



ANNUAL INFORMATION FORM

January 24, 2019
Fiscal Year Ended October 28, 2018

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Note: In this Annual Information Form, all dollar figures are in Canadian dollars, unless otherwise specified. All the information contained in this Annual Information Form is up to date as of October 28, 2018, unless otherwise specified.

Item 1 - Corporate Structure

1.1 Incorporation of the Corporation

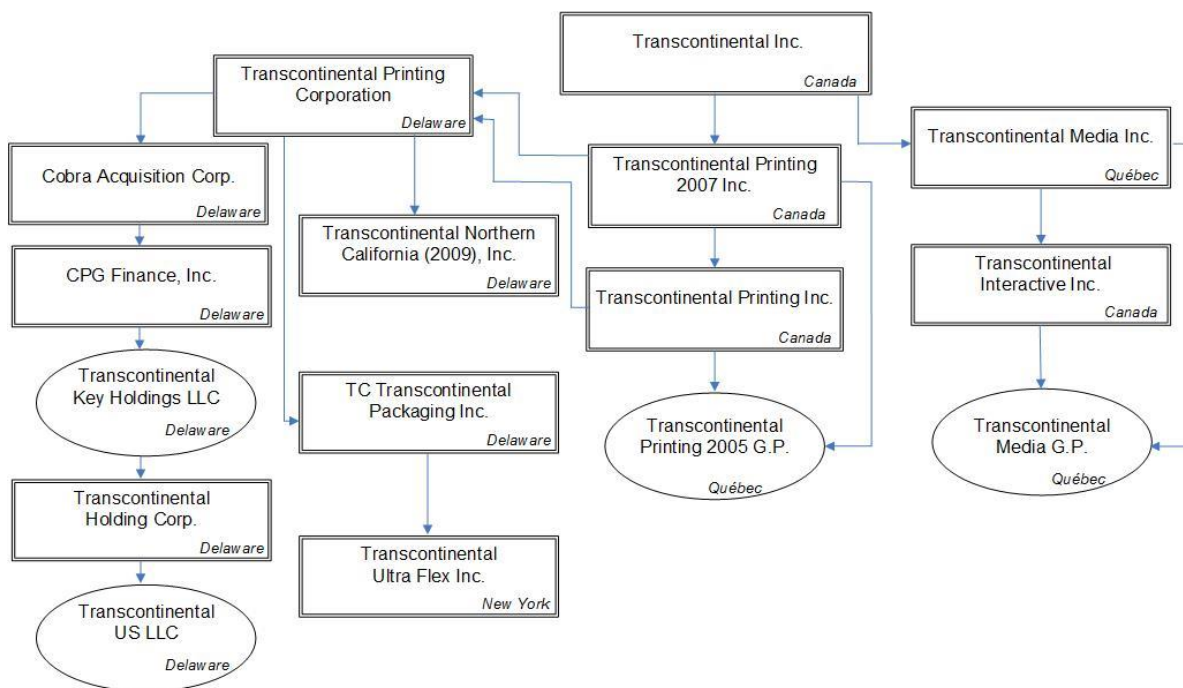
Transcontinental Inc. (the "Corporation") was incorporated under the *Canada Business Corporations Act* by Certificate of Incorporation dated March 3, 1978. A Restated Certificate of Incorporation was issued on October 7, 1988, containing amendments pertaining to the name of the Corporation, the number and appointment of directors of the Corporation and the share capital of the Corporation. Since the issuance of the Restated Certificate of Incorporation, the Articles of Incorporation of the Corporation have again been modified. Specifically, on March 27, 2003, the Corporation modified its corporate name from G.T.C. Transcontinental Group Ltd. to Transcontinental Inc. and split the number of Class A Subordinate Voting Shares and the number of Class B Shares on the basis of two Class A Subordinate Voting Shares for each Class A Subordinate Voting Share held and two Class B Shares for each Class B Share held, all of which took effect on April 10, 2003.

The registered office of the Corporation is located at 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1.

In this Annual Information Form, the term "Corporation" means Transcontinental Inc. and the expressions "TC Transcontinental", "we" and "our" mean, depending upon the context, the Corporation, its subsidiaries (which include, for purposes of this Annual Information Form, partnerships, trusts and other unincorporated business entities) and other affiliated entities of the Corporation, or one or more of its affiliated entities.

1.2 Intercorporate Relationships

The Corporation's principal direct or indirect subsidiaries as of October 28, 2018 as well as their jurisdiction of creation are shown on the following corporate chart:



The Corporation has other subsidiaries, but they have not been included in the chart because each represents less than 10% of our total consolidated assets and less than 10% of our total consolidated operating revenues as of October 28, 2018, and these other subsidiaries, together, represented less than 20% of our total consolidated assets and less than 20% of our total consolidated operating revenues as of October 28, 2018. All of the shares or units of such subsidiaries are held directly or indirectly by the Corporation.

Item 2 - Our Business

2.1 Profile

TC Transcontinental is a leader in flexible packaging in North America, and Canada's largest printer. The Corporation is also a Canadian leader in its specialty media segments. For over 40 years, TC Transcontinental's mission has been to create products and services that allow businesses to attract, reach and retain their target customers.

Respect, teamwork, performance and innovation are the strong values held by the Corporation and its employees. TC Transcontinental's commitment to its stakeholders is to pursue its business activities in a responsible manner.

Transcontinental Inc. (TSX: TCL.A TCL.B), known as TC Transcontinental, has over 9,000 employees, the majority of which are based in Canada, the United States and Latin America. TC Transcontinental had revenues of approximately C\$2.6 billion for the fiscal year ended October 28, 2018. For more information, visit TC Transcontinental's website at www.tc.tc.

Packaging Sector

TC Transcontinental Packaging, the Packaging Sector of TC Transcontinental, positions itself as leader in flexible packaging in North America, and also has operations in Guatemala, Mexico, Ecuador, United Kingdom, New Zealand and China. This sector has over 4,000 employees, the majority of which are based in the United States. Its platform is comprised of one premedia studio and 28 production plants specializing in extrusion, lamination, printing and converting. TC Transcontinental Packaging offers a variety of flexible plastic and paper products, including rollstock, bags and pouches, shrink films and bags, and advanced coatings. This sector services a variety of markets, including dairy, coffee, meat and poultry, pet food, agriculture, beverage, confectionery, industrial, consumer products and supermarkets.

Printing Sector

TC Transcontinental Printing, the Printing Sector of TC Transcontinental, is the largest printer in Canada and one of the largest in North America. This sector has over 4,300 employees and possesses a network of 16 state-of-the-art plants. TC Transcontinental Printing provides an integrated service offering for retailers, including premedia services, flyer and in-store marketing product printing, and door-to-door distribution through Publisac in Québec and Targeo, a pan-Canadian distribution brokerage service. This sector also offers an array of innovative print solutions for newspapers, magazines, 4-colour books and personalized and mass marketing products.

Media Sector

TC Media, the Media Sector of TC Transcontinental, is a leader in its specialty media segments in Canada, with flagship brands catering to the business, financial and construction sectors, including an event planning component. This sector, which employs over 350 people, is also positioned as Canada's largest publisher of French-language educational resources.

2.2 Description of the Operations

The following table sets forth the revenues and the percentage of revenues by operating sector of TC Transcontinental for the fiscal years ended October 28, 2018 and October 29, 2017.

(in millions of dollars except for percentages)	Fiscal Years Ended in 2018 and 2017			
	2018 (\$)	2018 (%)	2017 (\$)	2017 (%)
Packaging Sector	976.6	37.2	308.2 ⁽¹⁾	15.4 ⁽¹⁾
Printing Sector	1,545.2	58.9	1,501.0 ⁽¹⁾	74.7 ⁽¹⁾
Other ⁽²⁾	101.7	3.9	198.0 ⁽¹⁾	9.9 ⁽¹⁾
Total	2,623.5	100.0	2,007.2	100.0

(1) The Corporation revised its organizational structure. Accordingly, certain comparative figures were reclassified to reflect these changes.

(2) Includes revenues of the Media Sector.

A) Packaging Sector

Products and Services







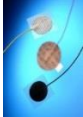



TC Transcontinental Packaging offers a variety of flexible packaging services, including extrusion, lamination, printing, converting and premedia.

Our Packaging Sector provides a range of flexible plastic and paper products, including rollstock, forming and non-forming films, shrink films and bags, mulch films, lids, labels, advanced coatings, as well as bags and pouches in various styles and sizes, including stand-up pouches, flat bottom bags, quad seal bags, pinch bottom bags, pasted valve bags, banana tree bags and a variety of multiwall paper bags. The bags and pouches manufactured by our Packaging Sector are designed for hot and cold applications including deli (rotisserie), fruits and vegetables, and frozen foods.

TC Transcontinental Packaging's products consist of those that we develop internally, and market to our customers, and those that we develop in cooperation with our customers to meet their specific product needs. In fact, certain of our product lines are highly specified to customers' individual requirements, and as a result we are closely involved with our customers planning for new products. These efforts enhance the integration of TC Transcontinental Packaging's business with its customers' operations, and position us as a business partner.

The chart below is an overview of some of TC Transcontinental Packaging's current product offerings:

Agriculture	 <p>Banana tree bags & skirts</p>	 <p>Mulch films</p>	 <p>Greenhouse films</p>
Beverage	 <p>Multipack shrink films</p>	 <p>Integritite™ shrink films</p>	 <p>Integritite Smartpack™</p>
Candy	 <p>Twist wrap</p>	 <p>Twist close</p>	 <p>Aluminum foil wrap</p>
Dairy	 <p>Shredded cheese films</p>	 <p>Peel reseal liddings</p>	 <p>Halo™ for natural sliced & chunk cheese</p>
Coffee & Tea	 <p>Envio™ forming & non-forming films</p>	 <p>Dairy whey paper bags</p>	
Consumer Packaged Goods	 <p>Whole bean</p>	 <p>Brick pack with compostable options</p>	 <p>Single servings</p>
	 <p>Personal care & feminine care</p>	 <p>Household cleaning</p>	 <p>Multipacks</p>

Industrial	 Paper bag with pasted valve	 Bottom seal open mouth (SOS)	 Poly tubing
Meat & Poultry	 Nextrus™ Boneless vacuum shrink bags	 ClearShield™ Bone-in shrink bags	 Envio™ Forming & non-forming films
Advanced Coatings	 Z-flo (conductive films)	 Reflex (hard coated films)	 Inspire (advanced wound care)
 Contract coating services			

Equipment and Manufacturing Processes

Our Packaging Sector's manufacturing processes include extrusion, lamination, printing, converting and premedia, as well as the manufacturing of advanced coatings.

TC Transcontinental Packaging's expansive array of packaging machinery and specialized equipment at its various plants enable it to offer a wide variety of flexible packaging products and maintain a high degree of flexibility in meeting its customers' demands. Our Packaging Sector's manufacturing platform benefits from several years of upgrades, footprint rationalization and modernization.

Extrusion

TC Transcontinental Packaging has cast and blown film extrusion capabilities. We produce a line of custom blown films that provide machinability, heat resistance, durability, sealability and barrier protection. Our blown film extrusion capability allows us to produce multi-layer barrier films (up to 11 layers). Our extrusion lamination platform offers both monolayer and three-layer coextrusion capabilities in single and tandem laminating processes.

In our extrusion lamination processes, polyethylen laminating resin is melted into a thin, hot film that is coated onto a conveyed substrate and then bonded to a second web of material by passing through a series of counter rotating nip rolls which adhere the layers together. Rollstock produced by this process is then converted into finished goods in a secondary slitting process.

We use our film extrusion capabilities for insourcing a portion of our film production when it is economically efficient to do so.

Lamination

TC Transcontinental Packaging manufactures multi-layer, high-barrier laminated packaging that meet its customers' barrier requirements while attaining aesthetic and machine related performance needs. The lamination process provides resistance and barrier properties needed for product durability.

The solventless adhesive lamination process, which releases no emission and requires no ovens, involves lamination of the printed substrate to a sealant film with a two-component adhesive system. Once mixed, the two components in the adhesive react and begin to cure, bonding the two substrates together. The combined layers are kept in roll form until the adhesive has cured, after which the large master rolls are slit out into the finished rolls and shipped to the customer. TC Transcontinental Packaging also laminates films with solvent-based adhesives which provide high tack qualities for substrates (with low energy surface) such as polystyrene and provides flexibility to produce very specialized films.

Printing

TC Transcontinental Packaging operates a platform of flexographic presses, printing in up to 11 colors. This provides us with narrow, medium and wide web flexographic printing capabilities. Flexographic printing technology involves the transfer of ink to a polymer printing plate mounted on a cylinder, which is then transferred to the substrate and dried. This web printing process consists of printing on rolls of packaging materials which are commonly thin-gauged films with properties designed for high-speed printing. A digital press, which does not involve any printing plate, is also part of TC Transcontinental Packaging's manufacturing platform. Our digital printing press is mainly used for printing shorter runs and customized labels. We complete and document a number of quality checks during production runs and our systems are optimized for quick changeovers between runs.

