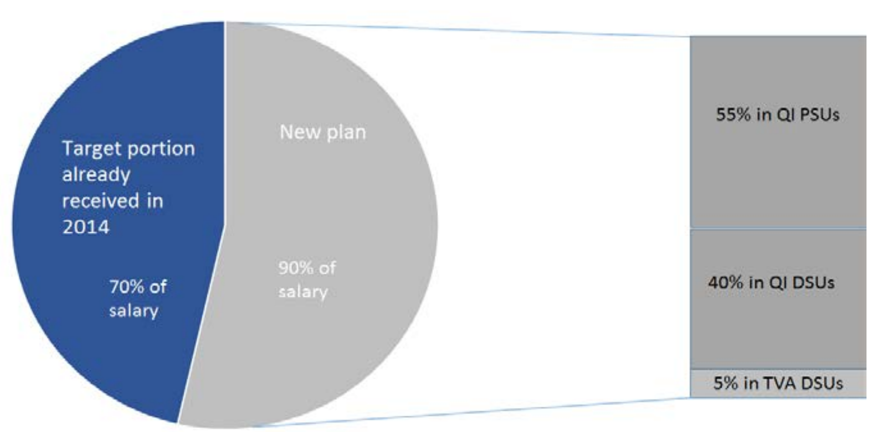
Compensation paid under the new plan

Target compensation	$	% of salary
Base salary	$475,000	
Short term	$237,500	50%
Medium term: Quebecor PSUs • Quebecor cash flow • Maximum payment: 125% of target	$418,000	88%
Long term: Quebecor DSUs • Quebecor share price	$304,000	64%
Long term: Quebecor (TVA) DSUs • TVA share price	$38,000	8%
Medium- and long-term total	$760,000	160%
Total target direct compensation	**$1,472,500**	

2016 Medium- and Long-Term Grants : A Transition Year

The Corporation used to grant stock options with a three-year compensatory value horizon. Marc M. Tremblay received his last grant of stock options in 2014, which covered three years of long-term incentive under the former plan.

2016 PSUs and DSUs granted to Marc M. Tremblay were reduced as a result, and the new medium- to long-term plan will come into full effect in 2017.



Summary of 2016 Target Direct Compensation and Compensation Paid to Named Executive Officers

Direct compensation paid to the Named Executive Officers attained 110% of the target for the 2016 financial year.

	2016 Salary	2016 Bonus			2016 Medium- and Long-Term			2016 Direct Compensation		
		Target	Paid	Target vs Paid	Targets	Paid	Target vs Paid	Target	Paid	Target vs Paid
Pierre Dion	$1,300,000	100%	175%	175%	325%	325%	100%	$6,825,000	$7,802,965	114%
Jean- François Pruneau	$500,000	50%	75%	150%	170%	170%	100%	$1,600,000	$1,725,847	108%
Manon Brouillette	$780,000	100%	156%	156%	250%	250%	100%	$3,510,000	$3,947,636	112%
Julie Tremblay	$637,500	80%	54%	67%	175%	175%	100%	$2,263,125	$2,094,825	93%
Marc M. Tremblay	$475,000	50%	115%	230%	160%	160%	100%	$1,472,500	$1,782,055	121%
Named Executive Officer average →				**156%**			**100%**			**110%**

2016 Bonus

For the 2016 financial year, the Human Resources and Corporate Governance Committee and the Board, if applicable, approved the payment of bonuses ranging from 54% to 175% of salary under various short-term incentive plans, all subject to achievement of financial and strategic objectives. For more details on the amounts paid to the Named Executive Officers, see the tables regarding the Corporation's short-term plans as well as the Compensation Summary table (annual incentive plans) of this Circular.

