MANAGEMENT PROXY CIRCULAR

Notice of Annual Meeting of Shareholders
February 28, 2019

tc • TRANSCONTINENTAL

Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the Annual Meeting (the "Meeting") of the holders of Class A Subordinate Voting Shares and Class B Shares of Transcontinental Inc. (the "Corporation") will be held at the Saint James Club of Montreal, Saint-Denis Room, 1145 Union Avenue, Montréal, Québec, Canada, on Thursday, February 28, 2019 at 2:00 p.m. for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the fiscal year ended October 28, 2018 with the auditors' report thereon;
2. to elect the Corporation's directors for the coming year;
3. to appoint KPMG LLP as auditors and to authorize the directors to fix their remuneration; and
4. to transact such other business as may properly be brought before the Meeting.

A copy of the 2018 Annual Report, which includes the consolidated financial statements, the auditors' report relating thereto and the Management's Discussion and Analysis, if requested, accompanies this notice. The annual report is also posted on the Corporation's website at www.tc.tc.

The directors have, by resolution, fixed the close of business on January 16, 2019 as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting.

Shareholders who are unable to attend the Meeting are entitled to be represented by proxy and are requested to date, sign and return the enclosed form of proxy in the envelope provided for that purpose or, alternatively, to vote by telephone, or over the Internet or in person at their discretion, the whole in accordance with the enclosed instructions. To be valid, proxies must be received at the Toronto office of the Corporation's transfer agent, AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6, by no later than 4:00 p.m. (Montréal time), the business day preceding the day of the Meeting or any adjournment thereof or must be given to the Chair of the Meeting on the day of the Meeting or any adjournment thereof.

Dated at Montréal, Québec, this 10th day of January, 2019.

By order of the Board of Directors,

Christine Desaulniers
Chief Legal Officer and Corporate Secretary

OUR DIRECTOR NOMINEES

(See page 7 for more information)

Nominee	Age	Director Since	Position	Ind.	Committee	Board and Committee Attendance	Other Public Boards	Top Four Competencies
H. Peter Brues	50	2018	Corporate Director	Yes	Human Resources and Compensation Committee	100%	–	▪ Manufacturing Industries ▪ Mergers and Acquisitions ▪ Accounting, Finance and Risk Management ▪ Compensation and Talent Management
Jacynthe Côté	60	2016	Corporate Director	Yes	Human Resources and Compensation Committee	100%	2	▪ Manufacturing Industries ▪ Executive Leadership (Chief Executive Officer) ▪ Mergers and Acquisitions ▪ Compensation and Talent Management
Yves Leduc	54	2017	President and Chief Executive Officer of Velan Inc.	Yes	Corporate Governance Committee	100%	1	▪ Manufacturing Industries ▪ Executive Leadership (Chief Executive Officer) ▪ Innovation and Technologies ▪ Sales, Marketing and Retail
Isabelle Marcoux	49	2005	Chair of the Board of Transcontinental Inc.	No	–	100%	3	▪ Mergers and Acquisitions ▪ Compensation and Talent Management ▪ Governance and Regulations ▪ Social Responsibility and Sustainable Development
Nathalie Marcoux	50	2011	Vice President, Finance of Capinabel Inc.	No	–	100%	–	▪ Manufacturing Industries ▪ Accounting, Finance and Risk Management ▪ Compensation and Talent Management ▪ Innovation and Technologies
Pierre Marcoux	47	2005	President of TC Media	No	–	100%	–	▪ Media and Communications ▪ Mergers and Acquisitions ▪ Innovation and Technologies ▪ Sales, Marketing and Retail
Rémi Marcoux, C.M., O.Q., FCPA, FCA	78	1976	Founder and Director of Transcontinental Inc.	No	–	100%	–	▪ Manufacturing Industries ▪ Executive Leadership (Chief Executive Officer) ▪ Mergers and Acquisitions ▪ Sales, Marketing and Retail

Nominee	Age	Director Since	Position	Ind.	Committee	Board and Committee Attendance	Other Public Boards	Top Four Competencies
Anna Martini, FCPA, FCA	56	2011	Executive Vice President and Chief Financial Officer of Club de hockey Canadien, Bell Centre and evenko	Yes	Audit Committee and Human Ressources and Compensation Committee	100%	1	▪ Executive Leadership (Chief Executive Officer) ▪ Accounting, Finance and Risk Management ▪ Compensation and Talent Management ▪ Sales, Marketing and Retail
François Olivier	53	2008	President and Chief Executive Officer of Transcontinental Inc.	No	–	100%	1	▪ Manufacturing Industries ▪ Executive Leadership (Chief Executive Officer) ▪ Mergers and Acquisitions ▪ Sales, Marketing and Retail
Mario Plourde	57	2015	President and Chief Executive Officer of Cascades Inc.	Yes	Corporate Governance Committee	100%	1	▪ Manufacturing Industries ▪ Executive Leadership (Chief Executive Officer) ▪ Mergers and Acquisitions ▪ Social Responsibility and Sustainable Development
Jean Raymond	59	2017	Vice-Chairman, Managing Director and Head of CIBC Capital Markets – Québec of CIBC World Markets Inc.	Yes	Human Resources and Compensation Committee	100%	–	▪ Media and Communications ▪ Mergers and Acquisitions ▪ Accounting, Finance and Risk Management ▪ Compensation and Talent Management
François R. Roy	63	2008	Corporate Director	Yes	Audit Committee	100%	1	▪ Media and Communications ▪ Mergers and Acquisitions ▪ Accounting, Finance and Risk Management ▪ Governance and Regulations
Annie Thabet	58	2015	Partner of Celtis Capital Inc.	Yes	Audit Committee and Corporate Governance Committee	100%	1	▪ Manufacturing Industries ▪ Mergers and Acquisitions ▪ Accounting, Finance and Risk Management ▪ Governance and Regulations

APPOINTMENT OF AUDITORS

(See page 5 for more information)

The Board of Directors and the Audit Committee recommend the appointment of KPMG LLP as auditors of the Corporation.

Total fees paid to KPMG LLP during the 2018 fiscal year: $2,892,300.

2018 EXECUTIVE COMPENSATION HIGHLIGHTS

General principles
A significant portion of the executives' compensation is linked to the performance of the Corporation
The total compensation for the executives is positioned at the median of their comparison group
The composition of global compensation varies at each hierarchical level
The total direct compensation is compared to compensation of comparable and relevant organizations
Stock options are no longer offered; share units are granted instead
The President and Chief Executive Officer has 80% of his global compensation at risk
The other Named Executive Officers have at least 50% of their target global compensation at risk
The executive short term incentives are based on a level of achievement of financial objectives, objectives tied to certain key strategic or high priority activities associated with the development of the Corporation and personal objectives

OTHER EXECUTIVE COMPENSATION BEST PRACTICES

50% of share unit awards vest based on performance measures over a three year cycle	✓
Change of control severance limited to 2 times salary and short term incentive compensation	✓
Clawback policy	✓
Minimum share ownership guidelines	✓
Anti-hedging policy	✓

CORPORATE GOVERNANCE HIGHLIGHTS

The following table shows some of the ways Transcontinental continues to adhere to the highest standards in corporate governance.

Number of director nominees (38.5% being women)	13
Number of independent director nominees	8
Board committee members are all independent	✓
Average age of director nominees	56
Annual election of directors	✓
Directors elected individually (rather than slate voting)	✓
Majority voting policy for directors	✓
Separate Chair and Chief Executive Officer	✓
Share ownership guidelines for directors and executives	✓
Board orientation/education program	✓
Number of board meetings held during the 2018 fiscal year	10
Board meetings attendance	100%
Committee meetings attendance	100%
Number of financial experts on the Audit Committee	4/4
Code of conduct	✓
Formal evaluation processes for the Board, its committees and the Chair of the Board	✓
Policy on women representation	✓

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This Management Proxy Circular (the "Circular") is furnished in connection with the solicitation of proxies by management of Transcontinental Inc. (the "Corporation") for use at the Annual Meeting of Shareholders (the "Meeting") of the Corporation called for Thursday, February 28, 2019 at 2:00 p.m. at the Saint James Club of Montreal, Saint-Denis Room, 1145 Union Avenue, Montréal, Québec, Canada, for the purposes set forth in the notice of such Meeting. Unless otherwise specified, the information herein contained is given as at January 10, 2019.

1. Questions and Answers

The following questions and answers provide guidance on how to exercise your voting rights with respect to your shares.

Who can vote?

Shareholders who are registered as at the close of business on January 16, 2019 (the "Record Date") will be entitled to vote at the Meeting or at any adjournment thereof, either in person or by proxy. A holder of Class A Subordinate Voting Shares (the "Class A Shares") or of Class B Shares (the "Class B Shares") who has acquired his or her shares after that date must, at least 10 days before the Meeting, request that the Corporation enter his or her name on the list of shareholders entitled to vote.

As at the close of business on January 10, 2019, the Corporation had 73,359,754 Class A Shares and 13,980,626 Class B Shares outstanding. Class A Shares carry one vote per share and Class B Shares carry 20 votes per share.

What am I voting on?

Shareholders will be voting on (i) the election of directors; and (ii) the appointment of KPMG LLP as the auditors, and the authorization to be given to the directors to fix their remuneration.

How will these matters be decided at the Meeting?

A simple majority of the votes cast, in person or by proxy, will constitute approval of these matters.

Who is soliciting my proxy?

The solicitation is being primarily made by mail, but our directors, officers and employees may also solicit proxies at a nominal cost to the Corporation. The Corporation may also reimburse brokers and other persons holding shares in their name or as nominees for their costs incurred in sending proxy forms and related materials to their principals in order to obtain their proxies. These costs are not material.

Who can I call with questions?

If you have any questions about the information contained in this Circular or require assistance in completing your form of proxy, you can contact the transfer agent, AST Trust Company (Canada), at 1-800-387-0825 (toll free throughout Canada and the United States).

How can I contact the transfer agent?

You can contact the transfer agent by mail at its Toronto office at: AST Trust Company (Canada), 1 Toronto Street, Suite 1200, Toronto, Ontario M5C 2V6, by telephone at 1-800-387-0825 (toll free throughout Canada and the United States), by fax at 1-888-249-6189 (toll free throughout Canada and the United States), by email at inquiries@astfinancial.com, by mail at its Montréal office at AST Trust Company (Canada), 2001 Robert-Bourassa Blvd., Suite 1600, Montréal, Québec H3A 2A6.

How may I vote?

If you are eligible to vote and if your shares are registered in your name, you can exercise your voting rights in person at the Meeting or by proxy, as explained below. If your shares are held in the name of a nominee, please see the instructions below under "How do I vote if I am a non-registered shareholder?".

How to complete the form of proxy?

You can choose to vote "FOR" or "WITHHOLD" by checking the appropriate box, depending on the questions listed on the form of proxy. When you sign the form of proxy, you authorize Ms. Isabelle Marcoux or Ms. Jacynthe Côté, who are directors, to exercise your voting rights with respect to your shares, at the Meeting, according to your instructions. **If you wish to appoint someone else to exercise your voting rights with respect to your shares for you at the Meeting, strike out the names of such directors and write the name of your proxyholder in the space provided. If you return your form of proxy and do not tell us how you want to exercise your voting rights with respect to your shares, your vote will be exercised: (i) FOR the election as a director of each of the persons listed in the Circular; and (ii) FOR the appointment of KPMG LLP as auditors and the authorization to be given to the directors to fix their remuneration.** Your proxyholder will exercise your voting rights with respect to your shares as he or she sees fit on any other matter that may properly come before the Meeting.

If you are an individual shareholder, you or your authorized attorney must sign the form. If you are a corporation or other legal entity, an authorized officer or attorney must sign the form. If you need help completing your form of proxy, please contact AST Trust Company (Canada).

If I change my mind, how can I change my vote?

You can revoke a vote made by proxy:

- by voting again by telephone or on the Internet **before 4:00 p.m. (Montréal time) on February 27, 2019**;
- by completing a form of proxy, that is dated later than the form of proxy you are changing, and mailing it or faxing it to AST Trust Company (Canada) so that it is received **before 4:00 p.m. (Montréal time) on February 27, 2019**;
- by sending a notice in writing from you, or your authorized attorney, to the Corporate Secretary so that it is received **before 4:00 p.m. (Montréal time) on February 27, 2019**;
- by providing a notice in writing from you, or your authorized attorney, to the Chair of the Meeting prior to the Meeting or any adjournment; or
- in any other manner permitted by law.

