



NOTICE OF ANNUAL AND SPECIAL
MEETING OF SHAREHOLDERS
AND
MANAGEMENT PROXY CIRCULAR
2011

TVA GROUP INC.
Tuesday, May 24, 2011 at 11:30 a.m.
612, Saint-Jacques Street – Montréal, Québec

NOTICE OF
ANNUAL AND SPECIAL MEETING
OF SHAREHOLDERS
2011



Date : Tuesday, May 24, 2011
Time : 11:30 a.m.
Place : Quebecor building
612, Saint-Jacques Street
Montréal, Québec, Canada

Please note that at the Annual and Special Meeting of the holders of shares of TVA Group Inc. (the “Corporation”), the shareholders will be asked to:

- receive the consolidated financial statements of the Corporation for the year ended December 31, 2010 and the Auditor’s report thereon;
- elect the directors;
- renew the mandate of the Auditor and authorize the Board of Directors to determine its remuneration;
- review and, if deemed appropriate, approve a resolution ratifying the By-laws of the Corporation in replacement of the General By-laws of the Corporation and repealing By-law no. 1990-3 and its amendments;
- review and, if deemed appropriate, adopt a special resolution modifying the Articles of the Corporation; 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 (to be used by holders of Class A Common Shares).

Shareholders registered at the close of business on April 6, 2011 are entitled to receive notice of the Meeting. Shareholders who are unable to attend the meeting are urged to complete and sign the enclosed form of proxy and return it in the postage-paid envelope provided for that purpose. To be valid, proxies must be received at Computershare Trust Company of Canada, 100 University Avenue, 9th floor, Toronto, Ontario, Canada, M5J 2Y1, no later than May 19, 2011 at 5:00 p.m.

BY ORDER OF THE BOARD OF DIRECTORS,



Claudine Tremblay
Vice-President and Corporate Secretary

Montréal, Québec
April 19, 2011

MANAGEMENT PROXY
CIRCULAR
2011



A Quebecor Media Company

1600 de Maisonneuve Boulevard East
Montréal, Québec
H2L 4P2

I. GENERAL INFORMATION

SOLICITATION OF PROXIES

This Management Proxy Circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the Management of TVA Group Inc. (the “**Corporation**”) for use at the Annual and Special Meeting of shareholders of the Corporation to be held on Tuesday, May 24, 2011 (the “**Meeting**”) at the time and place and for the purposes mentioned in the Notice of Meeting and at any and all adjournments thereof.

Except as otherwise indicated, the information contained herein is given as at **March 31, 2011**. All dollar amounts appearing in this Circular are in Canadian dollars, unless another currency is specifically mentioned.

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

RECORD DATE

The holders of Class A Common Shares (the “**Class A Shares**”) whose names appear on the list of shareholders prepared at the close of business on April 6, 2011 (the “**Record Date**”) will be entitled to vote at the Meeting and any adjournment thereof if present or represented by proxy thereat.

The holders of Class B Non-Voting Shares (the “**Class B Shares**”) are entitled to receive notice of and to attend and participate at meetings of shareholders of the Corporation, but are not entitled to vote.

A transferee of Class A Shares acquired after the Record Date 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. Each Class A Share confers the right to one vote.

Our 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. They do not carry any voting rights.

As at March 31, 2011, 4,320,000 Class A Shares and 19,450,906 Class B Shares were issued and outstanding.

To the knowledge of the directors and executive officers of the Corporation, the only person who, on March 31, 2011, beneficially owned or exercised control over more than 10% of the Class A Shares of the Corporation was Quebecor Media Inc. (“**QMI**”). As of March 31, 2011, QMI directly held 4,318,008 Class A Shares, representing a total of 99.95% of all the voting rights attached to the issued and outstanding Class A Shares, and 7,910,583 Class B Shares being 40.7% of the issued and outstanding Class B Shares. As of March 31, 2011, QMI was owned directly and indirectly by Quebecor Inc. (54.7%) and by CDP Capital d’Amérique Investissements Inc. (“**CDP**”) (45.3%). As provided in the shareholders’ agreement dated October 23, 2000 as amended on December 11, 2000, executed by Capital Communications CDPQ inc. (now CDP) and Quebecor Inc., the shareholders agreed to exercise the voting rights associated with their shares in order to appoint to the Board of Directors and committees of QMI and some of its large subsidiaries, including the Corporation, a number of members proportional to their interest in shares in the capital stock of QMI. CDP has decided to designate two nominees to the Board of Directors of the Corporation: Messrs. A. Michel Lavigne and André Tranchemontagne.

RIGHTS IN THE EVENT OF A TAKE-OVER BID

In the event that a take-over bid is made for the Class A Shares, there are no provisions in the Articles of the Corporation granting the holders of Class B Shares the right to convert their shares into Class A Shares or any similar right designed to enable them to participate in such a take-over bid.

VOTING OF SHARES BY CLASS A SHAREHOLDERS

A. Registered shareholders

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

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

- in person at the Meeting;
- by proxy;
- by fax.

Voting in person at the Meeting

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

Voting by proxy

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

A shareholder may choose anyone to be his proxyholder. The person he chooses does not have to be a shareholder of the Corporation. The shareholder should simply insert the person’s name in the blank space provided on the form of proxy. The shareholder should make sure that this

person is attending the Meeting and is aware that he or she has been appointed to vote his shares. If a name is not inserted in the blank space, then the individuals named on the form, being Serge Gouin or Pierre Karl Péladeau, each of whom being a director of the Corporation, will be appointed to act as proxyholders.

The appointed proxyholder is authorized to vote and act on behalf of a shareholder at the Meeting, including any adjournment thereof. The shareholder should indicate on the form of proxy how he wants his shares to be voted. Alternatively, he can let his proxyholder decide for him. If the proxyholder does not attend the Meeting and vote in person, the shares will not be voted. *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 Chairman of such Meeting on the day of the Meeting or any adjournment thereof.

Voting by fax

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

B. Non-registered shareholders (beneficial shareholders)

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

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

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

A non-registered shareholder may vote his Class A 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 fax.

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 signature and return instructions provided by its nominee. The non-registered shareholder should not otherwise complete the form sent to him as his votes will be taken and counted at the Meeting. A non-registered shareholder who appoints himself as proxyholder should present himself at the Meeting to a representative of Computershare.

Voting by proxy (voting instruction form)

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

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

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. *Refer to Section « C. Vote by proxyholders » for additional details.*

Revocation of a proxy

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

Voting by fax

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

C. Vote by proxholders

The persons named in the enclosed form of proxy, or voting instruction form, will vote the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them. **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 auditor of the Corporation and to authorize the directors to fix its remuneration; iii) FOR the ratification of the By-laws replacing the General By-laws of the Corporation and the repeal of By-Law no. 1990-3 of the Corporation and its amendments; and iv) FOR the approval of a special resolution modifying the Articles of the Corporation.**

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

D. Date and time limits

The date and time limits to have a duly completed and signed form of proxy or voting instruction form received by the Corporation's transfer agent, Computershare, 100 University Avenue, 9th floor, Toronto, Ontario, Canada, M5J 2Y1, or to vote by fax, have been fixed at 5:00 p.m. on May 19, 2011, or, if the Meeting is postponed, no later than 5:00 p.m. two business days prior to the day fixed for the postponed Meeting.

II. AGENDA OF THE MEETING

The resolutions submitted to a vote at the Meeting must be approved by a majority of the votes cast at the Meeting, in person or by proxy, by the holders of Class A Shares, except for the approval of the special resolution which requires the affirmative vote of not less than two-thirds of the votes cast at the Meeting, in person or by proxy.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The audited consolidated financial statements and the Auditor's report thereon, for the financial year ended December 31, 2010, have been sent to all shareholders who have requested them and are available on the Corporation's Website at www.tva.canoe.ca and under the Corporation's SEDAR profile at www.sedar.com. A presentation will also be made to the shareholders at the Meeting, but no vote is required thereon.

ELECTION OF DIRECTORS

The Articles of the Corporation provide that the Board of Directors shall consist of a minimum of seven and a maximum of twenty directors. Last March, Mr. Jean Neveu, director and Chairman of the Board of the Corporation since 2001, passed away suddenly. The Board of Directors paid tribute to his vision and inborn business sense that significantly contributed to the success of the Corporation. On March 21, 2011, Mr. Serge Gouin was nominated by his peers as the new Chairman of the Board. He is a director of the Corporation since 2001.

The Board of Directors will consist of ten directors. The term of office of each director elected will expire upon the election of his or her successor, unless he or she resigns from office or his or her office becomes vacant by death, removal or other cause.

The election of the ten nominees whose names are hereinafter set forth is proposed. 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, if that should occur prior to the election, the persons named in the accompanying 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 are to be withheld from voting on the election of directors. Each nominee for the position of director submitted herein is currently a director of the Corporation, except for Mr. Pierre Dion.

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 the ten nominees whose names are hereinafter set forth.

Certain information in respect of the nominees for election to the Board of Directors are set forth below. Except as otherwise indicated or as disclosed in previous management proxy circulars of the

Corporation, each of the nominees named hereinbelow has held the principal occupation indicated opposite his or her name for more than five years.

Marc A. Courtois
Corporate Director

Age: 58	Class B Shares:	3,300
Québec (Canada)	Value as at December 31, 2010:	\$48,477
Director since 2003		
Independent		
Member and Chairman of the Audit Committee		

Marc A. Courtois holds a MBA degree and has more than twenty years of experience in capital markets. He has particular expertise in the areas of financing, mergers and corporate acquisitions. He worked for RBC Dominion Securities Inc. from 1980 to 2001. Mr. Courtois is a director and Chairman of the Board of Directors of Canada Post Corporation. He is also a member of the Board of Directors of many charitable organizations and health care centers.

Other reporting issuers' directorship:

- The GBC North American Growth Fund Inc.
Chairman of the Audit Committee
- GLV Inc.
Member of the Audit Committee

Pierre Dion
President and Chief Executive Officer
of the Corporation

Age: 46	Class B Shares:	400
Québec (Canada)	Value as at December 31, 2010:	\$5,876
Non Independent		

Pierre Dion is President and Chief Executive Officer of the Corporation since March 2005. He worked for Le Groupe Vidéotron ltée from 1990 to 1996. Thereafter, he occupied several senior positions at Sélection du Reader's Digest (Canada) during eight years, four of which as President and Chief Executive Officer. Mr. Dion is active in many charitable and cultural organizations.

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

Jacques Dorion
Chief Executive Officer
Aegis Media Canada Inc.
(media agency)

Age: 62	Class B Shares:	750
Québec (Canada)	Value as at December 31, 2010:	\$11,018
Director since 2001		
Independent		
Member of the Compensation Committee		

Jacques Dorion holds a MBA degree. He has been an active member of the media industry for the past 30 years. In 1979, he founded Stratégem Inc., a media research and analysis company. In 1998, he joined Carat, an international group owned by the British public company Aegis. Mr. Dorion is recognized for his leadership and as being a man of vision in the evolving world of media. Not only is Mr. Dorion constantly aware of the latest trends in the business but he also has thorough knowledge of the particular needs of Canadian advertisers. As a consultant, he contributed to many market studies on the future of television and radio advertising in Canada. Many of his publications were filed with and published by the CRTC. Prior to starting his own business, Mr. Dorion worked in the international publishing and the newspaper and magazine distribution industries.

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

Nathalie Elgrably-Lévy
Economist, HEC Montréal
(university teaching)

Age: 42
Québec (Canada)
Director since 2008
Independent

Class B Shares: —

Nathalie Elgrably-Lévy is an economist. She graduated from HEC Montréal where she obtained her master of science in administration, option applied economics. She started her career at the Centre d'études en administration internationale (CETAI), HEC Montréal, where she worked for three years as a project manager. Since 1992, she has been teaching economics at HEC Montréal, Université de Montréal and UQAM. In 2005, she joined the Montreal Economic Institute as an economist, a position she has held until 2008. She is the author of *La face cachée des politiques publiques*, and of *Microéconomie*, and writes a weekly column in the *Journal de Montréal* and the *Journal de Québec*.

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

Serge Gouin
Chairman of the Board of the Corporation
Chairman of the Board
Quebecor Media Inc.
(communications corporation)

Age: 68
Québec (Canada)
Director since 2001
Independent
Member and Chairman of the Compensation Committee

Class B Shares: —

Serge Gouin has served as interim President and Chief Executive Officer of the Corporation from June 2004 to September 2005. He also served as President and Chief Executive Officer of QMI from March 2004 until May 2005. Among others, Mr. Gouin was a director of Citigroup Global Markets Canada Inc. from 1998 to 2003. From 1991 to 1996, Mr. Gouin served as President and Chief Operating Officer of Le Groupe Vidéotron Itée. From 1987 to 1991, he was President and Chief Executive Officer of Télé Métropole Inc. (now TVA Group Inc.). Mr. Gouin is also a member of the Advisory Committee of The Richard Ivey School of Business, as well as Chairman of the Board and Chairman of the Compensation Committee of QMI. On March 21, 2011, Mr. Gouin was appointed Chairman of the Board of the Corporation.

Other reporting issuers' directorship:

- Onex Corporation
Member of the Audit Committee

Sylvie Lalande
Corporate Director

Age: 60
Québec (Canada)
Director since 2001
Independent
Member of the Compensation Committee

Class B Shares: 1,550
Value as at December 31, 2010: \$22,770

Sylvie Lalande held several senior positions in the media, marketing, communication marketing and company communications sectors. Until October 2001, she was Chief Communications Officer of Bell Canada. From 1994 to 1997, she was President and Chief Executive Officer of Consortium UBI. From 1987 to 1994, she occupied several senior positions at the Corporation and at Le Groupe Vidéotron Itée. Ms. Lalande began her career at Télémedia's CKAC where she was director of programs, after which, she founded her own consultation firm where she became well-known for the production of special events in the province of Québec. In 2006, Ms. Lalande earned a certification in corporate governance from the Collège des administrateurs de sociétés.

Other reporting issuers' directorship:

- GLV Inc.

Chair of the Corporate Governance and Human Resources Committee and lead director

A. Michel Lavigne
Corporate Director

Age: 60

Québec (Canada)

Director since 2005

Independent

Member of the Audit Committee

Class B Shares:

2,000

Value as at December 31, 2010:

\$29,380

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

Mr. Lavigne is also a director and a member of the Audit and Compensation Committees of QMI, a director and Chairman of the Audit Committee of Caisse de dépôt et placement du Québec, as well as a director and member of the Pension and Audit Committees of Canada Post Corporation.

Mr. Lavigne is one of the designated nominee of CDP pursuant to the shareholder agreement (see section entitled "*I. General Information - Voting Shares and Principal Holders Thereof*").

Other reporting issuers' directorship:

- Primary Energy Recycling Corporation (Chairman of the Board)

Member of the Audit Committee

Jean-Marc Léger
President and Chief Executive Officer
Léger Marketing
(survey and marketing research firm)

Age: 49

Québec (Canada)

Director since 2007

Independent

Class B Shares: —

Jean-Marc Léger is President and Chief Executive Officer of Leger Marketing, a survey and marketing research firm that has experienced strong growth in the past few years. He is currently a member of the Board of governors of the Conseil du Patronat, UQAM's Raoul-Dandurand Chair of Strategic and Diplomatic Studies for the United States, and a member of the Chair in American Political and Economic Studies – Université de Montréal. Moreover, he is an economist and holds a master degree (Economics) from the Université de Montréal. He is also a member of the Board of Directors of *Le Devoir* newspaper.