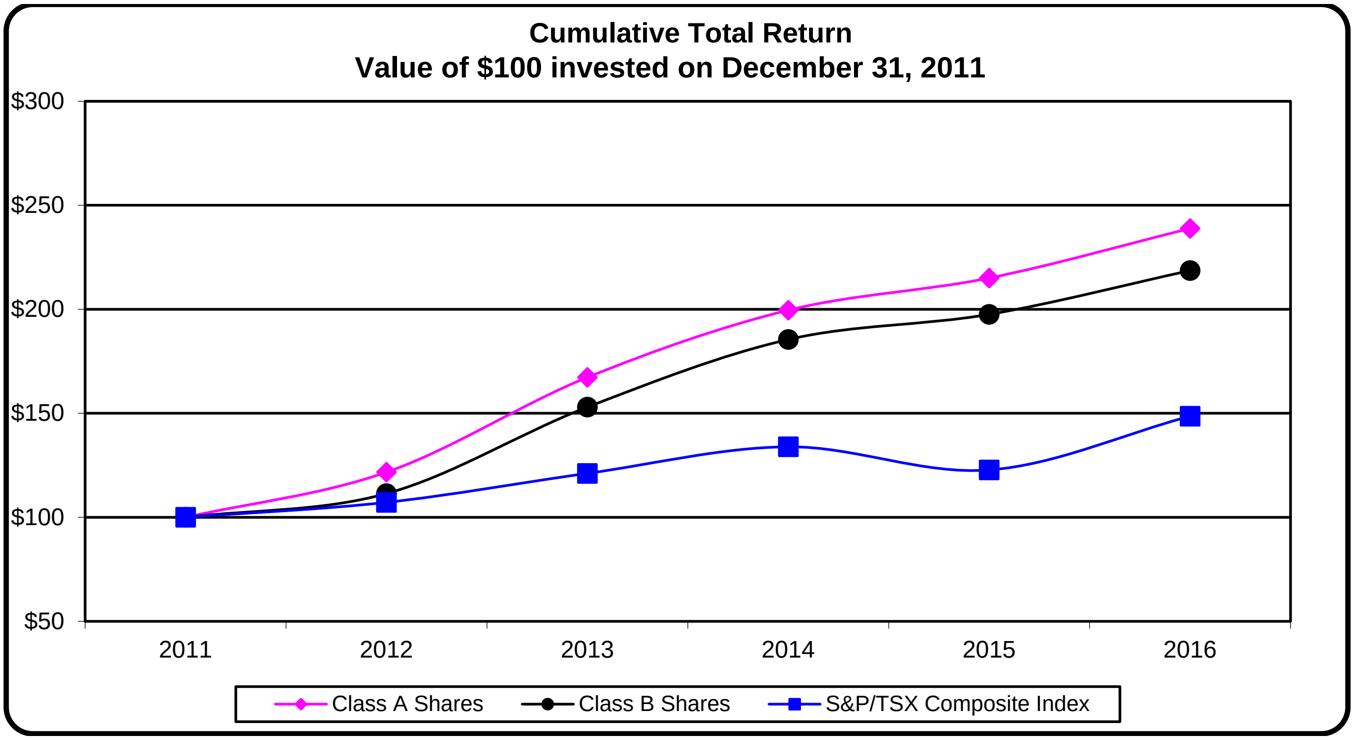
2016 Medium- and Long-Term

For the 2016 financial year, the Human Resources and Corporate Governance Committee and/or the Board of the Corporation, and of TVA in the case of Julie Tremblay, approved the grants of PSU and DSU allotments based on pre-established target percentages for each of the Named Executive Officers, net of target compensatory values already received as prior options grants covering 2016. The target percentages take the participant's level of responsibility and contribution into account, as well as the compensation levels offered in our external reference market. The Human Resources and Corporate Governance Committee nevertheless retains full discretion on the value of annual allotments awarded to each participant.

PERFORMANCE GRAPH

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

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



	2011	2012	2013	2014	2015	2016
Class A Shares	$100	$122	$167	$200	$215	$239
Class B Shares	$100	$111	$153	$185	$198	$219
S&P/TSX Composite Index	$100	$107	$121	$134	$123	$149

In 2016, the Corporation adopted a new share-based medium- and long- term incentive plan that now directly links more than half of the Named Executive Officers' overall target compensation to the future price of the Class B Shares of the Corporation.

However, although it may take it into account in its evaluation, the Corporation's Human Resources and Corporate Governance Committee does not base its compensation decisions only on the trading price of the shares on the Toronto Stock Exchange. The Committee believes that the trading price is also affected by external factors on which the Corporation has little control and which do not necessarily reflect the Corporation's performance. The five-year cumulative total return for shareholders with Class B shares of the Corporation was 119%, compared to 49% for the S&P/TSX Composite Index as shown in the performance graph above.

Furthermore, since Quebecor is a holding company which operates through its various subsidiaries, the Named Executive Officers' compensation is based on the results of the Corporation and of the business sectors. In return, the market price of the Corporation's share on the Toronto Stock Exchange reflects the results of the Corporation on a consolidated basis. Therefore, the share price performance alone cannot be taken into account to draw appropriate conclusions with respect to the Named Executive Officers' compensation.

SUMMARY COMPENSATION TABLE

The following table shows certain selected compensation information for the President and Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers of the Corporation during the financial year ended December 31, 2016 for their services rendered during the financial years ended December 31, 2016, 2015 and 2014. The principal position indicated in the summary for each executive officer is as at December 31, 2016.