How will my voting rights be exercised with respect to my shares if I give my proxy?

During a secret ballot, or a vote by show of hands, the persons named in the enclosed form of proxy will exercise the voting rights with respect to your shares being the object of the form of proxy in accordance with the instructions of the shareholders appointing them. **In absence of such instructions, such shares will be exercised: (i) FOR the election, as a director of the Corporation, of each of the persons listed in this Circular; and (ii) FOR the appointment of KPMG LLP as auditors of the Corporation and the authorization of the directors to fix their remuneration.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments to the matters identified in the notice of the Meeting and with respect to any other matters that may properly come before the Meeting or any adjournment thereof. As of the date of this Circular, management of the Corporation knows of no such amendments or other matters that may be raised at the Meeting. However, should any amendment or other matters properly come before the Meeting, the persons named in the enclosed form of proxy will vote in accordance with their best judgment pursuant to the discretionary authority conferred by the proxy with respect to such matters.

How many voting shares are outstanding?

The only voting shares of the Corporation currently issued and outstanding are the Class A Shares and the Class B Shares. The Corporation currently has 73,359,754 Class A Shares and 13,980,626 Class B Shares outstanding. The Class A Shares and the Class B Shares are "special shares" under applicable securities regulations in Canada, as they do not confer equal voting rights. These shares carry one and 20 votes per share, respectively. The voting rights attached to the Class A Shares represent in the aggregate 20.78% of the voting rights attached to all of the Corporation's issued and outstanding securities.

To the knowledge of the directors and officers, the only person who owns, directly or indirectly, or exercises control or direction of more than 10% of the outstanding voting shares of either class, is as follows:

Name	Number of Class A Shares / % of outstanding Class A Shares		Number of Class B Shares/ % of outstanding Class B Shares		Percentage of outstanding shares
Capinabel inc.[(1)]	102,044	0.139%	12,562,840	89.86%	14.50%

(1) All of the outstanding shares of Capinabel Inc. are held directly and indirectly by Mr. Rémi Marcoux and members of his immediate family. Capinabel Inc. is controlled by Mr. Rémi Marcoux. The shares held by Capinabel Inc. represent 71.21% of the voting rights attached to all 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. The monetization transaction may be repaid in cash or through the transfer of Class A Shares. If the monetization transaction had been repaid on the date hereof through the transfer of Class A Shares, the shares held by Capinabel Inc. would represent 61.87% of the voting rights attached to all outstanding shares of the Corporation.

Each Class B Share shall carry only one vote as at the date upon which, as the case may be, (i) all of the persons understood in the definition of "Majority Group" (as hereinafter defined) cease being owners of a sufficient number of Class A Shares and Class B Shares allowing them to exercise a majority of the votes to elect directors, or (ii) all such persons are deemed to have ceased to constitute the Majority Group, or (iii) all of the Class B Shares have been exchanged for Class A Shares. The expression "Majority Group" is defined in the Articles of the Corporation as meaning, at a given date, one or more of the following persons, namely each of the founders of the Corporation, including Mr. Rémi Marcoux, their spouses, their direct descendants born or to be born, their legally adopted children and the respective spouses of such descendants or children, as long as one or several of the above-mentioned persons, individually or collectively, or the trusts of which they are the beneficiaries, the corporations which they control or the subsidiaries thereof, own such number of Class A Shares and Class B Shares allowing them, in the event of an election of the Board of Directors of the Corporation, to exercise a majority of the votes to elect such directors.

The Articles of the Corporation provide that if a takeover bid for the Class B Shares, within the meaning of the *Securities Act* (Québec) (a "Takeover Bid"), is made such that, if the bid is accepted, all of the persons identified in the definition of the Majority Group will cease to be the Majority Group, each Class A Share, the holder of which has indicated at any time during the period of participation his intention to take part in the Takeover Bid and has not subsequently exercised his right to withdraw within the prescribed period, shall be deemed to have been converted into one Class B Share on the last business day prior to the effective date of the Takeover Bid. This conversion is subject, however, to the condition that a sufficient number of shares be taken up and paid for by the offeror under the Takeover Bid so as to cause the Majority Group to cease to be, as a result thereof, the Majority Group.

Each Class B Share may, at any time at the holder's option, be converted into one fully paid Class A Share.

How many votes do I have?

The Class A Shares are special securities within the meaning of securities regulations in Canada as they do not confer the same voting rights as those conferred by the Class B Shares. During a secret ballot, each Class A Share carries one vote and each Class B Share carries 20 votes.

How do I vote if I am a registered shareholder?

You are a registered shareholder if your name appears on your share certificate.

There are four ways that you can exercise your voting rights with respect to your shares if you are a registered shareholder. You may:

(i) vote in person at the Meeting;

(ii) complete and sign the enclosed form of proxy and appoint one of the named persons, or any other person you choose to represent you and to exercise your voting rights with respect to your shares at the Meeting, and mail it;

(iii) vote electronically on the Internet; or

(iv) vote by telephone.

Please make sure that the person you appoint is aware of his or her appointment and attends the Meeting.

Completing, signing and returning your form of proxy does not preclude you from attending the Meeting in person. If you do not wish to attend the Meeting or do not wish to vote in person, your proxy will be voted or withheld from voting, in accordance with your instructions specified on your proxy, on any ballot that may be called at the Meeting.

To vote by telephone, please call 1-888-489-7352 and follow the voice instructions if you use a touch tone phone, or scan the QR code set out in the proxy form if you use a smartphone.

To vote electronically, you must go to the following Internet site: www.astvotemyproxy.com and enter your personalized 13-digit e-voting control number printed on your form of proxy and follow the instructions on the screen.

If your shares are registered in the name of a nominee, please see "How do I vote if I am a non-registered shareholder" on page 4.

What if I wish to attend the Meeting and vote in person?

If you wish to attend the Meeting on February 28, 2019 and wish to exercise your voting rights with respect to your shares in person at the Meeting, it is not necessary for you to complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with the transfer agent, AST Trust Company (Canada), upon arrival at the Meeting. Non-registered shareholders wishing to attend the Meeting should refer to "How do I vote if I am a non-registered shareholder".

What happens when I sign and return the form of proxy?

Signing the enclosed proxy gives authority to the named proxyholders on the form, or to another person you have appointed, to exercise your voting rights with respect to your shares at the Meeting in accordance with the voting instructions you provide.

What do I do with my completed form of proxy?

Sign it exactly as the name appears on the proxy and return it to the transfer agent, AST Trust Company (Canada), in the envelope provided, so that it arrives no later than 4:00 p.m. on February 27, 2019. All shares, represented by a properly executed proxy received by AST Trust Company (Canada) prior to such time, will be voted or be withheld from voting, in accordance with your instructions as specified in the proxy.

How do I vote if I am a non-registered shareholder?

You are a "non-registered" (or a "beneficial") shareholder if your bank, trust company, securities broker or other financial institution holds your shares for you (your "nominee"). **Beneficial holders should note that only proxies deposited by registered holders, whose names appear on the records kept by the transfer agent of the Corporation as registered holders of Class A Shares or Class B Shares will be recognized and acted upon at the Meeting or any adjournment thereof.**

If your shares appear in an account statement sent by your broker, such shares are most probably not registered in your name, but rather in the name of your broker or a representative of that broker. **In such case, you must ensure that your voting instructions are communicated to the appropriate person well before the Meeting or any adjournment thereof.** Without specific instructions, brokers and their agents or nominees are prohibited from voting shares of their clients.

If you are a non-registered shareholder, there are two ways listed below that you can exercise your voting rights with respect to your shares:

By giving your voting instructions

Applicable securities laws require your nominee to seek voting instructions from you in advance of the Meeting. Accordingly, you will receive, or have already received from your nominee, a request for voting instructions for the number of shares you hold. Every nominee has its own mailing procedures and provides its own signature and return instructions, which should be carefully followed by non-registered shareholders to ensure that their shares are voted at the Meeting.

By voting in person

However, if you wish to vote in person at the Meeting, insert your name in the space provided in the request for voting instructions provided by your nominee to appoint yourself as proxyholder and follow the instructions of your nominee. Non-registered shareholders who appoint themselves as proxyholders should present themselves at the Meeting to a representative of AST Trust Company (Canada). Do not otherwise complete the request for voting instructions sent to you as you will be voting at the Meeting.

Pursuant to National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, brokers and other intermediaries are required to request voting instructions from beneficial holders prior to shareholder meetings. Brokers and other intermediaries have their own procedures for sending materials and their own guidelines for the return of documents. Beneficial holders should strictly follow these instructions if the voting rights attached to their shares are to be cast at the Meeting. In Canada, most brokers now delegate the responsibility of obtaining their clients' instructions to Broadridge Financial Solution, Inc. ("Broadridge"). A beneficial holder who receives a voting instruction form from Broadridge may not use the said form to vote directly at the Meeting. If you have questions on how to exercise voting rights carried by shares held through a broker or other intermediary, please contact such broker or other intermediary directly.

Unless otherwise indicated, in this Circular and in the form of proxy and the notice of Meeting attached hereto, shareholders shall mean registered holders.

2. Business of the Meeting

2.1 Financial Statements

Our consolidated financial statements for the year ended October 28, 2018, together with the auditors' report thereon, are included in the 2018 Annual Report of the Corporation.

2.2 Election of Directors

Our Articles provide that our Board of Directors shall consist of a minimum of three and a maximum of 15 directors. As at January 10, 2019, the Board of Directors consisted of 14 directors. After almost 15 years as a director, Mr. Richard Fortin has decided that he would not stand for re-election. Mr. H. Peter Brues was appointed as a director of the Corporation on September 6, 2018. Management is proposing that 13 directors be elected at the Meeting, of which eight are independent, each to remain in office until the next annual meeting of shareholders or until the election or appointment of his or her successor.

The term of office of each of the present directors expires at the close of the Meeting. **Management will propose for election at the Meeting the nominees identified under Section 3.1. Unless authority is expressly withheld, the persons designated in the accompanying form of proxy or voting instruction form intend to vote FOR the election of all of these nominees.** All nominees are presently directors of the Corporation. Voting for each director will be made on an individual basis.

The Board of Directors approved a Majority Voting Policy pursuant to which, with respect to uncontested elections, each nominee who receives more votes withheld than are voted in favour of him or her must submit his or her resignation to the Board of Directors, effective upon its acceptance by the Board of Directors. The Board of Directors will refer the resignation to the Corporate Governance Committee for consideration. The Board of Directors will accept the resignation unless the Corporate Governance Committee recommends to the Board of Directors that there are circumstances warranting that such director continue to serve as a board member. In any event, it is expected that the resignation will be accepted (or rejected) by the Board of Directors within 90 days of the meeting of shareholders.

Despite that she is not an executive but as the Chair of the Board is not an independent director, the Board of Directors has appointed a Lead Director with the responsibility of ensuring that the Board of Directors functions independently from management. The Chair of the Board is not a member of the Management Committee of the Corporation.

The Board of Directors currently has three Board committees composed only of independent directors: the Audit Committee, the Corporate Governance Committee and the Human Resources and Compensation Committee. Membership of the Board committees is as follows:

Audit Committee	**Corporate Governance Committee**	**Human Resources and Compensation Committee**
Richard Fortin (chair)	Mario Plourde (chair)	Jacynthe Côté (chair)
Anna Martini	Yves Leduc	Peter Brues
François R. Roy	Annie Thabet	Anna Martini
Annie Thabet		Jean Raymond

The attendance record of each director at meetings of the Board and its committees held during the fiscal year ended October 28, 2018 is shown in the table under Section 3.4.

2.3 Appointment of Auditors

At the Meeting, shareholders must appoint the auditors of the Corporation to hold office until the next annual meeting of shareholders and shareholders will be asked to authorize the directors to fix the remuneration of the auditors appointed. The Board of Directors and the Audit Committee recommend the appointment of KPMG LLP as auditors of the Corporation.

KPMG LLP has acted as auditors of the Corporation since the fiscal year commencing on November 1, 2008.