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

Pierre Karl Péladeau
President and Chief Executive Officer
Quebecor Inc. (communications holding corporation)
President and Chief Executive Officer
Quebecor Media Inc. (communications corporation)
President and Chief Executive Officer
Sun Media Corporation (news media)

Age: 49
 Québec (Canada)
 Director since 2007
 Non-independent

Class B Shares: — *

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

Other reporting issuers' directorship:
 ➤ Quebecor Inc.

André Tranchemontagne
Corporate Director

Age: 71
 Québec (Canada)
 Director since 2004
 Independent
 Member of the Audit Committee

Class B Shares: 1,000
 Value as at December 31, 2010: \$14,690

André Tranchemontagne has spent most of his career at Molson. He joined this company in December 1966 as Marketing Research analyst and later held different administrative positions, mainly in Sales and in Marketing. He was appointed Vice-President and General Manager, then President of the Quebec Branch following the merger with O'Keefe. In his capacity, he became a member of the Board of Directors of Molson Breweries. In November 1998, he became a member of the Québec National Assembly for the Mont-Royal riding. He has also been a member of the Board of the Carnaval de Québec and of the St-Luc Hospital Foundation which later became the CHUM. André Tranchemontagne is a graduate of Université de Montréal. He holds a Bachelor degree and a MBA degree.

André Tranchemontagne is one of the designated nominee of CDP pursuant to the shareholder agreement (see section entitled "*I. General Information - Voting Shares and Principal Holders Thereof*").

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

Note:

- The information on the number of shares held was provided to the Corporation by each of the nominees.
- * Mr. Péladeau has indirect control over the Class A Shares of the Corporation held by QMI. Indeed, Pierre Karl Péladeau controls Quebecor Inc. through the voting rights conferred by the shares held or controlled by him.

Attendance at Board of Directors 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, 2010.

Directors	Board of Directors and Committees	Attendance at meetings
Marc A. Courtois	Board of Directors Audit Committee	5/5 6/6
Jacques Dorion	Board of Directors Compensation Committee	5/5 2/2
Nathalie Elgrably-Lévy	Board of Directors	5/5
Serge Gouin	Board of Directors Compensation Committee	5/5 2/2
Sylvie Lalonde	Board of Directors Compensation Committee	5/5 2/2
A. Michel Lavigne	Board of Directors Audit Committee	5/5 6/6
Jean-Marc Léger	Board of Directors	5/5
Jean Neveu	Board of Directors	5/5
Pierre Karl Péladeau	Board of Directors	4/5
André Tranchemontagne	Board of Directors Audit Committee	4/5 5/6
Overall rate of attendance	Board of Directors meetings Committee meetings	96% 96%

Cease trade orders, bankruptcies, penalties or sanctions

To the knowledge of the Corporation and based on information provided to it by the nominees, none of these nominees:

- (a) is, as of April 19, 2011, or was, within 10 years before that date, a director, chief executive officer or chief financial officer of a company (including the Corporation) which, while the nominee held that position, satisfied one of the following conditions:
- (i) it was the subject of a cease trade or similar order, or an order that denied it access to any exemptions under securities legislation, for a period of more than 30 consecutive days, with the exception of a cease trade order on the securities of Quebecor Inc. from April 2, 2008 to May 20, 2008 imposed by the *Autorité des marchés financiers*, on certain directors and officers of the corporation including Pierre Karl Péladeau, who was director and executive officer of Quebecor Inc., in the context of the late filing of Quebecor's 2007 annual financial statements and related management's discussion and analysis;
 - (ii) it was, after the nominee ceased holding that position, the subject of a cease trade or similar order, or an order that denied it access to any exemptions under securities legislation, for a period of more than 30 consecutive days which resulted from an event that occurred while the nominee held that position;
- (b) is, as of April 19, 2011, or was, within 10 years before that date, a director or executive officer of a company (including the Corporation) which, while the nominee held that position or in the year following the date on which the nominee ceased to hold that position, became bankrupt, made a

proposal under any legislation relating to bankruptcy or insolvency, was subject to proceedings instituted by its creditors or instituted proceedings against its creditors, made an arrangement or compromise with its creditors or took steps to make an arrangement or compromise with its creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, with the exception of Pierre Karl Péladeau who was director of Quebecor World Inc., a corporation that filed for protection under the *Companies' Creditors Arrangement Act* on January 21, 2008;

- (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to proceedings instituted by his creditors or instituted proceedings against his creditors, made an arrangement or compromise with his creditors or took steps to make an arrangement or compromise with his creditors, or had a receiver, receiver manager or trustee appointed to hold his assets, the whole within the period of 10 years preceding April 19, 2011;
- (d) was subject to court-imposed penalties or sanctions relating to securities legislation or by a securities regulatory authority, or entered into a settlement agreement with such authority; and
- (e) was subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making a decision to vote for a candidate to a director position.

APPOINTMENT AND REMUNERATION OF THE AUDITOR

At the Meeting, the shareholders will be called upon to renew the appointment of the Auditor to hold office until the next annual meeting of shareholders, and to authorize the directors to establish its remuneration.

Except where authority to vote on the appointment of the Auditor is withheld, the persons named in the accompanying form of proxy, or voting instruction form, will vote "**FOR**" the appointment of Ernst & Young as the Auditor of the Corporation, the compensation for the Auditor's services to be determined by the Board of Directors. Ernst & Young has been acting as the Auditor of the Corporation since June 10, 2008.

The Corporation incorporates 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, 2010. The Annual Information Form may be viewed under the Corporation's SEDAR profile at www.sedar.com and on the Corporation's Website at www.tva.canoe.ca.

AMENDMENTS TO BY-LAWS

Since its coming into force, on February 14, 2011, the Corporation is governed by the provisions of the *Business Corporations Act* (Québec) (the "**Act**"). The Act deeply reformed the law for corporations previously governed by the *Companies Act* (Québec).

Given this reform, the Corporation has decided to completely review its By-law No. 1990-3 (the "**General by-laws**") and its amendments.

The Board of Directors has concluded that the amendment, section by section, of the General by-laws of the Corporation to harmonize them with the provisions of the Act would have proven to be a tedious operation with a high risk of errors and has thus decided to adopt new by-laws. On March 30, 2011, the Board of Directors has adopted new by-laws (the "**By-laws**"), which are attached to this Management Proxy Circular as Schedule "**A**", replacing the General by-laws of the Corporation. The shareholders of the Corporation will be asked to ratify the By-laws.

Among the changes brought by the Act which are reflected in the By-laws, there are, namely:

- ✓ Technical amendments to wording: a “company” is now a “corporation”; the “general by-laws” have become “by-laws”;
- ✓ Meetings of shareholders: any person entitled to attend a shareholders meeting may participate in the meeting by means of any equipment made available to the shareholders by the Corporation, as the case may be, and enabling all participants to communicate directly with one another. The vote may be held using any equipment made available by the Corporation, as the case may be, enabling all participants to communicate directly with one another, if such equipment also allows votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote;
- ✓ Powers of directors: the powers of the directors may be delegated, except for the powers that the Board of Directors must exercise exclusively, to one or more committees of the Board, a director or an officer. A director who is not present at a meeting of the Board at which a resolution is adopted is deemed to have consented to the resolution, unless the director records his or her dissent as provided in the Act;
- ✓ Conflicts of interest: the By-laws are consistent with the Act in that they state the general principles contained in the provisions of the Act dealing with conflicts of interest of directors and officers and the manner in which a director or officer must disclose his or her interest in a contract or a transaction to which the Corporation is party;
- ✓ Duties and liabilities: the By-laws are consistent with the Act in that they state the general principles contained in the provisions of the Law dealing with duties and liabilities of the directors and officers and the means of defense available to them;
- ✓ Indemnification: the provisions allowing the indemnification of directors and officers have been amended in the By-laws to be in line with the Act. In addition, the By-laws stipulate that the Corporation must purchase an insurance against any liability they may incur; and
- ✓ Share certificates: shares are certificated unless the Board of Directors, by resolution, determines that the shares of any class or series of shares or certain shares of a given class or series will be uncertificated.

Therefore, the shareholders will be invited to pass the following resolution:

“BE IT RESOLVED :

THAT the By-laws of the Corporation, relating to the conduct of the affairs of the Corporation, attached as Schedule “A” of this Management Proxy Circular, enacted by the Board of Director on March 30, 2011, be and they are hereby ratified; and

THAT the repeal of By-law No. 1990-3 and its amendments be and they are hereby ratified.”

Unless instructions are given to vote against the proposition to ratify the By-laws and repeal By-law No. 1990-3, the individuals named in the accompanying form of proxy, or voting instruction form, will vote “**FOR**” the adoption of the resolution ratifying the By-laws of the Corporation and repealing By-law No. 1990-3 of the Corporation and its amendments.

AMENDMENTS TO ARTICLES

The Act provides that, if the Articles so provide, the Board of Directors of a Corporation that is a reporting issuer may appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual shareholders meeting, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual shareholders meetings.

The Board of Directors considers that such an amendment to the Corporation's Articles would be beneficial to the Corporation and its shareholders in order to give the Board of Directors flexibility to add directors who have expertise and knowledge relevant to the Corporation's operations from time to time in between two annual shareholders meetings.

Accordingly, the Board of Directors, on April 15, 2011, adopted a resolution to amend the Articles of the Corporation. In accordance with the Act, amendments to the Corporation's Articles must be approved by the shareholders. The shareholders will be asked to review and, if deemed appropriate, to approve the following special resolution amending the Articles of the Corporation:

"BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS:

THAT the Articles of the Corporation be amended to include provisions to the effect that the Board of Directors may, at its discretion, appoint one (1) or more directors, who shall hold office for a term expiring no 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 (1/3) of the number of directors elected at the annual meeting of shareholders preceding their appointment; and

THAT any director or officer of the Corporation be, and each of them is hereby authorized and directed, for and in the name of the Corporation, to execute and deliver or cause to be delivered Articles of amendment under the *Business Corporations Act* (Quebec) and to execute and deliver or cause to be delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this special resolution."

The Board of Directors and management believe that the proposed amendments to the Articles of the Corporation are in the best interests of the Corporation and accordingly, the Board of Directors and management are recommending that the shareholders vote FOR the approval of the special resolution, which requires an affirmative vote of not less than two-thirds (2/3) of the votes cast, in person or by proxy, at the meeting in order to be adopted. Unless contrary instructions are indicated, the persons designated in the enclosed form of proxy or voting instruction form intend to vote "**FOR**" the approval of the special resolution amending the Articles of the Corporation.

III. COMPENSATION

COMPENSATION OF EXECUTIVE OFFICERS

A. Compensation Analysis

Compensation Principles

The Corporation and its subsidiaries want to attract and retain key talents to carry out their business mission. They find that performance and abilities are the essential factors for the salary advancement of their employees and the determination of their overall compensation.

For that purpose, they are relying on a global compensation structure that will ensure:

Internal equity	Determine the relative value of positions and their classification in the salary structure, to meet pay equity criteria.
External equity	Offer compensation that is competitive with that offered for equivalent positions in the reference market.
Individual equity	Consider the employees' individual performance and contribution in the determination of individual salaries.

The compensation structure and practices take into account the aggregate compensation package in pursuit of the objectives described below.

Objectives of Compensation Plans

An employee's overall remuneration goes beyond the base salary paid. It includes a series of components forming a compensation package, all aspects of which must be taken into account, for both the employee and the Corporation. Compensation for the President and Chief Executive Officer, the Vice-President and Chief Financial Officer and the other three most highly compensated executives in the Corporation who held their positions as at December 31, 2010 (collectively the "**Named Executive Officers**") may consist of one or more of the following:

- Base salary
- Short-term incentive (bonus)
- Mid-term incentive
- Long-term incentive (stock option plan)
- Fringe benefits (including retirement)
- Perquisites

Direct remuneration (base salary, short-, mid- and long-term incentive) is established by taking into account the reference market and positioning desired by the Corporation. The reference market, being the television broadcasting market in Canada, is reviewed periodically against databases compiled by certain leading compensation consulting firms, such as AON, Mercer and Towers Watson. The reference market is reviewed by the Corporation's Compensation Committee as required.

For the President, the comparison market determined by Towers Watson, in collaboration with the Compensation Committee, takes into account the following market of Canadian public corporations or subsidiaries:

Astral Media Inc.	Glacier Media Inc.
Bell Aliant	Lions Gate Entertainment Corp.
CHUM Radio Network	Rogers Broadcasting
Cogeco Inc.	Score Media Inc.
Corus Entertainment Inc.	Shaw Communications Inc.
CTVglobemedia Inc.	Torstar Corporation

The comparison market was updated to reflect the year 2010.

Objectives of Compensation Components

To enable the Corporation and its subsidiaries to implement and carry out their business strategies, the various compensation components are designed to reward performance in particular, but also attitude, aptitudes and abilities. The base salary offers a degree of financial security to remain competitive in the market. The incentive plans are aimed to recognize the achievement of specific objectives, primarily financial, but also strategic in the short, mid and long term.

In response to the major changes the media industry is going through, the Corporation adapted its bonus objectives to take into account strategic factors that will make it possible for it to build a solid base, properly aligned with its business plan. Although the financial objective based on operating income¹ is still a major factor in the calculation of the various incentive plans, some targeted organizational objectives have been integrated for most of the Named Executive Officers in order to recognize the implementation of specific strategies for each of the Corporation's business sectors. Whether in terms of protecting the Corporation's market share while creating new content, establishing multiplatform structures (i.e., for the broadcasting of content in several media), or strict cost control, these components are all criteria that will make it possible to create solid foundations for the mid-term strategic plan and that were included in the 2010 bonus objectives.

A mid-term compensation plan was introduced in 2010 in order to replace part of the long-term compensation. It is a 3-year cycle bonus program which will enable the achievement of strategic objectives while promoting the retention of certain officers.

Long-term compensation in the form of stock options allows the Corporation to reach several objectives over a longer period of time. The first objective of this compensation component is to provide an incentive for the participants to take the right kind of action, sometimes difficult in the short term, so that the Corporation can carry out its business plan and build for the long term. The advantage of this compensation component is that it aligns the interests of the senior executives with those of the shareholders. The long-term incentive plan was reviewed in 2007 so that the senior executives can receive stock options of the Corporation combined with stock options of QMI. After review, the Corporation's Compensation Committee grants the stock options (except for grants to the President and to the Vice-President and Chief Financial Officer which are approved by the Board of Directors) and makes the appropriate recommendations to QMI's Compensation Committee, which then grants QMI stock options to the Corporation's executives who have been recommended. The number of stock options granted varies according to the level of responsibility of the position held. In order to demonstrate to certain senior executives the importance the Corporation sets on their performance and contribution and to provide an incentive for them to stay with the Corporation for the long term, grants may cover a horizon of more than one year.

Compensation Components

The aggregate compensation package offered to senior executives for the year 2010 was established on the basis of:

- Maximizing shareholders' equity;
- Encouraging the attainment of organizational objectives;
- Facilitating the attainment or surpassing of financial objectives; and
- Offering competitive compensation.

The various compensation components are described below:

Base salary

Description:	Annual base monetary remuneration.
Eligibility:	All employees.
Reasons:	Attract, retain and motivate. Provide financial security.

¹ Operating income is a financial measure that is not consistent with Canadian generally accepted accounting principles ("GAAP"). For the definition of this measure and its reconciliation with the financial measure consistent with GAAP in the Corporation's financial statements, please refer to management's discussion and analysis for the period ended December 31, 2010, which is available on our Website and on the SEDAR Website at www.sedar.com.