Name and principal position	Year	Salary ($)	Share-based awards [1] ($)	Option-based awards[2] ($)	Non-equity incentive plan Compensation		Pension value [3] ($)	All other compens-ation [4] ($)	Total compensation ($)
					Annual incentive plans ($)	Long-term incentive plans ($)			
Pierre Dion President and Chief Executive Officer	2016	1,300,000	440,104 [5-6]	—	2,277,965	7,244,586 [7]	36,000	—[8]	11,298,655
	2015	1,300,000	—	—	2,167,610	—	33,700	—	3,501,310
	2014	1,056,667	—	5,411,400 [6-9]	1,523,971	—	143,500	—	8,135,538 [10]
Jean-François Pruneau Senior Vice-President and Chief Financial Officer	2016	500,000	850,000 [5]	—	375,847	1,134,181 [7]	28,500	—	2,888,528
	2015	490,000	—	—	335,585	—	25,700	—	851,285
	2014	455,961	—	—	552,581	—	17,600	—	1,026,142
Manon Brouillette President and Chief Executive Officer, Vidéotron	2016	780,000	1,014,000 [5]	—	1,217,636	760,869 [7]	32,700	—	3,805,205
	2015	780,000	—	346,640 [11]	1,234,300	661,291	30,900	—	3,053,131
	2014	725,000	—	448,000 [9]	855,500	494,641	22,400	—	2,545,541
Julie Tremblay [12] President and Chief Executive Officer, TVA and Quebecor Media Group	2016	637,500	1,115,625 [5]	—	341,700	127,108 [7]	38,600	—	2,260,533
	2015	625,000	—	148,560 [11]	380,000	—	36,800	—	1,190,360
	2014	508,383	—	112,800 [13]	666,661	—	29,200	—	1,317,044
Marc M. Tremblay Senior Vice-President, Chief Legal Officer and Public Affairs and Secretary	2016	475,000	427,500 [5]	—	547,055	—	37,500	—	1,487,055
	2015	438,000	—	—	420,000	—	35,600	—	893,600
	2014	401,408	—	868,500 [9]	401,818	—	28,100	—	1,699,826

1. For PSUs and DSUs, the compensation value corresponds to the target based on the fair market value of underlying securities at the time of grant.
2. The compensation value shown in this section represents an estimated value, calculated according to the Black-Scholes valuation model, which is based on different hypotheses.
3. Please refer to the "Pension Benefits" section of this Circular for additional details.
4. Perquisites and other personal benefits that do not exceed the lesser of $50,000 or 10% of the fiscal year's salary are not included.
5. Value corresponds to the total allotment targets for PSUs and DSUs from Quebecor and, in some cases, from TVA.
6. Adjusted to reflect securities that were cancelled due to his departure on February 15, 2017.
7. Value corresponding to compensation allocated in 2014 but earned in 2016 at the end of a three-year performance cycle under the Corporation's medium-term plan. Value details are shown in the "Non-Equity Long-Term Incentive Plan Compensation" table in the next section. With regards to Jean-François Pruneau, he also received payment for the April 2013 – April 2016 Cycle earned in 2016.

8. Pierre Dion was no longer the President and Chief Executive Officer of the Corporation after the end of the financial year. Please refer to the "Change of Role of Pierre Dion" section in this Compensation Discussion & Analysis for details regarding his departure agreement.
9. Underlying securities: Class B Shares of the Corporation. The amount shown represents the Black-Scholes value of the options at the time of grant (with a three-year horizon).
10. The compensation shown for 2014 represents compensation as President and Chief Executive Officer of the Corporation (8 months) and compensation as President and Chief Executive Officer of TVA (4 months).
11. Underlying securities: common shares of QMI granted on a one-year horizon.
12. Since July 31, 2014, Julie Tremblay acts as President and Chief Executive Officer of Quebecor Media Group.
13. Underlying securities: Class B non-voting shares of TVA granted on a one-year horizon.

Non-Equity Incentive Plan Compensation

The compensation summary table shows compensation allocated in 2013 and 2014, but earned in 2016 at the end of a three-year performance cycle, in accordance with the disclosure rules regarding non-equity long-term incentive plans.

As a result, the following amounts should be understood as being part of the 2013 and 2014 overall compensation envelopes for the Named Executive Officers, even though they are shown in the year 2016 in the Compensation Summary Table on the previous page.

	Objectives	Results	Payments
2013 Medium-Term Granting with April 2013 – April 2016 Performance Cycle – Quebecor Based on achievement of cumulative objectives as of April 28, 2016. As an exception, the cycle started in April 2013 upon the appointment of Jean-François Pruneau as Senior Vice-President. The debt/operating income ratio represents the last twelve months of the cycle, ended on March 31, 2016.			
Participant • Jean-François Pruneau	Debt/operating income ratio maintained or improved	Achieved	Participant • Jean-François Pruneau: $562,252
	Appreciation of Quebecor Class B share price	$21.78 to $33.32	
2014 Medium-Term Grant with 2014-2016 Performance Cycle – Quebecor Based on achievement of cumulative objectives as of December 31, 2016			
Participants • Pierre Dion • Jean-François Pruneau	Debt/operating income ratio maintained or improved	Achieved	Participants • Pierre Dion: $7,244,586 • Jean-François Pruneau: $571,929
	Appreciation of Quebecor Class B share price	$26.43 to $36.86	
2014 Medium-Term Grant with 2014-2016 Performance Cycle – Videotron Based on achievement of cumulative objectives as of December 31, 2016			
Participant • Manon Brouillette	Videotron adjusted operating income	Achieved at 106.8%	Participant • Manon Brouillette: $760,869
	Increase in free cash flow	Achieved at 104.4%	
	Cost reduction	Achieved at 163%	

2014 Medium-Term Grant with 2014-2016 Performance Cycle ─ Quebecor Media Group Based on achievement of cumulative objectives as of December 31, 2016 (58.3% attributable to the Newspaper division and 41.7% to TVA)			
Participant • Julie Tremblay	Adjusted operating income ─ Newspaper division	Achieved at 115.6%	Participant • Julie Tremblay: $127,108
	Adjusted operating income ─ TVA	Not achieved	
	Increase in free cash flow ─ Newspaper division	Achieved at 164.5%	
	Increase in free cash flow ─ TVA	Not achieved	

Black-Scholes Value of Stock Options

The Corporation did not grant any stock options in 2016. Key hypotheses used to determine the estimated value of options granted prior to 2016 can be found by consulting the Corporation's earlier proxy circulars.