Unless otherwise specified by the shareholder, the persons named in the enclosed form of proxy intend to vote FOR the appointment of KPMG LLP, 600 de Maisonneuve Blvd. West, Suite 1500, Montréal, Québec, Canada H3A 0A3, as auditors of the Corporation and to authorize the directors to fix their remuneration.

During the fiscal year ended October 28, 2018, the Corporation retained its auditors, KPMG LLP, to provide certain services. The Audit Committee has determined that KPMG LLP's provision of non-audit services was compatible with maintaining KPMG LLP's independence. The Audit Committee has approved a policy whereby it must pre-approve any non-audit services performed by the Corporation's auditors.

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

Category of fees (in thousands of dollars)	**2018**	**2017**
Audit fees	1,475.4	688.5
Audit related fees	233.2	155.1
Compliance with taxation requirements and tax consulting services	1,183.7	179.1
Total	**2,892.3**	**1,022.7**

3. Nominees for Election to the Board

3.1 Description of Nominees

The following table sets out information regarding the nominees for election as directors as at January 10, 2019, unless otherwise indicated.

Certain information shown below relating to the nominees being proposed as directors of the Corporation was not known to the Corporation and was furnished by each relevant nominee.

	H. Peter Brues Age: 50 Montréal, Québec Director since 2018 **Independent** **Areas of Expertise:** ▪ Manufacturing Industries ▪ Mergers and Acquisitions ▪ Accounting, Finance and Risk Management ▪ Compensation and Talent Management	**Corporate Director** Mr. Peter Brues is a corporate director. He spent more than 20 years at Amcor Ltd, 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 carreer at KPMG Peat Marwick Thorne (now known as KPMG LLP), a chartered accounting firm.

Member of	Attendance up to October 28, 2018 [5]				Board membership or trustee of public corporations during the last five years:
Board	3	of	3	100%	Present boards: –
Human Resources and Compensation Committee	1	of	1	100%	Past boards: –
Total	4	of	4	100%	

Securities held[1]	Class A Shares	Class B Shares	Deferred share units	Total value of shares and deferred share units ($)[2]
2018	11,500	—	846	257,414
2017	—	—	—	—

Ownership requirements[3]:			
	Value of ownership based on ownership guidelines ($)	**Minimum required ($)**	**Excess over the minimum ($)**
2018	262,130	210,000	52,130
2017	—	—	—

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
125%	Satisfied	$17,420

Voting results at the annual meeting of shareholders held on March 1, 2018[4]:			
Votes in favour	N/A	Votes withheld	N/A
Percentage of votes in favour	N/A	Percentage of votes withheld	N/A

Jacynthe Côté
Age: 60
Candiac, Québec

Director since 2016
Independent

Areas of Expertise:
- Manufacturing Industries
- Executive Leadership (Chief Executive Officer)
- Mergers and Acquisitions
- Compensation and Talent Management

Corporate Director

Ms. Jacynthe Côté is a corporate director. From 2009 until 2014, she was President and Chief Executive Officer of Rio Tinto Alcan, a metals and mining company, and thereafter served in an advisory role until she retired in September 2014. Prior to 2009, she served as President and Chief Executive Officer of Rio Tinto Alcan's Primary Metal business group. She joined Alcan Inc. in 1988 where she pursued a 26 year career.

Ms. Côté serves as Chair of the Board of Hydro-Québec (a Québec owned organization generating, transmitting and distributing electricity) since 2018, Chair of the Board of CHU Sainte-Justine Foundation, a foundation supporting CHU Sainte-Justine in its mission to improve the health outcome of a growing number of children, and sits on the Advisory Board of the Montreal Neurological Institute and Hospital and the board of directors of Allô Prof, an organization offering free homework help to primary and secondary school children and general education to adults.

Member of	Attendance up to October 28, 2018	Board membership or trustee of public corporations during the last five years:
Board	10 of 10 100%	Present boards: ▪ Royal Bank of Canada (since 2014) ▪ Finning International Inc. (since 2014) Past boards: ▪ Suncor Energy Inc. (2015-2018)
Human Resources and Compensation Committee	6 of 6 100%	
Total	16 of 16 100%	

Securities held[1]	Class A Shares	Class B Shares	Deferred share units	Total value of shares and deferred share units ($)[2]
2018	3,000	—	11,566	303,701
2017	—	—	6,881	193,494

Ownership requirements[3]:

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	361,612	210,000	151,612
2017	193,494	210,000	—

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
172%	Satisfied	$108,000

Voting results at the annual meeting of shareholders held on March 1, 2018[4]:

Votes in favour	301,612,455	Votes withheld	3,539,686
Percentage of votes in favour	98.84%	Percentage of votes withheld	1.16%

Yves Leduc
Age: 54
Westmount, Québec

Director since 2017
Independent

Areas of Expertise:
- Manufacturing Industries
- Executive Leadership (Chief Executive Officer)
- Innovation and Technologies
- Sales, Marketing and Retail

President and Chief Executive Officer of Velan Inc.

Mr. Yves Leduc is President and Chief Executive Officer of Velan Inc., a manufacturer of industrial valves, since 2017 and President since 2015. Previously, he worked for almost 16 years at BRP Inc., an organization involved in the design, development, manufacturing, distribution and marketing of powersports vehicles and propulsion systems, where, since 2006, he was Vice-President and General Manager, North America and, from 2004 until 2006, Vice President and General Manager of the engine division (Austria). From 1994 until 1998, he worked at McKinsey and Company, a firm offering management and strategic consulting services, as a management consultant and, from 1987 until 1994, as a lawyer at Stikeman Elliott LLP, a law firm.

Mr. Leduc sits on the board of directors of Valve Manufacturers Association since 2017, of Orford Musique since 2015 and, until recently, of the Accelerator for the creation of technological businesses group of the Université de Sherbrooke and of Corporation études-sports (Studies and Sports Corporation) of the Université de Sherbrooke.

Member of	**Attendance up to October 28, 2018**				**Board membership or trustee of public corporations during the last five years:**
Board	10	of	10	100%	Present boards: ▪ Velan Inc. (since 2017)
Corporate Governance Committee(6)	3	of	3	100%	Past boards: –
Total	13	of	13	100%	

Securities held(1)	**Class A Shares**	**Class B Shares**	**Deferred share units**	**Total value of shares and deferred share units ($)(2)**
2018	1,900	—	4,342	130,146
2017	—	—	490	13,779

Ownership requirements(3):

	Value of ownership based on ownership guidelines ($)	**Minimum required ($)**	**Excess over the minimum ($)**
2018	160,304	210,000	—
2017	13,779	210,000	—

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
76%	September 7, 2020	$94,635

Voting results at the annual meeting of shareholders held on March 1, 2018(4):

Votes in favour	304,715,833	Votes withheld	436,308
Percentage of votes in favour	99.86%	Percentage of votes withheld	0.14%

Isabelle Marcoux
Age: 49
Montréal, Québec

Director since 2005
Non-independent

Areas of Expertise:
- Mergers and Acquisitions
- Compensation and Talent Management
- Governance and Regulations
- Social Responsibility and Sustainable Development

Chair of the Board of Transcontinental Inc.

Ms. Isabelle Marcoux is Chair of the Board of Transcontinental Inc. since 2012. Previously, she was Vice Chair of the Board since 2007 and Vice President, Corporate Development of Transcontinental Inc. since 2004. Between 1997 and 2004, she held various positions within the Corporation. Before joining Transcontinental, Ms. Marcoux was a lawyer at the law firm McCarthy Tétrault LLP.

Ms. Marcoux is a director of the Montreal Children's Hospital Foundation since 2015 and a member of the advisory committee of the Faculty of Law of McGill University. In 2018, she chaired the Major Donors Circle of the Centraide of Greater Montréal Campaign. Furthermore, in 2016, she acted as co-chair of the 2016 Centraide of Greater Montréal Campaign and had co-chaired the 2015 Leaders Circle Campaign of Centraide of Greater Montréal. Ms Marcoux co-chairs several fundraising events and has been actively involved in a number of fundraising campaigns for organizations, including for the Fondation Tel-Jeunes, the Young Musicians of the World Foundation, the Montreal Heart Institute Foundation and the Montreal Museum of Fine Arts.

In 2018, Ms. Isabelle Marcoux and Mr. François Olivier were honored by Portage, an organization dedicated to helping people with a drug addiction reintegrate themselves into society, for their outstanding contribution to Québec's business community and social well-being. In 2017, Ms. Marcoux was inducted into the Women's Executive Network (WXN) Hall of Fame. This recognition follows her three nominations by WXN in 2010, 2012 and 2016 as one of Canada's Top 100 most powerful women. In 2017, Ms. Marcoux became the first Canadian to win the Visionary Award for Strategic Leadership from the global organization Women Corporate Directors Foundation. In 2016, Ms. Marcoux was awarded the Medal of the National Assembly of Québec, recognizing the impact of her community involvement. In 2015, Ms. Marcoux received the "Mercure Leadership Germaine-Gibara" award, Large Company category, for her exceptional contribution as a businesswoman.

Member of	Attendance up to October 28, 2018	Board membership or trustee of public corporations during the last five years:
Board	10 of 10 100%	Present boards: ▪ George Weston Limited (since 2007) ▪ Rogers Communications Inc. (since 2008) ▪ Power Corporation of Canada (since 2010) Past boards: –
Total	10 of 10 100%	

Securities held[(1)(8)(9)]	Class A Shares[(7)]	Class B Shares	Deferred share units[(10)]	Total value of shares and deferred share units ($)[(2)]
2018	4,000	1,000	6,464	238,914
2017	4,000	1,000	6,257	316,627

Ownership requirements[(3)]:

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	728,983	210,000	518,983
2017	730,837	210,000	520,837

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
347%	Satisfied	$1,012,265

Voting results at the annual meeting of shareholders held on March 1, 2018[(4)]:

Votes in favour	298,995,587	Votes withheld	6,156,554
Percentage of votes in favour	97.98%	Percentage of votes withheld	2.02%

	Nathalie Marcoux Age: 50 Town of Mount-Royal, Québec Director since 2011 **Non-independent** **Areas of Expertise:** ▪ Manufacturing Industries ▪ Accounting, Finance and Risk Management ▪ Compensation and Talent Management ▪ Innovation and Technologies	**Vice President, Finance of Capinabel Inc.** Ms. Nathalie Marcoux, a chartered accountant, is Vice President, Finance of Capinabel Inc., a private management company, since 2001. From 1996 until 2001, she held various positions at Transcontinental Inc., including Director of Investor Relations between 2000 and 2001 and member of the finance reengineering team from 1998 until 2000 and of the internal audit team from 1996 until 1998. Before then, from 1993 until 1996, Ms. Marcoux was an auditor with Ernst & Young, a chartered accounting firm. Ms. Marcoux is President of the advisory committee of the Rémi-Marcoux Entrepreneurial Track, a member of the committee of the Carmelle and Rémi-Marcoux Chair in Arts Management and a Governor of the École des Hautes Études Commerciales of the University of Montréal. Ms. Marcoux is a member of the advisory committee of Tandemlaunch, a fund that scouts, accelerates and commercializes early stage technologies from the world's top universities in close partnership with major consumer electronic brands. In 2017 and 2018, she was a member of the jury of Startupfest as well as a member of the jury for the Emerging Entrepreneurs Contest supported by the Claudine and Stephen Bronfman Family Foundation and C2 Montréal, of the national jury for the EY Entrepreneur of the Year Award in 2014 and of the jury of the Québec region from 2012 until 2014.

Member of	Attendance up to October 28, 2018	Board membership or trustee of public corporations during the last five years:
Board	10 of 10 100%	Present boards: –
Total	10 of 10 100%	Past boards: –

Securities held(1)(8)(9)	Class A Shares	Class B Shares	Deferred share units	Total value of shares and deferred share units ($)(2)
2018	—	—	25,614	534,052
2017	—	—	24,800	697,376

Ownership requirements(3):

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	540,897	210,000	330,897
2017	697,376	210,000	487,376

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
258%	Satisfied	$86,500

Voting results at the annual meeting of shareholders held on March 1, 2018(4):

Votes in favour	302,680,224	Votes withheld	2,471,917
Percentage of votes in favour	99.19%	Percentage of votes withheld	0.81%

Pierre Marcoux

Age: 47

Town of Mount-Royal, Québec

Director since 2005

Non-independent

Areas of Expertise:
- Media and Communications
- Mergers and Acquisitions
- Innovation and Technologies
- Sales, Marketing and Retail

President of TC Media

Mr. Pierre Marcoux is President of TC Media since January 2018. From 2012 until 2017, he was Senior Vice President, Business and Education of TC Media. From June 2009 until November 2012 he was Senior Vice President Business and Consumer Solutions Group of TC Media and Vice President, Business Solutions and Book Publishing Group from 2006 until June 2009, after having held various positions previously. From 1997 to 1999, he was a reporter for Bloomberg News, in Washington, D.C., then for the Hamilton Spectator, in Ontario.