Short-term incentive (“STI”)

Description:	Bonus plan with targets between 4% and 60% of the base salary. Objectives vary depending on the sector.
<u>President:</u>	100% of consolidated operating income.
<u>Corporate:</u>	75% of consolidated operating income, and 25% of strategic objectives.
<u>Business Unit:</u>	20% to 25% of consolidated operating income, 50% to 60% of business unit operating income, and 20% to 25% of strategic objectives.
	If the target is exceeded, the bonus may reach a maximum of 160% of the established target for each of the Named Executive Officers. For bonus purposes, the budgeted consolidated operating income was established at \$70 million for 2010.
Eligibility:	Professionals and senior positions.
Reasons:	Motivate to achieve strategic objectives and business priorities. Make senior executives accountable for the attainment of financial objectives.

Mid-term incentive (“MTI”)

Description:	3-year bonus plan based on the achievement of strategic objectives linked to market shares and creation of new content. Bonus earned and paid after the 3-year cycle attributed on a percentage of base salary, varying from 20% to 40%.
Eligibility:	Certain senior executives of the group.
Reasons:	Motivate to achieve strategic objectives and business priorities. Target the focus of executives on the Corporation’s mid-term strategic objectives. Ensure retention of officers.

Long-term incentive (“LTI”)

Description:	Stock option plans of the Corporation and QMI. Attributed on a % of base salary varying from 80% to 185%. For details concerning these plans, including horizons and vesting periods, please refer to the section of this circular entitled “Equity Compensation Plans”.
Eligibility:	Senior executives of the group.
Reasons:	Motivate to achieve strategic objectives and business priorities. Make the executives accountable for the attainment of financial objectives. Target the interest of executives on the Corporation’s long-term strategic objectives. Align interests of executives with those of the shareholders.

Fringe benefits (“FB”) and pension

Description:	Standard fringe benefits.
Eligibility:	All employees.
Reasons:	Attract and retain.
Description:	Executive fringe benefits including complete annual medical exam. Retirement plan for senior executives including a supplementary plan.
Eligibility:	Senior executives of the group.
Reasons:	Offer competitive benefits.

Perquisites:

Description:	Company car or allocation.
Eligibility:	Senior executives and general managers.
Reasons:	Attract and retain. Offer competitive benefits.

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

In order to realize the objectives of the compensation policy, compensation for the senior executives has been established so as to create a balance between the various forms of compensation.

Compensation of the President and Chief Executive Officer

Compensation for the position of President and Chief Executive Officer (the "President") was evaluated by the Compensation Committee based on a report provided by Towers Watson, as described in the section entitled "Objectives of Compensation Plans".

In accordance with the bonus plan in force for 2010 and the degree to which the objectives were reached, the President was awarded a bonus of \$470,400, which represents 160% of the target bonus, being the maximum that could be awarded.

Method for Determining Compensation for the year 2010

Compensation for the Named Executive Officers is determined by the Corporation's Compensation Committee. The Committee is composed of Serge Gouin, Jacques Dorion and Sylvie Lalande.

PIERRE DION, President and Chief Executive Officer

Base salary:	50 th percentile of the Canadian market.
Short-Term Incentive:	50 th percentile of the market. The target bonus is set at 60% of base salary. The objectives have been set at 100% on reaching the Corporation's budgeted operating income. For 2010, the objectives have been exceeded and the bonus paid represents 160% of the target given that the Corporation exceeded the budgeted operating income.
Mid- and Long-Term incentive:	Adjusted so direct compensation represents 75 th percentile of the Canadian market. Bonus and QMI stock options granted over a 3-year horizon for purposes of retention and competitiveness. Bonus earned under the mid-term incentive plan will be paid at the end of the 3-year term if market share and new content objectives have been reached.

DENIS ROZON, Vice-President and Chief Financial Officer

Base salary: 50th percentile of the Canadian market.

Short-Term Incentive: The target bonus is set at 35% of base salary.

The objectives have been set at 75% on reaching the Corporation's budgeted operating income and 25% on reaching strategic objectives.

For 2010, the objectives have been exceeded and the bonus paid represents 157.5% of the target.

Mid- and Long-Term incentive: Bonus and QMI stock options granted over a 3-year horizon for purposes of retention and competitiveness.

Bonus earned under the mid-term incentive plan will be paid at the end of the 3-year term if market share and new content objectives have been reached.

JOCELYN POIRIER, President, TVA Publishing and TVA Boutiques

Base salary: 50th percentile of the Canadian market.

Short-Term Incentive: The target bonus is set at 40% of base salary.

The objectives have been set at 87.5% on reaching TVA Publishing's objectives (which are composed of 50% on reaching the budgeted operating income of the publishing sector, 25% on reaching the Corporation's budgeted operating income, and 25% on reaching strategic objectives), 12.5% on reaching objectives related to TVA Boutiques' performance.

For 2010, the objectives have been exceeded and the bonus paid represents 138% of the target.

Long-Term incentive: QMI stock options granted over a 3-year horizon for purposes of retention and competitiveness.

ÉDITH PERREAULT, Vice-President, Sales and Marketing

Base salary and commissions: 50th percentile of the Canadian market.

Short-Term Incentive: The target bonus is set at 35% of base salary and commissions.

The objectives have been set at 25% on reaching the Corporation's budgeted operating income, 50% on reaching budgeted operating income for the television sector and 25% on reaching strategic objectives.

For 2010, the objectives have been exceeded and the bonus paid represents 160% of the target.

Mid- and Long-Term incentive: Bonus and QMI stock options granted over a 3-year horizon for purposes of retention and competitiveness.

Bonus earned under the mid-term incentive plan will be paid at the end of the 3-year term if market share and new content objectives have been reached.

FRANCE LAUZIÈRE, Vice-President, Programming

Base salary: 50th percentile of the Canadian market.

Short-Term Incentive: The target bonus is set at 40% of base salary.

The objectives have been set at 25% on reaching the Corporation's budgeted operating income, 50% on reaching budgeted operating income for the television sector and 25% on reaching strategic objectives.

For 2010, the objectives have been exceeded and the bonus paid represents 160% of the target.

Mid- and Long-Term incentive: Bonus and QMI stock options granted over a 3-year horizon for purposes of retention and competitiveness.

Bonus earned under the mid-term incentive plan will be paid at the end of the 3-year term if market share and new content objectives have been reached.

The President's objectives are reviewed by the Compensation Committee on an annual basis and submitted to the Board of Directors for approval. The Compensation Committee reviews and approves the financial objectives of the Named Executive Officers, and the President and Chief Executive Officer sets the strategic objectives. Payment of any bonus further to the attainment of objectives is subject to the Compensation Committee's pre-approval.

Potential Payment in the Event of Termination

The Corporation has entered into employment agreements with the Named Executive Officers. The potential costs in the event of employment termination without cause as set out in the following table are tied to non-competition and non-solicitation agreements ranging from 6 to 12 months depending on the position. Each agreement is individually formulated and no single policy applies to everyone. Pierre Dion's employment agreement stipulates that the indemnity shown below is also payable in the event his employment is being terminated due to a change of control.

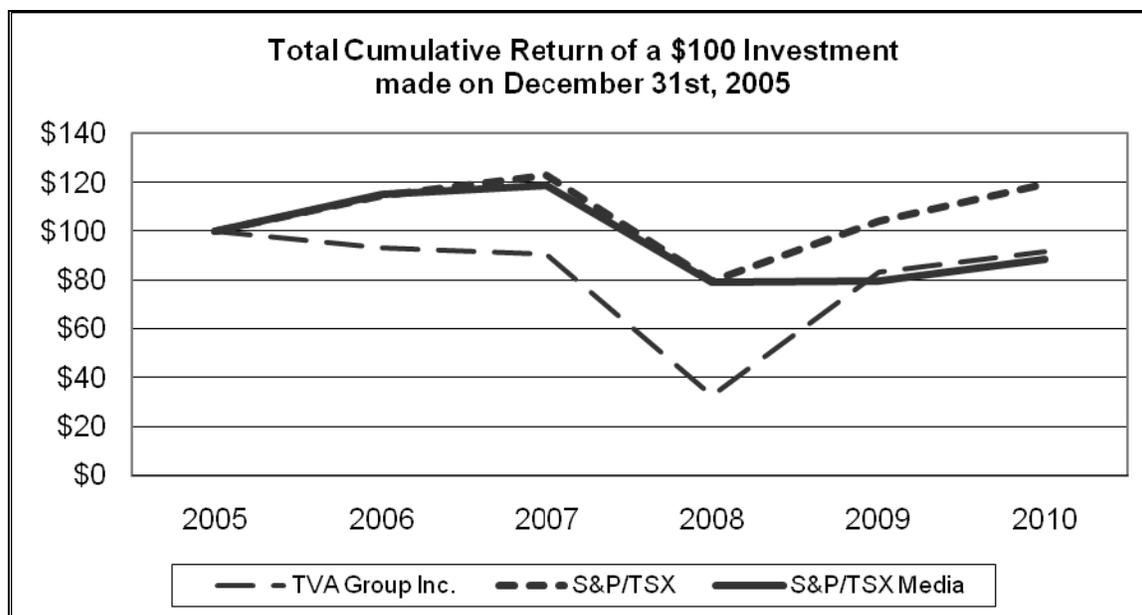
Name	Agreement	Potential # of Months of severance	Severance Value
Pierre Dion	Termination by the Corporation, except for cause; or substantial reduction in responsibilities.	18 months of base salary.	\$810,000
Denis Rozon	No arrangement is stipulated in the agreement.	-	-
Jocelyn Poirier	Termination by the Corporation, except for cause.	12 months of base salary.	\$280,901
Édith Perreault	Termination by the Corporation, except for cause.	12 months of base salary plus commission that could have been paid for the current year.	\$306,911
France Lauzière	Termination by the Corporation, except for cause.	12 months of base salary.	\$275 907

In addition to the above-mentioned severance payments, extended insurance coverage and vehicle allowance are provided for, based on the current employment agreements, for periods ranging from six to 18 months. These indirect and personal benefits total less than \$50,000 for each Named Executive Officer.

Performance Graph

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

The year-end values of each investment are based on share appreciation plus dividends paid in cash, the 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.



	2005	2006	2007	2008	2009	2010
TVA Group Inc.	\$100	\$93	\$91	\$33	\$83	\$92
S&P/TSX Index	\$100	\$115	\$123	\$80	\$104	\$119
S&P/TSX Media Index	\$100	\$115	\$119	\$79	\$80	\$89

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

Although the performance chart for the Corporation's Class B Shares reflects negative performance for the period covered, the Corporation's financial performance has been progressing over the same period. Accordingly, compensation for its senior executives has been continually reviewed to adapt to market realities.

B- Equity Compensation Plans

Stock Option Plan of the Corporation

The Corporation has a stock option plan (the "Plan") which entitles officers of the Corporation and of its subsidiaries, and its directors, 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 2,200,000 Class B Shares, being 9.3% of the issued and outstanding Class A and Class B Shares as at December 31, 2010. As of this date, 1,832,180 Class B Shares, being 7.7% of the outstanding Class A and Class B Shares are still reserved under the Plan with the Toronto Stock Exchange.

The Compensation Committee administers the 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. However, the Plan contains restrictions regarding the number of options that may be granted and the number of Class B Shares that may be issued. No insider may be

granted, within any one year period, a number of Class B Shares exceeding 5% of the total number of Class B Shares and Class A Shares issued and outstanding from time to time (the “**Corporation’s Issued Share Capital**”), less shares issued under equity compensation plans during the preceding year. Moreover, the number of Class B Shares which may be reserved for issuance under options granted to insiders under the Plan and any other equity compensation plans of the Corporation, cannot exceed 10% of the Corporation’s Issued Share Capital. The Plan also provides that, in any given one-year period, the number of Class B Shares which may be issued to insiders under the Plan cannot exceed 10% of the Corporation’s Issued Share Capital, less shares issued under equity compensation plans during the preceding year. All options granted are non-transferable. The Compensation Committee ratifies the recommendations made by Management or makes the appropriate modifications (except for grants to the President and to the Vice-President and Chief Financial Officer that are approved by the Board). Prior grants are taken into consideration and market comparisons are analyzed.

The subscription price of each share under option 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. In the absence of a closing price for a board lot of Class B Shares on the Toronto Stock Exchange on that day, the subscription price may not be less than the average ask and bid prices of the Class B Shares on the Toronto Stock Exchange on the same day. At the time of exercising their options, optionees may decide to (i) subscribe for the Class B Shares in respect of which the option is being exercised; or (ii) receive from the Corporation a cash payment equal to the number of shares corresponding to the options exercised, multiplied by the difference between the market value and the subscription price of the shares underlying the option. The market value is defined by the average closing market price of the shares for the five trading days preceding the date on which the option was exercised. If an optionee decides to receive a cash payment from 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 granted under the Plan prior to January 2006 usually vest annually equally with the first 25% vesting on the second anniversary of the date of grant.

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

- (i) equally over five years with the first 20% vesting on the first anniversary of the date of the grant;
- (ii) equally over four years with the first 25% vesting on the second anniversary of the date of the grant; or
- (iii) equally over three years with the first 33⅓% vesting on the third anniversary of the date of the grant.

The right to exercise options expires on the earlier of:

- The expiry date of the option, as determined at the time of the grant (maximum of 10 years);
- On the day of termination of the optionee’s employment for cause;
- Thirty days following the date on which the optionee’s employment is terminated by reason of voluntary termination of employment by resignation or termination without cause, retirement or disability;
- Three months following the death of the optionee.

The Board or Directors of the Corporation may, without being required to obtain the prior approval of shareholders and regulatory authorities, amend the terms and conditions of the Plan including, but not limited to, an amendment to the vesting terms of an option, an amendment to the subscription price,

unless the amendment is a reduction of the subscription price of an option held by an insider and an amendment intended to correct or rectify an ambiguity, inapplicable provision, error or omission in the Plan or an option except for: (i) an increase in the number of Class B shares reserved for issuance under the Plan; and (ii) a reduction of the subscription price or the extension of the term of an option held by an insider. The Board can also decide to accelerate the exercise of options as part of a proposed transaction subject to the controlling shareholder ceasing to be the controlling shareholder upon completion of the transaction. The Corporation does not provide financial assistance to optionees for the exercise of their options.

Finally, the Plan provides that if an expiry date falls during a blackout period or within 10 days following a blackout period, the period during which an option may be exercised shall be extended by 10 business days from the expiry of the blackout period (for those optionees subject to the Corporation's Policy Relating to the Use of Privileged Information).

During the financial year ended December 31, 2010, no options were granted and no shares were issued upon the exercise of stock options. As at December 31, 2010, 833,610 options were outstanding, being 3.5% of the Corporation's Issued Share Capital. As of the date hereof, 833,610 options are outstanding, being 3.5% of the Corporation's Issued Share Capital.