Converting

TC Transcontinental Packaging's manufacturing capabilities include converting. During the converting process, printed film is essentially converted into packaging products such as bags and pouches. TC Transcontinental Packaging houses multiple high-speed bag and pouch-making machines offering product variety, and providing the flexibility to meet fluctuating volume demands.

Our pouch-making machines have advanced pouch sealing techniques to ensure sealability and containment. TC Transcontinental Packaging's manufacturing capabilities also include laser scoring technology, which gives it the ability to offer corner-tear and perforation features for increased pourability, ease of opening and unique venting. Cold seal technology, high-speed and precision slitting, embossing, metallization and de-metallization are also among our manufacturing capabilities.

Our products are subject to various degrees of testing throughout the manufacturing process including drop testing and seal testing to ensure optimal functionality and freshness.

Premedia

TC Transcontinental Packaging provides premedia services including production art, creative and design, photography, brand guideline adaptation and brand extensions, color management, print quality management, proofing and product innovation services. Moreover, some of our packaging plants also offer full in-house prepress services as well as plate making services.

Advanced Coatings

TC Transcontinental Packaging's advanced coatings segment develops, manufactures and distributes coated papers, films and specialty substrates for digital imaging, electronics as well as medical and optical technologies. Our advanced coatings segment also offers specialty films and high-performance coating services. Our advanced coatings activities are carried out in two ISO certified manufacturing plants located in the United States and the United Kingdom, as well as a converting and distribution facility located in China.

Principal Markets and Customers

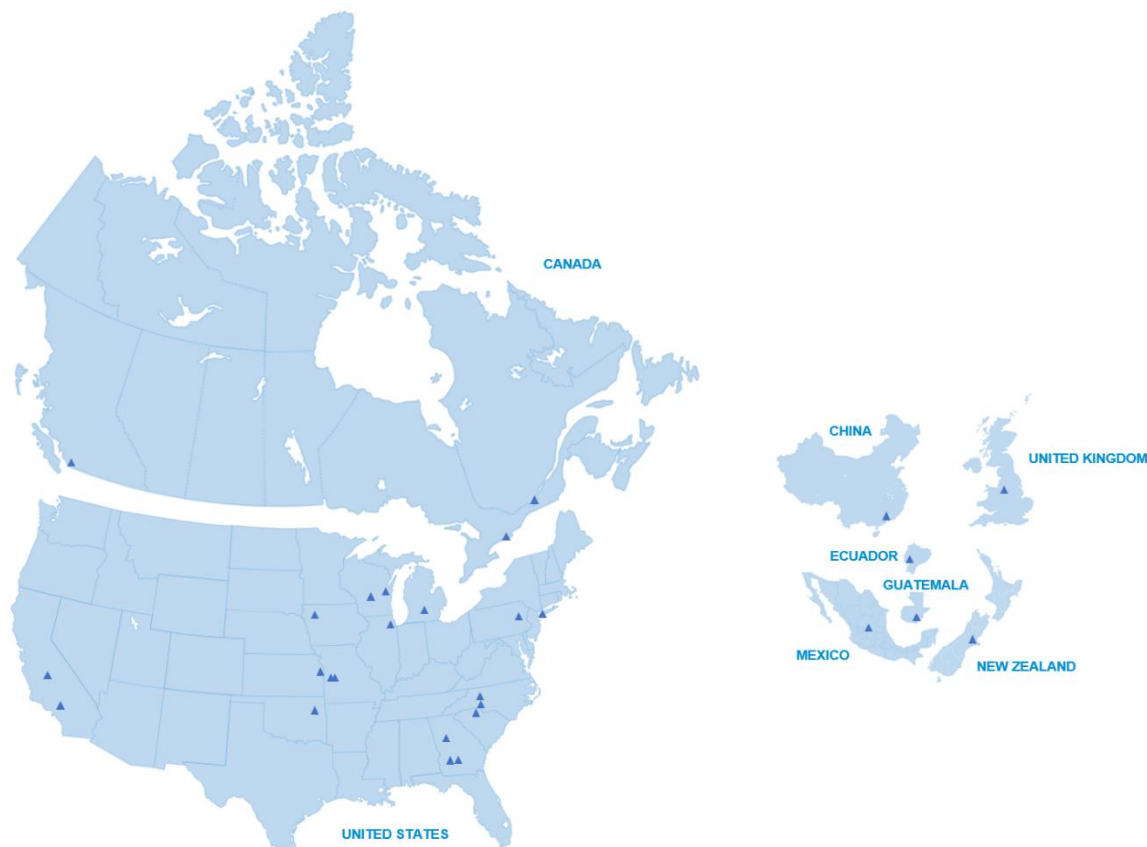
Our flexible packaging products and solutions serve an array of end markets, including dairy, coffee, meat and poultry, pet food, agriculture, beverage, confectionery, industrial, consumer products, and supermarkets. Through our advanced coatings segment, we also serve the medical, automotive and banking industries.

Our Packaging Sector's customer base ranges from international market leading customers to smaller regional businesses. TC Transcontinental Packaging's customers are predominantly food processors, beverage companies, retailers (including supermarkets, grocery and convenience stores), consumer packaged goods companies, as well as industrial companies including producers of building materials, chemicals and mineral products.

Although the packaging market is not typically subject to long-term contracts with customers, we have entered into contracts with many of the major customers of our Packaging Sector. Such contracts have remaining terms generally varying between one to six years and generally have price adjustment clauses based on volume, cost of raw materials, labour, the Consumer Price Index or the Chemical Data Index. During fiscal year 2017, one customer accounted for

close to 24% of the revenues of our Packaging Sector. No single customer accounted for more than 15% of the sector's revenues during fiscal year 2018.

The graphic below is an overview of TC Transcontinental Packaging's worldwide packaging platform.



Logistics

TC Transcontinental Packaging's products are generally delivered to its customers using third-party transportation. This arrangement allows TC Transcontinental Packaging to limit the capital commitment required to maintain its own distribution capabilities, such as a transportation fleet, and to minimize the time required for it to deliver its products to its customers.

Research and Development, Patents and Trademarks

Continued innovation research and development capabilities and activities in innovation and automation are a key element to TC Transcontinental Packaging's success.

A majority of research and development efforts in the flexible packaging sector are currently devoted to innovations that help to differentiate products, such as convenience packaging, improved barrier protection, packaging design initiatives, smart packaging, and environmentally-friendly alternatives. TC Transcontinental Packaging effectively develops, commercializes and produces innovative product packaging. In addition to its existing product line, TC Transcontinental Packaging has in-house product development departments, which continually develop new products in response to customers' changing needs. We work closely with our customers to design value-added packaging that complements and enhances the functionality and shelf-appeal of their product line. We are the owner or licensee of a number of Canadian, United States and foreign patents and patent applications that relate to certain of our products, manufacturing processes, and equipment in the flexible packaging industry.

We also have a number of trademarks and trademark registrations in various territories that are used by our Packaging Sector, including the following trademarks: LaserTear™ easy open feature; Dartek™ nylon cast film 6.6 resin for industrial uses; Envio™ forming films for cheese and meats applications; Nextrus™ shrink bags for boneless meats and cheese applications; Halo™ ethylene-vinyl alcohol copolymer (EVOH) encapsulated films for cheese applications; as well as Banaflex Treebag™, Proflex Treebag™ and Polyinsect™ for banana fruit protection solutions.

Revenues by Geographic Regions

The following table sets forth the revenues and the percentage of revenues of our Packaging Sector based on their geographic distribution for the fiscal years ended October 28, 2018 and October 29, 2017.

(in millions of dollars except for percentages)	Fiscal Years Ended in 2018 and 2017			
	2018 (\$)	2018 (%)	2017 (\$)	2017 (%)
Revenues generated from plants in Canada	99.3	10.2	23.3 ⁽¹⁾	7.6 ⁽¹⁾
Exports from plants in Canada	21.1	2.2	18.9 ⁽¹⁾	6.1 ⁽¹⁾
Revenues generated from plants in the United States	715.1	73.2	266.0 ⁽¹⁾	86.3 ⁽¹⁾
Revenues generated from plants outside of Canada and the United States	141.1	14.4	0.0 ⁽¹⁾	0.0 ⁽¹⁾
Total	976.6	100.0	308.2	100.0

(1) The Corporation revised its organizational structure. Accordingly, certain comparative figures were reclassified to reflect these changes.

Competition

TC Transcontinental Packaging operates in a highly competitive industry. The competitive landscape is fragmented and characterized by a significant number of competitors both large and small in size. Industry players compete on a number of factors including quality, service, product features, innovation and prices.

TC Transcontinental Packaging's product offering also competes with similar products made by other manufacturers as well as with a number of other alternative packaging materials or products, such as metal, glass, cardboard and other types of materials as well as plastic packaging materials through different manufacturing processes.

TC Transcontinental Packaging competes in certain market segments with several large firms in North America, including Amcor Limited, Bemis Company, Inc., Berry Plastics Group Inc., Sonoco Products Company, ProAmpac Intermediate, Inc., Wintpak Ltd., Printpack, Inc., American Packaging Corporation, Bryce Corporation, Mondi plc, Hood Packaging Corporation, Peel Plastic Products Ltd., and Plastic Packaging Technologies, LLC as well as several small converters.

We believe that our ability to serve customers requiring fast turnaround times differentiates us from other industry participants. Our wide range of flexible packaging solutions allows us to rapidly respond to the needs of the market for a variety of applications. In addition, we have the capacity to deliver short run as well as long run orders. We believe that our in-house content creation premedia services also distinguish our Packaging Sector's service offering by enabling us to support our customers' brand strategies.

From a quality perspective, our food safety practices reflect our commitment to high industry standards for our customers. Our Packaging Sector's manufacturing plants utilize various levels of certification including, for certain, the Safe Quality Food (SQF) Level 3 and Level 2 codes governing food safety and quality processes.

Seasonal Variations

Depending on the product category of our Packaging Sector, seasonal factors can contribute to changes in revenues and net income for a particular quarter. As such, some food packaging types are by their very nature more seasonal due to harvest cycles, holidays, religious celebrations or sporting events. For example, the first and fourth quarters are

favorable to cheese packaging due to holidays and marketing events. In general, fall and winter holidays furnish prime marketing opportunities for food producers, who take advantage of seasonal shopping trends with more products on shelves and different formats including gift pack, multi-unit stock keeping units (SKUs) and other specialized product packages.

B) Printing Sector

Products and Services

TC Transcontinental Printing offers to its customers a complete line of specialized services for the production of printed material, from the beginning to the end of the graphical production line.

Our Printing Sector is divided into five Groups: Retail and Newspapers, Magazines and Books, Marketing Products, Premedia and Distribution. With our state-of-the-art plants and best practices across our printing platform, we believe that we are well positioned to remain a leader in the printing industry.

Retail and Newspaper Group

TC Transcontinental Printing is among the largest printers of retail flyers in Canada. We offer retailers a variety of formats including tabloid, broadsheet, maxitabloid, minitabloid, and magazine/catalogue formats.

As one of the largest printer of newspapers in Canada, we provide newspaper publishers with a unique range of print solutions. Newspapers are printed in eight plants located in six provinces of Canada of which four are specialized in printing newspapers only and four are specialized in printing both newspapers and flyers.

In the midst of a difficult advertising market, we offer a unique newspaper printing outsourcing model. Our innovative solution helps newspaper publishers increase efficiency. We print, for The Globe and Mail Inc., *The Globe and Mail* newspaper (except in the Maritimes since December 1, 2017), for Postmedia Network, *The Gazette*, *Calgary Herald* and *The Vancouver Sun* newspapers, and, for Torstar Corporation, the *Toronto Star* daily newspaper. We ceased the printing of *La Presse* since January 1, 2018 and the printing of the *San Francisco Chronicle* daily newspaper since April 2, 2018.

Magazine and Book Group

With four plants specialized in magazine printing located in Québec, Ontario, and Manitoba, we print more than 300 magazines, making us among the largest magazine printers in Canada. We also print catalogues.

TC Transcontinental Printing's comprehensive printing technologies and its large capabilities allow us to quickly handle a combination of long and short runs for all types of publishers. This enables small and mid-circulation magazines to enjoy many of the same benefits as their larger competitors. We offer complete bindery services, cover printing and special features such as lamination (mat and glossy), which make us a single-source printer for our customers.