Mr. Marcoux sits on the board of directors of Vividata, an organization measuring audience for print and digital media, since 2014, and was on the board of directors of Cedrom-SNI Inc., a corporation held by the Corporation in partnership with others until the sale of this business in December 2017.

Mr. Marcoux is a director of the On the Tip of the Toes Foundation, an organization helping young people with cancer regain their well-being by facing the challenge of an exceptional therapeutic adventure expedition. In 2015, 2016, 2017 and 2018, he was an ambassador of their fundraising event, Celebrate Life. Mr. Marcoux was also an honorary ambassador, in 2015, 2016 and 2017, of *A Brilliant Night,* the fundraising event for the Montreal Neurological Institute and Hospital. Mr. Marcoux is Governor of the Business Research Foundation of the Université de Sherbrooke.

Member of	Attendance up to October 28, 2018	Board membership or trustee of public corporations during the last five years:
Board	10 of 10 100%	Present boards: –
Total	10 of 10 100%	Past boards: –

Securities held[1][8][9]	Class A Shares	Class B Shares	Deferred share units[10]	Total value of shares and deferred share units ($)[2]
2018	5,000	1,000	614	137,792
2017	5,000	1,000	594	185,503

Ownership requirements[3]:

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	368,165	275,000	93,165
2017	459,756	264,200	195,556

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
134%	Satisfied	$605,269

Voting results at the annual meeting of shareholders held on March 1, 2018[4]:

Votes in favour	302,426,145	Votes withheld	2,725,996
Percentage of votes in favour	99.11%	Percentage of votes withheld	0.89%

Rémi Marcoux, C.M., O.Q., FCPA, FCA
Age: 78
Montréal, Québec

Director since 1976
Non-independent

Areas of Expertise:
- Manufacturing Industries
- Executive Leadership (Chief Executive Officer)
- Mergers and Acquisitions
- Sales, Marketing and Retail

Founder and Director of Transcontinental Inc.

Mr. Rémi Marcoux, founder of Transcontinental, is director of the Corporation. He was Executive Chairman of the Board of Transcontinental Inc. from 2004 until 2012. Prior thereto, he held the positions of Chairman of the Board and President and Chief Executive Officer of the Corporation, which he founded in 1976.

Mr. Marcoux's social involvement supports several causes. M. Marcoux acted as co-chair of the 2006 fundraising campaign for Centraide of Greater Montreal. He was a member of the Board of the Montreal Heart Institute Foundation and of its Human Resources Committee for a number of years.

Mr. Marcoux is a graduate of the École des Hautes Études Commerciales of the University of Montreal and has received in 2003 an honoris causa honorary degree from this institution. In 2013, Mr. Marcoux was the instigator of the Rémi-Marcoux Entrepreneurial Track of the École des Hautes Études Commerciales. He sits on its advisory committee and contributes, together with Transcontinental, to its financing. In addition, the École des Hautes Études Commerciales has designated its arts management foundation the Carmelle and Rémi-Marcoux Chair in Arts Management in recognition of his support. Mr. Marcoux is a founding member of the Council of Associate Governors of the Université de Montréal. He has been a member of such council since 2004. Mr. Marcoux was a member of the International Advisory Committee of HEC Montréal from 2004 to 2015.

In 2018, Mr. Marcoux was honored by the Cercle des Grands entrepreneurs du Québec for his contribution to Québec's entrepreneurial vitality and economic development and the advancement of models of leadership, creativity boldness, perseverance and ambition, being sources of inspiration for new generations of entrepreneurs. The outstanding Achievement Award FCPA was presented to Mr. Marcoux in 2014, by the Ordre des comptables professionnels agréés du Québec (CPA), in recognition of his numerous professional achievements and his extensive personal commitment. In 2013, he received the Medal of Honour of the Montreal Heart Institute Foundation for his generosity, dedication and involvement to the Foundation and, in 2012, “le Prix de carrière” given by the Québec Employers Council.

In October 2007, Mr. Marcoux was inducted as a Member of the Order of Canada in recognition for his contribution to the vitality of the economic sector and the growth of communities and, in 2008, was inducted as an Officer of the National Order of Québec.

Member of	Attendance up to October 28, 2018	Board membership or trustee of public corporations during the last five years:
Board	10 of 10 100%	Present boards:
Total	10 of 10 100%	–
		Past boards:
		–

Securities held[1]	Class A Shares[8]	Class B Shares[9]	Deferred share units	Total value of shares and deferred share units ($)[2]
2018	102,044	12,562,840	—	262,680,919
2017	2,044	12,562,840	—	354,329,565

Ownership requirements[3]:

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	262,680,919	210,000	262,470,919
2017	354,329,565	210,000	354,119,565

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
125,086%	Satisfied	$86,000

Voting results at the annual meeting of shareholders held on March 1, 2018[4]:

Votes in favour	302,607,040	Votes withheld	2,545,101
Percentage of votes in favour	99.17%	Percentage of votes withheld	0.83%

	Anna Martini, FCPA, FCA Age: 56 Town of Mount-Royal, Québec Director since 2011 **Independent** **Areas of Expertise:** ▪ Executive Leadership (Chief Executive Officer) ▪ Accounting, Finance and Risk Management ▪ Compensation and Talent Management ▪ Sales, Marketing and Retail	**Executive Vice President and Chief Financial Officer of Club de hockey Canadien, Bell Centre and evenko** Ms. Anna Martini is Executive Vice President and Chief Financial Officer of Club de hockey Canadien, Bell Centre and evenko, a company in the sports and entertainment industries, since 2017. From 2004 until 2017, she was President of Groupe Dynamite Inc., a specialty apparel global retailer. From 1985 until 2004, she worked at Deloitte & Touche LLP, a professional services firm, including as audit and advisory services partner since 1996. She was also the retail industry leader from 1996 to 2004. Ms. Martini is immediate past Chair of the Board of the McGill University Health Centre Foundation. She is a director of the Montreal Inc. Foundation, a foundation providing grants to promising entrepreneurs, member of the John Molson School of Business (JMSB) Advisory Baord and a member of the Montreal Chapter of the International Women's Forum. From 2008 until 2017, Ms. Martini was a director of Retail Council of Canada, including Chair of the Board from 2015 until 2017.

Member of	**Attendance up to October 28, 2018**				**Board membership or trustee of public corporations during the last five years:**
Board	10	of	10	100%	Present boards: ▪ CT Real Estate Investment Trust (since 2013) Past boards: ▪ Velan Inc. (2008-2013)
Human Resources and Compensation Committee	6	of	6	100%	
Audit Committee	5	of	5	100%	
Total	21	of	21	100%	

Securities held[1]	**Class A Shares**	**Class B Shares**	**Deferred share units**	**Total value of shares and deferred share units ($)[2]**
2018	3,750	—	43,428	983,661
2017	—	—	37,698	1,060,068

Ownership requirements[3]:

	Value of ownership based on ownership guidelines ($)	**Minimum required ($)**	**Excess over the minimum ($)**
2018	1,047,914	210,000	837,914
2017	1,060,068	210,000	850,068

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
499%	Satisfied	$110,000

Voting results at the annual meeting of shareholders held on March 1, 2018[4]:

Votes in favour	304,803,863	Votes withheld	348,278
Percentage of votes in favour	99.89%	Percentage of votes withheld	0.11%

François Olivier
Age: 53
Montréal, Québec

Director since 2008
Non-independent

Areas of Expertise:
- Manufacturing Industries
- Executive Leadership (Chief Executive Officer)
- Mergers and Acquisitions
- Sales, Marketing and Retail

President and Chief Executive Officer of Transcontinental Inc.

Mr. François Olivier is President and Chief Executive Officer of Transcontinental Inc. since 2008. Mr. Olivier was named Chief Operating Officer in 2007. Prior thereto, he acted as President, Printing Products and Services Sector of Transcontinental Inc. from 2005 until 2007 and Senior Vice President, Newspaper Group of TC Transcontinental Printing from 1999 until 2005.

Mr. Olivier is a director of CAE Inc. since 2017, a company involved in training for the civil aviation, defence and security, and healthcare markets . He is also member of the board of directors of The Conference Board of Canada and is a director of the Flexible Packaging Association. Furthermore, since 2012, he has also been a member of the Board of the Montreal Heart Institute Foundation.

For the last 10 years, Mr. Olivier has been member of the honorary committee of the Soirée des Grands Philanthropes for Portage, an organization dedicated to helping people with a drug addiction reintegrate themselves into society. In 2018, Mr. François Olivier and Ms. Isabelle Marcoux were honoured by Portage for their outstanding contribution to Québec's business community and social well-being. Mr. Olivier is also a member of the Major Donors Cabinet for the campaign of Centraide of Greater Montreal since 2014. From 2008 until 2010, he was a member of the Cabinet and was President for the Communications division for the annual campaign for that same organization.

Member of	Attendance up to October 28, 2018	Board membership or trustee of public corporations during the last five years:
Board	10 of 10 100%	Present boards: ▪ CAE Inc. (since 2017)
Total	10 of 10 100%	Past boards: –

Securities held[1]	Class A Shares	Class B Shares	Deferred share units[10]	Total value of shares and deferred share units ($)[2]
2018	44,440	—	175,085	4,577,096
2017	21,440	—	169,486	5,368,839

Ownership requirements[3]:

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	8,760,709	3,118,200	5,642,509
2017	10,346,659	3,057,000	7,289,659

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
281%	Satisfied	$7,280,137

Voting results at the annual meeting of shareholders held on March 1, 2018[4]:

Votes in favour	304,058,175	Votes withheld	1,093,966
Percentage of votes in favour	99.64%	Percentage of votes withheld	0.36%

	Mario Plourde Age: 57 Kingsey Falls, Québec Director since 2015 **Independent** **Areas of Expertise:** ▪ Manufacturing Industries ▪ Executive Leadership (Chief Executive Officer) ▪ Mergers and Acquisitions ▪ Social Responsibility and Sustainable Development	**President and Chief Executive Officer of Cascades Inc.** Mr. Mario Plourde is President and Chief Executive Officer of Cascades Inc., which manufactures, converts and markets packaging and tissue products, since 2013. He was appointed as Chief Operating Officer of Cascades Inc. in 2011. Over the years, he occupied different positions, including Plant Manager and General Manager in the plastics sector, Vice-President and Chief Operating Officer, and later President, of Cascades Specialty Products Group, in Canada and in the United States. Mr. Plourde sites on the Board of Directors of the Fondation Centre de cancérologie Charles-Bruneau, a foundation for pediatric cancer research. He also plays a key role in other organizations, associations and social efforts. He is a multiple recipient of the award Prix bâtisseur - the Tour CIBC Charles-Bruneau as well as the Pioneer award. In 2018, Mr. Plourde co-chaired the Daffodil Ball, a fundraising event to help fund live-saving cancer research, lead prevention and advocacy initiatives and provide services to people with cancer.

Member of	**Attendance up to October 28, 2018**				**Board membership or trustee of public corporations during the last five years:**
Board	10	of	10	100%	Present boards: ▪ Cascades Inc. (since 2014)
Corporate Governance Committee	4	of	4	100%	Past boards:
Total	14	of	14	100%	–

Securities held[1]	**Class A Shares**	**Class B Shares**	**Deferred share units**	**Total value of shares and deferred share units ($)**[2]
2018	9,900	—	15,922	538,389
2017	8,300	—	11,350	552,558

Ownership requirements[3]**:**

	Value of ownership based on ownership guidelines ($)	**Minimum required ($)**	**Excess over the minimum ($)**
2018	539,270	210,000	329,270
2017	552,558	210,000	342,558

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
257%	Satisfied	$102,500

Voting results at the annual meeting of shareholders held on March 1, 2018[4]**:**

Votes in favour	304,764,462	Votes withheld	387,679
Percentage of votes in favour	99.87%	Percentage of votes withheld	0.13%

Jean Raymond
Age: 59
Montréal, Québec

Director since 2017
Independent

Areas of Expertise:
- Media and Communications
- Mergers and Acquisitions
- Accounting, Finance and Risk Management
- Compensation and Talent Management

Vice-Chairman, Managing Director and Head of CIBC Capital Markets - Québec of CIBC World Markets Inc.

