



## **MANDATE OF THE AUDIT COMMITTEE**

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

### **COMPOSITION AND QUORUM**

The Committee is composed of three (3) directors, all of whom are determined independent<sup>1</sup> by the Board, in accordance with the statutory and regulatory requirements applicable to the Corporation. Each member of the Committee must be financially literate<sup>2</sup>. The members and Chair of the Committee are appointed by the Board.

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

### **RESPONSIBILITIES**

The Committee has the following responsibilities:

#### **A. With respect to financial reporting**

1. Review with management and the external auditor the annual financial statements, the external auditor’s report thereon and the management’s discussion and analysis and obtain explanations from management on all significant variances with comparative periods, before recommending their approval to the Board and their release. Review and approve the related press release.
2. Review with management and the external auditor the interim financial statements, the external auditor’s review thereon, management’s discussion and analysis and obtain explanations from management on all significant variances with comparative periods before recommending their approval to the Board and their release. Review and approve the related press release.

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<sup>1</sup> The term “independent” has the meaning given to it under securities legislation applicable to the Committee including, but not limited to, standards regarding material relationship.

<sup>2</sup> i.e. the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

3. Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the financial statements, management's discussion and analysis and annual and interim earnings press releases.
4. Review the financial information contained in prospectuses, annual information form, and other reports or documents containing similar financial information before recommending their approval to the Board and their disclosure or filing with the applicable regulatory authorities.
5. Review with management and the external auditor the quality and not only the acceptability of the Corporation's accounting policies and any changes proposed thereto, including (i) all major accounting policies and practices used, (ii) any alternative treatments of financial information that have been discussed with management, the impact of their use and the treatment recommended by the external auditor, and (iii) any other important communications with management with respect thereto, and review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.
6. Review with the external auditor any audit problems or difficulties and management's response thereto and resolve any disagreement between management and the external auditor regarding financial reporting.
7. Review periodically the Corporation's Disclosure Policy to ensure that it is in compliance with applicable legal and regulatory requirements and make recommendations to the Board if required.

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

1. Monitor the quality and integrity of the Corporation's financial and accounting systems and information management systems as well as the existence and proper operation of disclosure controls and procedures and internal control over financial reporting through discussions with management and the internal and external auditors.
2. Review periodically management's report assessing the effectiveness of the disclosure controls and procedures.
3. Review on a regular basis and monitor the risks identification, assessment and management policies and procedures of the Corporation, including operational risks such as information security, cybersecurity as well as financial, fraud and regulatory risks and oversee the effectiveness of the measures put in place to control these risks.
4. Review with the Director, Legal Affairs, legal compliance matters, significant litigations and other legal matters that could have a significant impact on the Corporation's financial statements.
5. Establish and, if needed, review procedures for the receipt, retention and processing of complaints received by the Corporation regarding accounting, internal accounting controls, or

auditing matters, including the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

6. Establish and, if needed, review procedures for “whistleblower protection” established to ensure that no employee of the Corporation and its subsidiaries or business units are discharged or otherwise penalized for reporting in good faith to his supervisor or to any competent authorities, potential violations of any laws or regulations applicable to the Corporation.
7. Help the Board fulfil its responsibility to ensure that the Corporation complies with applicable statutory and regulatory requirements.

C. With respect to internal auditing

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

D. With respect to the external auditor

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

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

E. With respect to the parent corporation

1. While recognizing the control framework of the Corporation's parent corporation, provide for good sharing of information with the parent corporation and its audit committee, to the extent permitted by law, while establishing safeguards to ensure that the sharing of information is not used by the parent corporation to the disadvantage of the Corporation's minority shareholders.
2. Review and monitor all material non-arm's length transactions.
3. With respect to Services Management Agreements, discuss concerns and give directions to the Corporation's President and Chief Executive Officer as to the conduct to be adopted in case of conflict between the interest of the Corporation and those of Quebecor Media Group when needed.
4. Review periodically the percentage of time devoted to the Corporation's business used for establishing the portion of the compensation of the President and Chief Executive Officer and certain executive officers to be paid by the Corporation and suggest adjustments, if required, so that this percentage be representative of the time actually allocated to the Corporation.
5. Manage any potential conflict of interest related to the Services Management Agreement entered into between the Corporation and Quebecor Media Group concerning services rendered by the executive officers of the Corporation.

F. With respect to pension plans

1. Approve the governance structure for the Corporation's pension plans and establish the funding strategy.
2. Annually approve the pension plan funding and accounting policies.
3. Approve the approach to be used in the event of amalgamation or business acquisitions.

4. Annually approve the recommendations regarding the choice of valuation accounting assumptions.
5. Annually ensure that the pension funds are managed in accordance with internal policies, with the law and with plan regulations.
6. Annually ensure that the pension committees fulfil their respective mandates.
7. Monitor the risks related to the pension plans as well as the performance of the plans and of the managers.
8. Approve any significant amendment to the pension plans, except for amendment to the pension plans' strategy established by the Corporation's Human Resources and Corporate Governance Committee and, from time to time, delegate to the Human Resources vice presidency the authority to make any minor amendments to such pension plans.
9. Annually approve the audited financial statements of the pension plans which do not have a pension committee. The Committee will have the power to delegate this responsibility to an internal committee.
10. Periodically review the actuarial reports.
11. Annually receive the audited financial statements of the pension plans which are under supervision of a Pension Committee
12. Annually review the investment monitoring reports and the pension plan administration report.
13. Receive information on the Benefits Policy and review recommendations on the governance regime, if needed.
14. Receive information on any changes to be made to Investment Policies.
15. Receive information on any change to the investment structure, assets distribution policy, benefits strategy as well as to any change to the service providers.
16. Annually, monitor conflicts of interest.

G. With respect to the clawback policy

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

## **METHOD OF OPERATION**

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

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

Members of the Committee are entitled to rely, in the absence of information to the contrary, on (i) the integrity of the persons and organizations from whom they receive information, (ii) the accuracy and completeness of the information provided, and (iii) representations made by management as to non-audit

services provided to the Corporation by the external auditor. The Committee's oversight responsibility was established to provide an independent basis to determine that (i) management has maintained appropriate accounting and financing reporting principles or appropriate internal controls and procedures, or (ii) the Corporation's financial statements were prepared and, if applicable, audited in accordance with generally accepted accounting principles or generally accepted auditing standards.

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Approved by the Board of Directors on November 3<sup>rd</sup>, 2017.