Class B Stock Purchase Plans for Executives and Employees

In 1998, the Corporation introduced a stock purchase plan authorizing the issuance of a maximum number of 375,000 Class B Shares to its employees and a stock purchase plan authorizing the issuance of a maximum number of 375,000 Class B Shares to its executives. The aforesaid plans provide that participants may acquire shares in accordance with terms and conditions related to their level of remuneration. The shares can be acquired at a price equal to 90% of the average closing market prices of a board lot of Class B Shares on the Toronto Stock Exchange for the five trading days immediately preceding the first day of the annual subscription period under the plans. The participants have the option: (i) to pay the acquisition price in cash; or (ii) to pay the acquisition price by using the loan provided by the Corporation for that purpose. This loan is interest-free and, except under certain circumstances, must be reimbursed within 24 months. The termination of the participant's employment, the voluntary withdrawal of the participant from the plan, the non-payment of any amount owed to the Corporation or the sale of the acquired shares before the loan provided by the Corporation to the participant is reimbursed, shall terminate the rights of the participant under said plan. These rights are non-transferable. Finally, the Corporation may, at any time, amend the plans. Since the end of August 2001, the Corporation has not deemed appropriate to fix an annual subscription period. Consequently, no Class B Shares were issued under the plans since that date. As at December 31, 2010, the balance of shares issuable under the employee plan was 229,753 Class B Shares, being 0.97% of the Corporation's Issued Share Capital, and the balance of shares issuable under the executive plan was 332,643 shares, being 1.4% of the Corporation's Issued Share Capital.

Deferred Share Unit Plan

In August 2000, the Corporation introduced a deferred share unit plan for certain senior executives of the Corporation and its subsidiaries. The deferred share units are redeemable only upon termination of the participant's employment and are payable (in cash or, at the option of the Corporation, in Class B Shares or by a combination of cash and shares) at the end of the first calendar year following the calendar year in which the participant's employment was terminated at the latest. Under this plan, the maximum number of Class B Shares that may be issued is 25,000, being 0.1 % of the Corporation's Issued Share Capital. The Corporation may, at any time, subject to required approvals, amend the plan. The Corporation has not deemed appropriate to issue deferred share units since the implementation of this plan.

The following table gives information with regard to all of the Corporation's equity compensation plans as of December 31, 2010.

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 Shareholders:			
Stock Option Plan of the Corporation	833,610 (or 4.29% of the number of Class B Shares issued and outstanding)	\$16.35	998,570 (or 5.13% of the number of Class B Shares issued and outstanding)
Equity Compensation Plans Not Approved by Shareholders:			
Deferred Share Unit Plan	-	-	25,000 (or 0.13% of the number of Class B Shares issued and outstanding)
Class B Stock Purchase Plan for Employees	-	-	229,753 (or 1.18% of the number of Class B Shares issued and outstanding)
Class B Stock Purchase Plan for Executives	-	-	332,643 (or 1.71% of the number of Class B Shares issued and outstanding)

QMI Stock Option Plan

On January 29, 2002, QMI established a stock option plan for officers, senior employees, directors and other key employees of QMI and its subsidiaries (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 the fair market value, on the date of grant, of the common shares of QMI, as determined by an external expert whose services are retained by the Board of Directors of QMI (if the common shares of QMI are not listed on a recognized stock exchange at the time of grant), or the five-day weighted average closing 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 common 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 stated conditions, subscribe to common shares of QMI. The Compensation Committee ratifies the recommendations made by Management or makes the appropriate modifications. Prior grants are taken into consideration and market comparisons are analyzed.

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

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

- (ii) equally over four years with the first 25% vesting on the second anniversary of the date of the grant; or
- (iii) equally over three years with the first 33⅓ % vesting on the third anniversary of the date of the grant.

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

C. Summary Compensation Table

The following table shows certain selected compensation information for the President and Chief Executive Officer, the Vice-President and Chief Financial Officer and the three other most highly compensated executive officers of the Corporation during the financial year ended December 31, 2010 for their services rendered during the financial years ended December 31, 2010, 2009 and 2008.

Name and principal position	Year	Salary ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value ⁽⁴⁾ (\$)	All other compensation ⁽⁵⁾ (\$)	Total compensation (\$)
				Annual incentive plans ⁽³⁾			
Pierre Dion President and Chief Executive Officer	2010	489,229	1,368,900 ⁽⁶⁾	470,400	98,100	-	2,426,629
	2009	440,003	-	422,400	33,200	-	895,603
	2008	456,292	-	352,000	80,800	-	889,092 ⁽⁷⁾
Denis Rozon Vice President and Chief Financial Officer	2010	217,710	228,150 ⁽⁶⁾	120,505	35,700	-	602,065
	2009	215,330	-	118,724	23,700	-	357,754
	2008	219,018	-	116,396	41,600	-	377,014 ⁽⁷⁾
Jocelyn Poirier President, TVA Publishing and TVA Boutiques	2010	273,993	456,300 ⁽⁶⁾	151,070	40,600	-	921,963
	2009	269,882	-	170,605	27,000	-	467,487
	2008	269,236	-	145,600	55,100	-	469,936 ⁽⁷⁾
Édith Perreault Vice President, Sales and Marketing	2010	299,383 ⁽⁶⁾	296,595 ⁽⁶⁾	167,678	36,100	-	799,756
	2009	315,832 ⁽⁶⁾	-	165,200	39,900	-	520,932
	2008	305,862 ⁽⁶⁾	-	98,000	49,300	-	453,162
France Lauzière Vice-President, Programming	2010	269,117	296,595 ⁽⁶⁾	172,274	37,600	-	775,586
	2009	265,132	-	212,160	23,500	-	500,792
	2008	269,582	-	145,600	52,600	-	467,782 ⁽⁷⁾

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

- (1) Please note that there were 26 pay periods in financial years 2009 and 2010 compared to 27 in financial year 2008.
- (2) The compensation value included herein represents the estimated value of the stock options granted as determined by using the binomial model which is based on various assumptions. **It does not represent cash received by the Named Executive Officer. The amount is at risk and may even be equal to zero.**
- (3) Please refer to the "Compensation Analysis – Method for Determining Compensation for the year 2010" of this Circular for details relating to those payments.
- (4) Refer to the "Pension Benefits" section of this Circular for additional details.
- (5) Perquisites and other personal benefits which do not exceed the lesser of \$50,000 or 10% of the annual salary are not disclosed.
- (6) Underlying securities: common shares of QMI. The amount indicated represents the binomial value of the options at the time of grant. Please refer to the "Binomial Value" table for details concerning calculation of the values appearing under the "Option-based awards" column of the above table. It is to be noted that the Compensation Committee has granted those options with a horizon of several years. Therefore, the total value of the options indicated in the table, represents compensation awarded on a 3-year horizon.
- (7) Further to comments released by the *Autorité des marchés financiers* and in order to comply with them, we have excluded from the 2008 compensation the value of certain stock option grants even though the Compensation Committee had established that part of the value of the stock options granted in 2007 was in fact granted for the year 2008 since those stock options were granted with a horizon of several years. As a result, the total compensation for 2008 was revised downwards.
- (8) Those amounts include salary and commissions paid. For the year 2010, Édith Perreault received \$208,033 in salary (69%) and \$91,350 in commissions (31%). For the year 2009, she received \$204,658 in salary (65%) and \$111,173 (of which \$11,177 was paid in 2010) in commissions (35%). For the year 2008, she received \$181,089 in salary (59%) and \$124,773 in commissions (41%).

For purposes of properly illustrating the calculation of the binomial value of the options granted to the Named Executive Officers in 2010, the key assumptions and estimates that were used for each calculation are set out below.

The stock option plan of QMI allows an optionee to receive a cash payment equivalent to the market value of the shares less the exercise price established at the time of grant. In accordance with paragraph 38 of chapter 3870 of the CICA Handbook, the liabilities related to those options recorded in the Corporation's financial statements take into account the intrinsic value of the options, not their fair value calculated based on an option valuation model. Thus, the intrinsic value of those options at the time of grant is nil. Therefore, the amount of the difference between the value established using the binomial model and that of the CICA Handbook, for purposes of section 3.1 (5) of Form 51-102F6, corresponds to their binomial value.

Binomial Value

Date of grant	Exercise price (\$)	Dividend yield (% / year)	Volatility (%)	Expected life (years)	Risk-free rate (%)	Binomial Value (\$)
February 22, 2010 ⁽¹⁾	46.483	1.31	33.98	5.75	3.03	15.21

- (1) Underlying securities: common shares of QMI. 3-year horizon. Options vest equally over five years with the first 25% vesting on the second anniversary of the date of the grant.

D. Outstanding option-based awards

The following table sets forth, for each Named Executive Officer, all awards outstanding as at December 31, 2010.

Name	Number of securities underlying unexercised options (#)	Option exercise price ⁽¹⁾ (\$)	Option expiration date	Value of unexercised in-the-money options ⁽²⁾ (\$)
Pierre Dion	126,500 ⁽³⁾	20.75	September 8, 2014	-
	52,619 ⁽³⁾	21.38	March 30, 2015	-
	94,915 ⁽⁴⁾	14.75	November 5, 2017	-
	4,486 ⁽⁵⁾	27.864	March 30, 2015	99,746
	63,442 ^{(6) (7)}	47.287	November 1, 2017	178,399
	90 000 ⁽⁶⁾	46.483	February 22, 2020	325,440
Denis Rozon	35,910 ⁽⁴⁾	14.62	September 5, 2016	2,514
	45,199 ⁽⁴⁾	14.75	November 5, 2017	-
	14,099 ^{(6) (7)}	47.287	November 1, 2017	39,646
	15,000 ⁽⁶⁾	46.483	February 22, 2020	54,240
Jocelyn Poirier	4,878 ⁽³⁾	20.50	February 10, 2015	-
	33,068 ⁽⁴⁾	15.99	January 30, 2016	-
	90,399 ⁽⁴⁾	14.75	November 5, 2017	-
	1,446 ⁽⁶⁾	30.474	February 13, 2016	28,378
	28,198 ^{(6) (7)}	47.287	November 1, 2017	79,293
	30,000 ⁽⁶⁾	46.483	February 22, 2020	108,480
Édith Perreault	24,009 ⁽⁴⁾	16.40	August 3, 2017	-
	45,199 ⁽⁴⁾	14.75	November 5, 2017	-
	2,953 ⁽⁶⁾	44.446	August 3, 2017	16,693
	14,099 ^{(6) (7)}	47.287	November 1, 2017	39,646
	19,500 ⁽⁶⁾	46.483	February 22, 2020	70,512
France Lauzière	2,988 ⁽³⁾	20.50	February 10, 2015	-
	24,625 ⁽⁴⁾	15.99	January 30, 2016	-
	58,759 ⁽⁴⁾	14.75	November 5, 2017	-
	1,076 ⁽⁶⁾	30.474	February 13, 2016	21,117
	18,328 ^{(6) (7)}	47.287	November 1, 2017	51,538
	19,500 ⁽⁶⁾	46.483	February 22, 2020	70,512

⁽¹⁾ The exercise price of an option of the Corporation 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. The exercise price of a QMI option is the market value of the common shares at the time of grant, as determined on a quarterly basis by the external expert retained by QMI's Board of Directors.

⁽²⁾ The value of unexercised in-the-money options is the difference between the option exercise price and the closing price of the underlying security on the Toronto Stock Exchange on December 31, 2010 or the difference between the option exercise price and the value of the common shares in the case of the QMI options on December 31, 2010 as determined by the external expert retained by QMI's Board of Directors. **This gain has not been, and may never be, realized. The options have not been, and may never be, exercised; and actual gains, if any, on exercise will depend on the value of the aforesaid shares on the date of exercise.** On December 31, 2010, the closing price of the Class B shares of the Corporation on the Toronto Stock Exchange was \$14.69. For purposes of stock option grants, the external expert retained by QMI's Board of Directors has established the value of the common shares of QMI, as of December 31, 2010, at \$50.099 per share.

⁽³⁾ Options of the Corporation granted prior to January 2006. Options can be exercised equally over four years with the first 25% vesting on the second anniversary of the date of grant.

- (4) Options of the Corporation – Three-year horizon. Options can be exercised equally over four years with the first 25% vesting on the second anniversary of the date of the grant.
- (5) QMI options – Five-year horizon. Options can be exercised equally over three years with the first 33⅓% vesting on the third anniversary of the date of the grant.
- (6) QMI options – Three-year horizon. Options can be exercised equally over four years with the first 25% vesting on the second anniversary of the date of the grant.
- (7) On February 22, 2010, the Compensation Committee of QMI has decided to remove the performance criteria attached to the QMI options.

E. Incentive plan awards – Table of 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 2010, and the bonus earned during the 2010 fiscal year.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Non-equity incentive plan compensation– Value earned during the year (\$)
Pierre Dion	144,939 ⁽²⁾	470,400
Denis Rozon	13,649 ⁽²⁾	120,505
Jocelyn Poirier	50,447 ⁽²⁾⁽³⁾	151,070
Édith Perreault	16,849 ⁽²⁾	167,678
France Lauzière	34,983 ⁽²⁾⁽³⁾	172,274

(1) The value vested is the difference between the market value of the underlying securities at the vesting date and the exercise price of the options. The market value is defined: (i) in the case of options of the Corporation, by the average closing market price of the Class B shares on the Toronto Stock Exchange for the five trading days preceding the date on which the option became vested; and (ii) in the case of the QMI options, the market value of the common shares on the vesting date, as determined on a quarterly basis by the external expert retained by QMI's Board of Directors.

(2) Underlying securities: common shares of QMI.

(3) Part of those options was exercised in 2010.

F. Pension benefits

Pierre Dion, Denis Rozon, Jocelyn Poirier, Édith Perreault and France Lauzière participate in the supplemental and additional pension plans for the benefit of the designated senior executives of the Corporation, its subsidiaries or affiliates. The pension plans are non-contributory defined benefit plans which provide for the payment of an annual pension equal to 2% of the average eligible salary of the participant during the five most highly paid consecutive years, multiplied by the number of credited years of service. The average salary includes the base salary and the commissions paid. The pension provided by the supplemental plan is limited to the ceiling of defined benefits in accordance with the *Income Tax Act* (Canada). The pension provided by the additional plan makes up the balance.

These pensions are payable at normal retirement age (65 years). Anticipated retirement is authorized after 55 years, however, a reduction of the pension payable will be made. The reduction will be of 3% per year between 60 and 65 years, and of 4% per year between 55 and 60. At retirement, the pension from the supplemental plan is indexed yearly according to the Consumer Price Index (up to a maximum of 4% per year). Between termination of employment and retirement, the pensions from the supplemental and additional pension plans are indexed according to the increase in the average industry salary, up to a maximum of 3.5% per year.

The following table sets forth the estimated annual pension benefits payable upon retirement at age 65 to the Named Executive Officers:

**Pension Benefit Payable Pursuant to the Pension Plans
(Supplemental and Additional)⁽¹⁾**

Compensation ⁽³⁾ \$	Credited Years of Service ⁽²⁾					
	10	15	20	25	30	35
	\$	\$	\$	\$	\$	\$
200,000	40,000	60,000	80,000	100,000	120,000	140,000
225,000	45,000	67,500	90,000	112,500	135,000	157,500
250,000	50,000	75,000	100,000	125,000	150,000	175,000
275,000	55,000	82,500	110,000	137,500	165,000	192,500
300,000	60,000	90,000	120,000	150,000	180,000	210,000
325,000	65,000	97,500	130,000	162,500	195,000	227,500
350,000	70,000	105,000	140,000	175,000	210,000	245,000
375,000	75,000	112,500	150,000	187,500	225,000	262,500
400,000	80,000	120,000	160,000	200,000	240,000	280,000
425,000	85,000	127,500	170,000	212,500	255,000	297,500

- (1) The benefits payable under the plans mentioned above are payable for life and are transferable in part (60%) to the spouse in the event of the participant's death. If the participant does not have a spouse, 20% of the benefits are payable to the dependent children. The benefits are not subject to any deduction for payments received from social security or any other program.
- (2) The number of credited years of service of the Named Executive Officers, as at December 31, 2010, is as follows: Pierre Dion: 6.3 years; Denis Rozon: 4.3 years; Jocelyn Poirier: 6.0 years; Édith Perreault: 13.5 years and France Lauzière: 8.8 years.
- (3) For the purposes of the plans, the compensation includes base salary and commissions (as such amount appears under the column "Salary" of the Summary Compensation Table). The compensation is based on the average salary of the participant during the five most highly paid consecutive years.