Mr. Jean Raymond is Vice-Chairman, Managing Director and Head of CIBC Capital Markets - Québec of CIBC World Markets Inc., a business offering products and services aimed at capital markets, securities, brokerage and asset management, since 2010. Previously, he was Managing Director, Investment Banking of such organization. From 1988 to 1996, Mr. Raymond was Senior Vice-President and Director in the Mergers and Acquisitions Department of Lévesque Beaubien Geoffrion Inc. (now National Bank Financial Ltd.), a brokerage firm. From 1981 to 1987, he was a Senior Manager at Thorne Ernst & Whinney (now KPMG LLP), a chartered accounting firm.

Mr. Raymond is a member of the Board of the Montreal Heart Institute Foundation and a member of its Investment Committee. He is also currently a member of the cabinet for the following fundraising campaigns: the 2016-2020 Major Fundraising Campaign of the Institut Pacifique, an organization developing programs and services to build non-violent environments and supporting psychosocial growth of children, youths and adults, the Healing More Better Major Fundraising Campaign of the CHU Sainte-Justine Foundation and the 2014-2020 Major Fundraising Campaign of the Old Brewery Mission Foundation supporting the Old Brewery Mission in its work to provide life's necessities to Montreal's homeless men and women, as well as helping people transition out of shelter life and back into society.

Member of	Attendance up to October 28, 2018			
Board	10	of	10	100%
Human Resources and Compensation Committee	6	of	6	100%
Total	16	of	16	100%

Board membership or trustee of public corporations during the last five years:

Present boards:
–
Past boards:
–

Securities held(1)	Class A Shares	Class B Shares	Deferred share units	Total value of shares and deferred share units ($)(2)
2018	10,000	—	6,410	342,149
2017	—	—	2,359	66,335

Ownership requirements(3):

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	341,333	210,000	131,333
2017	66,335	210,000	—

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
163%	Satisfied	$98,000

Voting results at the annual meeting of shareholders held on March 1, 2018(4):

Votes in favour	304,703,541	Votes withheld	448,600
Percentage of votes in favour	99.85%	Percentage of votes withheld	0.15%

François R. Roy
Age: 63
Montréal, Québec

Director since 2008
Independent

Areas of Expertise:
- Media and Communications
- Mergers and Acquisitions
- Accounting, Finance and Risk Management
- Governance and Regulations

Corporate Director

Mr. François R. Roy has been a corporate director since 2010. He was Vice Principal (Administration and Finance) of McGill University from 2007 until 2010. From 2000 until 2003, he was Chief Financial Officer of Telemedia Corporation, a private portfolio company. Prior thereto, he was Executive Vice President and Chief Financial Officer of Quebecor Inc., an organization in telecommunications, entertainment, news media and culture, from 1998 until 2000, and Executive Vice President and Chief Financial Officer of Avenor Inc., a producer of newsprint and wood products, from 1997 until 1998.

Member of	Attendance up to October 28, 2018			
Board	10	of	10	100%
Audit Committee	5	of	5	100%
Total	15	of	15	100%

Board membership or trustee of public corporations during the last five years:

Present boards:
- Noranda Income Fund (since 2010)

Past boards:
- Capstone Infrastructure Corporation (formerly Macquarie Power & Infrastructure Corporation) (2004-2016)
- Ovivo Inc. (2014-2016)
- Neptune Technologies & Bioressources Inc. (2015-2018)

Securities held[1]	Class A Shares	Class B Shares	Deferred share units	Total value of shares and deferred share units ($)[2]
2018	—	—	17,494	364,750
2017	—	—	16,938	476,297

Ownership requirements[3]:

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	369,433	210,000	159,433
2017	476,297	210,000	266,297

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
176%	Satisfied	$98,500

Voting results at the annual meeting of shareholders held on March 1, 2018[4]:

Votes in favour	302,526,363	Votes withheld	2,625,778
Percentage of votes in favour	99.14%	Percentage of votes withheld	0.86%

Annie Thabet

Age: 58

Nuns' Island (Verdun), Québec

Director since 2015

Independent

Areas of Expertise:

- Manufacturing Industries
- Mergers and Acquisitions
- Accounting, Finance and Risk Management
- Governance and Regulations

Partner of Celtis Capital Inc.

Ms. Annie Thabet is a partner with Celtis Capital Inc., a firm specialized in transactional services in relation to mergers and acquisitions, divestitures and corporate finance, as well as asset management since 2003. From 1998 until 2003, she worked at AT Capital, an investment management company she founded. Previously, Ms. Thabet worked at Société générale de financement du Québec, a Québec owned organization specialized in equity investment in industrial and technological projects with international partners, from 1987 until 1998, after having been with Price Waterhouse (a chartered accounting firm) for five years. Ms. Thabet is a chartered professional accountant and holds a Master of Business Administration degree.

Ms. Thabet is Chair of the board of directors of the Institute of Corporate Directors (Québec), Governor of Réseau Capital and Governor of the Business Research Foundation of the Université de Sherbrooke. She is also a director of Manac Inc., a private manufacturer of trailers, which company was privatized in 2015.

Member of	Attendance up to October 28, 2018				Board membership or trustee of public corporations during the last five years:
Board	10	of	10	100%	Present boards: ▪ Russel Metals Inc. (since 2018) Past boards: ▪ The Jean Coutu Group (PJC) Inc. (2010-2018) ▪ Manac Inc. (2013-2015)
Audit Committee	5	of	5	100%	
Corporate Governance Committee	4	of	4	100%	
Total	19	of	19	100%	

Securities held(1)	Class A Shares	Class B Shares	Deferred share units	Total value of shares and deferred share units ($)(2)
2018	7,580	—	10,564	378,302
2017	3,450	—	8,062	323,717

Ownership requirements(3):

	Value of ownership based on ownership guidelines ($)	Minimum required ($)	Excess over the minimum ($)
2018	347,199	210,000	137,199
2017	323,717	210,000	113,717

Percentage of objective satisfied:	Target to meet requirement:	Total compensation received in 2018:
165%	Satisfied	$109,500

Voting results at the annual meeting of shareholders held on March 1, 2018(4):

Votes in favour	304,784,833	Votes withheld	367,308
Percentage of votes in favour	99.88%	Percentage of votes withheld	0.12%

(1) The number of Class A Shares, Class B Shares and deferred share units was determined on January 10, 2019 and January 9, 2018, as applicable (the number of deferred share units held by directors who are also employees of the Corporation only includes vested deferred share units).

(2) The value of the deferred share units was calculated based on the closing price of the Class A Shares. The total value of the Class A Shares, the Class B Shares and the deferred share units was calculated based on the closing prices of such shares at the end of the fiscal year in question. For the 2018 fiscal year, the closing price of the Class A Shares was $20.85 and $20.74 for the Class B Shares. For the 2017 fiscal year, the closing price of the Class A Shares was $28.12 and $28.20 for the Class B Shares.

(3) The ownership requirements are determined at the end of the applicable fiscal year. For calculation purposes, in relation to ownership of shares, the Corporation uses the higher of the amount paid for such shares (or the price at the time of grant of the relevant share units) or the closing price of such shares on the Toronto Stock Exchange on October 26, 2018 (the last business day of the fiscal year) or October 27, 2017 (the last business day of the fiscal year), as the case may be. For the 2018 fiscal year, the closing price of the Class A Shares was $20.85 and $20.74 for the Class B Shares. For the 2017 fiscal year, the closing price of the Class A Shares was $28.12 and $28.20 for the Class B Shares. The requirement for Ms. Isabelle Marcoux is calculated taking into account unvested retention based share units in accordance with the ownership guidelines for executives of Transcontinental Inc. Mr. Pierre Marcoux and Mr. François Olivier are subject to the guidelines established for executives of Transcontinental Inc.

(4) Given that directors were elected by a show of hands, the number of votes indicated reflects proxies received by management prior to the shareholders meeting.

(5) Mr. Peter Brues was appointed to the Board and to the Human Resources and Compensation Committee on September 6, 2018. Since then, there were 3 meetings of the Board and 1 meeting of the Human Resources and Compensation Committee.

(6) Mr. Yves Leduc was appointed to the Corporate Governance Committee on January 1st, 2018. Since then, there were 3 meetings of the Corporate Governance Committee.

(7) The Class A Shares are held by Gestion Isabelle Marcoux inc., a corportation controlled by Ms. Isabelle Marcoux.

(8) The Class A Shares are held by Capinabel Inc., a corporation controlled by Mr. Rémi Marcoux.

(9) The Class B Shares are held by Capinabel Inc. 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 Shares. 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. The shares of Capinabel Inc. represent 71.21% of the voting rights attached to the outstanding shares of the Corporation. If the monetization transaction had been repaid on the date hereof through the transfer of Class A Shares, the shares held by Capinabel Inc. would represent 61.87% of the voting rights attached to all outstanding shares of the Corporation. Ms. Isabelle Marcoux, Ms. Nathalie Marcoux and Mr. Pierre Marcoux are members of Mr. Rémi Marcoux's immediate family.

(10) The deferred share units held by Ms. Isabelle Marcoux, Mr. Pierre Marcoux and Mr. François Olivier were granted pursuant to the Share Unit Plan of Transcontinental Inc. for executives.

3.2 Additional Disclosure Relating to Directors

To the best knowledge of the Corporation, no proposed director is, as at the date hereof, or, within 10 years before the date hereof: (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 such capacity, or within a year of that person ceasing to act in such 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 or by 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. 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 knowledge of the Corporation, no proposed director of the Corporation has been 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.

3.3 Board Interlocks

The Corporate Governance Committee has reviewed the membership of the proposed nominees to the board of directors of other public corporations. No proposed nominee to the Board of Directors sits on the same board of directors of another public corporation (other than the Corporation).

3.4 Board of Directors' Attendance Record

For the fiscal year ended October 28, 2018, the total attendance record of directors was 100% for Board meetings, 100% for the Audit Committee meetings, 100% for the Human Resources and Compensation Committee meetings and 100% for the Corporate Governance Committee meetings.

The following table presents a detailed record of the number of Board meetings and Committee meetings attended by each director.

	Board of Directors (10 meetings)		Audit Committee (5 meetings)		Human Resources and Compensation Committee (6 meetings)		Corporate Governance Committee (4 meetings)		Total Attendance
Director	**Number**	**%**	**Number**	**%**	**Number**	**%**	**Number**	**%**	**%**
Peter Brues[(1)]	3	100 %	—	—	1	100%	—	—	100%
Jacynthe Côté	10	100 %	—	—	6	100%	—	—	100%
Richard Fortin	10	100 %	5	100%	—	—	—	—	100%

Director	Board of Directors (10 meetings)		Audit Committee (5 meetings)		Human Resources and Compensation Committee (6 meetings)		Corporate Governance Committee (4 meetings)		Total Attendance
	Number	%	Number	%	Number	%	Number	%	%
Yves Leduc (2)	10	100 %	—	—	—	—	3	100%	100%
Isabelle Marcoux	10	100 %	—	—	—	—	—	—	100%
Nathalie Marcoux	10	100 %	—	—	—	—	—	—	100%
Pierre Marcoux	10	100 %	—	—	—	—	—	—	100%
Rémi Marcoux	10	100 %	—	—	—	—	—	—	100%
Anna Martini	10	100 %	5	100%	6	100%	—	—	100%
François Olivier	10	100 %	—	—	—	—	—	—	100%
Mario Plourde	10	100 %	—	—	—	—	4	100%	100%
Jean Raymond	10	100 %	—	—	6	100%	—	—	100%
François R. Roy	10	100 %	5	100%	—	—	—	—	100%
Annie Thabet	10	100 %	5	100%	—	—	4	100%	100%

(1) Mr. Peter Brues was appointed to the Board of Directors and as a member of the Human Resources and Compensation Committee on September 6, 2018. Since then, there were 3 meetings of the Board and the Human Resources and Compensation Committee held 1 meeting.