Marketing Products Group

We have developed a high-revenue potential in-store marketing niche, including the printing of point-of-purchase materials and the printing of promotional materials. The broader in-store marketing segment is of interest to us because it is often characterized by recurring contracts with major retailers with whom we currently do business. TC Transcontinental Printing has the capability to print an array of materials including brochures, self-mailers and inserts. We also print corporate materials to support our customers with their marketing, business and consumer directed advertising material including banners, annual reports, identity brochures, presentation folders and company calendars. Our printing capabilities allow us to offer high-fidelity colour, unique folds and special finishes as well as panoramic large format printing.

Our Marketing Products Group produces its deliverables across two production plants specializing in digital and offset commercial printing of marketing products. They are located in Ontario and Québec, serving a wide array of customers as diverse as advertising agencies to blue-chip corporations in the financial, pharmaceutical and retail sectors. This

Group also offers direct mail solutions. We print products that range from a simple direct mail piece to personalized self-mailers. We also offer fulfillment services to our customers.

Premedia Group

TC Transcontinental Printing's Premedia Group is a promotional content creator for an important part of Canada's largest retailers providing fully integrated solutions for printed flyers in addition to digital and multichannel platforms. We offer all aspects of content creation, from inception to completion, including strategic creative and design, page production, copywriting and editing, language services, photography (in studio or external) and video production (in studio or external).

Distribution Group

Our Distribution Group has developed multiple services for door-to-door distribution. We deliver newspapers, flyers and advertising printed products to 3.5 million households in Québec through our *Publisac* distribution network, a medium that holds the majority of large retailers' flyers and independent newspapers in Québec, which makes us a leader in this industry in Québec.

We also offer national retailers the possibility to reduce their management fees by outsourcing the coordination of their flyer program across Canada through our Targeo division, a Canada wide distribution brokerage service. In this regard, we have a database and commercial relationships with more than 750 distribution partners in the territories that are not directly served by *Publisac*. This represents 10 million households that are served by Targeo, in addition to the 3.5 million households served directly by *Publisac*.

With a view to increase advertisers' return on investment, we also provide them with a range of services such as socio-demographic database access and on-going control over distribution points which enables them to measure the efficiency of their flyers and target consumers.

Equipment and Manufacturing Processes

Our Printing Sector's equipment and manufacturing processes allow for short make-ready time, speed in printing, superior reproduction quality and product differentiation. Most of our presses and printers are computer-controlled, and many have in-line finishing capabilities. Technical compatibility between presses gives great flexibility and allows us to adapt easily to last-minute changes and ensure delivery seven days a week. The simultaneous printing of a single product in several plants leads to a reduction in transportation costs for our customers and allows for shorter lead times. Our operating flexibility allows us to transfer work from one plant to another to meet production deadlines while enabling us to handle contingencies.

The quality of our printing services is ensured by expert staff and our compliance with industry standards. We currently use the services of the laboratories of the Québec Institute of Graphic Communications. These ultramodern installations allow for the ongoing analysis of the inks, papers and other raw materials used by our printing plants. We share the results of the analysis with our suppliers in order to quickly correct any problems or discrepancies, thus ensuring our high level of quality.

Our manufacturing process includes production on our heat-set, cold-set and sheet-fed presses using the offset printing process. This process is characterized by the transfer of a printing plate image to a rubber surface, called a blanket, which is mounted on a cylinder. This blanket is first rolled over the printing plate in order to receive the image, which is then transferred to paper.

Production using the web printing process consists of printing on rolls of paper whereas production using the sheet-fed printing process consists of printing on sheets of paper. Short-run printing is generally best served by sheet-fed printing, while longer run printing is generally best served by web printing.

The heat-set web offset process provides great speed (up to 90,000 copies per hour) and a better quality of printing. This process is used mainly to print magazines, periodicals, catalogues, flyers, inserts, tabloids, books, directories and direct mail products. The cold-set offset process is used mainly to print newspapers.

All of our Printing Sector's production plants are equipped with prepress technology and plate making equipment that allow carrying out the various stages of graphic production with the help of digital technology. Our skills in prepress are used in all of our market segments to further reduce production lead times while increasing the opportunity for last-minute changes.

We are able to provide our customers with direct digital imaging services that streamline the process of preparing pages for print and allow use of data from other vehicles such as the Internet. We also have direct computer-to-plate production systems for offset printing in all of our printing plants.

Principal Markets and Customers

Our Canada-wide printing network allows our Printing Sector to serve national, regional and local customers in a cost effective and timely manner. We believe that our strategic focus on putting in place hybrid production plants (printing of newspapers and flyers on the same press) and reducing production costs of the printing products that we create has allowed us to offer our customers superior quality products at very competitive prices.

Customers of our Printing Sector are typically publishers (newspapers, magazines and books) and marketers (retailers predominantly in the food, pharmacy and home improvement markets, financial institutions, advertisers and agencies). Customers of our newspaper printing operations range from market leaders to many respected small and medium-size newspapers. We print more than 200 newspapers across Canada, including 11 paid dailies.

We have entered into contracts with a significant number of our Printing Sector's major customers. Such contracts have remaining terms between one to eight years and generally have price adjustment clauses based on volume, cost of raw materials, labour or the Consumer Price Index. Sheet-fed printing and printing of direct marketing materials are not typically subject to long-term contracts with customers. No single customer accounted for more than 15% of our Printing Sector's revenues during the last two fiscal years.

During fiscal year 2018, we renewed several multi-year agreements with major customers of our Printing Sector for a total valued at over \$220 million per year. Additionally, as part of the sales process of our Media Sector's local newspapers in Québec and Ontario, which was launched on April 18, 2017, we entered into agreements for the printing and distribution of all titles sold during such sales process.

Revenues by Geographic Region

The following table sets forth the revenues and the percentage of revenues of our Printing Sector based on their geographic distribution for the fiscal years ended October 28, 2018 and October 29, 2017.

(in millions of dollars except for percentages)	Fiscal Years Ended in 2018 and 2017			
	2018 (\$)	2018 (%)	2017 (\$)	2017 (%)
Revenues generated from plants in Canada	1,279.3	82.8	1,307.5 ⁽¹⁾	87.1 ⁽¹⁾
Exports from plants in Canada	113.7	7.4	110.2 ⁽¹⁾	7.3 ⁽¹⁾
Revenues generated from plants in the United States	152.2	9.8	83.3 ⁽¹⁾	5.6 ⁽¹⁾
Revenues generated from plants outside of Canada and the United States	0.0	0.0	0.0 ⁽¹⁾	0.0 ⁽¹⁾
Total	1,545.2	100.0	1,501.0	100.0

(1) The Corporation revised its organizational structure. Accordingly, certain comparative figures were reclassified to reflect these changes.

Competition

Although we are one of the largest printers in North America, the printing industry is highly competitive with respect to all categories of products and regions. Furthermore, this industry is North American in scope in several markets providing opportunities for a diverse set of competitors from both the United States and Canada. Currently, several of the industry's segments continue to face challenges with overcapacity and secular shift to digital media which is

impacting all geographic regions in North America, adding increased pricing pressure in the market. Some North American companies involved in those printing activities have greater capacity and financial resources than we do. We compete in certain market segments with several large firms in North America, including R.R. Donnelley & Sons Company, and Quad/Graphics, Inc., as well as with numerous Canadian printers, including St. Joseph Print Group Inc., Solisco Printers Inc., The Lowe-Martin Group, Advocate Printing & Publishing Inc., Friesens Corporation and Marquis Book Printing Inc., among others. The development of new printing technologies at reduced prices, especially digital presses, is also enabling small-niche printers to compete within specialized segments of the industry.

We believe that the major competitive factors in the printing business are quality and product innovation, the range of services offered, pricing, the availability of printing capacity with the appropriate equipment and state-of-the-art technology, delivery lead times, distribution capacity and customer service.

Over the past years, the Canadian retail landscape has evolved: some U.S. retailers made their entry into the Canadian market or acquired Canadian retailers, whereas others were consolidated. Some retailers also continue exploring digital flyers and campaigns. In addition to competition from other Canadian printers, the printing industry has been affected by the consolidation of large U.S. printers that continue to compete with Canadian printers principally in the printing of flyers. These changes influence the size and the dynamics of competition within the flyer and insert printing industry in North America. Printing demand is also affected by publishers of newspapers, magazines and books that are investing in the digital distribution of their content either through web or mobile devices with applications, paywalls or online newsstands.

Despite these trends, TC Transcontinental Printing's flyer printing demand has remained relatively stable over the past years. The renewal of existing contracts with large retailers and the signing of new ones confirm that we remain the printer of choice within this market segment in Canada.

Our Distribution Group distributes each week in Québec most of the flyers of major national, regional and local retailers. This Group competes for distribution of advertising materials and other products with direct mail services and some other distribution companies as well as Canada Post. The Targeo division of our Distribution Group competes, with regard to distribution management, with Geomedia Inc., Prospect Media Group Ltd., Market Focus Direct Inc. and Novus Media Inc. We believe that the most significant competitive factors in the distribution business in Québec are pricing, quality of service, delivery lead times, and the ability to make targeted distribution and market penetration. We believe that it is the reach of our distribution network that differentiates us in the market from our competitors and the convenience of our methods that make us one of the market leaders in this industry.

Seasonal Variations

Generally, TC Transcontinental Printing's revenues are seasonal, with the increases in the second and fourth quarters of our fiscal year being most pronounced. More specifically, demand for printing of advertising and promotional products peaks during the spring and fall seasons in advance of periods of increased consumer spending.

C) Media Sector

Products and Services

Our Media Sector is divided into two Groups: the Business Group and the Education Group. This sector operates special interest publishing activities including planning conferences and seminars for the business community as well as educational book publishing activities.

Business Group

Our Business Group remains committed to its specialty brands for the business, financial and construction sectors. This Group publishes 11 business publications, which are listed hereafter:

Business Publications	Number of Issues per Year	Circulation
<i>Advisor's Edge</i>	10	33,334 ⁽²⁾
<i>Avantages</i>	6	4,500 ⁽¹⁾
<i>Benefits Canada</i>	12	15,665 ⁽²⁾
<i>Conseiller</i>	9	9,330 ⁽²⁾
<i>Constructo</i>	75	3,411 ⁽¹⁾
<i>Finance et investissement</i>	16	11,026 ⁽¹⁾
<i>Investment Executive</i>	16	35,143 ⁽¹⁾
<i>Les Affaires</i>	28	58,005 ⁽²⁾
<i>Les Affaires plus</i>	4	55,014 ⁽²⁾
<i>Les leaders de la construction au Québec</i>	1	20,000 ⁽¹⁾
<i>Voir Vert</i>	4	15,000 ⁽¹⁾

(1) Internal statistics as of October 28, 2018.

(2) Latest statistics from the Alliance for Audited Media (A.A.M.) as of June 30, 2018.

Our Business Group manages numerous web sites whether or not related to its printed products as well as its tablet products, digital solutions and conferences for business professionals from various industries. Our strategy is to develop a multi-platform offering for our advertisers and consumers.

TC Media is also one of the Government of Québec's business partners as it operates, together with CGI Group Inc., the SEAO service which is Québec's e-tendering website allowing suppliers to bid on governmental contracts.

Education Group

Our Education Group specializes in the creation, development, adaptation, translation, publication, commercialization and distribution of French-language educational resources, which include textbooks, teachers' guides, activity books, digital resources and other related materials. We are among Canada's largest French-language educational publishers covering all grade levels, from kindergarten through university, as well as related sectors such as adult education, vocational training and teacher development. The operations of our Education Group also include the creation, development and distribution of supplemental materials, general interest books as well as specialized publications. This Group's strong brands include Beauchemin, Les Éditions Caractère, Somabec, Edisem, Chenelière Éducation, Gaëtan Morin Éditeur, Graficor, Groupe Modulo and Les Éditions Transcontinental.

We are a preferred partner of the ministries of education across Canada and are the only educational publisher that has published French-language materials for each Canadian province and territory. Our Education Group's mission is to support teachers and students in the implementation of curricula by publishing quality materials and resources that facilitate teaching and learning.

This Group holds the rights to close to 11,700 educational book titles in its catalogue which are used in the majority of French-language educational institutions in Québec and in the rest of Canada. This Group also publishes around 900 book titles destined to Canadian consumers, which consist of supplemental educational materials (Les Éditions Caractère), general interest books (Les Éditions Transcontinental) and specialized medical books (Edisem).

Principal Markets and Customers

Our Education Group's operations, for the most part, are divided into three segments which serve the three main school markets: the school market in Canada outside of Québec; the school market in Québec; and the higher education market mainly in Québec. In addition, we have a segment specialized in the production of professional development materials for the benefit of teachers and other professionals of the education market. We are among the leading

publishers in the French school market in Canada outside of Québec and in the French higher education publishing market in Canada, and we are one of the leading publishers in the French school market in Québec.

The revenues of our Business Group are generated by advertising (print format and online) revenues on our many brands, such as *Les Affaires*, *Investment Executive* or *Constructo*. We also generate subscription revenues from SEAO in the construction industry and through attendance sales for several conferences offered to business communities.