Outstanding Share- and Option-Based Awards

The table below indicates all outstanding Corporation, QMI and TVA stock options, PSUs and DSUs awards for each of the Named Executive Officers and their values as of December 31, 2016.

Name	Units and/or underlying shares	Option-based Awards				Share-based Awards		
		Number of securities underlying unexercised options (#)	Option exercice price [1] ($)	Option expiration date	Value of unexercised in-the-money options [2] ($)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested ($) [3]	Market or payout value of vested share-based awards not paid out or distributed ($)
Pierre Dion	QI [4]	870,000	25.9344	May 16, 2024	9,905,472			
	QMI [5]	75,000	57.639	August 7, 2023	1,606,875			
	TVA [6]	94,915	14.75	November 5, 2017	0			
	PSU-QI					23,667	883,252	0
	DSU-QI					17,212	642,352	0
	DSU-QI (TVA)					20,161	65,523	0
Jean-François Pruneau	QI [7]	300,000	22.2264	May 16, 2023	4,528,080			
	QMI [8]	4,000	51.888	June 22, 2022	108,704			
	PSU-QI					12,380	462,022	0
	DSU-QI					9,002	335,955	0
	DSU-QI (TVA)					10,545	34,271	0
Manon Brouillette	QI [7]	50,000	25.4912	March 21, 2024	591,440			
	QMI [5]	61,855	57.349	April 29, 2023	1,343,181			
	QMI [8]	28,000	70.558	March 18, 2025	238,168			
	PSU-QI					14,768	551,142	0
	DSU-QI					12,082	450,900	0
Julie Tremblay	QMI [8]	2,000	51.888	June 22, 2022	54,352			
	QMI [5]	60,000	57.639	August 7, 2023	1,285,500			
	QMI [8]	12,000	70.558	March 18, 2025	102,072			
	TVA [9]	30,000	8.90	July 31, 2024	0			
	PSU-QI					7,384	275,571	0
	DSU-QI					6,646	248,029	0
	PSU-TVA					82,843	269,240	0
	DSU-TVA					62,132	201,929	0
Marc M. Tremblay	QI [10]	90,000	30.2366	November 25, 2024	637,506			
	QMI [5]	45,000	57.639	August 7, 2023	964,125			
	PSU-QI					6,226	232,354	0
	DSU-QI					4,527	168,948	0
	DSU-QI (TVA)					5,303	17,235	0

1. The exercise price of the options of the Corporation is equal to the weighted average trading price of the Class B Shares on the Toronto Stock Exchange during the period of five trading days preceding the date of grant. The exercise price of the QMI options is the market value of the common shares at the time of grant, as determined by the external expert retained by QMI Board of Directors on a quarterly basis. The exercise

price of the TVA options may not be less than the closing price of a board lot of Class B shares on the Toronto Stock Exchange on the last trading day before the date of grant.

2. The value of unexercised in-the-money options of the Corporation and TVA is the difference between the option exercise price and the closing price of the underlying security on the Toronto Stock Exchange on December 30, 2016, or the difference between the option exercise price and the value of the common shares of QMI on December 31, 2016, as determined by the external expert retained by the QMI Board. **This amount has not been, and may never be, realized. The options have not been, and may never be, exercised, and actual gains, if any, on exercise will depend on the value of the aforesaid shares on the date of exercise.** On December 30, 2016, the closing price of the Class B Shares of the Corporation on the Toronto Stock Exchange was $37.32 per share, and the closing price of the Class B non-voting shares of TVA was $3.25. For purposes of stock option grants, the external expert retained by QMI's Board has established the value of the shares of QMI, as of December 31, 2016, at $79.064 per share.
3. The market or payout value of share-based awards that have not vested is calculated by multiplying the number of share units (PSUs or DSUs) by the closing price of the underlying shares (see note 2 above).
4. Options of the Corporation. Options vest as follows: 1/3 after one year, 2/3 after two years, and 100% after three years of the original grant, with the obligation however to keep all options that become vested for an additional period of two years from the vesting thereof.
5. QMI options. 3-year horizon. Options vest equally over four years with the first 25% vesting on the second anniversary of the date of grant.
6. TVA options. 3-year horizon. Options vest equally over four years with the first 25% vesting on the second anniversary of the date of the grant.
7. Options of the Corporation. Options vest as follows: 1/3 after one year, 2/3 after two years, and 100% after three years of the original grant.
8. QMI options. One-year horizon. Options vest equally over five years with the first 20% vesting on the first anniversary of the date of grant.
9. TVA options. One-year horizon. Options vest equally over five years with the first 20% vesting on the first anniversary of the date of grant.
10. Options of the Corporation. Options vest as follows: 1/3 on September 25, 2016, 2/3 on September 25, 2017 and 100% on September 25, 2018.