Defined benefit plan table

Name	Number of years credit services (#)	Annual benefits payable (\$)		Accrued obligation at start of year (\$)	Compensatory change (\$)	Non-compensatory change ⁽²⁾ (\$)	Accrued obligation at year end ⁽²⁾ (\$)
		At year end ⁽¹⁾	At age 65				
Pierre Dion	6.3	44,700	215,900	361,800	98,100	157,300	617,200
Denis Rozon	4.3	14,800	89,500	131,200	35,700	49,000	215,900
Jocelyn Poirier	6.0	24,800	125,500	226,700	40,600	85,300	352,600
Édith Perreault ⁽³⁾	13.5	39,800	138,700	419,200	36,100	143,100	598,400
France Lauzière ⁽⁴⁾	8.8	29,900	138,000	273,600	37,600	102,700	413,900

- (1) Assumption: retirement at 59 years.
- (2) Calculations are based on an assumption discount rate of 6.25% year-to-date and 5.25% year-end.
- (3) The number of credit years in the supplementary plan is 3.9 for Édith Perreault.
- (4) The number of credit years in the supplementary plan is 5.0 for France Lauzière.

COMPENSATION OF DIRECTORS

Annual compensation and attendance fees

All the directors who are not senior executives of the Corporation received, during the financial year ended December 31, 2010, the following compensation:

➤ Annual base compensation for the directors	\$30,000
➤ Additional annual base compensation for the Chairman of the Board of Directors	\$150,000
➤ Additional annual base compensation for the Chairman of the Audit Committee	\$8,000
➤ Additional annual base compensation for the Chairman of the Compensation Committee	\$5,000
➤ Additional annual base compensation for members of the Audit Committee (except Chairman)	\$2,000
➤ Additional annual base compensation for members of the Compensation Committee (except Chairman)	\$1,500
➤ Attendance fee for Audit Committee meetings	\$2,000
➤ Attendance fee for Board of Directors and Compensation Committee meetings	\$1,500

Pierre Karl Péladeau does not receive compensation for acting as a director of the Corporation.

The following table set forth the details of the annual compensation and attendance fees paid to the directors for the year 2010. No option-based and share-based awards were granted to directors of the Corporation during the last fiscal year, nor any other form of compensation.

Directors	Compensation				
	Annual Compensation \$	Attendance fees \$	Compensation Chairman of a Committee \$	Compensation Committee members \$	Total Compensation Paid \$
Marc A. Courtois	30,000	19,500	8,000	-	57,500
Jacques Dorion	30,000	10,500	-	1,500	42,000
Nathalie Elgrably-Lévy	30,000	7,500	-	-	37,500
Serge Gouin	30,000	10,500	5,000	-	45,500
Sylvie Lalande	30,000	10,500	-	1,500	42,000
A. Michel Lavigne	30,000	19,500	-	2,000	51,500
Jean-Marc Léger	30,000	7,500	-	-	37,500
Jean Neveu	180,000	7,500	-	-	187,500
André Tranchemontagne	30,000	16,000	-	2,000	48,000
TOTAL	420,000	109,000	13,000	7,000	549,000

IV. OTHER IMPORTANT INFORMATION

INDEBTEDNESS OF DIRECTORS AND OFFICERS

As of the date hereof, no amount is owed to the Corporation by any of its directors or officers or any of their associates.

CORPORATE GOVERNANCE DISCLOSURE

The Board of Directors considers good corporate governance practices to be a key factor in the overall success of the Corporation. In accordance with *Regulation 58-101 Respecting Disclosure of Corporate Governance Practices*, the Corporation is required to disclose its corporate governance practices. Schedule “B” sets out a description of the Corporation’s corporate governance practices.

TRANSACTIONS WITH RELATED PARTIES

To the knowledge of the Corporation, except as set forth in note 19 to the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2010, 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 a material effect on the Corporation or any of its subsidiaries.

During the financial year ended December 31, 2010, the Corporation entered into transactions with its parent company, QMI, and with other companies under the control of QMI or Quebecor Inc., which transactions were entered into in the normal course of its operations and under terms and conditions that are generally not less favourable to the Corporation than those that would be offered by companies not affiliated with the Corporation.

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

NORMAL COURSE ISSUER BID

The Corporation has filed a notice of intention to make a normal course issuer bid to enable it to purchase up to 972,545 Class B Shares. The notice provides that the Corporation may purchase these shares between March 21, 2011 and March 20, 2012, at prevailing market prices, and in such amounts and at such times as determined by the Corporation. The purchases will be made on the Toronto Stock Exchange. The Class B Shares purchased under the normal course issuer bid will be cancelled. A copy of the notice may be obtained from the Corporate Secretariat of the Corporation.

OTHER BUSINESS

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

RECEIPT OF SHAREHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Holders of Class A Shares entitled to vote at the next annual meeting of shareholders and who want to submit a proposal in respect of any matter to be raised at such meeting must ensure that their proposal is received by the Corporation, to the attention of the Vice-President and Corporate Secretary, no later than January 19, 2012.

ADDITIONAL INFORMATION

Financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for its financial year ended December 31, 2010. Copies of the Corporation’s latest annual information form, audited financial statements and management’s discussion and analysis, may be obtained on request from the Corporate Secretariat of the Corporation, 612, Saint-Jacques Street, 18th floor, Montréal, Québec, Canada, H3C 4M8. All of these documents as

well as additional information relating to the Corporation are available under the Corporation's SEDAR profile at www.sedar.com and on the Corporation's Website at www.tva.canoe.ca.

DIRECTORS' APPROVAL

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

A handwritten signature in black ink, appearing to read "C. Tremblay". The signature is fluid and cursive, with a prominent initial "C" and a long, sweeping underline.

Claudine Tremblay
Vice-President and Corporate Secretary

TVA GROUP INC.
(the "Corporation")

TRANSLATION
BY-LAWS

A. INTERPRETATION

1. Definitions

In these by-laws, unless the context indicates otherwise,

"Act" means the *Business Corporations Act*, R.S.Q., c. S-31.1. Any reference to that statute or any provisions thereof in the Corporation's by-laws is interpreted as a reference to any amended or substituted provisions thereof;

"affairs" means the relationships among the Corporation, its affiliates and the shareholders, directors and officers of the Corporation and its affiliates but does not include the business carried on by the Corporation or its affiliates;

"affiliates": means legal persons one of whom is a subsidiary of the other, or legal persons who are controlled by the same person;

"associates" means, in relation to a person:

- a) the person's spouse, children and relatives, and the children and relatives of the person's spouse;
- b) a partner of the person;
- c) a succession or trust in which the person has a substantial interest similar to that of a beneficiary or in respect of which the person serves as liquidator, trustee or other administrator of the property of others, mandatary or depositary; or
- d) a legal person of whom the person owns securities making up more than 10% of a class of shares carrying voting rights at any shareholders meeting or the right to receive any declared dividend or a share of the remaining property of the legal person in the event of liquidation.

"group": means any legal person, any group of persons or any group of properties, including an organization, joint venture or trust;

"officer" means a person referred to in section 40 of these by-laws;

"resolution" or "ordinary resolution" means a resolution that requires a majority of the votes cast at a shareholders meeting by the shareholders entitled to vote on the resolution, or a resolution that requires the signature of all such shareholders;

"reporting issuer" means a reporting issuer within the meaning of the *Securities Act* (R.S.Q., chapter V-1.1);

"security" means a share, debenture, bond or note that is dealt in or traded on a securities exchange or financial market;

“shareholder” means a shareholder who is registered in the securities register of the Corporation, and includes a shareholder’s representative;

“special resolution” means a resolution that requires at least two thirds of the votes cast at a shareholders meeting by the shareholders entitled to vote on the resolution, or a resolution that requires the signature of all such shareholders;

2. Interpretation

- a) the masculine gender includes both sexes, unless the contrary intention is evident by the context;
- b) the singular number extends to more than one person or more than one thing of the same sort, whenever the context admits of such extension. The plural number can apply to one person only or to one thing only if the context so permits;
- c) the headings used in these by-laws are for ease of reference only and do not form part of them.

B. HEAD OFFICE, ESTABLISHMENT AND SEAL

3. Head office

The head office of the Corporation must be permanently located in Quebec. The Corporation may relocate its head office in compliance with the Act.

4. Establishment

In addition to its head office, the Corporation may have other establishments, offices or agencies both within and outside Quebec.

5. Seal

The Board of Directors may adopt a seal but is not required to. The fact that a document of the Corporation is not sealed does not invalidate the document.

C. CORPORATE RECORDS

6. Records

The Corporation maintains, at its head office or at any other place designated by the Board of Directors, records containing

- a) the articles and the by-laws;
- b) minutes of meetings of the shareholders and written resolutions of shareholders;
- c) the names and domicile of the directors, and the dates of the beginning and end of their term of office; and
- d) the securities register.

The secretary keeps such records up-to-date.

The shareholders may examine these records during its regular office hours, and obtain extracts from them. They may also, on request and without charge, obtain a copy of the articles and by-laws.

7. Accounting and Board records

The Corporation also maintains accounting records and books containing the minutes of meetings and written resolutions of the Board of Directors. The Corporation also maintains books for all the committees of the Board of Directors. These records and books are kept at the Corporation's head office or at any other place designated by the Board of Directors.

The Corporation is required to retain all accounting records for a period of six years after the end of the fiscal year to which they relate.

Only the directors and the auditor may have access to the accounting records and books containing the minutes of the meetings as well as the written resolutions of the Board of Directors and of its committees. However, the shareholders may examine, during the Corporation's regular office hours, any part of the minutes of the deliberations of the Board of Directors or any other document in which a director or officer makes the disclosure of interest referred to in sections 23 and 46 below.

8. Securities register

The securities register of the Corporation contains the following information with respect to its shares:

- a) the names, in alphabetical order, and the addresses of present and past shareholders;
- b) the number of shares held by each such shareholder;
- c) the date and details of the issue and transfer of each share; and
- d) any amount due on any share.

The register must contain, if applicable, the same information with respect to the Corporation's debentures, bonds and notes, with the necessary modifications. Any person may examine the Corporation's securities register if that person complies with the provisions of the Act in this regard. Any person may, on request and on payment of a reasonable fee established by the Corporation, obtain a copy of the list of the Corporation's shareholders as provided for in the Act.

9. Transfer Agents and Registrars

The Board of Directors may at any time, by resolution, appoint and replace the Corporation's transfer agent(s) and registrar(s) for the Corporation's shares and, subject to the laws that govern the Corporation, generally enact by-laws from time to time for the transfer and transmission of the Corporation's shares. All shares certificates representing shares of the Corporation issued after such an appointment must be countersigned by an authorized representative of those transfer agent(s) or registrar(s) and are only valid once so countersigned.

D. BOARD OF DIRECTORS

10. Functions and powers

The Board of Directors exercises all necessary powers to supervise the management of the business and affairs of the Corporation. Except to the extent provided by law, such powers may be exercised without shareholder approval.

Generally, the Board of Directors exercises the powers and takes the actions which the Corporation is authorized to take; it may also enter into any contract on behalf of the Corporation. The Board of Directors may, on behalf of the Corporation:

- a) borrow money;
- b) issue, reissue, sell or hypothecate its debt obligations;
- c) enter into a suretyship to secure performance of an obligation of any person; and
- d) hypothecate all or any of its property, owned or subsequently acquired, to secure any obligation.

11. Delegation of powers

The Board of Directors may create one of several committees composed of directors and may delegate certain powers to this or these committees. It can also delegate its powers to a director or an officer. However, the Board of Directors may not delegate its power

- a) to submit to the shareholders any question or matter requiring their approval;
- b) to fill a vacancy among the directors or in the office of auditor;
- c) to appoint or dismiss the president of the Corporation, the Chair of the Board of Directors, the chief executive officer, the chief operating officer or the chief financial officer regardless of their title, and to determine their remuneration;
- d) to authorize the issue of shares;
- e) to approve the transfer of unpaid shares;
- f) to declare dividends;
- g) to acquire, including by purchase, redemption or exchange, shares issued by the Corporation;
- h) to split, consolidate or convert shares;
- i) to authorize the payment of a commission to a person who purchases shares or other securities of the Corporation, or procures or agrees to procure purchasers for those shares or securities;
- j) to approve the financial statements presented at the annual meetings of shareholders;
- k) to adopt, amend or repeal by-laws;
- l) to authorize calls for payment;

- m) to authorize the confiscation of shares;
- n) to approve articles of amendment allowing a class of unissued shares to be divided into series, and to determine the designation of and the rights and restrictions attaching to those shares or securities; or
- o) to approve a short-form amalgamation.

12. Contracts

All contracts, deeds, agreements, documents, bonds, debentures and other instruments requiring execution by the Corporation may be signed by two directors or two officers of the Corporation or by one director and one officer of the Corporation or by such persons as the Board of Directors may otherwise authorize from time to time by resolution. Any such authorization may be general or confined to specific instances.

13. Proceedings

Any director or officer of the Corporation, or any other person appointed for that purpose by any director or officer of the Corporation, is authorized to bring any action, proceeding, motion, civil, criminal, administrative or other legal procedure, in the name of the Corporation or to appear and to answer on behalf of the Corporation to any writ, to any order or injunction issued by any court, to any examination on the facts relating to any litigation or any examination on discovery, as well as to any action, proceeding, motion or other legal procedure in which the Corporation is involved; to respond in the name of the Corporation to any garnishment in which the Corporation is garnishee and to prepare any affidavit or any solemn declaration related to such a garnishment or to any other legal procedure to which the Corporation is a party; to make any application for the assignment of property or any petitions for a receiving order against any debtor of the Corporation; to attend and to vote in any meeting of the creditors of debtors of the Corporation; to grant proxies and, in respect of any such action, proceeding, motion or other legal procedure, to take any other action which he or she deems to be in the best interests of the Corporation.

14. Number

The exact number of directors is determined by the Board of Directors as provided in the articles of the Corporation.

The directors in office do not cease to hold their position as a result of an amendment of the articles which reduces their number.

15. Qualifications

Any natural person may be a director of the Corporation, except:

- a) a minor;
- b) a person of full age under tutorship or curatorship;
- c) a bankrupt;
- d) a person prohibited by the court from holding such office;
- e) a person declared incapable by decision of a court of another jurisdiction.

Unless otherwise provided in the articles, a director is not required to be a shareholder.

16. Election and term of office

The directors are elected each year at the annual shareholders meeting by a simple majority of the votes and remain in office until the next annual shareholders meeting or until their successors are appointed. Voting for the election of directors is conducted by a show of hands unless a ballot is demanded by a shareholder entitled to vote.

17. Cessation of office

A director ceases to hold office when he dies, becomes disqualified from being a director, resigns or is removed from office.

18. Resignation

A director may resign at any time. The resignation of a director becomes effective at the time the director's written resignation is received by the Corporation, or at the time specified in the resignation, whichever is later. The reason for the resignation need not be given.

19. Removal

The shareholders may by ordinary resolution at a special meeting remove any director or directors. If certain shareholders have an exclusive right to elect one or more directors, a director so elected may only be removed by ordinary resolution of those shareholders.