The revenues of our Education Group are diversified by markets, customers, subjects and titles. Its principal customers are ministries of education, school boards, elementary and high schools, CEGEPs, colleges and vocational schools, community colleges, universities and, in some cases, foreign distributors and bookstores.

No single customer has accounted for more than 15% of our Media Sector's revenues during the last two fiscal years.

Competition

With regard to our Business Group, TC Media competes with content solutions providers such as MERX, a solution of Mediagrif Interactive Technologies Inc., and several different publishers operating in our market segments.

The competitors of our Education Group differ in each of the three main school markets that we serve. They include Les Éditions du Renouveau Pédagogique Inc., CEC Publishing Inc. and Groupe Éducalivres Inc.

Seasonal Variations

Generally, our Media Sector's revenues are subject to seasonal variations, with increases in the second and fourth quarters of our fiscal year being the most significant. In particular, the Business Group and the Education Group's revenues are highly seasonal with the majority of the revenues occurring normally in the months of June to September to correspond with the back-to-school season of educational institutions.

2.3 Raw Materials and Energy Prices

The primary raw materials that we use are resins, plastic films, paper and ink for our Packaging Sector, and paper and ink for our Printing Sector. Our activities consume energy, in particular, electricity, natural gas and oil. Fluctuations in raw materials and energy prices affect the demand for our services.

The reduction in manufacturing capacity in newsprint has resulted in a decrease in the supply of paper, which in turn has resulted in paper price increases. While paper costs are a pass-through to customers for our printing operations, the increase in the price of paper can have a negative effect on our printing operations if it changes the purchasing habits of our customers, in terms of the number of pages printed, for example. In order to mitigate this risk, we have entered into agreements with our most important suppliers in order to ensure a stable flow of resources. In addition, agreements with our customers generally contain escalation clauses that index selling prices to fluctuations in raw material costs and exchange rates.

Furthermore, fluctuations in the price of oil, a core ingredient in the composition of ink and plastic film, have a direct impact on the prices of these products. Fluctuations in the price of oil also have an impact on gasoline prices. Any increase thereto would negatively affect our distribution activities. We continue our efforts towards finding new ways to reduce our energy costs.

2.4 Economic Cycles

TC Transcontinental's activities are exposed to economic cycles and difficult market conditions, as a significant portion of its revenues depends, directly or indirectly, on spending by advertisers. Global economic conditions, changes in consumers' buying habits and significant structural changes, in particular the consolidation in some industries and the adoption of digital platforms, also affect the industries of our main customers, which could have an adverse impact on the products offered by TC Transcontinental. In addition, with the acquisition of the business of Coveris Americas on May 1, 2018, TC Transcontinental now operates in new countries, including the United Kingdom, Guatemala, Mexico, Ecuador, New Zealand and China. The economic risks specific to each country may also have an impact on our results of operations. However, we believe that we mitigate this risk through the very composition of our operations, since a substantial segment of our customer base operates in less cyclical markets, such as food. In addition, as

TC Transcontinental is a leader in its markets, we believe we can limit our exposure to economic cycles without, however, eliminating their adverse impact or magnitude.

2.5 Environmental and Social Responsibility

Compliance with Applicable Environmental Legal Requirements

We are subject to laws and regulations regarding the environment and permits are required for the operation of our business. These relate to the production, storage, transportation, disposal and emission into the environment of various substances. We are also subject to and comply with various laws and regulations which allow regulatory authorities to require us to proceed with the cleanup of any environmental contamination of our own sites and at plants where our waste is or has been disposed of. We monitor modifications or additions to laws and regulations on a quarterly basis. In addition, compliance with environmental regulations is verified by means of a corporate program, both through internal audits and external audits carried out with the help of firms specializing in environmental matters.

Responsibility for environmental performance is shared across TC Transcontinental and quarterly reports ensure an adequate internal communication of the significant environmental management activities. While the Corporation's Board of Directors and Management Committee are ultimately responsible for compliance to legislation and corporate policies, day-to-day management of environmental performance lies within the assigned corporate team and plant management and personnel.

Environmental Risk Management

TC Transcontinental has developed a solid framework for managing its principal risks. The objectives of this process are to identify the main risks inherent to our business, assess their impact, put in place a response strategy and monitor the progress of mitigation initiatives. Concerns about sustainability and protecting the environment are considered as an operational risk and analysed through our global Enterprise Risk Management. A preliminary list of all potential environmental and sustainability risks is completed and the likelihood of occurrence and magnitude of impact of each risk are weighed. Mitigation strategies are then developed by management for risks considered as significant. This process is reiterated on an annual basis and is discussed at the Management Committee and the Corporate Governance Committee of the Corporation's Board of Directors.

Environmental Policy

The main aspects of our environmental performance are described in our Environmental Policy. Our management team is responsible for ensuring the implementation of all items of this policy, which is based on the following three guiding principles:

- Protect the environment for present and future generations;
- Reduce risks and improve efficiencies; and
- Introduce improved technologies and processes.

In our operations, we strive to improve our products and processes in order to progressively reduce routine discharges of contaminants and to minimize the generation of waste and hazardous waste by re-using and recycling materials. We also commit to using resources effectively and maximizing the efficiency of our operations and we encourage a transition to low carbon fuels and renewable energy.

Paper Purchasing Policy

Our Paper Purchasing Policy stipulates, among other things, that recycled or certified papers be used for our printing and for our own publishing operations. As part of our commitment to continuous improvement, we have reiterated our commitment to encourage our customers to choose certified papers when recycled paper is unavailable, so that by working together we can significantly diminish environmental and social impacts.

Our Paper Purchasing Policy enables us to more accurately measure the results of our ongoing efforts and to share them with customers and investors, stakeholders and organizations interested in our sustainability efforts. As part of

an ongoing collaboration, we drew on the expertise of environmental organization Canopy in updating our Paper Purchasing Policy.

Social Responsibility

Consumers are expressing increasing concern over the protection of the environment as well as sustainable development. The industries where TC Transcontinental operates (packaging, printing and publishing), notably use large quantities of resources (paper and plastics) for their day-to-day operations. We recognize the critical nature of sustainability and have always taken steps to promote and incorporate sustainable development in our operations by mobilizing stakeholders and supporting innovation. We also commit to reporting regularly on our sustainability performance and encourage suppliers to adopt practices consistent with our policies and objectives.

In fiscal year 2018, we were named for the fifteenth year as one of Canada’s 50 best corporate citizens, as determined by Corporate Knights, placing in twenty-ninth position. This ranking is established by measuring a broad range of environmental, social and governance (ESG) indicators. For a number of years, we have tracked our fuel and electricity use and have calculated the associated greenhouse gas emissions, reporting our results to the Carbon Disclosure Project (CDP) since 2006. In 2018, TC Transcontinental also reported for the sixth year to the CDP on forest risk commodities.

In August 2018, we tabled our *2017 Corporate Social Responsibility Progress Report*, which presents headway made as per the 13 main objectives identified in our 2016-2018 three-year corporate social responsibility plan. These objectives are measured against established targets that reflect our engagement towards our employees, our prosperity, the communities and the environment. This report also describes our provisional corporate social responsibility commitments that were set following the expansion of our packaging activities. Our short-term focus is to integrate several good practices already in place within packaging business units as well as in the industry. In addition, three priorities (creative collaboration, product responsibility and circular approach) have been established to guide our actions up until the release of our next corporate social responsibility plan (CSR) in 2019, which will present detailed objectives reflecting our commitment for sustainability in all of our operating sectors, and our concern for the health and well-being of the communities we serve. Our *2017 Corporate Social Responsibility Progress Report* is available on the Corporation’s website (www.tc.tc).

2.6 Human Resources

As of October 28, 2018, the Corporation had 9,059 employees. The following table presents the breakdown of employees within our three operating sectors as of October 28, 2018, excluding employees located at the Corporation’s head office and within its administrative services center.

Description	Number of Employees
Packaging Sector	4,087
Printing Sector	4,352
Media Sector	354

As of October 28, 2018, 938 permanent employees of our Packaging Sector were represented by certified associations under nine active and separate collective agreements. These agreements expire at different dates up to February 2023. Three collective agreements, two in the United States and one in the United Kingdom, covering 258 permanent employees of our Packaging Sector were renewed in 2018. There are no collective agreements currently under negotiation for our Packaging Sector. Further, one collective agreement representing 102 permanent employees of our Packaging Sector in Mexico will expire in 2019 but only as it relates to wage negotiations.

As of October 28, 2018, 1,122 permanent employees of our Printing Sector were represented by certified associations under 11 active and separate collective agreements. These agreements expire at different dates up to October 2023. Four collective agreements covering 542 permanent employees of our Printing Sector were renewed in 2018. There are presently two collective agreements, covering 213 permanent employees of our Printing Sector, under negotiation. Further, four collective agreements, which cover 267 permanent employees of our Printing Sector, will expire in 2019.

None of the employees of our Media Sector are unionized. With respect to our non-unionized employees, the working conditions are established between the various business units involved in compliance with corporate policies. These working conditions are subject to periodical revisions.

2.7 Properties

We believe that our owned and leased plants are adequately equipped and maintained regarding existing and planned operations. Substantially all of our properties and equipment are not subject to any security interests in favour of third party lenders.

2.8 Reorganizations

We occasionally proceed with legal reorganizations of some of our subsidiaries in order, among other considerations, to improve our organizational structure or our products and services offering, none of which have had a material effect on our activities, operations or financial results.

2.9 Strategic Acquisitions and Business Development

An intrinsic part of our strategy is to grow through strategic acquisitions. We are committed to maintaining a disciplined approach when making acquisitions. We ensure that the companies we acquire fit our stringent acquisition criteria: (a) fit within our strategic plan; (b) be profitable and growing; (c) provide synergies with our actual operations; (d) have good management and a compatible corporate culture; and (e) be accretive to earnings and positive economic value creation within a reasonable period of time. Over the last three years, we have made strategic acquisitions while continuing to deliver on our disciplined financial management objective.

Packaging Sector

On May 1, 2018, TC Transcontinental completed the acquisition of the business of Coveris Americas, a business previously held by Coveris Holdings S.A. The acquired business manufactures a variety of flexible plastic and paper products, including rollstock, bags and pouches, coextruded films, shrink films, coated substrates and labels. Additional information with respect to this acquisition is provided under Section 8 – Material Contracts.

On March 7, 2018, TC Transcontinental Packaging announced the acquisition of Multifilm Packaging Corporation, a flexible packaging products supplier located in Elgin, Illinois. Transcontinental Multifilm Inc. specializes in piece-wraps and high-barrier laminates for the confectionery, snacks and dry foods markets. The acquired business offers an integrated manufacturing process and distinguishes itself through its expertise in cast film extrusion, metallization and demetallization, as well as aluminum foil printing.

On October 31, 2017, TC Transcontinental Packaging acquired Les Industries Flexipak Inc., a flexible packaging products supplier located in Montréal, Québec. Transcontinental Packaging Flexipak Inc. specializes in flexographic printing, lamination as well as bag and pouch conversion and offers a wide range of flexible packaging products serving consumer goods companies, food processors and retailers across several markets, including frozen fruits and vegetables, seafood, snacks, grains, nuts and beverage (shrink films).

On October 14, 2016, TC Transcontinental Packaging acquired Flexstar Packaging Inc., a flexible packaging products supplier located in Richmond, British Columbia. Transcontinental Flexstar Inc. specializes in converting high barrier films, including printing, lamination and pouch conversion, for the cereal, confectionery, snack, frozen food and coffee markets.

On June 30, 2016, TC Transcontinental Packaging acquired Robbie Manufacturing, Inc., a flexible packaging products supplier located in Lenexa, Kansas. Transcontinental Robbie Inc. specializes in on-site packaging needs for grocery stores, shrink wrap packaging of multipack consumer goods, and packaging solutions for food processors.

Media Sector

On October 2, 2018, TC Media announced the acquisition of Somabec, a pan-Canadian distributor of French-language specialty and trade books, as well as publishing house Edisem which particularly specializes in the publication of medical books.

On January 9, 2018, TC Media announced the acquisition of the business of Contech, a leader in the construction industry offering training, trade show planning, networking events and competitions for construction professionals in Québec.

On December 1, 2016, TC Media acquired all business-to-business brands of the Advisor and Financial Services Groups from Rogers Media Inc.

2.10 Significant Acquisition

On May 1, 2018, the Corporation completed the acquisition of the business of Coveris Americas, one of the top ten converters of flexible packaging products and other value-added products in North America based on the revenues of the acquired business for its fiscal year ended December 31, 2017. The products of the acquired business are used in a wide variety of market segments, including food and beverage, healthcare and hygiene, pet food, consumer products, agriculture and horticulture, electronics, building materials and chemicals. Additional information with respect to this acquisition is provided under Section 8 – Material Contracts.