Incentive plan awards – value vested or earned during the year

The following table sets forth, for each Named Executive Officer, the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date that occurred in 2016, and the bonus earned during the 2016 financial year.

Name	Option-based awards – Value vested during the year [(1)] ($)	Share-based awards – Value vested during the year [(2)] ($)	Non-equity incentive plan compensation – Value earned during the year [(3)] ($)
Pierre Dion	3,289,887 [4-5-6]	0	9,522,551
Jean-François Pruneau	1,407,388 [4-5-6]	0	1,510,028
Manon Brouillette	526,563 [4-5-6]	0	1,978,505
Julie Tremblay	432,964 [5-7]	0	468,808
Marc M. Tremblay	577,340 [4-5-6]	0	547,055

1. The value vested is the difference between the market value of the underlying securities at the acquisition date and the exercise price of the options. The market value is defined as, (i) in the case of options of Quebecor, the weighted average trading price of the Class B Shares on the Toronto Stock Exchange during the period of five trading days preceding the date on which the option became vested; (ii) in the case of TVA options, the average closing market price of a board lot of Class B non-voting shares for the five trading days preceding the date on which the option became vested; and (iii) in the case of QMI's options, the fair value of the common shares on the vesting date, as determined by the external expert retained by QMI Board.
2. The PSU and DSU plan started in 2016. The first PSUs granted in 2016 will become vested and payable in 2019 and the first DSUs granted in 2016 will become vested on December 31, 2021.
3. Corresponds to the sum, for 2016, of the columns "Annual Incentive Plans" and "Long-Term Incentive Plans" in the Compensation Summary Table.
4. Underlying securities: Class B Shares of Quebecor.
5. Underlying securities: common shares of QMI.
6. Only part of those options has been exercised in 2016.
7. Those options have been exercised in 2016.

Pension benefits

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

	Basic pension plan	
Subsidiaries	QMI [1-2]	Videotron [3]
Named Executive Officers	Pierre Dion, Jean-François Pruneau, Julie Tremblay, Marc M. Tremblay	Manon Brouillette
Participant contributions	None	5% of base salary not exceeding $7,047
Normal retirement age	65	
Retirement age without reduction in retirement pension	61	65
Reduction in the event of retirement before permitted age	6% per year	Reduction of 3% per year for every year between 60 and 65 and 4% per year for every year between 55 and 60.
Early retirement age	55	
Retirement pension calculation	• 2% of the average salary during the five best consecutive years of salary (including bonuses) multiplied by the number of years of membership in the plan as executive. • Subject to the maximum annuity prescribed by the *Income Tax Act* (Canada).	• 2% of the base salary for each year. • Subject to the maximum annuity prescribed by the *Income Tax Act* (Canada).
Coordination with public plans	No	
Type of retirement pension	**With eligible spouse at the time of retirement.**	
	Lifetime annuity to spouse equal to 60% of the annuity paid.	Lifetime annuity to spouse equal to 50% of the annuity paid.
	Without eligible spouse at the time of retirement.	
	N/A	120 monthly payments guaranteed if no eligible spouse at the time of retirement.
Indexation	After retirement	Before retirement

1. The provisions described are applicable to certain executive officers including the Named Executive Officers.
2. The basic defined benefit plan of QMI is no longer available to new entrants since January 1st, 2009. QMI reserves the right, under exceptional circumstances, to allow an employee to join the plan.
3. The basic retirement plan of Videotron is no longer available to new entrants since May 1st, 2012. Videotron reserves the right, under exceptional circumstances, to allow an employee to join the plan.

The following table sets forth information on QMI, Videotron and TVA's retirement plans, namely registered plans and supplemental executive retirement plans ("**SERP**"). In addition to annual benefits payable, the table shows the change in value of such benefits (obligation) year-to-date and year-end. Variations from one individual to another are due to the individual's age, salary and credited years of service in the basic plan and the SERP.

These plans provide an annuity based on the salaries at the time of retirement (for the purpose of this table, payable benefits are based on salaries as at December 31, 2016).