(2) Mr. Yves Leduc was appointed as a member of the Corporate Governance Committee on January 1, 2018. Since then, there were 3 meetings of the Corporate Governance Committee.

4. Compensation of Directors Analysis

4.1 Compensation of Directors

The Board of Directors has given the Corporate Governance Committee a mandate to review on a regular basis, and at least annually, the compensation of directors and to make recommendations to the Board of Directors in order that the compensation realistically reflects the risks and responsibilities related to the position of directors of the Corporation. The only directors entitled to receive the directors' compensation are directors who are not employees of the Corporation or its subsidiaries. Details regarding the directors' compensation are set forth under this Section 4 of this Circular.

Compensation of directors is established in order to assist the Corporation in attracting and retaining highly qualified and devoted directors with a diversified and relevant experience, taking into account the numerous segments of activities in which the Corporation is involved, as well as to align the interests of the directors with those of the shareholders.

The Corporate Governance Committee reviews, on an annual basis, the compensation of the directors who are not employees of the Corporation and compares their compensation with that offered by other companies forming part of a comparison group, as well as by other companies. The Corporate Governance Committee recommends to the Board of Directors the level of compensation and any adjustments necessary to take into account the level of work, the complexity of the business of the Corporation and the responsibilities of the members of the Board of Directors and its committees.

In order to do this, management of the Corporation prepares, based on information contained in management proxy circulars, a summary of compensation practices of certain companies having, in most cases, their principal place of business in Québec and the shares of which are listed on an exchange. These companies are considered to be more in competition with the Corporation in recruiting and attracting the same individuals as the Corporation to sit on its Board of Directors.

For the fiscal year ended October 28, 2018, the comparison group used for compensation purposes was reviewed to include more companies with whom the Corporation competes to recruit and attract the same directors as those of the Corporation and also satisfying certain of the following conditions: having its head office in Québec, having revenues of a level comparable to those of the Corporation, being a controlled company or having a principal shareholder, operating in a business segment linked to that of the Corporation, and having a presence in the United States. This group was then reviewed by PCI-Perrault Consulting Inc., an independent consultant. The group chosen was composed of the following companies:

Companies forming part of the 2018 comparison group
Cascades Inc.
CCL Industries Inc.
Cogeco Inc.
Lassonde Industries Inc.
Metro Inc.
Quebecor Inc.
Reitmans (Canada) Limited
Saputo Inc.
The Jean Coutu Group (PJC) Inc.(1)
Torstar Corporation
Transat A.T. Inc.
Uni-Select Inc.

(1) Excluded in 2019 as the shares of The Jean Coutu Group Inc. (PJC) Inc. are no longer listed on a stock exchange.

The Board of Directors is of the view that this analysis of the compensation of directors of companies forming part of the comparison group allows identifying relevant trends for compensation of the directors of the Corporation. Despite increases made by the Corporation in recent years, the total compensation of directors of the Corporation who are not employees of the Corporation remains slightly below the average of the compensation offered by these companies.

For 2019, the Corporation reviewed again the compensation offered for the companies forming part of the above-mentioned comparison group. The comparison group was modified to remove The Jean Coutu Group (PJC) Inc., as its shares are no longer listed on a stock exchange. After conducting this review, it was decided that, commencing on October 29, 2018, directors would receive a fixed flat compensation, regardless of the number of meetings the directors attend. The Corporation has therefore ceased paying attendance fees.

Directors received, during the fiscal year ended October 28, 2018 annual fees and additional compensation which varies depending on their attendance to meetings of the Board or of its committees. Compensation is paid quarterly.

An analysis of the competitiveness of the compensation payable to the Chair of the Board was made at the beginning of the fiscal year ended October 29, 2017. The companies were chosen among Québec-based companies with multiple voting securities, or said to be controlled, or where the chair of the board is associated and non-independent. This methodology allows for a comparison between the compensation of the Chair of the Board to that offered to by other companies where the chair of the board operates in similar conditions as those of the Chair of the Board of the Corporation.

The following table sets forth the companies forming part of the comparison group of the Chair of the Board.

Comparison group for the Chair of the Board
Alimentation Couche-Tard Inc.
Bombardier Inc.
Canam Group Inc.
Cascades Inc.
CGI Group Inc.
Lassonde Industries Inc.
Ovivo Inc.(1)
Power Financial Corporation
Reitmans (Canada) Limited
SEMAFO Inc.
Saputo Inc.
The Jean Coutu Group (PJC) Inc.(1)
Velan Inc.

(1) Excluded for 2019 as the shares of OVIVO Inc. and of The Jean Coutu Group Inc. (PJC) Inc. are no longer listed on a stock exchange.

After having reviewed the results of the analysis of practices adopted by companies forming part of the comparison group, the Human Resources and Compensation Committee recommended to the Board of Directors to increase the annual salary of the Chair of the Board in 2018 to $708,300, bringing her compensation closer to the median offered by companies of the comparison group. The Human Resources and Compensation Committee has recommended to the Board of Directors to increase her annual salary in 2019 by 3.0 %. The Board of Directors recognizes the scope of her responsibilities, including, in 2018, her active participation in the acquisition and integration of Coveris Americas (including visits of the principal customers and of the operations) and in the strategic planning process, her contribution to the development of the business of the Corporation (including with respect to decisions regarding acquisitions and divestitures of businesses), the continuation of relationships with certain large clients and shareholders of the Corporation, as well as her involvement in public and charitable activities on behalf of TC Transcontinental. It should be noted however that the Chair of the Board is not a senior executive of the Corporation and is not a member of its Management Committee.

Moreover, an incentive compensation through the grant of retention based restricted share units, having a value of $150,001, was made in 2018 subject to a three-year vesting period. This annual compensation aims at allowing for a closer alignment of a portion of her compensation with the medium and long term effect of decisions made, notably with respect to the transformation of the Corporation and its financial situation, and the market price of the Class A Shares of the Corporation.

The following table presents the different components of the compensation the directors were entitled to receive during the fiscal year ended October 28, 2018, with the exception of the Chair of the Board and directors who are also executives of the Corporation who are not compensated in such capacity, namely Mr. Pierre Marcoux and Mr. François Olivier.

Type of compensation(1)	Amount
Annual amount	
Annual retainer fee	$70,000
Member of a committee of the Board of Directors	$5,000
Chair of the Audit Committee	$20,000
Chair of the Human Resources and Compensation Committee	$15,000
Chair of the Corporate Governance Committee	$10,000
Lead Director	$12,000
Other compensation	
Attendance fees for each meeting of the Board of Directors and committees	$1,500 ($1,000 by telephone)

(1) Since October 29, 2018, the directors received the following fixed compensation:

Type of compensation	Amount
Annual compensation	$90,000
Member of the Audit Committee	$13,000
Member of the Human Resources and Compensation Committee	$12,000
Member of the Corporate Governance Committee	$10,000
Chair of the Audit Committee	$25,000
Chair of the Human Resources and Compensation Committee	$22,000
Chair of the Corporate Governance Committee	$18,000
Lead Director	$12,000

The Corporation has implemented a Deferred Share Unit Plan (the "DSUP") with the express purpose of granting to independent directors share units of the Corporation in order to further stimulate and engage director involvement in the growth and development of the Corporation and to assist the Corporation in attracting and retaining experienced and competent directors. A director can therefore elect to receive his compensation in deferred share units, cash or a combination thereof. Directors who participate in the DSUP are not entitled to receive any cash payment representing the value of their units (the "DSUs") until such time as they cease to serve as a director. Upon payment, the value attributed to each unit is based on the average closing price of the Class A Shares on the Toronto Stock Exchange during the five trading days preceding the date of the demand of payment.

The Corporation does not have a retirement plan for directors, other than for the Chair of the Board and for directors who are employees of the Corporation.

If an independent director, who is not an employee of the Corporation or of one of its subsidiaries, is asked to provide additional services to the Corporation beyond the customary responsibilities of a director, such director may receive additional compensation as determined by the Corporate Governance Committee.

In accordance with the Corporation's ownership guidelines for directors, as at January 10, 2019, all directors held shares or deferred share units representing an amount equal to at least three times the sum of a director's annual retainer fee payable in 2018, with the exception of Mr. Yves Leduc who has until September 7, 2020, namely three years after his nomination, to comply with these requirements. Directors who are also senior executives of the Corporation are subject to the share ownership guidelines applicable to senior executives. See Section 6.1.6. For calculation purposes, in relation to ownership of shares, the Corporation uses the higher of the amount paid for such shares (or the price at the time of grant of the relevant share units) or the closing price of such shares on the Toronto Stock Exchange on October 26, 2018 (the last business day of the fiscal year).

4.2 Summary of Compensation of Directors

The following table presents the details of the compensation paid to the directors of the Corporation for the fiscal year ended October 28, 2018 (with the exception of Mr. François Olivier who is a Named Executive Officer).

Director(1)	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	Pension value ($)(2)	All other compensation ($)(3)	Total ($)
Peter Brues	—	17,420	—	—	—	—	17,420
Jacynthe Côté	—	108,000	—	—	—	6,899	114,899
Richard Fortin	—	122,500	—	—	—	71,816	194,316
Yves Leduc	—	94,635	—	—	—	1,462	96,097
Isabelle Marcoux(4)	705,392	150,001	—	—	91,617	65,255	1,012,265
Nathalie Marcoux	86,500	—	—	—	—	20,824	107,324
Pierre Marcoux(4)	271,776	165,001	—	94,325	36,453	37,714	605,269
Rémi Marcoux	86,000	—	—	—	—	—	86,000
Anna Martini	—	110,000	—	—	—	32,863	142,863
Mario Plourde	—	102,500	—	—	—	10,627	113,127
Jean Raymond	—	98,000	—	—	—	3,102	101,102
François R. Roy	98,500	—	—	—	—	14,223	112,723
Annie Thabet	54,750	54,750	—	—	—	7,361	116,861

(1) Mr. Pierre Marcoux and Mr. François Olivier are senior executives of the Corporation and receive no compensation for serving as directors. Mr. François Olivier's compensation as President and Chief Executive Officer is disclosed under Section 6.2. The compensation for Ms. Isabelle Marcoux and Mr. Pierre Marcoux is disclosed in the table above (see also note 4 below).

(2) The Corporation does not have a retirement plan for directors other than for the Chair of the Board and for directors who are employees of the Corporation.

(3) Includes DSUs granted corresponding to dividends declared to holders of Class A Shares and, for Ms. Isabelle Marcoux and Mr. Pierre Marcoux, the cost of indirect benefits and group insurance.

(4) Ms. Isabelle Marcoux was compensated as Chair of the Board in the form of an annual salary of $708,300 as of January 1, 2018, an incentive compensation through the grant of retention based share units, in addition to benefits received under the supplementary pension plan for executives as well as under the supplemental executive retirement plan in addition to being entitled to the same benefits offered to senior executives. Mr. Pierre Marcoux was compensated in the form of an annual salary, a short term incentive, a grant of share units, benefits under the supplementary plan and a supplemental retirement plan for executives, in addition to being entitled to benefits offered to executives. The tables set out below present the total accumulated benefits payable to Ms. Isabelle Marcoux and Mr. Pierre Marcoux pursuant to the pension plans of the Corporation. See Section 6.4.

Table for Defined Benefit Components

Name	Number of years credited service	Annual benefits payable ($)		Accrued obligation at start of year ($)	Compensatory change ($)	Non-compensatory change ($)	Accrued obligation at year end ($)
		At year end	At age 65				
Isabelle Marcoux	9.42	47,000	47,000	732,000	—	(25,000)	707,000
Pierre Marcoux	8.42	26,000	26,000	479,000	1,000	(18,000)	462,000

Table for Defined Contribution Components			
Name	**Accumulated value at start of year ($)**	**Compensatory change(1) ($)**	**Accumulation value at year end ($)**
Isabelle Marcoux	824,335	91,617	927,703
Pierre Marcoux	450,910	35,453	491,297

The following table presents the fees paid to each director as such for the fiscal year ended October 28, 2018, excluding dividends payable in deferred share units. Please see Section 6.1.8 for the compensation paid to Mr. François Olivier as President and Chief Executive Officer.