2.11 Risk Factors

The risk factors related to the Corporation and its activities are described on pages 16 to 24 of our Management's Discussion and Analysis for the fiscal year ended October 28, 2018, which may be viewed under the Corporation's SEDAR profile (www.sedar.com). In addition to risks and uncertainties relating to the integration of the business of Coveris Americas, the material factors that could have an effect on the results of TC Transcontinental are divided into three types of risks: strategic risks, operational risks and financial risks, and include, but are not limited to, the following:

(1) Strategic Risks: the effects of our possible inability to generate organic growth in our Packaging Sector; the effects of competing with companies with more expertise and resources in the packaging industry that could require significant research and development costs; the impact of not properly identifying or completing potential acquisitions in the flexible packaging industry; the impact of customer consolidation that could have an impact on our net earnings; the impact of the transformation of flyers, in particular the decrease in printing activities that could have a negative impact on our net earnings; the effects of the transformation of the advertising market, in particular of digital product development and adoption on the demand for our printed products; the impact of the increase of foreign competition in the Canadian printing market; the loss or change in consumption habits of a major customer that could have an effect on our net earnings; the impact of a conflict of interest between the shareholders and the controlling shareholder;

(2) Operational Risks: the effects of the integration of acquisitions that could disrupt our operating activities; the impact of an intrusion into our information systems that could disrupt our operations, damage our reputation and result in legal actions; the impact of disruptions in our operations that could affect our ability to meet deadlines; the effects of the difficulty to attract and retain key employees in our main operating sectors; the effects of not being able to maintain and improve our operational efficiency; the impact of our inability to maintain or improve our operational efficiency; the effects of amendments to or adoption of new regulations that could result in a material cost increase; the impact of import and export controls, duties, tariffs or taxes; the impact of the food industry risks resulting from our packaging operations; the effects of amendments to or adoption of new environmental regulations and changes to consumption habits that could adversely affect our business; the impact of significant fluctuations in the cost of raw materials and energy consumed; the effects of an operational disruption caused by subcontractors of our distribution activities that could adversely affect our operating results and reputation; the effects of our inability to protect our intellectual property rights that could adversely affect our business; the impact of potential litigations or violation of privacy or copyrights resulting from our operations; and

(3) Financial Risks: the impact of economic cycles and difficult market conditions; the effects of our ability to collect our receivables; the impact of the unavailability of capital at reasonable costs; the impact of increases in interest rates; the impact of the movement of the Canadian dollar against other currencies, more particularly the US dollar; the impact of changes in tax legislation that could adversely affect our profitability; the impact of disputes with tax authorities and amendments to statutory tax rates in force; the impact of major market fluctuations on pension plan solvency; and the impact of impairment tests that could lead to asset write downs.

The heading "Risks and Uncertainties" under our Management's Discussion and Analysis for the fiscal year ended October 28, 2018 is therefore incorporated herein by reference.

Item 3 - Highlights of the Last Three Fiscal Years

In addition to the acquisitions listed under Section 2.9 – Strategic Acquisitions and Business Development, the events that have influenced the general development of our business over the past three completed fiscal years are the following:

2018

Operations

- On September 27, 2018, TC Media announced the sale of its *Canadian Insurance Top Broker* magazine as well as its related web property and Top Broker Summit event, to Newcom Media Inc., a publisher of products aimed at 'B2B' companies in Canada, providing information and marketing services to a wide range of markets through magazines, guides and directories, websites, trade shows and events. Newcom Media Inc. has a presence in the insurance, automobile and dental care sectors among others; and
- Following the launch of TC Media's process in 2017 for the sale of its newspapers in Québec and Ontario, involving all of its local and regional publications and their related web properties, we completed the sale of 91 newspapers and related web properties, including the *Métro* Montréal newspaper, and entered into multi-year agreements for the printing and distribution of all the titles that were sold (except for the distribution of *Métro* Montréal, which was already under contract with the acquirer). We also shut down four of our local newspapers in Québec due to no potential acquirers and continue to operate the *Seaway News* newspaper in Cornwall, Ontario.

Changes to the Board of Directors and Management

- Appointment of Mr. H. Peter Brues to the Corporation's Board of Directors;
- Appointment of Ms. Magali Depras as Chief Strategy Officer of the Corporation;
- Appointment of Mr. Donald LeCavalier as Chief Financial Officer of the Corporation;
- Retirement of Mr. Nelson Gentiletti from the Corporation and as Chief Financial and Development Officer; and
- Appointment of Mr. Pierre Marcoux as President of TC Media.

2017

Operations

- On December 21, 2017, TC Transcontinental concluded a new agreement pursuant to which The Hearst Corporation took over the printing operations of its *San Francisco Chronicle* daily newspaper as of April 2, 2018. TC Transcontinental maintains ownership of its plant in San Francisco, which is rented by The Hearst Corporation from 2018 to 2024, inclusively;
- On December 20, 2017, TC Transcontinental concluded the sale of its investment in CEDROM-SNi Inc., in which it had a 50% ownership;
- On November 7, 2017, TC Transcontinental announced the consolidation of its newspaper printing activities in Québec into three plants, and consequently the closure of its Montréal-based Transcontinental Métropolitain plant in January 2018. The printing activities of Transcontinental Métropolitain were mainly transferred to our Transcontinental Transmag plant in Montréal, which has state-of-the-art equipment. The regional plants of Transcontinental de la Capitale in Québec City and Transcontinental Qualimax in Gatineau also took in volume upon transfer of the operations; and
- Sale of our publication portfolio in Nova Scotia, Prince Edward Island, Newfoundland and Labrador, and New Brunswick to SaltWire Network Inc, which included the sale of 28 brands and web-related properties, four printing plants operated within our Media Sector, commercial printing operations in the province of Newfoundland and Labrador as well as distribution operations in Atlantic Canada.

Changes to the Board of Directors

- Appointment of Messrs. Yves Leduc and Jean Raymond to the Corporation's Board of Directors; and
- Departure of Messrs. Lino A. Saputo, Jr., Pierre Fitzgibbon and André Tremblay from the Corporation's Board of Directors.

2016

Operations

- Sale or closing of interactive marketing operations as they were no longer strategic for us;
- Sale of the majority of our commercial printing line of business operated from our Transcontinental Dartmouth plant to Advocate Printing and Publishing Company Limited;
- Agreement with Torstar Corporation to print their *Toronto Star* daily newspaper for five years, with a possibility of extension;
- Transfer of marketing product printing activities from Transcontinental Québec to other plants in our network, mainly to Transcontinental Interglobe in Beauce, resulting in the closure of the Transcontinental Québec plant; and
- Sale of our assets in the Province of Saskatchewan, including 13 local newspapers and associated web properties to Star News Publishing Inc., resulting in the closure of the Transcontinental Saskatoon plant.

Item 4 - Capital Structure of the Corporation

4.1 General Description of the Capital Structure

The Corporation is authorized to issue an unlimited number of Class A Subordinate Voting Shares, an unlimited number of Class B Shares and an unlimited number of Preferred Shares, all without par value.

The following table sets forth the principal rights of the shares that the Corporation is authorized to issue and that are outstanding:

Category	Rights
Class A Subordinate Voting Shares:	<p><i>Voting Rights:</i></p> <p>The Class A Subordinate Voting Shares entitle their holders to one vote per share.</p> <p><i>Dividends:</i></p> <p>The Class A Subordinate Voting Shares entitle their holders to receive, <i>pari passu</i> with the holders of Class B Shares, any and all dividends declared by the Corporation, subject to the rights of holders of Preferred Shares.</p> <p><i>Conversion:</i></p> <p>The Class A Subordinate Voting Shares can be converted into Class B Shares on the basis of one for one when a takeover bid is made directly or indirectly to the Majority Group (as defined in the Articles). Moreover, they confer the same privilege when the Majority Group makes a takeover bid.</p>

Category	Rights
Class B Shares:	<p><i>Dissolution:</i></p> <p>The holders of Class A Subordinate Voting Shares are entitled, <i>pari passu</i> with the holders of Class B Shares, to share the remaining assets of the Corporation following its dissolution.</p> <p><i>Voting Rights:</i></p> <p>The Class B Shares entitle their holders to 20 votes per share.</p> <p><i>Dividends:</i></p> <p>The Class B Shares entitle their holders to receive, <i>pari passu</i> with the holders of Class A Subordinate Voting Shares, any and all dividends declared by the Corporation, subject to the rights of holders of Preferred Shares.</p> <p><i>Conversion:</i></p> <p>The Class B Shares can, at any time, be converted into Class A Subordinate Voting Shares on the basis of one for one.</p> <p><i>Dissolution:</i></p> <p>The holders of Class B Shares are entitled, <i>pari passu</i> with the holders of Class A Subordinate Voting Shares, to share the remaining assets of the Corporation following its dissolution.</p>

4.2 Ratings

We have the following credit ratings from Standard & Poor's Ratings Services ("S&P") and DBRS Limited ("DBRS").

	S&P	DBRS
Corporate Rating	BBB-/Negative	BBB (low)/Stable
Senior Unsecured Notes	BBB-/Negative	BBB (low)/Stable

Corporate Rating

Standard & Poor's Ratings Services

S&P's credit ratings are opinions about credit risk. S&P's ratings express the agency's opinion about the ability and willingness of an issuer, such as a corporation, to meet its financial obligations in full and on time. Credit ratings can also speak to the credit quality of an individual debt issue and the relative likelihood that the issue may default.

Credit ratings are not absolute measure of default probability. Since there are future events and developments that cannot be foreseen, the assignment of credit ratings is not an exact science. Credit ratings are not intended as guarantees of credit quality or as exact measures of the probability that a particular issuer or debt issue will not default.

S&P credit ratings range from AAA to D, which represent the range from the highest to lowest quality. According to S&P, the BBB- rating is the fifth highest of 12 major rating categories. The ratings from AA to CCC may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. A BBB rating reflects S&P's opinion that the obligor has adequate capacity to meet financial commitments but is more subject to adverse economic conditions. An obligor rated "BBB-" is considered the lowest investment-grade for market participants.

A credit rating outlook notation indicates the possible direction in which a rating may move over the next six months to two years. "Positive" means it may be raised; "Negative" means it may be lowered; and "Stable" means it is unlikely to change.

DBRS Limited

According to DBRS, corporate credit ratings are forward-looking measures that assess an issuer's ability and willingness to make timely payments of principal and interest. Credit ratings are not buy, hold, or sell recommendations, but rather the result of qualitative and quantitative analysis focusing solely on the credit quality of the issuer and its underlying obligations.

DBRS credit ratings range from AAA to D, which represent the range from the highest to lowest quality. According to DBRS, the BBB rating is the fourth highest of 10 major rating categories.

All rating categories other than AAA and D also contain subcategories ("high") and ("low"). The absence of either a ("high") or ("low") designation indicates the rating is in the "middle" of the category. Long-term debt rated BBB is of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable but it may be vulnerable to future events.

Each DBRS rating category is appended with one of three rating trends - "Positive", "Stable", or "Negative". The rating trend helps to give the investor an understanding of DBRS's opinion regarding the outlook for the rating in question. However, the investor must not assume that a positive or negative trend necessarily indicates that a rating change is imminent.

4.3 Normal Course Issuer Bid

On September 27, 2018, the Corporation announced that it received approval from the Toronto Stock Exchange to establish a new normal course issuer bid plan in order to purchase for cancellation up to 1,000,000 of its Class A Subordinate Voting Shares (representing approximately 1.35% of the 73,850,034 issued and outstanding Class A Subordinate Voting Shares as of September 18, 2018) and up to 189,344 of its Class B Shares (representing 1.35% of the 13,983,026 issued and outstanding Class B Shares as of September 18, 2018) over the 12-month period starting on October 1, 2018 and ending on September 30, 2019.

In connection with the 2018-2019 normal course issuer bid, the Corporation entered into an automatic purchase plan agreement ("APP") with a broker to allow for the purchase of its Class A Subordinate Voting Shares and Class B Shares at times when the Corporation ordinarily would not be active in the market due to self-imposed trading blackout periods. Before entering into a blackout period, the Corporation may, but is not required to, instruct the designated broker to make purchases in accordance with the terms of the APP. Such purchases are determined by the broker in its sole discretion based on parameters established by the Corporation prior to the blackout period, in accordance with the Toronto Stock Exchange rules and applicable securities laws. Outside of the pre-determined blackout periods, Class A Subordinate Voting Shares and Class B Shares are purchased with management's discretion, within the parameters approved by the Toronto Stock Exchange.

The Corporation had been authorized to redeem for cancellation on the open market or, subject to the approval of any securities authority, by private agreements, between April 17, 2017 and April 16, 2018 up to 2,000,000 of its Class A Subordinate Voting Shares, representing 3.16% of its 63,372,236 issued and outstanding Class A Subordinate Voting Shares as of April 3, 2017, and up to 442,349 of its Class B Shares, representing 3.16% of its 14,016,326 issued and outstanding Class B Shares as of April 3, 2017.