A director whose removal is to be proposed at a shareholders meeting may attend the meeting and be heard or, if not in attendance, may explain, in a written statement read by the person presiding over the meeting or made available to the shareholders before or at the meeting, why he opposes the resolution proposing his removal.

A vacancy created by the removal of a director may be filled at the shareholders meeting at which the director is removed or, if it is not, at a subsequent meeting of the Board of Directors.

20. Vacancy

A quorum of directors may fill any vacancy on the board unless there has been a failure to elect the fixed number or minimum number of directors required by the articles.

However, the directors then in office must without delay call a special shareholders meeting to fill the vacancies resulting from the lack of quorum or the failure to elect the fixed or minimal number of directors set out in the articles. If the directors refuse or fail to call a meeting, the meeting may be called by any shareholder.

A director appointed or elected to fill a vacancy holds office for the unexpired term of his predecessor.

21. Retiring director and updating declaration

A director who leaves office is authorized to sign on behalf of the Corporation and file in accordance with the *Act respecting the legal publicity of enterprises* an updating declaration indicating such change, unless he has received, within thirty (30) days of the date on which such change took effect, proof that the Corporation has filed such declaration.

22. Duties of directors

Subject to the provisions of the Act, the directors are bound by the same obligations as are imposed by the *Civil Code of Québec* on any director of a legal person. Consequently, in the exercise of their functions, the directors are duty-bound toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

More specifically, but without limiting the generality of the foregoing:

- a) no director may mingle the property of the Corporation with his own property nor may he use for his own profit or that of a third person any property of the Corporation or any information he obtains by reason of his duties, unless he is authorized to do so by the shareholders of the Corporation;
- b) unless he has obtained the express consent of the Board of Directors, a director must keep confidential the deliberations of the Board of Directors, any internal document and any other information to which he has access in the performance of his duties which is not publicly known and which has not been publicly disclosed by the Corporation;
- c) a director must avoid placing himself in any situation where his personal interest would be in conflict with his obligations as a director of the Corporation;
- d) a director must declare to the legal person any interest he has in an enterprise or association that may place him in a situation of conflict of interest and of any right he may set up against it, indicating their nature and value, where applicable.

23. Contracts or transactions – disclosure of interest

A director must disclose the nature and value of any interest he has in a contract or transaction to which the Corporation is a party. “Interest” means any financial stake in a contract or transaction that may reasonably be considered likely to influence decision-making. Furthermore, a proposed contract or a proposed transaction, including related negotiations, is considered a contract or transaction.

A director must also disclose a contract or transaction to which the Corporation and any of the following are a party:

- a) an associate of the director;
- b) a group of which the director is a director;
- c) a group in which the director or an associate of the director has an interest.

The director satisfies the requirement if he discloses, in a case specified in subparagraph b), the directorship or office held within the group or, in a case specified in subparagraph c), the nature and value of the interest he or his associate has in the group.

Unless it is recorded in the minutes of the first meeting of the Board of Directors at which the contract or transaction is discussed, the disclosure of an interest, contract or transaction must be made in writing to the Board of Directors as soon as the director becomes aware of the interest, contract or transaction.

The disclosure must be made even in the case of a contract or transaction that does not require approval by the Board of Directors.

24. Contracts or transactions – voting

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

- a) relates primarily to the remuneration of the director or an associate of the director as a director of the Corporation or an affiliate of the Corporation;
- b) relates primarily to the remuneration of the director or an associate of the director as an officer, employee or mandatary of the Corporation or an affiliate of the Corporation, if the Corporation is not a reporting issuer;
- c) is for the indemnification of the directors in certain circumstances or liability insurance taken out by the Corporation;
- d) is with an affiliate of the Corporation, and the sole interest of the director is as a director or officer of the affiliate.

If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present during deliberations, the other directors present are deemed to constitute a quorum for the purpose of voting on the resolution.

If all the directors are required to abstain from voting, the contract or transaction may be approved solely by the shareholders entitled to vote, by ordinary resolution. The disclosure must be made to the shareholders in a sufficiently clear manner before the contract or transaction is approved.

25. Remuneration

The Board of Directors determines the remuneration of the directors from time to time, by resolution. The directors are also entitled to be reimbursed for travel costs and reasonable expenses incurred in the performance of their duties.

E. MEETINGS OF THE BOARD OF DIRECTORS

26. Place

The Board of Directors meets at the head office of the Corporation or at any other place within or outside Quebec which the Chair of the Board of Directors may choose.

27. Calling of meeting

The Board of Directors meets as often as the Chair of the Board considers necessary. Board meetings are called by the chair of the Board, or by the secretary at the request of the Chair of the Board, or in the absence or in case of incapacity to act as Chair of the Board, at the request of two (2) directors. At least two (2) days' notice must be given.

In the event that the Chair of the Board (or the secretary, at the request of the Chair of the Board or in the absence or in case of incapacity to act as Chair of the Board) considers, at his discretion, that it is deemed urgent to call a meeting of the Board of Directors, he must see that the notice of the meeting be sent out using any possible means at least two (2) hours before the meeting and such notice shall be deemed sufficient for the meeting to be called.

The notice must state the time and place of the meeting and, where applicable, specify any matter referred to in section 11 of these by-laws.

A notice of meeting must be sent to each director, at his last known civic or electronic address, by any means providing proof of its sending.

A meeting may be held without notice if all the directors are present or if the absent directors agreed to the holding of such meeting. The meeting of the Board of Directors immediately following the annual shareholders meeting may take place without notice.

28. Waiver of notice

A director may, in writing, waive notice of a meeting; waiver of the notice may be validly given before or after the meeting. However, attendance of a director at a meeting of the board is a waiver of notice of the meeting unless the director attends the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called.

29. Participation by any means of communication

A director may participate in a meeting of the board by means of equipment - telephone, electronic or other - enabling all participants to communicate directly with one another. In such a case, the director is deemed to be present at the meeting.

30. Attendance

Only the directors may attend board meetings. Other persons may also attend as needed, with the authorization of the Chair of the Board or the majority of the directors present.

31. Quorum

A majority of the directors in office constitutes a quorum. A quorum of directors may validly exercise all the powers of the directors, despite any vacancy on the board.

32. Chair and secretary of the meeting

Meetings of the Board of Directors are chaired by the Chair of the Board or, by default, by the vice-chair of the board or by default by a director assigned by the other participating directors. The secretary acts as meeting secretary, drafts the minutes of the meeting and co-signs the minutes with the Chair of the meeting.

33. Procedure

The Chair of the Board directs the meeting and ensures that it is conducted in an orderly manner. He submits the business to be discussed to the board. A director may also submit business to be discussed.

34. Voting

Unless otherwise provided in the articles, the Board of Directors decides any issue by a majority of the votes. Each director is entitled to one vote. Voting by proxy is not permitted.

Voting is by a show of hands or, at the request of the Chair of the Board or a director, by secret ballot. A vote by secret ballot may be requested before or after a vote by a show of hands.

If voting is by secret ballot, the secretary acts as scrutineer and counts the ballots. The Chair of the Board does not have a tie-breaking vote in the case of a tie.

35. Dissent

A director who is present at a meeting of the board or a committee of the board is deemed to have consented to any resolution passed at the meeting unless:

- a) the director's dissent has been entered in the minutes;
- b) the director sends a written dissent to the secretary of the meeting before the meeting is adjourned; or
- c) the director delivers a written dissent to the Chair of the Board, sends it to the Chair of the Board by any means providing proof of the date of receipt or delivers it to the head office of the Corporation immediately after the meeting is adjourned.

A director is not entitled to dissent after voting for or consenting to a resolution.

36. Dissent of an absent director

A director who was not present at a meeting of the board or a committee of the board at which a resolution was passed is deemed to have consented to the resolution unless the director records his dissent within seven days after becoming aware of the resolution, by written notice delivered to the Chair of the Board, or sent to the Chair of the Board by any means providing proof of the date of receipt or delivered to the head office of the Corporation.

37. Adjournment

The Chair of the Board may, with the consent of the majority of the directors present, adjourn a meeting of the Board of Directors to a specified date, time and place without a new notice of meeting being required. The Chair of the Board may also adjourn a meeting *ex officio* if he considers it impossible to conduct it in an orderly manner.

The meeting is validly resumed if it is held on the specified date and at the specified place and if a quorum is present. If a quorum does not exist when the meeting resumes, the initial meeting is deemed to have ended immediately after it was adjourned.

38. Signed resolution

A resolution in writing, signed by all the directors entitled to vote on the resolution, has the same force as if it had been passed at a meeting of the board or, as the case may be, of a committee of the Board of Directors. These resolutions are kept with the minutes of meetings and the written resolutions of the Board of Directors.

The written resolutions that are signed electronically are as legally valid as a written signature.

39. Recording of deliberations

Only the secretary may record the deliberations of the Board of Directors, for the purpose of preparing the minutes. The secretary must destroy the recording once the concerned minutes have been approved.

F. OFFICERS

40. General

The officers of the Corporation are the Chair of the Board, the vice-chair of the board (if applicable), the president and chief executive officer, the chief financial officer, the vice-presidents, the secretary, the treasurer and/or the assistant-secretary(ies). The Board of Directors may designate another person as an officer by resolution.

41. Qualifications

The officers need not be directors or shareholders of the Corporation except for the Chair of the Board of Directors who must be a director. The same person may hold more than one position as officer.

42. Term of office

Unless the Board of Directors provides otherwise when he is appointed, an officer holds office from his appointment until the first meeting of the Board of Directors following the annual meeting or until a replacement has been named.

43. Cessation of office

An officer may resign at any time. The resignation of an officer takes effect on the date the Corporation receives the written notice he gives or on the later date indicated therein.

The Board of Directors or the president and chief executive officer may remove an officer at any time and the reason for the removal is not required to be given. However, the removal of the president, the Chair of the Board, the chief executive officer, the chief operating officer, or the chief financial officer regardless of their title, as their appointment, is the responsibility of the Board of Directors.

44. Vacancy

The Board of Directors may fill any vacancy in an office at any time.

45. Powers of officers

An officer exercises the powers attached to his position. He also exercises all the powers which the Board of Directors can delegate to him. In the event an officer is unable to act, the powers of such officer are exercised by any other person designated by the Board of Directors.

46. Duties of officers

The officers are mandataries of the Corporation. In this capacity, in the exercise of their functions, the officers are bound, among other things, toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

An officer must disclose the nature and value of any interest he has in a contract or transaction to which the Corporation is a party. An officer must disclose any contract or transaction to which the Corporation and any of the following are a party:

- a) an associate of the director or officer;
- b) a group of which the director or officer is a director or officer;

- c) a group in which the director or officer or an associate of the director or officer has an interest.

The officer satisfies the requirement if he discloses, in a case specified in subparagraph b), the directorship or office held within the group or, in a case specified in subparagraph c), the nature and value of the interest he or his associate has in the group.

In the case of an officer who is not a director, the disclosure must be made as soon as:

- a) the officer becomes an officer;
- b) the officer becomes aware that the contract or transaction is to be discussed or has been discussed at a meeting of the board; or
- c) the officer or the officer's associate acquires an interest in the contract or transaction, if it was entered into earlier.

The disclosure must be made even in the case of a contract or transaction that does not require approval by the Board of Directors.

47. Chair or vice-chair of the Board

The Chair of the Board or if necessary, the vice-chair, shall be chosen from among the directors. The Chair of the board presides over all the meetings of the directors and all shareholders meetings at which he is present and as such has all the powers and fulfils all his responsibilities that the Board of Directors may determine from time to time.

48. President

The president and chief executive officer controls and supervises the management of the activities and affairs of the Corporation. He signs the documents which require his signature. He also has the powers and fulfills all the responsibilities that the Board of Directors determines from time to time.

49. Vice-president

The vice-president (or vice presidents), exercises the powers and assumes the obligations that the Board of Directors determines from time to time. In the event of an absence, inability, refusal or omission to act as the president, the vice-president assigned by the directors can exercise his powers and fulfill all his responsibilities.

50. Secretary

The secretary is responsible for safekeeping the records and documents of the Corporation. He acts as secretary of the meetings of the Board of Directors and committees of the board as well as the meetings of shareholders. He signs the share certificates and other documents that require his signature and sends the directors and shareholders notice of meetings and other notices which may be required. He has all the powers and fulfills all the functions that the Board of Directors determines from time to time.

The assistant secretary fulfills all responsibilities assigned to him from time to time by the secretary.

51. Chief Financial Officer and/or Treasurer

He is in charge of the financial management of the Corporation. He oversees the financial situation of the Corporation and sees to the management of its property and the keeping of its accounting records. He reports periodically to the audit committee and to the Board of Directors on the financial situation of the Corporation. He signs the documents which require his signature.

52. Remuneration

The Board of Directors determines, from time to time, the remuneration of the president and chief executive officer, the Chair of the Board, the chief operating officer and of the chief financial officer, regardless of their title. The remuneration of the other officers is determined by management, subject to the powers devolved to the committee acting as the remuneration committees.

The officers are also entitled to be reimbursed the travel costs and all reasonable fees and expenses incurred in the performance of their duties.

G. COMMITTEES OF THE BOARD OF DIRECTORS

53. Creation

The Board of Directors may, by resolution, create one or more committees made up of directors. The resolution creating the committee sets out the number of directors making it up.

54. Powers

A committee of the Board of Directors exercises the powers delegated to it by the Board of Directors. However, the Board of Directors may not delegate the powers which it must exercise exclusively, according to the Act or section 11 of these by-laws.

A committee reports on its activities to the Board of Directors. Subject to the rights of third parties, the Board of Directors may overrule or modify a committee's decisions.

55. Cessation of office

A director may resign from a committee of the Board of Directors at any time. The resignation of a director becomes effective at the time the director's written resignation is received by the Corporation, or at the time specified in the resignation, whichever is later. The reason for the resignation is not required to be given.

The Board of Directors may, by resolution, replace a member of a committee of the board.

56. Vacancy

The Board of Directors may fill any vacancy on a committee of the board.

57. Meetings

Meetings of a committee of the board are called in the same manner as meetings of the Board of Directors.

58. Quorum

Unless otherwise provided in a resolution of the Board of Directors, the majority of the members of a committee of the board constitute a quorum.

59. Chair and secretary

Meetings of a committee of the board are Chaired by the Chair of the committee; in his absence, the members present choose a meeting Chair from among themselves. The secretary of the Corporation acts as secretary of any committee of the board. The members present at a meeting can, if necessary, choose another person as meeting Chair or secretary.

60. Procedure

Meetings of committees of the Board of Directors are held in the same manner as the meetings of the Board of Directors.

61. Written resolution

A written resolution, signed by all the members of the committee entitled to vote on this resolution has the same force as if it had been passed at a meeting of the committee. The resolutions are kept with the minutes of the meetings and the written resolutions of the Board of Directors.

The written resolutions that are signed electronically are as legally valid as a written signature.

62. Remuneration

The members of a committee of the board may, as such, receive the remuneration set by resolution of the Board of Directors.

H. PROTECTION OF DIRECTORS AND OFFICERS

63. Presumption

A director is presumed to have fulfilled the obligation to act with prudence and diligence if the director relied, in good faith and based on reasonable grounds, on a report, information or an opinion provided by one of the following persons:

- a) an officer of the Corporation who the director believes to be reliable and competent in the functions performed;
- b) legal counsel, professional accountants or other persons retained by the Corporation as to matters involving skills or expertise the director believes are matters within the particular person's professional or expert competence or as to which the particular person merits confidence; or
- c) a committee of the Board of Directors of which the director is not a member if the director believes the committee merits confidence.