Name	Number of years credited services (#)	Annual benefits payable ($)		Opening present value of defined benefit obligation [1] ($)	Compensa-tory change ($)	Non-compensatory change ($)	Closing present value of defined benefit obligation [2] ($)
		At year end	At age 65				
Pierre Dion [3]	12.3	93,500	149,600	1,660,400	36,000	78,300	1,774,700
Jean-François Pruneau	11.2	32,300	86,000	377,500	28,500	44,800	450,800
Manon Brouillette	12.5	36,100	83,000	468,600	32,700	36,900	538,200
Julie Tremblay	18.3	53,000	74,500	797,100	38,600	52,800	888,500
Marc M. Tremblay	9.8	28,200	54,000	393,100	37,500	32,200	462,800

1. Calculations are based on an assumption discount rate of 4%, an inflation rate of 2.25%, and the more recent mortality table of the Canadian Institute of Actuaries ("CIA").
2. Calculations are based on a discount rate of 3.9%, an inflation rate of 2.25% and the more recent mortality table of the CIA.
3. The participation of Pierre Dion in the SERP of TVA has been suspended on April 28, 2014, and Mr. Dion now participates in QMI's basic pension plan. For disclosure purposes, the amounts of TVA's and QMI's basic pension plans as well as TVA's SERP have been combined.

Potential payment in the event of termination and change of control

The Corporation and its subsidiaries have signed employment contracts with their Named Executive Officers. Each contract is established individually and no policies apply to all, except for the provisions of the medium- and long-term incentive plans. The Corporation's standard practices prioritize consistency and fairness in their employment termination conditions. The following table shows benefits in the event of termination and change in control.

	Pension	Termination for a serious cause	Resignation	Termination not for a serious cause (layoff)	Termination not for a serious cause following a change in control
Base salary	Payment discontinuation	Payment discontinuation	Payment discontinuation	Severance pay in the form of salary continuation or a lump sum, subject to non-competition, non-solicitation and confidentiality agreements: [1] - P. Dion: 24 months - J.-F. Pruneau: 18 months - M. Brouillette: 20 months - M.M. Tremblay: 18 months	Severance pay in the form of salary continuation or a lump sum, subject to non-competition, non-solicitation and confidentiality agreements: [1] - P. Dion: 24 months - J.-F. Pruneau: 18 months - M. Brouillette: 20 months - M.M. Tremblay: 18 months

Annual bonus	Prorated payment of the portion of the year completed before retirement	No longer eligible	No longer eligible	Allowance corresponding to target annual bonus for the same term as the allowance covering the base salary for Pierre Dion and calculated only on the financial portion, is only payable subject to achievement of the results for the departure year for J.-F Pruneau, M. Brouillette and M.M. Tremblay	Allowance corresponding to target annual bonus for the same term as the allowance covering the base salary for P. Dion and calculated only on the financial portion, is only payable subject to achievement of the results for the departure year for J.-F Pruneau, M. Brouillette and M.M. Tremblay
PSUs	Continued vesting	No longer eligible	No longer eligible	Prorated target payment for time worked within the performance cycle for P. Dion, and no longer eligible upon day of termination for the others	Prorated target payment for time worked within the performance cycle for P. Dion, and Board's discretion regarding accelerated or non-accelerated vesting for the others
DSUs	Redemption by December 15 of the year following retirement. Prorated accelerated vesting of non-vested DSUs in the event of retirement before normal retirement age	No longer eligible upon day of termination and redemption of vested units only	No longer eligible upon day of resignation and redemption of vested units only	Redemption of vested units following accelerated vesting of non-vested DSUs prorated based on the time worked during the vesting period	Redemption of vested units following accelerated vesting of non-vested DSUs
Stock options	Vested options are exercisable within 60 days for the QI plan, 90 days for the QMI plan and 30 days for the TVA plan	Loss of vested options as of termination	Vested QI and TVA options are exercisable within 30 days after resignation. Loss of vested QMI options as of termination	Vested options are exercisable within 30 days after termination. Accelerated vesting of the 300,000 options of the Corporation granted on May 16, 2013 for J.-F. Pruneau	Vested options are exercisable within 30 days after termination Accelerated vesting of the 300,000 options of the Corporation granted on May 16, 2013 for J.-F. Pruneau
Non-wage benefits	No longer eligible	No longer eligible	No longer eligible	No longer eligible	No longer eligible
Indirect benefits	No longer eligible	No longer eligible	No longer eligible	No longer eligible	No longer eligible
Former medium-term plans	No longer eligible	No longer eligible	No longer eligible	Target payment prorated based on the time worked during the performance cycle for P. Dion	Target payment prorated based on the time worked during the performance cycle for P. Dion

[1] Although no termination clause is included in Julie Tremblay's employment contract, the allowance established by the jurisprudence would apply.

The table below shows the value of additional estimated payments that could have been made or additional estimated benefits that could have been granted to each Named Executive Officer, depending on the reason for the termination of employment, if the termination of employment had taken place on December 31, 2016. The share compensation value is calculated based on the closing price of Class B Shares of Quebecor and Class B non-voting shares of TVA on the Toronto Stock Exchange, which equalled $37.32 and $3.25 per share, respectively.