Director	Annual compensation ($)	Compensation as committee member ($)	Compensation as committee chair ($)	Attendance fees for meetings of the Board of Directors or of a committee ($)	Total ($)	% paid in share units
Peter Brues(1)	10,192	728	—	6,500	17,420	100%
Jacynthe Côté	70,000	—	15,000	23,000	108,000	100%
Richard Fortin(2)	70,000	—	32,000	20,500	122,500	100%
Yves Leduc(3)	70,000	4,135	—	20,500	94,635	100%
Isabelle Marcoux(4)	—	—	—	—	—	—
Nathalie Marcoux	70,000	—	—	16,500	86,500	—
Pierre Marcoux(5)	—	—	—	—	—	—
Rémi Marcoux	70,000	—	—	16,000	86,000	—
Anna Martini	70,000	10,000	—	30,000	110,000	100%
François Olivier	—	—	—	—	—	—
Mario Plourde	70,000	—	10,000	22,500	102,500	100%
Jean Raymond	70,000	5,000	—	23,000	98,000	100%
François R. Roy	70,000	5,000	—	23,500	98,500	—
Annie Thabet	70,000	10,000	—	29,500	109,500	50%

(1) Mr. Peter Brues was appointed to the Board of Directors and the Human Resources and Compensation Committee on September 6, 2018. His annual fees and compensation as a member of the Human Resources and Compensation Committee were prorated.

(2) Compensation of Mr. Richard Fortin as committee chair includes his compensation for acting as Lead Director and as chair of the Audit Committee.

(3) Mr. Yves Leduc was appointed to the Corporate Governance Committee on January 1, 2018. His compensation as a member of the Corporate Governance Committee was prorated.

(4) See the first table in Section 4.2 for details of the compensation paid to Ms. Isabelle Marcoux as Chair of the Board.

(5) See the first table in Section 4.2 for details of the compensation paid to Mr. Pierre Marcoux as a senior executive of the Corporation.

4.3 Outstanding Share-Based Awards and Option-Based Awards for the Fiscal Year Ended October 28, 2018

The following table presents for each director all outstanding awards at the end of the fiscal year ended October 28, 2018 (with the exception of Mr. François Olivier who is a Named Executive Officer, see Section 6.3.1).

	Option-based awards				Share-based awards		
Director	Number of securities underlying unexercised options (number)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested (number)	Market or payout value of share-based awards that have not vested ($)(2)	Market or payout value of vested share-based awards not paid out or distributed ($)(3)
Peter Brues	—	—	—	—	—	—	17,640
Jacynthe Côté	—	—	—	—	—	—	241,146

Director	Option-based awards: Number of securities underlying unexercised options (number)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Share-based awards: Number of shares or units of shares that have not vested (number)	Market or payout value of share-based awards that have not vested ($)(2)	Market or payout value of vested share-based awards not paid out or distributed ($)(3)
Richard Fortin	—	—	—	—	—	—	1,922,020
Yves Leduc	—	—	—	—	—	—	90,530
Isabelle Marcoux	—	—	—	—	21,489 (4)	448,043	134,774
Nathalie Marcoux	—	—	—	—	—	—	534,053
Pierre Marcoux	—	—	—	—	19,984 (5)	416,659	12,802
Rémi Marcoux	—	—	—	—	—	—	—
Anna Martini	—	—	—	—	—	—	905,484
Mario Plourde	—	—	—	—	—	—	331,983
Jean Raymond	—	—	—	—	—	—	133,641
François R. Roy	—	—	—	—	—	—	364,759
Annie Thabet	—	—	—	—	—	—	220,275

(1) The aggregate dollar value of the in-the-money unexercised options is the positive difference between the exercise price and the closing price of the Class A Shares on the Toronto Stock Exchange on October 26, 2018, the last business day of the fiscal year, which closing price was $20.85 per share. Actual gains, if any, on exercise will depend on the value of the Class A Shares on the date of exercise. There is no guarantee that gains will be realized.

(2) The market value of the share units is calculated as if payment of the share units that are not contingent on the achievement of performance objectives was made on the basis of the closing price of the Class A Shares on the Toronto Stock Exchange on October 26, 2018, being the last business day of the fiscal year, which closing price was $20.85 per share. The market value of the share units that are contingent upon the achievement of performance objectives is calculated based on the maximum payment that could be made (100%). The value was calculated based on the closing price of the Class A Shares on the Toronto Stock Exchange on October 26, 2018, being the last business day of the fiscal year, which closing price was $20.85 per share.

(3) The market value of the share units is calculated on the basis of a payment for vested deferred share units and using the closing price of the Class A Shares on the Toronto Stock Exchange on October 26, 2018, being the last business day of the fiscal year, which closing price was $20.85 per share.

(4) Including 21,489 retention based share units as at October 28, 2018. The number of share units includes dividends calculated with respect to share units granted on March 14, 2016, January 9, 2017 and January 9, 2018. The share units were granted pursuant to the Share Unit Plan for executives described under Section 6.1.5.4.1. On December 18, 2018, being the vesting date for the share units granted on March 14, 2016, 8,219 retention based share units vested.

(5) Including 9,992 retention based share units and 9,992 performance based share units as at October 28, 2018. The number of share units includes dividends calculated with respect to share units granted on January 11, 2016, January 9, 2017 and January 9, 2018. Share units were granted pursuant to the Share Unit Plan for executives described under Section 6.1.5.4.1. On December 18, 2018, the vesting date for the share units granted on January 11, 2016, 4,077 retention based share units and 4,077 performance based share units vested as the performance objectives for the 2016 to 2018 cycle were satisfied in full.

4.4 Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan for the Fiscal Year Ended October 28, 2018

The following table presents, for each director, the value on vesting of all options-based and share-based awards and any non-equity incentive plan during the fiscal year ended October 28, 2018 (except for Mr. François Olivier who is a Named Executive Officer, see Section 6.3.2).

Director	Option-based awards - Value vested during the year ($)(1)	Share-based awards - Value vested during the year ($)(3)	Non-equity incentive plan compensation - Value earned during the year ($)(5)
Peter Brues	—	17,420	—
Jacynthe Côté	—	114,899	—
Richard Fortin	—	194,316	—
Yves Leduc	—	96,097	—
Isabelle Marcoux	— (2)	5,255 (4)	—
Nathalie Marcoux	—	20,825	—
Pierre Marcoux	— (2)	112,559 (4)	94,325

Director	Option-based awards - Value vested during the year ($)[1]	Share-based awards - Value vested during the year ($)[3]	Non-equity incentive plan compensation - Value earned during the year ($)[5]
Rémi Marcoux	—[2]	—	—
Anna Martini	—	142,863	—
Mario Plourde	—	113,127	—
Jean Raymond	—	101,102	—
François R. Roy	—	14,223	—
Annie Thabet	—	62,111	—

(1) The value is calculated as if stock options were exercised on the vesting date for each relevant grant. The value is equal to the excess of the closing price of the Class A Shares on the vesting date over the exercise price. The actual value earned, if any, will be different and will be based on the closing price of the Class A Shares on the date of exercise.

(2) For Ms. Isabelle Marcoux and Messrs. Pierre Marcoux and Rémi Marcoux, no options vested during the fiscal year ended October 28, 2018. The Corporation has ceased granting options since the 2014 fiscal year.

(3) For directors other than Ms. Isabelle Marcoux and Mr. Pierre Marcoux, the value of the share units which vested during the fiscal year ended October 28, 2018 is calculated in accordance with the provisions of the Deferred Share Unit Plan for the directors of Transcontinental Inc. and is equal to the average of the closing prices of a board lot of Class A Shares on the Toronto Stock Exchange for the last five trading days preceding the vesting date. Vested share units include DSUs granted equivalent to dividends declared to holders of Class A Shares.

(4) For Ms. Isabelle Marcoux and Mr. Pierre Marcoux, the value of the share units which vested during the fiscal year ended October 28, 2018 is calculated in accordance with the provisions of the Share Unit Plan for executives of Transcontinental Inc. and is equal to the weighted average price for transactions of the Class A Shares on the Toronto Stock Exchange during the five trading days preceding the vesting date. For purposes of this table, the value thereof has been rounded to the higher whole number. Vested share units include DSUs granted equivalent to dividends declared to holders of Class A Shares.

(5) Compensation shown for Mr. Pierre Marcoux represents the compensation payable pursuant to the short term incentive plan in his capacity as a senior executive of the Corporation.

5. Disclosure of Corporate Governance Practices

Corporate governance consists of the structure used to direct and manage the affairs of the Corporation to attain the objectives of shareholders. Shareholders elect the directors who, in turn, are responsible for overseeing all of the operating aspects of the Corporation, for appointing members of management and for ensuring that the business is properly managed based on the interests of the Corporation's four pillars, namely shareholders, customers, employees and communities.

The Corporation is of the opinion that efficient corporate governance practices are essential to the overall success of a corporation. Canadian Securities Administrators adopted National Instrument 58-101 and National Policy 58-201 that require that the Corporation disclose information regarding its corporate governance practices. Moreover, the Corporation complies with the provisions of Multilateral Instrument 52-110 and Companion Policy 52-110 with respect to the Audit Committee.

5.1 Board of Directors and its Committees

The mandate of the Board of Directors is to oversee management of the business in accordance with applicable laws and regulations and to ensure that senior management of the Corporation acts in a manner that not only protects the values of the Corporation but is also in compliance therewith, thus ensuring that the Corporation is managed in line with the best interests of the "four pillars" of the business, namely its employees, its customers, its shareholders and the community. The Board of Directors carries out its duties either directly or through its committees. During the fiscal year ended October 28, 2018, the Board of Directors held 10 meetings. Independent directors held in camera sessions at each Board meeting.

The Board of Directors reviews, evaluates, approves and monitors the major initiatives and policies of the Corporation, namely (i) the strategic plan, the business objectives and the annual budget of the Corporation; (ii) the financial objectives, including in connection with the compensation of senior management; (iii) the identification of the principal risks to which the Corporation is exposed and the systems implemented to manage these risks; (iv) the organizational structure and the succession plan for management; (v) the internal control and management information systems which are assessed in light of the internal and external auditing procedures; and (vi) the structures implemented to ensure efficient communications between the Corporation, its shareholders and the public. The Board of Directors approved the written mandate of the Board. The complete text of the mandate of the Board of Directors is set forth in Schedule A to this Circular.

The Board has three committees, namely (i) the Human Resources and Compensation Committee; (ii) the Corporate Governance Committee; and (iii) the Audit Committee.

Copies of the mandates of each committee can be obtained from the Corporate Secretary at 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1 or on the Corporation's website (www.tc.tc).

Human Resources and Compensation Committee

The Human Resources and Compensation Committee is composed exclusively of four independent directors:

Chair: Jacynthe Côté

Members: Peter Brues, Anna Martini, Jean Raymond

The mandate of the Human Resources and Compensation Committee of the Board consists of assisting the Board in fulfilling its oversight obligations, principally in connection with the development and the administration of the Corporation's human resources policies and practices related to the hiring, evaluation, termination of employment and overall compensation of senior management while ensuring of their competitiveness, and the review of succession planning and management development. The Committee reviews and recommends to the Board and grants under stock-based incentive plans and changes to be made to these plans.

The members of the Human Resources and Compensation Committee were selected according to their experience and their knowledge of matters to be dealt with by this committee.

Each member of the Human Resources and Compensation Committee has direct experience that is relevant to his or her responsibilities in executive compensation, as well as the skills and experience necessary to enable him or her to make decisions as to the suitability of the Corporation's policies and practices in this regard. These skills were acquired, among other things, through their experience in large part as president of a business or president and chief executive officer where the human resources function is or was directly reporting to such person or as a member of senior management of organizations. Please see Section 3.1 of this Circular for more detailed biographical information concerning members of the Human Resources and Compensation Committee. For example, Ms. Côté is a member of the Human Resources Committee of Finning International Inc. and Ms. Martini is a member of the Governance, Compensation and Nominating Committee of CT REIT Real Estate Investment Trust, both companies being listed on a stock exchange. Mr. Brues was President of a large scale international businesses where human resources reported in to him. Ms. Martini also has financial expertise with respect to executive compensation acquired, amongst others, as member of the Audit Committee (Chair) of CT REIT Real Estate Investment Trust and has served as Chair of the Audit Committee of another publicly traded company. Ms. Martini and Mr. Brues both worked in accounting firms. Mr. Raymond has acquired extensive expertise in the fields of executive compensation and talent management as a senior executive with CIBC World Markets Inc. as well as through working for many years in the field of mergers and acquisitions. In connection with their various responsibilities, all of these directors have also implemented and managed compensation policies and practices, including with respect to salary policies, components of management compensation, succession plans, pension plans and other types of incentive programs.