64. Relief Provided by the Act

A director cannot be held liable under sections 154, 155, 156, 287 or 392 of the Act if the director acted with a reasonable degree of prudence and diligence in the circumstances. Furthermore, for the purposes of sections 155, 156, 287 and 392 of the Act, the court may, after considering all the circumstances and on the terms the court considers appropriate, relieve a director, either wholly

or partly, from the liability the director would otherwise incur if it appears to the court that the director has acted reasonably, honestly and loyally, and ought fairly to be excused.

I. INDEMNIFICATION AND LIABILITY INSURANCE

65. Indemnification

Subject to the following, the Corporation must indemnify a director or officer of the Corporation, a former director or officer of the Corporation, a mandatary, or any other person who acts or acted at the Corporation's request as a director or officer of another group against all costs, charges and expenses reasonably incurred in the exercise of their functions, including an amount paid to settle an action or satisfy a judgment, or arising from any investigative or other proceeding in which the person is involved if

- a) the person acted with honesty and loyalty in the interest of the Corporation or, as the case may be, in the interest of the other group for which the person acted as director or officer or in a similar capacity at the Corporation's request; and
- b) in the case of a proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that his conduct was lawful.

The Corporation must also advance monies to such a person for the costs, charges and expenses of a proceeding referred to in the first paragraph.

However, in the event that a court or any other competent authority judges that the conditions set out in subparagraphs a) and b) above are not fulfilled, or that the person has a committed intentional or gross fault, the Corporation may not indemnify the person and the person must repay to the Corporation any monies advanced.

The indemnity provided for in the preceding paragraphs can be obtained even if a person has ceased being a director, officer or representative of the Corporation. In case of death, the indemnity can be paid to the heirs, legatees, liquidators, assignees, authorized representants or beneficiaries of this person.

66. Actions by or on behalf of the Corporation

The Corporation may, with the approval of the court, in respect of an action by or on behalf of the Corporation or other group referred to in the preceding section against a person referred to in the preceding section, advance the necessary monies to the person or indemnify the person against all costs, charges and expenses reasonably incurred by the person in connection with the action, if the person fulfills the conditions set out in the preceding section.

67. Liability insurance

The Corporation must purchase and maintain insurance for the benefit of its directors, officers and other mandataries against any liability they may incur as such or in their capacity as directors, officers or mandataries of another group, if they act or acted in that capacity at the Corporation's request.

J. SHAREHOLDERS MEETINGS

68. General

The Corporation must hold an annual meeting of shareholders; it may hold one or more special meetings of shareholders as needed.

69. Annual meeting

An annual meeting must be held fifteen (15) months after the last preceding annual meeting. The following business is discussed at the annual meeting:

- a) the presentation and examination of the financial statements of the Corporation for the fiscal year ended within six months of the date of the meeting;
- b) the presentation and examination of any other financial information required by the articles or the by-laws to be presented to the shareholders;
- c) the presentation and examination of the auditor's report, where applicable;
- d) the renewal of the auditor's term, where applicable;
- e) the election of directors.

The annual meeting may also examine and discuss any other business.

The Board of Directors calls the annual shareholders meeting. Otherwise, the meeting may be called by the shareholders in accordance with the rules for calling special meetings at the request of the shareholders as provided in the Act.

70. Place

A meeting is held in the province of Quebec, at the place determined by the Board of Directors.

71. Calling of meeting

Notice of a shareholders meeting must be sent to each shareholder entitled to vote at the meeting and to each director at least twenty-one (21) days, but at the most sixty (60) days before the meeting.

If a director or a shareholder entitled to vote at a shareholders meeting gives written notice not less than ten (10) days before the meeting to the auditor or a former auditor of the Corporation, the auditor or former auditor attends the meeting at the Corporation's expense and answers any question relating to their duties as auditor.

72. Notice of meeting

Subject to the *Securities Act* and the applicable securities regulations, the notice of a shareholders meeting must be sent to each shareholder able to vote and to each director, in writing, by any means providing proof of the date of sending. It is sent to such persons at the address indicated in the Corporation's records. If a person's address is not indicated in the Corporation's records, the notice of meeting must be sent to the address where, in the opinion of the person sending such notice, it is the most likely to reach the person the quickest.

The notice of meeting is sent to the shareholders entered in the securities register at the record date.

A certificate from the secretary or any other duly authorized officer of the Corporation in office at the time of the preparation of such certificate, or any officer, transfer agent, or share transfer registrar of the Corporation constitutes proof of the sending of the notice of meeting and ties in each shareholder.

The notice of meeting indicates the date, time and place of the meeting as well as the business on the agenda. It also states, where applicable, the date by which the proxies of the shareholders wishing to be represented at the meeting must be received by the Corporation; such date may not be more than forty-eight (48) hours, excluding Saturdays and holidays, before the date of the meeting or any adjournment thereof.

The notice of meeting must state the business on the agenda in sufficient detail to permit the shareholders to form a reasoned judgment on it, and contain the text of any special resolution to be submitted to the meeting.

Irregularities in the notice of meeting or in its sending do not affect the validity of the meeting. Similarly, the unintentional failure to send a notice of meeting to a person entitled to it, or the failure to receive it by a person entitled to the notice, does not invalidate the resolutions passed at the meeting. In addition, the unintentional failure to include a matter to be discussed at the meeting in the notice does not prevent the meeting from discussing such business, unless the interests of a shareholder or director are or could be affected thereby.

73. Record Date

The Board of Directors may fix, in conformity with the applicable requirements of the securities regulations, before any annual shareholders meeting or special shareholders meeting, the record date for the determination of the shareholders entitled to receive notice of any such meeting.

74. Waiver

A shareholder or director may, in writing, waive notice of a shareholders meeting; waiver of the notice may be validly given before or after the meeting. Their attendance at the meeting is a waiver of notice of the meeting unless they attend the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called or held.

75. Holding of or participation in meeting by electronic means

A shareholders meeting may be held solely by means of equipment enabling all participants to communicate directly with one another.

Furthermore, any person entitled to attend a shareholders meeting may participate in the meeting by means of any equipment enabling all participants to communicate directly with one another. A person participating in a meeting by such means is deemed to be present at the meeting.

Any shareholder participating in a shareholders meeting by means of equipment enabling all participants to communicate directly with one another may vote by any means enabling votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote when a secret ballot has been requested.

76. Quorum

A quorum of shareholders is present at a shareholders meeting if, at the opening of the meeting, the holders of a majority of the shares that carry the right to vote at the meeting are present in

person or represented by proxy. The shareholders present or represented by proxy may proceed to the consideration of the matters raised at the meeting despite the fact that a quorum is not maintained throughout the meeting.

If a quorum is not present at the opening of the meeting, the shareholders present may adjourn the meeting to a specific time and place but may not transact any other business.

77. Meeting Chair and secretary

The Chair of the Board of the Corporation or, in his absence, the vice-chair of the Board, if any, or in his absence, the president and chief executive officer of the Corporation or any other person that may be named by the Board of Directors from time to time Chairs a shareholders meeting. The secretary of the Corporation acts as meeting secretary.

If the person who is to Chair the meeting is not present at the meeting within 15 minutes after the time appointed for the meeting, the shareholders present choose one of their own to Chair of the Board the meeting.

78. Procedure

The Chair of the meeting directs the meeting and ensures its orderly conduct. His decisions, including those relating to the validity of proxies, are final and binding on all the shareholders.

The Chair of the Board of a shareholders meeting must allow shareholders to raise and discuss, for a reasonable period of time, any matter the primary purpose of which relates to the business or affairs of the Corporation and which is not to enforce a personal claim or redress a personal grievance against the Corporation or its directors, officers or shareholders.

At a shareholders meeting, unless a vote is demanded, a declaration by the Chair of the Board of the meeting that a resolution of the shareholders has been carried and that an entry to that effect has been made in the minutes of the meeting is, in the absence of any evidence to the contrary, proof of that fact, without it being necessary to prove the number or proportion of the votes recorded for and against the resolution.

79. Voting

Unless otherwise provided in the articles, each share of the Corporation entitles the holder to one vote.

80. Majority decision

Unless otherwise provided in the law, the articles or the by-laws, a decision of the shareholders is adopted by ordinary resolution.

81. Tie-breaking vote

In the case of a tie, the Chair of the meeting has a tie-breaking vote.

82. Voting

Voting is conducted by a show of hands, open voice or secret ballot.

83. Voting by a show of hands

Voting is conducted by a show of hands unless an open voice vote or a ballot is demanded. In such a case, the shareholders or proxies vote by raising their hand and the number of votes is calculated according to the number of hands raised.

A proxyholder who has conflicting instructions from more than one shareholder may not vote by a show of hands.

84. Open voice voting

The Chair of the meeting, a shareholder or a proxyholder may demand an open voice vote unless a ballot has been demanded. In such a case, each shareholder or proxyholder verbally states his name, that of the shareholder or shareholders whose proxy he holds, the number of votes he holds and the breakdown of such votes.

85. Voting by secret ballot

Voting is conducted by secret ballot if the Chair of the board of the meeting, a shareholder or a proxyholder so requests, in the manner indicated by the Chair of the meeting. Each shareholder or proxyholder gives the scrutineers a ballot indicating his name, that of the shareholder whose proxy he holds, the number of votes he holds and the breakdown of such votes.

A shareholder may demand a ballot either before or after a vote by show of hands. A demand for a secret ballot may be withdrawn any time before voting begins.

When voting is conducted by secret ballot, the meeting appoints one person to act as scrutineer.

86. Scrutineer

The Chair of the Board of any shareholder meeting can appoint one or two persons to act as scrutineers.

87. Voting by a group

A natural person authorized by a resolution of the Board of Directors or of the management of a shareholder who is a group may participate in and vote at a shareholders meeting.

88. Voting by the administrator of the property of others

A person acting for a shareholder as administrator of the property of others may participate in and vote at a shareholders meeting.

89. Voting by joint shareholders

If two or more persons hold shares jointly, one of those shareholders present at a shareholders meeting may, in the absence of the others, exercise the voting right attached to those shares. If more than one (1) shareholder are present, they shall vote as one shareholder.

90. Proxies

A shareholder may be represented at a shareholders meeting by a proxyholder. A shareholder so represented is deemed to be present at the meeting. Any person, whether or not a shareholder of the Corporation, may be appointed a proxyholder. A proxyholder has the same rights as the

shareholder represented to speak at a shareholders meeting in respect of any matter and to vote at the meeting.

A proxy must be in writing and signed by the shareholder. In addition to the date, the proxy must include the name of the proxyholder and, if applicable, revoke any former proxy.

A proxy may also contain voting instructions which the proxyholder is required to follow. A proxy is not required to be witnessed.

Unless otherwise indicated, a proxy lapses one year after the date it is given. It may be revoked at any time.

A proxy may be filed with the secretary of the Corporation or any authorized person. A proxy mechanically reproduced or sent by fax or any other means of communication providing proof of the date of receipt is valid.

91. Preservation of ballots and proxies

The Corporation must, for at least three months after a shareholders meeting, keep at its head office the ballots cast and the proxies presented at the meeting. Any shareholder or proxyholder who was entitled to vote at the meeting may, without charge, inspect the ballots and proxies kept by the Corporation.

92. Adjournment

The Chair of the meeting may adjourn any shareholders meeting, with the consent of the shareholders present or represented by proxy. The Chair of the meeting may also adjourn a meeting *ex officio* if he believes it is impossible to conduct it in an orderly manner.

If a shareholders' meeting is adjourned for less than thirty (30) days, it is not necessary to give notice of the adjourned meeting other than by announcement at the original meeting. If a shareholders' meeting is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting must be given as for an original meeting.

The meeting is validly resumed if it is held on the date and at the time and place announced and if there is a quorum. In the absence of a quorum at the resumed meeting, the original meeting is deemed to have terminated immediately after its adjournment.

93. Signed resolution

A resolution in writing signed by all the shareholders entitled to vote on the resolution is as valid as if it had been passed at a shareholders meeting. The resolution must be kept with the minutes of the shareholders meetings and written resolutions.

The written resolutions that are signed electronically are as legally valid as a written signature.

K. SHARES AND CERTIFICATES

94. Issue of shares

Subject to the existence of a pre-emptive right granted to the shareholders, shares may be issued at the times, to the persons, including the directors or officers of the Corporation, and for the consideration the Board of Directors determines. In exercising this power, the Board of Directors may, by resolution, accept subscriptions, issue the unissued shares of the Corporation's share capital and grant an exchange right, option or right to acquire shares of the Corporation.

95. Payment of shares

The shares of the Corporation may be issued whether or not they are fully paid. However, shares may only be considered paid if consideration equal to the issue price (which may not be less than the par value, if any, of the shares) determined by the Board of Directors has been paid to the Corporation.

Consideration for the shares issued by the Corporation is payable in money, or in property or past services determined by the Board of Directors to be the fair equivalent of the money consideration, considering all the circumstances.

A promissory note or a promise to pay made by a person to whom shares are issued, or a person who does not deal at arm's length, within the meaning of that expression in the *Taxation Act* (R.S.Q., chapter I-3), with a person to whom shares are issued does not constitute consideration for the shares.

96. Share certificates

Shares issued by the Corporation may be certificated shares or uncertificated shares. A certificated share is represented by a paper certificate in registered form, and an uncertificated share is represented by an entry in the securities register in the name of the shareholder.

Unless otherwise provided in the articles of the Corporation, shares are issued as certificated shares unless the Board of Directors determines, by resolution, that the shares of any class or series of shares or certain shares of a class or series are to be issued as uncertificated shares.

The Board of Directors may also, by resolution, determine that certificated shares become uncertificated shares as soon as the paper certificate is surrendered to the Corporation.

97. Certificated shares

In the case of certificated shares, the Corporation must issue to the shareholder, without charge, a certificate in registered form. The Corporation is not required to issue more than one certificate for shares held jointly by two or more persons.

The Board of Directors adopts the form of the share certificate by resolution, as governed by the Act.

The share certificates of the Corporation must be signed by the secretary or by any director or any officer. This signature may be affixed by an automatic device or electronic process.

In the absence of any evidence to the contrary, the certificate is proof of the shareholder's title to the shares represented by the certificate.

The seal is not required to be affixed to the share certificate.

98. Uncertificated shares

In the case of uncertificated shares, the Corporation must send the shareholder a written notice containing the information prescribed by the Act.

99. Damaged, lost or destroyed certificates

If a shareholder claims that a share certificate has been lost, wrongfully taken or destroyed, the Corporation must issue a new certificate if the shareholder:

- a) so requests before the Corporation has notice that the lost, wrongfully taken or allegedly destroyed share certificate has been delivered to a protected purchaser within the meaning of the *Act respecting the transfer of securities and the establishment of security entitlements*;
- b) provides security sufficient in the Corporation's judgment to protect the Corporation from any loss that the Corporation may suffer by issuing a new certificate; and
- c) satisfies any other reasonable requirements imposed by the Corporation.

100. Unpaid shares

Unless the terms of payment for shares are determined by contract, the Board of Directors may call for payment of all or part of the unpaid amounts on shares subscribed or held by the shareholders, the whole as provided by the Act.

101. Transfer of shares

The transfer of shares of the Corporation is governed by the *Act respecting the transfer of securities and the establishment of security entitlements*.