Event	Pierre Dion	Jean-François Pruneau	Manon Brouillette	Julie Tremblay	Marc M. Tremblay
Pension					
Equity compensation [1]	$117,979	$61,704	$75,150	$103,033	$31,534
Former medium-term plans	$0	$0	$0	$0	$0
Termination for a serious cause	$0	$0	$0	$0	$0
Resignation	$0	$0	$0	n/a [2]	n/a [2]
Termination not for a serious cause (layoff)					
Severance pay	$5,200,000	$993,730	$2,145,000	According to jurisprudence [3]	$944,063
Equity compensation	$412,396	$1,571,069	$75,150	$103,033	$31,534
Former medium-term plans	$2,023,406	$0	$0	$0	$0
Non-wage benefits	$0	$0	$0	$0	$0
Indirect benefits	$0	$0	$0	$0	$0
Termination not for a serious cause following a change in control					
Severance pay	$5,200,000	$993,730	$2,145,000	According to jurisprudence [2]	$944,063
Equity compensation [4]	$1,002,292	$1,879,591	$450,900	$449,958	$186,183
Former medium-term plans	$2,023,406	$0	$0	$0	$0
Non-wage benefits	$0	$0	$0	$0	$0
Indirect benefits	$0	$0	$0	$0	$0

1. As the conditions for vesting PSUs are related to performance, no vesting is included in this amount.
2. Julie Tremblay and Marc M. Tremblay are eligible for early retirement.
3. Although no termination clause is included in Julie Tremblay's employment contract, the allowance established by the jurisprudence would apply.
4. As PSU acceleration is at the discretion of the Board, no vesting is included in this amount except for Pierre Dion.

EQUITY COMPENSATION PLANS

The stock option plans listed below remain available for the Corporation. However, the Human Resources and Corporate Governance Committee does not ancitipate making regular grants of stock options except in extraordinary circumstances, such as, for example, an exceptional candidate being hired during the year.

Following the establishment of the Guidelines Extending the Options Holding Period for the Corporation and QMI options in 2015, certain executive officers of the Corporation must keep their options for an additional period of two years following their vesting. It should be noted that no stock options have been granted since this date.

Stock Option Plan of the Corporation

The Corporation has a stock option plan for the officers, senior employees and key employees of the Corporation and of its subsidiaries (the "**Plan**") which entitles them to benefit from the appreciation in value of the Corporation's Class B Shares. The Plan provides for the grant of options for the purchase of a maximum of 13,000,000 Class B Shares, being 10.7% of the issued and outstanding Class A and Class B Shares as at December 31, 2016. As of the date hereof, 12,080,304 Class B Shares, being 9.9% of the outstanding Class A and Class B Shares, are still reserved under the Plan with the Toronto Stock Exchange.

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

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

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

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

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

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

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

The Board of the Corporation may, at any time, with the prior approval of the Toronto Stock Exchange, amend or terminate the Plan in whole or in part, subject to the rights of holders of options already granted under the Plan but not yet exercised. The approval of the shareholders of the Corporation is required when amendments are made to the Plan.

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

During the financial year ended December 31, 2016, no options have been granted and no shares have been issued upon the exercise of stock options. As of the date hereof, 440,000 options were outstanding, being 0.36% of the issued and outstanding Class A and Class B Shares.

The following table gives information with regards to the Corporation's equity compensation plan as of December 31, 2016.

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Further Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity Compensation Plans Approved by Securityholders: Stock Option Plan of the Corporation	1,310,000 (or 1.58% of the number of Class B Shares issued and outstanding)	$25.36	10,770,304 (or 12.96% of the number of Class B Shares issued and outstanding)
Equity Compensation Plans Not Approved by Securityholders:	-	-	-

QMI Stock Option Plan

QMI established a stock option plan for officers, senior executives, directors and other key employees of QMI and its subsidiaries (the "**QMI Plan**") as a long term performance incentive.

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

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

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

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

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

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

(ii) equally over four years with the first 25% vesting on the second anniversary of the date of the grant (3-year horizon – the optionee receives in advance three times the value of its annual grant and will not receive any other the following two years);

(iii) equally over three years with the first $33^{1/3}$% vesting on the third anniversary of the date of the grant (5-year horizon – the optionee receives in advance five times the value of its annual grant and will not receive any other the following four years).

Further to the implementation by the Corporation of guidelines extending the holding period of options, applicable after April 1st, 2015, certain executive officers are required to hold their options for a minimum of two years following their vesting date. Please refer to the section entitled "Guidelines extending the options holding period" of this Circular.

No optionee may hold options entitling him to purchase more than 5% of the number of common shares of QMI issued and outstanding.

TVA Stock Option Plan

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

The Human Resources and Corporate Governance Committee of TVA administers the TVA Plan, designates the optionees and determines the expiry date and any other question relating thereto, in each case in accordance with applicable securities legislation. The number of options granted is based on individual merit and depends on the level of responsibility of the optionee. The Human Resources and Corporate Governance Committee ratifies the recommendations made by management or makes the modifications it deems appropriate (except for grants to the President and Chief Executive Officer and to the Chief Financial Officer which are approved by the Board). Previous grants are taken into account and market conditions are analyzed.