During the fiscal year ended October 28, 2018, the Corporation redeemed for cancellation 1,022,290 of its Class A Subordinate Voting Shares at a weighted average price of \$23.13 for a total cash consideration of \$23,645,567 and did not redeem any of its Class B Shares pursuant to the normal course issuer bids.

During the fiscal year ended October 29, 2017, the Corporation redeemed for cancellation 2,663 of its Class A Subordinate Voting Shares at a weighted average price of \$17.48 for a total cash consideration of \$46,559 and did not redeem any of its Class B Shares pursuant to the normal course issuer bids.

4.4 Management's Discussion and Analysis of the Financial Condition and Results of Operations

A discussion and analysis by management of the financial condition and results of operations for the fiscal year ended October 28, 2018 is presented in our Management's Discussion and Analysis for the fiscal year ended October 28, 2018, which is incorporated herein by reference. To complement such Management's Discussion and Analysis, reference is made to the Consolidated Financial Statements for the fiscal years ended October 28, 2018 and October 29, 2017 and the Notes to the Consolidated Financial Statements, which Consolidated Financial Statements and Notes are incorporated herein by reference.

4.5 Market for Securities

Our Class A Subordinate Voting Shares and our Class B Shares are listed for trading on the Toronto Stock Exchange under ticker symbols TCL.A and TCL.B, respectively.

The following tables present the monthly price variations as well as the volume of operations with respect to the Class A Subordinate Voting Shares and the Class B Shares on the Toronto Stock Exchange for the fiscal year ended October 28, 2018.

Class A Subordinate Voting Shares – TCL.A

Month	High (\$)	Low (\$)	Volume
October 29 to 31, 2017	28.81	28.03	227,136
November 2017	31.96	27.14	1,775,371
December 2017	27.87	24.33	2,412,113
January 2018	25.79	23.91	3,170,791
February 2018	25.14	23.50	2,628,634
March 2018	27.69	24.07	2,980,818
April 2018	29.49	25.65	5,666,713
May 2018	29.26	26.97	4,649,692
June 2018	32.89	29.21	6,743,695
July 2018	31.94	29.59	3,897,418
August 2018	32.36	30.22	2,898,771
September 2018	32.08	22.48	11,910,949
October 1 to 28, 2018	23.37	20.08	10,237,531
Total			59,199,632

Class B Shares – TCL.B

Month	High (\$)	Low (\$)	Volume
October 29 to 31, 2017	29.15	28.30	505
November 2017	30.92	27.74	9,769
December 2017	27.76	24.40	8,212
January 2018	25.58	24.10	15,061
February 2018	24.96	23.70	10,800
March 2018	27.60	24.24	13,340
April 2018	28.00	25.55	14,030
May 2018	29.77	27.18	9,998
June 2018	32.79	29.39	8,194
July 2018	31.73	30.02	8,457

Class B Shares – TCL.B

Month	High (\$)	Low (\$)	Volume
August 2018	32.42	30.62	6,992
September 2018	31.80	22.69	25,156
October 1 to 28, 2018	23.27	20.36	40,800
Total			171,314

Item 5 - Our Dividend Policy

Each holder of Class A Subordinate Voting Shares and Class B Shares of the Corporation is entitled to receive the dividends that the Board of Directors of the Corporation declares at its discretion. However, our policy has usually been to pay a quarterly dividend in cash. It should be noted however that our policy has been to retain the major portion of our cash flows in order to invest in different business opportunities. Currently, there are no restrictions preventing us from paying dividends.

The following table presents a summary of the cash dividends per share declared and paid by the Corporation to all holders of its Class A Subordinate Voting Shares and Class B Shares for fiscal years ended October 31, 2016, October 29, 2017 and October 28, 2018:

Fiscal Years Ended in 2016, 2017 and 2018	
2016	\$0.725
2017	\$0.785
2018	\$0.830

On December 13, 2018, the Board of Directors of the Corporation declared a quarterly dividend of \$0.21 per share to all holders of the Corporation's Class A Subordinate Voting Shares and Class B Shares. This dividend was paid on January 22, 2019 to all shareholders of record as of the close of business on January 4, 2019.

Item 6 - Directors and Officers

The names of our directors, their city of residence, their principal occupation, the year when they became directors, the number of voting Shares (Class A Subordinate Voting Shares and Class B Shares) of the Corporation that the directors owned beneficially or over which they exercised control or direction, as well as the number of share units held by the directors pursuant to the Deferred Share Unit Plan of the Corporation (or, in the case of directors who are also employees of the Corporation, the number of vested deferred share units granted pursuant to the Share Unit Plan of Transcontinental Inc. for executives), as of January 10, 2019 are indicated below.

Name	Principal Occupation	Director Since	Number of Class A Subordinate Voting Shares	Number of Class B Shares	Number of Deferred Share Units
H. Peter Brues Montréal, Québec	❖ Corporate Director	2018	11,500	-	846
Jacynthe Côté Candiac, Québec	❖ Corporate Director	2016	3,000	-	11,566
Richard Fortin ⁽¹⁾ Boucherville, Québec	◆ Corporate Director	2004	89,000	-	92,183
Yves Leduc Westmount, Québec	■ President and Chief Executive Officer of Velan Inc., a manufacturer of industrial valves	2017	1,900	-	4,342
Isabelle Marcoux ⁽²⁾ Montréal, Québec	Chair of the Board of Transcontinental Inc.	2005	4,000 ⁽³⁾	1,000	6,464

Name	Principal Occupation	Director Since	Number of Class A Subordinate Voting Shares	Number of Class B Shares	Number of Deferred Share Units
Nathalie Marcoux ⁽²⁾ Town of Mount Royal, Québec	Vice President, Finance of Capinabel Inc., a private management company	2011	-	-	25,614
Pierre Marcoux ⁽²⁾ Town of Mount Royal, Québec	President of TC Media	2005	5,000	1,000	614
Rémi Marcoux, C.M., O.Q., FCPA, FCA Montréal, Québec	Founder and Director of Transcontinental Inc.	1976	102,044 ⁽²⁾	12,562,840 ⁽²⁾	-
Anna Martini, FCPA, FCA Town of Mount Royal, Québec	●❖ Executive Vice President and Chief Financial Officer of Club de hockey Canadien, Bell Centre and evenko, a company in the sports and entertainment industries	2011	3,750	-	43,428
François Olivier Montréal, Québec	President and Chief Executive Officer of Transcontinental Inc.	2008	44,440	-	175,085
Mario Plourde Kingsey Falls, Québec	■ President and Chief Executive Officer of Cascades Inc., a company which manufactures, converts and markets packaging and tissue products	2015	9,900	-	15,922
Jean Raymond Montréal, Québec	❖ Vice-Chairman, Managing Director and Head of CIBC Capital Markets – Québec, CIBC World Markets Inc., a business offering products and services aimed at capital markets, securities, brokerage and asset management	2017	10,000	-	6,410
François R. Roy Montréal, Québec	● Corporate Director	2008	-	-	17,494
Annie Thabet Nun's Island (Verdun), Québec	■● Partner of Celtis Capital Inc., a firm specialized in transactional services in relation to mergers and acquisitions, divestitures and corporate finance, as well as asset management	2015	7,580	-	10,564

- Member of the Corporate Governance Committee
- Member of the Audit Committee
- ❖ Member of the Human Resources and Compensation Committee
- ◆ Lead Director

- (1) Mr. Richard Fortin has decided not to seek re-election as a member of the Board of Directors of the Corporation at the next annual meeting.
- (2) The 102,044 Class A Subordinate Voting Shares and the 12,562,840 Class B Shares are held by Capinabel Inc. The shares of Capinabel Inc. are held directly and indirectly by Mr. Rémi Marcoux and members of his immediate family. Mr. Rémi Marcoux controls Capinabel Inc. As of January 10, 2019, the shares of Capinabel Inc. represent 71.21% of the voting rights attached to the outstanding shares of the Corporation. Capinabel Inc. has entered into a monetization transaction with a Canadian chartered bank relating to 4,000,000 Class B Shares held by Capinabel Inc. The monetization transaction may be repaid in cash or through the transfer of Class A Subordinate Voting Shares. If the monetization transaction had been repaid on January 10, 2019 through the transfer of Class A Subordinate Voting Shares, the shares held by Capinabel Inc. would represent 61.87% of the voting rights attached to all outstanding shares of the Corporation as at January 10, 2019. Ms. Isabelle Marcoux, Ms. Nathalie Marcoux and Mr. Pierre Marcoux are members of Mr. Rémi Marcoux's immediate family.
- (3) The 4,000 Class A Subordinate Voting Shares are held by Isabelle Marcoux Holding Inc., a holding company controlled by Ms. Isabelle Marcoux.

Each director remains in office until the following annual shareholders' meeting or until the election or appointment of his successor, unless he resigns or his office becomes vacant as a result of his death, removal or other cause.

The following table sets forth the names, city of residence and position held with the Corporation of each officer of the Corporation as of January 10, 2019.

Name and City of Residence	Position Held with the Corporation
Salomon (Sam) Bendavid Montréal, Québec	Vice President, Corporate Development
André Bolduc Montréal, Québec	Director of Internal Audit
Katherine Chartrand Town of Mount Royal, Québec	Senior Director, Corporate Communications
Isabelle Côté Saint-Lazare, Québec	Corporate Controller
Magali Depras Montréal, Québec	Chief Strategy Officer
Christine Desaulniers Town of Mount Royal, Québec	Chief Legal Officer and Corporate Secretary
Jacques Grégoire Beauce, Québec	President, TC Transcontinental Printing
Benoit Guilbault Town of Mount Royal, Québec	Chief Information Officer
Isabelle Lamarre Town of Mount Royal, Québec	Assistant General Counsel and Assistant Corporate Secretary
Katya Laviolette Beaconsfield, Québec	Chief Human Resources Officer
Donald LeCavalier ⁽¹⁾ Montréal, Québec	Chief Financial Officer
Pierre Marcoux Town of Mount Royal, Québec	President, TC Media
François Olivier Montréal, Québec	President and Chief Executive Officer
Brian Reid Annan, Ontario	President, TC Transcontinental Printing and TC Transcontinental Packaging

(1) Mr. Donald LeCavalier was appointed Chief Financial Officer of the Corporation on September 21, 2018 after having held several positions within the Corporation since 2006.

The directors and officers of the Corporation have held the position listed in the tables above or other functions with the same company during the past five years or more, except for the following persons:

- Mr. Peter Brues is a corporate director. He spent more than 20 years at Amcor Limited, a leading packaging company principally in food, beverage, pharmaceutical, medical device and personal care products. Notably, from 2010 until 2015, he was President of Amcor Flexibles, Europe & Americas. Previously, he assumed various responsibilities, including President, Amcor Flexibles Healthcare, President, Amcor Flexibles, Americas and Vice President of Operations of Amcor Flexibles Europe A/S. He started his career at KPMG Peat Marwick Thorne (now known as KPMG LLP), a chartered accounting firm.
- Ms. Katherine Chartrand is Senior Director, Corporate Communications of TC Transcontinental since November 7, 2016. From August 2015 until May 2016, she was Public Relations Director of Cogeco Connexion Inc., a telecommunications company. Previously, she was Director, Internal and External Communications of TC Media from October 2010 until August 2015.
- Ms. Jacynthe Côté is a corporate director. From 2009 until June 2014, she was President and Chief Executive Officer of Rio Tinto Alcan, a metal and mining company, and, thereafter, served in an advisory role until she retired in September 2014.
- Ms. Magali Depras is Chief Strategy Officer of TC Transcontinental since November 19, 2018. From 2017 to 2018, she held the position of Vice President of Strategy at Nakisa Inc., a global leader in software enterprise business

solutions, where she acted as advisor to the Chief Executive Officer to articulate the company's growth strategy. From 2011 to 2016, Ms. Depras worked for CSA Group (Canadian Standards Association), an independent, not-for-profit membership-based association and a global leader in certification and conformity services, where she held various positions, including Chief Operating Officer and President of Standards of CSA Group. Prior to that, she was Chief Commercial Officer at Br. Hartmann AS, a Danish company, specialized in the manufacturing and sale of molded fiber packaging for food and industrial products.

- Mr. Yves Leduc is President and Chief Executive Officer of Velan Inc. since 2017. He joined Velan Inc. as President in 2015. Previously, he held various senior management positions at BRP Inc., an organization involved in the design, development, manufacturing, distribution and marketing of powersports vehicles and propulsion systems for 16 years, including Vice President and General Manager, North America as of 2006.
- Ms. Anna Martini is Executive Vice President and Chief Financial Officer at Club de hockey Canadien, Bell Centre and evenko. From 2004 until 2017, she was President of Groupe Dynamite Inc., a specialized apparel global retailer.