Shares that are not fully paid but for which no instalment is payable may only be transferred with the authorization of the Board of Directors. The directors must reasonably verify the acquirer's ability to pay for the shares before authorizing the transfer.

A share may not be transferred until all instalments payable up to the time of transfer have been fully paid.

102. Transmission of shares

In the event of a transfer of shares by will, the Corporation may consider as entitled to exercise the rights of a deceased shareholder, an heir or personal representative of the heirs or of the succession of that shareholder, upon reception of sufficient proof of their appointment. That person is entitled to become the registered holder of the shares of the deceased or to designate those holders upon delivery to the Corporation of an affidavit or declaration setting out the conditions of the transfer and, as the case may be, of (a) an original of the decision concerning the probate of the will or the notarized minutes of the probate, or a copy of one of the aforementioned documents certified by the Court which rendered the decision or by the notary who prepared the minutes, or by a trust company constituted under provincial or federal legislation or by an attorney or notary acting on behalf of that person, (b) a certified true copy of the notarial will.

L. DIVIDENDS

103. Declaration of dividends

Unless otherwise provided in the articles, the Board of Directors may declare and the Corporation may pay a dividend either in money or property or by issuing fully paid shares or options or rights to acquire fully paid shares of the Corporation.

The Corporation may not declare and pay a dividend, except by issuing shares or options or rights to acquire shares, if there are reasonable grounds for believing that the Corporation is, or would after the payment be, unable to pay its liabilities as they become due.

The Corporation may deduct from the dividends payable to a shareholder any amount due to the Corporation by the shareholder, on account of calls for payment or otherwise.

104. Record Date

The Board of Directors may fix, in advance, in accordance with applicable securities regulations, a record date for the determination of the shareholders entitled to receive dividends.

M. FISCAL YEAR AND AUDITOR

105. Fiscal year

The fiscal year of the Corporation ends on December 31st or on the date set by resolution of the Board of Directors.

106. Auditor

The shareholders of the Corporation appoint an auditor at each annual shareholders meeting. The auditor is appointed by ordinary resolution. The term of the auditor begins on appointment. The auditor's remuneration is fixed by ordinary resolution of the shareholders at the time of appointment. If it is not fixed at that time, it is fixed by the Board of Directors.

The shareholders may, by ordinary resolution at a special meeting, remove the auditor from office. They may appoint a new auditor by ordinary resolution at the same meeting.

Subject to the shareholders' right to fill the vacancy after removing an auditor, the Board of Directors fills a vacancy in the office of auditor without delay for the unexpired term.

N. NOTICE

107. Shares registered in the name of more than one person (joint shareholders)

Subject to the *Securities Act* and the applicable securities regulations, if two or more persons hold shares jointly, any notice or other document relating to such shares is sent to the first shareholder indicated in the Corporation's securities register. Such notice or other document is deemed to have been sent to all the other shareholders.

108. Registered shareholder

Before due presentation for registration of transfer of a certificated share or the receipt of an instruction for registration of transfer of an uncertificated share, the Corporation may treat the shareholder registered in the securities register as the person exclusively entitled to receive notices or other documents.

109. Address of shareholders

A shareholder must provide the Corporation with an address to which all notices or documents for him are sent.

110. Signing of notices

Notices sent by the Corporation are signed by a director, officer or any other authorized person. Their signature may be affixed by an automatic device or electronic process.

111. Calculation of time limits

Unless otherwise provided in these by-laws, in computing any time limit fixed by the articles or these by-laws:

- a) the day which marks the start of the time limit is not counted, but the terminal day is counted;
- b) non-judicial days within the meaning of the *Code of Civil Procedure* are counted; but when the last day is a non-judicial day, the time limit is extended to the next following judicial day;
- c) Saturday is considered a non-judicial day.

O. OTHER PROVISIONS

112. Declarations in the enterprise register

A director, officer or any authorized person signs the declarations which must be sent by the Corporation to the enterprise registrar under the *Act respecting the legal publicity of enterprises*.

113. Conflict with the Act and the articles

In the event of a contradiction between the Act, the articles and the by-laws, the Act shall prevail over the articles and the by-laws and the provisions of the articles shall take precedence over the by-laws.

114. By-laws

The Board of Directors adopts the Corporation's by-laws. The by-laws are effective as of the date of the resolution of the board. The by-laws must be submitted to the shareholders for approval at the next shareholders meeting, and the shareholders may, by ordinary resolution, ratify, reject or amend them. They cease to be effective at the close of the meeting if they are rejected by or not submitted to the shareholders.

The rules of this section apply, with the necessary modifications to the amendment or repeal of by-laws.

Any new by-law adopted by the Board of Directors that has substantially the same purpose or effect as a by-law previously rejected by or not submitted to the shareholders at the meeting is not effective until confirmed by the shareholders.

Adopted by the Board of Directors on March 30th, 2011 and ratified by the shareholders on _____, 2011.

Secretary

SCHEDULE B

CORPORATE GOVERNANCE PRACTICES

1. BOARD OF DIRECTORS

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

Directors	Independent	Non independent
Marc A. Courtois	√	
Pierre Dion		Mr. Pierre Dion is not independent because he is President and Chief Executive Officer of the Corporation.
Jacques Dorion	√	
Nathalie Elgrably-Lévy	√	
Serge Gouin	√	
Sylvie Lalande	√	
A. Michel Lavigne	√	
Jean-Marc Léger	√	
Pierre Karl Péladeau		Mr. Pierre Karl Péladeau is not independent because he is an executive officer of Quebecor Media Inc. and of Quebecor Inc. In addition, Pierre Karl Péladeau controls Quebecor Inc. through the voting rights conferred by the shares held or controlled by him.
André Tranchemontagne	√	

The Board of Directors has determined that its Chairman, Serge Gouin, was independent because he acts in those capacities on a part-time basis only. During the most recently completed year, five meetings of the independent directors, at which members of Management were not in attendance, were held, and this, in conformity with the mandate of the Board of Directors.

A number of directors of the Corporation are also members of the Board of Directors of another reporting issuer. This information is set out under "Election of directors" of this Circular.

The conditions attached to the broadcasting licences of the Corporation stipulate that a maximum of 40% of the directors of the Corporation can be members, or previous members, of the Board of directors of Quebecor or QMI, or of any Board of directors of a company controlled directly or indirectly by Quebecor or QMI.

Five meetings of the Board of Directors were held during the 2010 fiscal year. The attendance record of each director at meetings of the Board of Directors held during the fiscal year ended December 31, 2010 is set out under "Attendance at Board of Directors and Committee meetings" of this Circular.

2. BOARD AND DIRECTORS MANDATE

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

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

A copy of the Board Mandate is annexed hereto as Schedule "C". A copy of the Board Mandate is also available on the Corporation's Website at www.tva.canoe.ca.

3. POSITION DESCRIPTIONS

a) Chairman of the Board and Committee Chairman

The Board of Directors has adopted position descriptions for the Chairman of the Board and the chairman of each Board committee.

The Chairman of the Board is responsible for the operation of the Board of Directors. He ensures that the Board of Directors fully executes its mandate and that the directors clearly understand and respect the boundaries between the responsibilities of the Board of Directors and the responsibilities of Management.

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

Position descriptions (chairman mandates) are available on the Corporation's Website at www.tva.canoe.ca.

b) President and Chief Executive Officer

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.

4. ORIENTATION AND CONTINUING EDUCATION

Each director receives a Guide for Directors which is updated periodically. The Guide contains, among other things, the mandates and working plans of the Board of Directors and the committees, as well as useful information about the Corporation. Senior management of the Corporation also provides directors with historical and forward-looking information regarding the Corporation's market position, operations and financial situation, so as to ensure that the directors understand the nature, functioning and positioning of the Corporation.

The Board of Directors meetings and Board committee meetings in which directors participate, as well as discussions with senior management, allow the directors to quickly familiarize themselves

with the Corporation's operations and positioning and thereby gain the skill and knowledge necessary to meet their obligations as directors.

5. ETHICAL BUSINESS CONDUCT

The Board of Directors adopted a Code of Business Conduct to encourage and promote a culture of ethical business conduct within the Corporation. The Code of Business Conduct 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.tva.canoe.ca.

The Board of Directors has not allowed departures from the Code of Business Conduct by a director or executive officer during the fiscal year 2010. Accordingly, no material change report was needed or filed.

If a director is in a situation of conflict of interests during any discussions occurring at a meeting of the Board of Directors or one of its committees, he must declare his interest and withdraw from the meeting so as not to participate in the discussions or in any decisions which may be made.

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

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

The Board of Directors has also approved a Communications Policy with the objective to ensure that disclosure to the investing public regarding the Corporation is made in a timely manner, in keeping with the facts, accurately and widely, in accordance with the applicable statutory and regulatory requirements.

6. NOMINATION OF DIRECTORS

The Chairman of the Board consults the members of the Board in that regard and reviews the criteria for the selection of directors in assessing, on the one hand, skills, personal qualities, business experience and diversity of experience within the Board of Directors and, on the other hand, the needs of the Corporation.

However, the Board of Directors must also take into account the shareholders' agreement between CDP and Quebecor under which the shareholders agreed to exercise the voting rights associated with their shares in order to appoint to the Board of Directors of TVA a number of members proportional to their interest in shares in the capital stock of QMI. Two nominees are therefore designated to the Board of Directors of TVA by CDP. For the year 2010, those two directors were A. Michel Lavigne and André Tranchemontagne.

The Corporation has not established a committee to recruit new candidates for Board of Directors nomination.

7. COMPENSATION

The Compensation Committee is responsible for reviewing annually the compensation of the Corporation's directors, as well as the compensation of members and chairpersons of the Board committees and the compensation of the Chairman of the Board.

The Compensation Committee is also responsible for reviewing and approving the amount and method of compensation of the executive officers. The Committee reviews this compensation once a year. The Chairman of the Committee reports thereon the decisions and recommendations to the Board.

The mandate of the Compensation Committee requires the Committee to be composed of three directors, the majority of whom are considered independent directors. Currently, all the members of this Committee are independent; the Committee is composed of the following persons:

Chairman: Serge Guin
Members: Jacques Dorion
Sylvie Lalande

The Committee is responsible for the succession planning process for executive officers. It also makes recommendations to the Board of Directors on the appointment of executive officers and the compensation of directors. It reviews the objectives of the Chief Executive Officer, assesses his performance in relation to those objectives and submits them to the Board of Directors for approval. The Committee also reviews the compensation of the Chief Executive Officer and of the Chief Financial Officer and recommends their compensation to the Board of Directors. The Committee authorizes the granting of options under the Corporation's Stock Option Plan. All the minutes of the Compensation Committee are submitted to the Board of Directors of the Corporation for information, and the Committee Chairman also reports to the Board of Directors on its activities. A copy of the mandate is available on the Corporation's Website at www.tva.canoe.ca.

During the 2010 fiscal year, the Corporation did not retain the services of a compensation consultant to assist in determining the compensation of directors and officers, except for the compensation of Pierre Dion. The costs were borne by QMI.

8. AUDIT COMMITTEE

The Audit Committee is composed exclusively of independent directors:

Chairman: Marc A. Courtois
Members: A. Michel Lavigne
André Tranchemontagne

The Audit Committee assists the Board of Directors in overseeing the financial controls and reporting of 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.

The Corporation hereby incorporates by reference the additional information on its Audit Committee set out in its Annual Information Form for the fiscal year ended December 31, 2010. The Annual Information Form is available under the Corporation's SEDAR profile at www.sedar.com or on the Corporation's Website at www.tva.canoe.ca.

9. OTHER BOARD OF DIRECTORS COMMITTEES

There are no standing committees of the Board of Directors other than the Audit Committee and the Compensation Committee whose mandates are summarized hereinabove.

10. ASSESSMENT

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

On an annual basis, the Chairman of the Board meets each of the directors individually to review the effectiveness of the Board and the contribution of its members.

SCHEDULE C

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors (the “**Board**”) of TVA Group Inc. (the “**Corporation**”) is responsible for supervising 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 its committees. However, such delegation does not relieve the Board of its overall responsibilities with regards to the management of the Corporation.

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

COMPOSITION AND QUORUM

The majority of the members of the Board must be considered independent² by the Board, as defined in the laws and regulations. The Board considers annually the independence of each of its members. The members of the Board are elected annually by the holders of Class A common shares. Throughout the term of the mandate, the members of the Board may fill any vacancy on the Board.

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

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

RESPONSIBILITIES

The Board has the following responsibilities:

- A. With respect to strategic planning
 - 1. Review and approve annually the strategic planning of the Corporation including its financial strategy and business priorities.
 - 2. Review and, at the option of the Board, approve all strategic decisions for the Corporation, including acquisitions or sales of shares, assets or businesses which exceed the delegated approval powers.

- B. With respect to human resources and performance assessment
 - 1. Appoint the President and Chief Executive Officer. Select a Chairman among the members of the Board.
 - 2. Approve the appointment of the other senior management executives.

² A director is independent if he has no direct or indirect material relationship with the Corporation i.e. he has no relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of his independent judgment.

3. Ensure that the Compensation Committee assesses annually the performance of the Chief Executive Officer and of senior management, taking into consideration the Board's expectations and the objectives that have been set.
 4. Approve, upon recommendation of the Compensation Committee, the compensation of the Chairman, the Chief Executive Officer and the Chief Financial Officer, as well as the general objectives the Chief Executive Officer must achieve.
 5. Monitor the management succession planning process.
- C. With respect to financial matters and internal controls
1. Ensure the integrity and quality of the Corporation's financial statements and the adequacy of the disclosure made.
 2. Review and approve the annual and quarterly financial statements and management's discussion and analysis. Review the press release relating thereto.
 3. Approve operating and capital budgets, the issuance of securities and, subject to authority limit policies, all transactions outside the ordinary course of business, including proposed amalgamations, acquisitions or other material transactions such as investments or divestitures.
 4. Determine dividend policies and declare dividends when deemed appropriate.
 5. Ensure that appropriate systems are in place to identify business risks and opportunities and oversee the implementation of an appropriate process for risk assessment and management of key risks that the Corporation is faced with.
 6. Monitor the Corporation's internal control and management information systems.
 7. Monitor the Corporation's compliance with legal and regulatory requirements applicable to its operations.
 8. Review, when needed and upon recommendation of the Audit Committee, the Corporation's communications policy, monitor the Corporation's dealings with analysts, investors and the public and ensure that measures are in place in order to facilitate shareholder feedback.
- D. With respect to corporate governance matters
1. Ensure that management manages the Corporation competently and in compliance with applicable legislation, including 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 Business Conduct is in place and distributed to all employees. Ensure compliance with the Code.
 4. Authorize the members of the Board to hire external advisors at the expense of the Corporation when the circumstances so require. The Chairman of the Board must be kept informed of such undertaking.

5. Review the size and composition of the Board and its committees based on qualification, skills and personal abilities sought in Board members. Review annually the composition of Board committees and appoint committee chairpersons. Review annually the mandates of Board committees.
6. Approve the list of Board nominees for election by shareholders.
7. Determine the independence of directors annually pursuant to the rules on the independence of directors.
8. Review and approve the Corporation's management proxy circular as well as the annual information form and all documents or agreements requiring its approval.
9. Receive annually an attestation from the Board's committees confirming that all required elements included in their mandate and working plan have been covered.
10. 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. A special meeting of the Board is held annually in order to review and approve the Corporation's strategic plan as well as operating and capital budgets.
2. The Chairman 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 of the Corporation on a timely basis.
3. The independent directors meet after each meeting of the Board, or more frequently, as required.