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

All unexercised options granted prior to January 2006 having expired, they have been cancelled. Since January 2006, except under specific circumstances and unless the Human Resources and Corporate Governance Committee of TVA decides otherwise at the time of grant, options vest over a five-year period in accordance with one of the following vesting schedules:

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

(ii) equally over four years with the first 25% vesting on the second anniversary of the date of the grant (3-year horizon – the optionee receives in advance three times the value of its annual grant and will not receive any other the following two years); or

(iii) equally over three years with the first 33⅓% vesting on the third anniversary of the date of the grant (5-year horizon – the optionee receives in advance five times the value of its annual grant and will not receive any other the following four years).

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

SECTION VII.
OTHER IMPORTANT INFORMATION

INDEBTEDNESS OF THE DIRECTORS AND OFFICERS

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

TRANSACTIONS WITH RELATED PARTIES

To the knowledge of the Corporation, except as set forth in note 29 to the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2016, no insider had an interest in a material transaction completed since the beginning of the most recently completed financial year of the Corporation or in a proposed transaction which had or was likely to have had a material effect on the Corporation or any of its subsidiaries.

During the financial year ended December 31, 2016, the Corporation and its subsidiaries did business, at competitive market rates, with various entities within their group. The Corporation and its principal subsidiaries intend to continue to engage in similar transactions on terms which are generally no less favourable to the Corporation than would be available to it from unaffiliated third parties.

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

SHAREHOLDERS PROPOSALS

Shareholders entitled to vote at the next annual meeting of shareholders and who want to submit a proposal in respect of any matter to be raised at such meeting must ensure that their proposal is received by the Corporation, to the attention of the Secretary, no later than December 28, 2017.

AVAILABILITY OF DOCUMENTS

Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its most recently completed fiscal year ended December 31, 2016. Copies of the Corporation's latest annual information form, audited financial statements and management's discussion and analysis, may be obtained on request from the Corporation's Corporate Secretariat, 612 Saint-Jacques Street, 18th floor, Montréal, Québec, Canada, H3C 4M8. All of these documents, as well as additional information relating to the Corporation, are available under the Corporation's SEDAR profile at www.sedar.com and on the Corporation's Website at www.quebecor.com.

APPROVAL

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

Marc M. Tremblay
Senior Vice-President, Chief Legal Officer and
Public Affairs and Secretary

Montréal, Québec
March 28, 2017

SCHEDULE A

SHAREHOLDER PROPOSAL

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

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

MÉDAC has been a shareholder of the Corporation since September 2005, holding 90 Class B shares. The proposal and MÉDAC's justifications for them are reproduced below.

PROPOSAL – CLASS B DIRECTOR ON A COMMITTEE

It is recommended that the Board of Directors appoints a Class B director to the Human Resources Committee.

Arguments

We would like to begin by highlighting the decision of the Board of Directors and the Governance Committee, which, during the last annual meeting, agreed to offer shareholders the option of expressing their satisfaction or dissatisfaction regarding the executive officer policy. This is a decision that will allow members of the Board of Directors to better understand shareholders' expectations in this regard.

During this first vote on the compensation policy, Class B directors, that is, shareholders with only one vote per share, such as MÉDAC, voted against the compensation policy at the rate of 11.17%. The reasons for this dissatisfaction could be a stock options granting policy that is too generous or the absence of directors from Class B on the Human Resources and Compensation Committee. In this regard, we recommend the inclusion of a director appointed by Class B as a member of the Compensation Committee, which will ensure a better reflection of the shareholdings' makeup and their concerns.

Response from the Board of Directors

Whether they are directors elected by Class A or Class B shareholders, as per Quebecor's Articles, all directors are held to their fiduciary duties and they must ensure to act in the interests of the Corporation.

The Board of Directors chooses the most qualified directors to sit on Board committees, upon the recommendation of the Human Resources and Corporate Governance Committee, and those who are available to serve, regardless of whether they are Class A or Class B directors. For example, members of the Audit Committee must be independent in accordance with the statutory and regulatory requirements applicable to the Corporation and be financially literate. Regarding the Human Resources and Corporate Governance Committee, the members must be independent within the meaning of applicable legislation in force and must possess relevant experience in terms of compensation and corporate governance, and the required skills to ensure that this committee successfully fulfils its mandate. Moreover, all minutes from Human Resources and Corporate Governance Committee meetings are submitted for informational purposes to the Corporation's Board of Directors and the Chair of the committee reports to the Board after each meeting. All directors may, at any time, discuss compensation issues and raise their concerns.

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

SCHEDULE B

MANDATE OF THE BOARD OF DIRECTORS

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

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

COMPOSITION AND QUORUM

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

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

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

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

RESPONSIBILITIES

The Board has the following responsibilities:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3. With regard to the clawback policy, approve any restatement of the financial statements deemed necessary by the Audit Committee and, if appropriate, require repayment of any bonus or incentive compensation received by a named executive officer.

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

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

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

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

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

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

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

11. Approve the audit fees of the external auditor.

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

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

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

E. With respect to corporate governance matters

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

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

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

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

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

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

7. Determine the independence of directors annually under the rules on the independence of directors.

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

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

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

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

METHOD OF OPERATION

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

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

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