As of January 10, 2019, the directors and officers of the Corporation (other than Mr. Rémi Marcoux), as a group, beneficially owned, directly or indirectly, 274,670 Class A Subordinate Voting Shares and 2,000 Class B Shares of the Corporation, then representing approximately 0.37% and 0.01%, respectively, of the outstanding shares of each of such class.

To the best knowledge of the Corporation, no proposed director, as at January 10, 2019, or within 10 years before January 10, 2019: (a) is or has been subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of that company; (b) is or has been subject to a cease trade order, an order similar to a cease trade order or an order that denied a company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of that company and which resulted from an event that occurred while that person was acting in such capacity; (c) is or has been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (d) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets, with the exception of Mr. François R. Roy who was a director of Pixman Nomadic Media Inc. until November 27, 2009, more than two months before such corporation filed a notice of intention to make a proposal to its creditors under the *Bankruptcy and Insolvency Act* (Canada). Between November 3, 2009 and February 17, 2010, the Alberta Securities Commission, the British Columbia Securities Commission, the Ontario Securities Commission and the Autorité des marchés financiers issued cease trade orders in respect of Pixman Nomadic Media Inc. in connection with its failure to file certain financial statements and other continuous disclosure documents within the prescribed delays. Mr. Roy is no longer a director of Pixman Nomadic Media Inc.

Furthermore, to the best knowledge of the Corporation, no proposed director of the Corporation has been as at January 10, 2019 subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Item 7 - Proceedings

In the normal course of business, we are involved in various legal proceedings. Legal proceedings resulting from our activities in printing, packaging or media could have adverse effects both with respect to costs and to our reputation. In order to manage this risk, we, in addition to having a civil liability insurance policy, often limit our potential

responsibility with respect to damages under the contracts which we sign regarding our printing and packaging activities, and with respect to our media activities, we provide our journalists with information sessions and continuous training in addition to signing specific contracts with freelancers.

Item 8 - Material Contracts

On March 29, 2018, in connection with the acquisition of the business of Coveris Americas, TC Transcontinental entered into a securities purchase agreement to acquire from Coveris Holdings S.A., a portfolio company of Sun Capital Partners, Inc., all of the issued and outstanding voting common stock, non-voting common stock and preferred stock of CPG Finance, Inc., ordinary shares of Coveris Supraplast Holding Limited, shares of Coveris Holdings Limited and the regular shares 001 through 7101 of Supraplast S.A., for a purchase price of US\$1.32 billion (approximately C\$1.72 billion), subject to customary closing adjustments, the whole as set forth in the securities purchase agreement, a copy of which has been filed on the Corporation's SEDAR profile (www.sedar.com) on April 4, 2018. TC Transcontinental and its wholly-owned subsidiary, Cobra Acquisition Corp., completed the acquisition on May 1, 2018. Additional information with respect to this acquisition is also provided on the Business Acquisition Report (Form 51-102F4) and the Material Change Report (Form 51-102F3), filed on the Corporation's SEDAR profile (www.sedar.com) on May 7, 2018 and April 4, 2018, respectively.

Item 9 - Transfer Agent and Registrar

The transfer agent and registrar of our shares is AST Trust Company (Canada), having a place of business at 2001 Robert-Bourassa Blvd., Suite 1600, Montréal, Québec, H3A 2A6. AST Trust Company (Canada) also has offices in Toronto.

Item 10 - Information Regarding the Audit Committee

10.1 Charter of the Corporation's Audit Committee

The charter of the Corporation's Audit Committee is included in Schedule A.

10.2 Composition of the Audit Committee

The Corporation's Audit Committee is composed of the following four persons:

Name of the Director	Independent	Financially Literate
Richard Fortin, acting as chair of the Audit Committee ⁽¹⁾	x	x
Anna Martini	x	x
François R. Roy	x	x
Annie Thabet	x	x

(1) Mr. Richard Fortin has decided not to seek re election as a director of the Corporation.

10.3 Background and Related Experience

All members of the Audit Committee have been called upon to analyze numerous financial statements and to familiarize themselves with accounting principles.

Mr. Richard Fortin

Mr. Richard Fortin is a corporate director. Until September 2011, he was Chairman of the Board of Alimentation Couche-Tard Inc., a publicly traded corporation and, previously, he was Executive Vice President and Chief Financial Officer of Alimentation Couche-Tard Inc. since 1984. He has a Bachelor in Administration with a major in Finance from Laval University. Throughout his career, he has constantly remained on top of new accounting rules. He worked for more than 13 years in the banking industry, holding various management positions, namely as Vice President, Québec for Société Générale (Canada).

Ms. Anna Martini, FCPA, FCA

Ms. Anna Martini is Executive Vice President and Chief Financial Officer at Club de hockey Canadien, Bell Centre and evenko. From 2004 until 2017, she was President of Groupe Dynamite Inc. Ms. Martini has a Bachelor in Commerce with a major in accounting from Concordia University. She is a fellow and a member of the Ordre des comptables professionnels agréés du Québec. From 1985 until 2004, she worked at Deloitte & Touche LLP, a professional accounting services firm, including as audit and advisory services partner since 1996. She was also the retail industry leader at said firm from 1996 to 2004.

Mr. François R. Roy

Mr. François R. Roy is a corporate director. From June 2007 until June 2010, he was Vice-Principal (Administration and Finance) of McGill University. Previously, from March 2000 until May 2003, he was Chief Financial Officer of Telemedia Corporation, a private portfolio company; from August 1998 until March 2000, he was Executive Vice President and Chief Financial Officer of Quebecor Inc., an organization in telecommunications, entertainment, news media and culture; and, from August 1997 until July 1998, he was Executive Vice President and Chief Financial Officer of Avenor Inc., a producer of newsprint and wood products. Mr. François R. Roy also holds a Master of Business Administration degree from the University of Toronto and is a member or chairman of audit committees for several public and private corporations.

Ms. Annie Thabet

Ms. Annie Thabet is a partner with Celtis Capital Inc. After five years with Price Waterhouse, she joined Société générale de financement du Québec (SGF) in 1987 where she held different management positions until 1998. In 1998, she launched AT Capital, an investment management company. In 2003, she co-founded Celtis Capital. Ms. Thabet is a chartered professional accountant and holds a Master of Business Administration degree.

10.4 Reliance on Certain Exemptions

We have not at any time during our last fiscal year relied on any exemption set out in Multilateral Instrument 52-110.

10.5 Policies and Procedure Regarding Prior Approval

The Audit Committee has adopted rules regarding the scope of the services provided by the external auditors. Our external auditors provide audit-related services to the Corporation and its subsidiaries, audit-related or connected services, consulting services regarding research and development credits as well as tax-related consulting services. We do not give our external auditors any mandates to provide certain non-audit and non-tax related services to the Corporation and its subsidiaries, such as bookkeeping or other services related to the accounting books or financial statements or regarding the design and implementation of financial disclosure systems, services related to evaluation, actuarial services, internal auditing services, investment banking services and legal services. With respect to all other non-audit related consulting services, management must obtain the prior approval of its Audit Committee.

10.6 Fees Relating to the Services of the External Auditors

The following table sets forth, by category, the fees incurred by the Corporation and payable to its external auditors KPMG LLP for the fiscal years ended October 28, 2018 and October 29, 2017.

Category of Fees (in thousands of dollars)	2018 (\$)	2017 (\$)
Auditing fees	1,475.4	688.5
Fees for audit-related or connected	233.2	155.1
Compliance with taxation requirements and consulting services thereto	1,183.7	179.1
Total	2,892.3	1,022.7

Auditing fees include total fees paid to the auditors for auditing the annual consolidated financial statements and other regulatory audits and filings as well as fees for performing the review of the interim consolidated financial statements.

Audit fees also include fees for services that generally only the Corporation's auditor can provide, such as comfort letters, consents and assistance with and review of documents filed with the securities commissions.

Fees for audit-related or connected services included the total fees related to auditing services paid to the auditors, in particular for auditing the pension plans, translation services in relation to the documents filed with the securities commissions, due diligence services related to acquisitions and for consulting services with respect to accounting and financial disclosure standards.

Tax related fees include the total fees related to tax services paid to the auditors, in particular for consulting services regarding our compliance with income tax laws, tax planning in the preparation of our tax returns as well as regarding capital taxes and sales taxes. Tax related fees also include consulting and tax planning services in relation to the acquisition of the business of Coveris Americas. The auditors also offer consulting services with respect to tax credits for scientific research and experimental development.

Item 11 - Forward-Looking Statements

Our public communications often contain oral or written forward-looking statements which are based on the expectations of management and inherently subject to a certain number of risks and uncertainties, known and unknown. By their very nature, forward-looking statements are derived from both general and specific assumptions. The Corporation cautions against undue reliance on such statements since actual results or events may differ materially from the expectations expressed or implied in them. These forward-looking statements include, among others, statements with respect to our medium-term objectives, our outlook, our strategies to achieve these objectives, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. The words "may", "could", "should", "would", "assumptions", "strategy", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "objective", the use of the future and conditional tenses, and words and expressions of similar nature are intended to identify forward-looking statements. Such forward-looking statements may also include observations concerning the Corporation's anticipated financial results and business outlooks and the economies in which it operates. The Corporation's future performance may also be affected by a number of factors, many of which are beyond the Corporation's will or control. The main risks, uncertainties and factors that could influence actual results are described in this Annual Information Form as well as in the Management's Discussion and Analysis for the fiscal year ended October 28, 2018 under sections "Caution Regarding Forward-Looking Statements" (p. 1-2) and "Risks and Uncertainties" (p. 16-24), which may be viewed under the Corporation's SEDAR profile (www.sedar.com).

Unless otherwise indicated by the Corporation, forward-looking statements do not take into account the potential impact of non-recurring or other unusual items, nor of disposals, business combinations, mergers or acquisitions which may be announced or concluded after the date of this Annual Information Form.

These forward-looking statements are made pursuant to the "safe harbor" provisions of applicable Canadian securities legislation.

The forward-looking statements in this Annual Information Form are based on current expectations and information available as at the date hereof. Such forward-looking statements may also be found in our other documents filed with Canadian securities regulators or in our other communications. The Corporation's Management disclaims any intention or obligation to update or revise these statements unless otherwise required by the securities authorities.

Item 12 - Additional Information

Additional information, including remuneration of directors and officers, loans to officers, stock options, share units and interest of insiders in material transactions is, where applicable, contained in our Management Proxy Circular for our Annual General Meeting of Shareholders. Additional financial information is provided in the consolidated audited financial statements of the Corporation for the year ended October 28, 2018. A copy of these documents may be obtained, free of charge, from our Corporate Secretary at 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1. These documents can also be obtained under the Corporation's SEDAR profile (www.sedar.com) or on our website (www.tc.tc).

In addition, when securities of the Corporation are in the course of a distribution pursuant to a short form prospectus or when a preliminary short form prospectus has been filed, the following documents may be obtained, free of charge, from our Corporate Secretary:

- (a) A copy of this Annual Information Form, together with a copy of any document or portion thereof incorporated by reference therein;
- (b) A copy of the comparative financial statements of the Corporation for its most recently completed financial year together with the report of the auditors thereon and a copy of any interim financial statements of the Corporation subsequent to financial statements for its most recently completed financial year;
- (c) A copy of the Corporation's Management Proxy Circular for its most recent Annual Meeting of Shareholders; and
- (d) A copy of any other documents that are incorporated by reference in the preliminary short form prospectus or the short form prospectus.

At any other time, a copy of the documents referred to in subparagraphs (a), (b) and (c) above will be provided free of charge from our Corporate Secretary.

A copy of this Annual Information Form can be obtained, free of charge, from our Corporate Secretary at 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1, under the Corporation's SEDAR profile (www.sedar.com) or on our website (www.tc.tc).

Schedule A
Mandate of the Audit Committee

Main Responsibilities of the Committee

- Oversee the production and reporting process of the financial statements and ensure the integrity of the Corporation's financial reports and annual and interim financial statements
- Ensure the independence of the external auditor and monitor the work performed
- Ensure the independence of the internal audit function of the Corporation and monitor the work performed
- Oversee the development and implementation of effective internal control procedures, including the disclosure control processes
- Ensure compliance with legal and regulatory requirements
- Review the significant risks that may affect the Corporation and ensure that appropriate measures are in place to manage these risks

PURPOSE OF THE COMMITTEE

The Audit Committee (the "Committee") of Transcontinental Inc. (the "Corporation") assists the board of directors (the "Board") of the Corporation in fulfilling its oversight obligations in the following key areas:

1. Financial reporting process and integrity of financial statements issued by the Corporation;
2. Selection of the external auditor, supervision of the work of the external auditor and validation of its competence and independence;
3. Validation of the expertise and work performed by the internal audit team;
4. Internal controls for financial reporting and controls of the Corporation's disclosure of information and accounting systems;
5. Compliance with applicable legal requirements and legislation with respect to financial statements;
6. Review of the Corporation's risk management program; and
7. Any other responsibilities delegated by the Board to the Committee, in particular, relating to the financial position of the Corporation or its affiliates.

MEMBERS OF THE COMMITTEE

The Board shall appoint a minimum of three of its members to the Committee, including a chair of the Committee, and each member being financially literate. The Board shall be under no obligation to fill a vacancy prior to the following annual meeting of shareholders. The Committee is composed exclusively of independent directors who do not have a direct or indirect significant relationship with the Corporation or its affiliates. An important relationship is defined as a relationship that the Board could reasonably expect to be detrimental to the independence of a member's judgment.

The members of the Committee shall be appointed or replaced by resolution of the Board to hold office from the date of their appointment until the next annual meeting of shareholders or until their successor is appointed. A member may be removed or replaced at any time by the Board. A member ceases to be a member of the Committee when he ceases to be a director.

In accordance with the laws and regulations in force, the members of the Committee are chosen according to the following criteria:

1. **Independence.** Pursuant to applicable securities legislation and based on the standards governing the important relationships of the directors of the Corporation, the members of the Committee are independent

and must not have a direct or indirect relationship with the Corporation which, in the opinion of the Board, could affect their impartiality or impair the independence of their judgment.

2. **Knowledge in the Field of Finance.** The members of the Committee are (or will be, within a reasonable period of time after their appointment) financial literate and are able to read, understand and interpret various financial statements that present accounting situations of a degree of complexity comparable to those of the financial statements of the Corporation. In addition, at least one member of the Committee is considered to be an expert in the financial field.
3. **Commitment.** In the event that, in addition to being a member of the Committee, a member serves on the audit committee of more than two companies whose shares are listed, then the Board or the Corporate Governance Committee shall ensure that such multiple positions will not preclude that member from effectively performing his or her duties on the Committee.

MEETINGS

The Committee shall establish its own procedure for the calling and holding of meetings. The Committee must however hold at least two meetings per year. Unless the members of the Committee waive it, the Committee shall meet “in camera” at each meeting of the Committee, without the presence of members of management, the external auditor, the internal auditor and any other consultant, in order to allow its members to discuss frankly and openly. Subject to the notice provisions set out in the by-laws of the Corporation, written notice shall be given at least 48 hours prior to meetings unless the members of the Committee unanimously waive the notice.

The Chair of the Board and the President and Chief Executive Officer may attend each Committee meeting at the invitation of the chair of the Committee.

Unless otherwise determined by the Board from time to time, two members of the Committee constitute a quorum for the purpose of deliberating on any matter presented at a meeting. In the absence of the Chairman of the Committee at a meeting, the chair of the meeting shall be held by the member present who shall be chosen by a majority of the members present. During a meeting, all questions shall be decided by a majority of the votes cast by the members of the Committee.

The Secretary of the Committee shall be the Secretary or Assistant Secretary of the Corporation. A member of the Committee is appointed by the Board to act as chair of the Committee.

RESSOURCES AND SUPPORT

The Committee shall at all times have the necessary resources and authority to carry out its responsibilities and shall be authorized to conduct investigations. In order to fulfill its aforesaid responsibilities, the Committee shall, at the expense of the Corporation, have unrestricted access at all times, directly or through duly appointed representatives, to the relevant records and accounting systems of the Corporation, to its external auditor, its internal auditor, its accounting staff and members of management, as well as to independent legal advisers and other consultants or experts deemed appropriate by the Committee. The Committee has the authority to determine the remuneration of such consultants without obtaining prior authorization from the Board. The external auditor, the internal auditor of the Corporation and members of management shall also have unrestricted access to the Committee.

Any of such consultants or experts shall have the right to attend meetings of the Committee at the invitation of the chair of the Committee.

RESPONSIBILITIES

It is the responsibility of the Corporation’s management to prepare the Corporation’s financial statements and the external auditor’s responsibility to render an opinion based on its audit. The Committee is responsible for overseeing the conduct of these activities by the Corporation’s management and the external auditor and the activities of the internal auditor in this regard. The external auditor is accountable to the Committee. The members of the Committee are not employed on a full-time basis by the Corporation and shall not be or act as accountants or professional auditors or specialists in the fields of accounting, audit or preparation of financial statements. It is not the role or responsibility of the Committee or its members to conduct field investigations or other types of investigations or to conduct reviews or follow accounting procedures. Unless expressly informed otherwise, a member of the Committee is entitled to rely

on (i) the integrity of the persons from whom he receives information, whether or not such persons are employed by the Corporation, and (ii) the accuracy of the financial information or other information provided to the Committee by such persons.

The Committee may undertake any examination and make any recommendation regarding the matters relating to its responsibilities.

The duties and responsibilities of the Committee are established by the Board and include the functions normally assigned to an audit committee:

1. In Relation to the Production, Reporting and Integrity of Financial Statements and Financial Information

- (i) Assist the Board in fulfilling its responsibilities and more particularly, overseeing the process for the production and disclosure of financial information;
- (ii) Review and approve any disclosure policy of financial information;
- (iii) Satisfy itself of the credibility, integrity and objectivity of the financial information;
- (iv) In consultation with the external auditor and the internal auditor, verify the integrity of the Corporation's financial reporting process;
- (v) Examine, prior to its publication, together with management and the external auditor, the interim financial statements and annual financial statements of the Corporation, including the accompanying notes, the related management's discussion and analysis and the interim and annual results and related press releases recommend their approval to the Board;
- (vi) Review the analysis or other written communication prepared by management, the internal auditor or the external auditor on subjects relating to the presentation of financial results, including any analysis by management of material issues relating to financial information and assumptions used by management in the preparation of the financial statements;
- (vii) Review material related party transactions (other than such remuneration agreements analyzed by the Human Resources and Compensation Committee or the Corporate Governance Committee, as applicable) taking into account applicable regulations;
- (viii) Ensure that appropriate disclosure procedures are implemented for the communication to the public, where appropriate, of financial information included in continuous disclosure documents containing derivative financial documents referred to in item (v) above and periodically assess the adequacy of said procedures;
- (ix) Review the accounting principles and practices followed by the Corporation, including any material changes thereto, and ensure that they are adequate in the circumstances and in compliance with applicable legislation;
- (x) Review, together with management and the external auditor, any new financial or regulatory requirements that may affect matters submitted to the Committee under the terms of its mandate or on publicly disclosed financial information;
- (xi) Review, in collaboration with the Chief Legal Officer, any major litigation and any other legal matters or regulatory matters related to compliance that may have a material effect on the financial statements of the Corporation; and
- (xii) Consider any situation that may be brought to the attention of the Committee by the external auditor, including material litigation and regulatory or financial initiatives that could have a material impact on the financial situation or results of the Corporation and examine the disclosure of same, if required, in the documents submitted to the Committee's review.

2. In Relation to the External Auditor

- (i) Select the external auditor and recommend its appointment to the Board;
- (ii) Recommend to the Board the level of remuneration of the external auditor with respect to audit services, unless the Committee has been delegated to do so by the Board;
- (iii) Review and approve the mandate and the nature and extent of the audit to be performed by the external auditor of the Corporation, as well as the performance of the work performed by the external auditor for the Corporation and its affiliates, whether or not related to the audit;
- (iv) Review with the external auditor and management the annual external audit plans and objectives, including as to scope, timing and fees;
- (v) Approve a budgetary envelope for non-audit services that the external auditor is to render to the Corporation or its affiliates in order to enable the Committee to consider the impact of the services on the independence of the external auditor and review and authorize all fees paid to the external auditor in respect of any such services. This responsibility of the Audit Committee cannot be delegated to Corporation's management in any way whatsoever;
- (vi) Monitor the work of the external auditor;
- (vii) Ensure good communication between the directors and the external auditor;
- (viii) Require that the external auditor report directly to the Committee;
- (ix) Review, at least annually, a written report describing the relationship between the external auditor and the Corporation that may affect the objectivity and independence of the external auditor;
- (x) Review, with the external auditor, its annual audit report and discuss any issues or limitations imposed on the scope of its work, any differences of opinion and issues arising in the performance of its audit of the Corporation and its affiliates;
- (xi) Oversee the work of the external auditor in preparing and delivering the audit report or performing other services to the Corporation, including resolving conflicts between management and the auditor over financial reporting and informing the Board of any conflict between the external auditor and the management of the Corporation that the Committee has been unable to resolve within a reasonable time;
- (xii) Review any reports provided by the external auditor, including, inter alia, important recommendations to improve internal controls over financial reporting procedures and review management's actions to follow these recommendations; and
- (xiii) Review and approve, where applicable, any hiring policy of the Corporation with respect to partners, employees and former partners and employees of the current external auditor and the Corporation's previous external auditor.

3. In Relation to the Internal Auditor

- (i) Review and approve, on an annual basis, the internal auditor's charter, mandate and annual objectives, including the scope of its responsibilities, objectives, audit plan and budget;
- (ii) Review the work of the internal audit team, its independence from management, its expertise, its resources and its relationship with the external auditor;
- (iii) Receive periodic reports from the internal auditor on the results of its audits and the Corporation's progress in addressing significant issues; and
- (iv) Ensure that the internal auditor has continuous access to the chair of the Committee and to all officers of the Corporation.

4. In Relation to Internal Controls, Controls Over the Disclosure Process and Accounting Systems

- (i) Supervise the work of management in the development and implementation of internal control procedures and review any reports issued by management, the external auditor and the internal auditor as to the reliability, effectiveness, integrity and adequacy of the Corporation's accounting and internal control systems;
- (ii) Assess the effectiveness, integrity and adequacy of the Corporation's financial reporting and internal control processes, considering the comments of the external auditor, the Corporation's internal auditor and Chief Financial Officer of the Corporation;
- (iii) Review together with management, the adequacy of the Corporation's internal controls designed to safeguard its assets and ensure that they are not used unlawfully, to prevent, avoid and detect fraud, to ensure the accuracy of financial transactions and to validate any action taken following the discovery of material weaknesses;
- (iv) Review, together with management, the Corporation's control procedures to ensure that information related to the Corporation and its affiliates that is required to be disclosed under applicable laws and regulations is disclosed within the prescribed period and in a timely manner;
- (v) Ensure that the directors, executive officers and other employees of the Corporation comply with any disclosure policies in effect from time to time; and
- (vi) Review the information provided by the Chief Financial Officer during the certification process under applicable securities regulations regarding material weaknesses in the design or application of the internal controls over financial reporting, any weakness or irregularity that they consider reasonably likely to prevent the Corporation from recording, processing or disclosing its financial information that it is required to disclose in the prescribed period or to report any fraud, material or not, involving a member of management or an employee who has a key role in the Corporation's internal control over financial reporting.

5. In Relation to Legal and Regulatory Requirements

- (i) Review, in a timely manner, significant issues identified by management with respect to the production and disclosure of financial information to the public;
- (ii) Verify the compliance of management's financial reporting certifications with applicable laws and regulations; and
- (iii) Assist the Board in ensuring that the Corporation complies with applicable laws and regulations related to financial reporting.

6. In Relation to Risk Management

- (i) Review, on an annual basis, the principal risks and the implementation by management of policies and procedures, designed to monitor and mitigate, on an annual basis, financial, strategic and operational risks, as well as their impact on the Corporation's operations;
- (ii) Consider any other risk management issues that the Committee deems appropriate; and
- (iii) Review the insurance program and any renewal, including the coverage of directors and officers, and report to the Board.

7. Other Responsibilities

- (i) Review and recommend to the Board for approval, unless this approval has been delegated to the Committee, any financing of the Corporation;
- (ii) Review any significant tax issues with senior management;
- (iii) Ensure that procedures and policies are in place for the receipt, retention and processing of complaints received by the Corporation with respect to accounting, internal controls, audit or other matters, and the

confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing practices;

- (iv) Review and evaluate the performance and quality of the organization, staffing and succession planning for accounting and finance responsibilities;
- (v) Review any incident of fraud or conflict of interest;
- (vi) Review and recommend to the Board for approval any share repurchase program of the Corporation;
- (vii) Review and recommend to the Board for approval the dividend policy of the Corporation;
- (viii) Review information about the Committee that the Corporation must disclose regularly in its documents;
- (ix) Review any policy on the use of derivatives and any other hedging programs;
- (x) Meet regularly and separately management, the external auditor and the internal auditor;
- (xi) Regularly discuss privately with the internal auditor and the external auditor on the management of financial affairs and internal controls in the absence of management;
- (xii) Review the mandate of the Committee as required and submit to the Board any proposed changes, if any; and
- (xiii) Perform such other duties as may from time to time be entrusted by the Board.

The Committee shall report to the Board after each of its meetings.