No executive officers of the Corporation also serve as a director or member of the compensation committee of another issuer, one of whose executive officer is a member of the Board or of the Compensation and Human Resources Committee.

The duties and responsibilities of the Human Resources and Compensation Committee are established by the Board of Directors and include, amongst others, the following: (i) review, approve and administer policies and programs of the Corporation regarding global compensation, including wage policies, composition of executives' compensation, retirement plans and stock based incentive plans, as well as hiring and termination policies and assess their competitiveness; ii) in cooperation with the Lead Director, review the objectives, the compensation and the performance of the President and Chief Executive Officer and make recommendations to the Board of Directors in relation thereto; (iii) review succession planning and management development programs; (iv) develop and administer any diversity policy within the Corporation; (v) review material human resources risks, including those related to internal controls; (vi) approve the hiring, compensation and employment conditions for executive officers; and (vii) approve the information on executive compensation included in the proxy circular.

The committee reviews compensation policies and practices of the Corporation taking into account risks associated with these policies and practices. The committee has not identified risks associated with the Corporation's compensation policies which could have material adverse consequences on the Corporation. Those risks and uncertainties which may have material adverse consequences on the Corporation are reviewed by management, the Audit Committee and the Board of Directors at least twice per year and are disclosed in the management's discussion and analysis of the Corporation accompanying the financial statements. None of these risks relates to compensation policies and practices of the Corporation.

Once a year, the Human Resources and Compensation Committee reviews the succession plans for the President and Chief Executive Officer and members of the Management Committee of the head office and the management committees of the operating sectors. The purpose of the exercise is to identify successors for the position of President and Chief Executive Officer and other members of management in the short and medium term (ready now; within one to two years; within three to five years; and in case of emergency). A development plan is then prepared for each individual identified as a successor and discussed at least twice per year. Thereafter, a summary is presented and discussed with the Board of Directors. In 2018, all directors were invited to attend the meeting of the Human Resources and Compensation Committee where the succession and development plans were presented and discussed. The Human Resources and Compensation Committee also reviews executives development programs for high potential individuals and the next generation of executives.

The Human Resources and Compensation Committee has the authority appropriate to retain, at the expense of the Corporation, external consultants and experts to discharge its responsibilities.

The committee's report can be found under Section 6.1 of this Circular.

During the fiscal year ended October 28, 2018, the Human Resources and Compensation Committee held 6 meetings. During this fiscal year, the Human Resources and Compensation Committee, amongst others:

- reviewed and approved the organizational structure, including the structure implemented in the Packaging Sector following the acquisition of Coveris Americas and discussed the responsibilities of the individuals involved;
- reviewed and approved the comparison groups used in connection with the compensation of executives and of the Chair of the Board;
- reviewed the short, medium and long-term incentive programs of the various operating sectors and head office, including the special incentive compensation underlying the transformation into packaging, as described in Section 6.1.5.3;
- approved the wage and salary increase policy;
- reviewed and approved the compensation of the senior executives, the Chair of the Board and the Named Executive Officers;
- reviewed the value of the grants of share units and recommended their approval to the Board;
- reviewed the succession plans for the Management Committee and the management committees of the operating sectors;
- reviewed the actuarial valuation reports of the pension plans and the actions taken to minimize the risks of the Corporation in that respect;
- discussed with management the results achieved by the Corporation in terms of health, safety and wellness;
- discussed with management the initiatives of the Corporation in terms of diversity, including women representation;
- reviewed the share ownership guidelines as they pertain to management;
- discussed with management changes to the management team;
- reviewed the program implemented by the Corporation for successors to senior management, employees with high potential and the next generation of executives;
- reviewed the compensation payable to external consultants; and
- reviewed the mandate of the Human Resources and Compensation Committee and the role and responsibilities of the chair of the committee.

Corporate Governance Committee

The Corporate Governance Committee is composed exclusively of three independent directors:

Chair: Mario Plourde

Members: Annie Thabet, Yves Leduc

The Corporate Governance Committee is a committee that assists the Board in fulfilling its oversight obligations primarily with respect to compliance with legal and regulatory requirements relating to corporate governance, the review of the size and composition of the Board, director training, the implementation of sound corporate governance practices, including the development and administration of a code of conduct, the evaluation of the Board, its committees and the Chair of the Board, and the examination of the social responsibility plan of the Corporation.

The members of the Corporate Governance Committee were selected based on their experience and their knowledge of matters to be dealt with by the committee.

The duties and responsibilities of the Corporate Governance Committee are established by the Board of Directors and include, amongst others, the following: (i) supervise the establishment, design and implementation of corporate governance policies, including a Code of Conduct with an aim to maintain a sound corporate governance culture within the Corporation, and make recommendations to the Board; (ii) review procedures implemented to ensure compliance with the Code of Conduct and review any waiver to the Code of Conduct; (iii) review the compensation, size and composition of the Board and understand how the Board ensures the independence of Board members and make recommendations to the Board of Directors; (iv) ensure, in collaboration with the Audit Committee, that the Corporation follows a sound policy in communicating effectively with its shareholders; (v) facilitate the evaluation of the Board, its committees and the Chair of the Board; and (vi) supervise the implementation of the Corporation's Corporate Social Responsibility Plan and review, on an annual basis, the objectives and initiatives of the Corporation in that respect.

The Corporate Governance Committee has the authority appropriate to retain, at the expense of the Corporation, external consultants and experts to discharge its responsibilities.

During the fiscal year ended October 28, 2018, the Corporate Governance Committee held 4 meetings. During such fiscal year, the Corporate Governance Committee, inter alia:

- reviewed the comparison of corporate governance practices of the Corporation with those of other public companies (including with respect to size, composition and functioning of the Board of Directors);
- reviewed the composition, size, tenure and competencies of the Board and its committees;
- examined the independence of the directors;
- approved modifications to the matrix of competencies sought for the Board of Directors;
- reviewed and approved the comparison group used in connection with the compensation of directors;
- examined the compensation of directors and recommended changes to the compensation payable to members of the Board and its committees, including the payment of a fixed compensation;
- reviewed the candidacy of Mr. Peter Brues to the Board of Directors;
- reviewed the mandates of the Board of Directors and its committees and the role and responsibilities of each of the Chair of the Board, the Lead Director, the President and Chief Executive Officer and chairs of the Board committees;
- reviewed and approved the questionnaires for the assessment of the Board, its committees and the Chair of the Board;
- proceeded with the annual assessment of the performance of the Chair of the Board, the Board of Directors and its committees;
- discussed the initiatives of the Corporation in terms of women representation launched in compliance with the Corporation's policies on women representation;
- reviewed the questionnaire and the certificates completed by the directors and senior management with respect to the Code of Conduct;
- reviewed and approved requests of employees pursuant to the Policy on the acceptance of mandates as directors;
- discussed the continuing education opportunities for directors; and
- reviewed the sustainability and social responsibility report and the progress made by the Corporation; a copy of the Corporate Social Responsibility Plan and annual progress report is available on the Corporation's website (www.tc.tc).

Audit Committee

The Audit Committee is composed exclusively of four independent directors:

Chair:	Richard Fortin
Members:	Anna Martini, François R. Roy, Annie Thabet

The Audit Committee is a committee that assists the Board in fulfilling its oversight obligations, in particular, in relation to the financial reporting process, internal controls and the integrity of financial statements, the selection and supervision of the external auditors, the validation of the work done by the internal auditor and the review of the Corporation's risk management program.

The members of the Audit Committee were selected according to their experience and their knowledge of matters to be dealt with by this committee.

The duties and responsibilities of the Audit Committee are established by the Board of Directors and include the functions customarily performed by audit committees, such as the following: (i) oversee the financial information production and disclosure of financial information and satisfying itself of the integrity of financial reports and annual and interim financial statements of the Corporation; (ii) review and recommend to the Board of Directors, the annual and interim financial statements of the Corporation, management's discussion and analysis and the press releases relating thereto; (iii) assure itself of the independence of the auditors and oversee their work; (iv) satisfy itself of the credibility and objectivity of the financial reporting; (v) supervise the development and implementation of Internal controls for financial reporting and controls, including with respect to the Corporation's disclosure of information systems; (vi) approve the mandate of the auditors as well as the nature and scope of the audit to be conducted by the auditors; (vii) approve the compensation of the auditors; (viii) approve the mandate and the organization of the internal audit function, ensure that it is independent and supervise its work; (ix) pre-approve a budget for all non-auditing services that the auditors must carry out for the Corporation; (x) review the accounting policies followed by the Corporation; (xi) review, in conjunction with management and the auditors, any new financial or regulatory requirements that could affect the presentation of the Corporation's financial information; (xii) assess the efficiency and integrity of the Corporation's internal controls; (xiii) review the recommendations of the internal auditor and the auditors which it considers material; (xiv) ensure that procedures are established for the treatment of complaints received regarding accounting and internal controls; (xv) ensure that a process allowing management to identify the major risks the Corporation is facing is implemented and ensure that necessary measures are taken to manage such risks; and (xvi) ensure that a corporate disclosure policy is in place for the review of the Corporation's public disclosure.

The Audit Committee has the authority appropriate to retain, at the expense of the Corporation, external consultants and experts to discharge its responsibilities.

During the fiscal year ended October 28, 2018, the Audit Committee held 5 meetings, during which, inter alia, the Audit Committee:

- examined and recommended to the Board of Directors the approval of the annual and interim financial statements, the management's discussion and financial analysis and the press releases relating thereto;
- reviewed and discussed the Corporation's risk management program (including operational, financial and strategic risks), their evolution and actions undertaken to mitigate them;
- examined the assumptions underlying the budget for the 2019 fiscal year;
- reviewed reports from the external experts retained by the Audit Committee with respect to internal controls and the internal audit mandate;
- reviewed the Corporation's financing needs and financing programs, including those in connection with the acquisition of Coveris Americas, as well as the renewals and amendments to existing financings;
- reviewed, at the time of its renewal, the insurance coverage for the Corporation, including to the directors and officers' insurance coverage policy;
- reviewed the actuarial valuation reports of the pension plans;
- reviewed with management the impact of certain operations and transactions, including the acquisition of Coveris Americas and the termination of printing agreements for the *San Francisco Chronicle*, *La Presse* and *The Globe and Mail* (Maritimes);
- reviewed the report of the external auditors;
- reviewed and approved the fees paid to the external auditors;
- reviewed and approved the terms related to any other services provided by KPMG LLP;
- reviewed the budget, the audit plan and reports from internal audit;
- reviewed quarterly environmental and litigation reports;
- reviewed, on a quarterly basis, the hedging programs (including regarding interest rates and exchange rates);

- reviewed the dividend policy;
- reviewed the report regarding health, safety and wellness statistics;
- reviewed and recommended to the Board the adoption of a normal course issuer bid; and
- reviewed the mandate of the Audit Committee and the role and responsibilities of the chair of the committee.

Information regarding the Audit Committee

Information regarding the Audit Committee and the information required under Form 52-110-F1 are presented under "Information Regarding the Audit Committee" in the Corporation's Annual Information Form for the fiscal year ended October 28, 2018. A copy of the Annual Information Form can be obtained on SEDAR's Internet site (www.sedar.com), on the Corporation's website (www.tc.tc) or by making a request therefore to our Corporate Secretary at 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1.

Role and Responsibilities of the Chair of the Board, the Lead Director and the President and Chief Executive Officer of the Corporation

The Board of Directors has developed a job description for the Chair of the Board, the Lead Director and the President and Chief Executive Officer.

The description of the role and responsibilities of the Chair of the Board establishes that she provides leadership and develops guiding principles for the Board of Directors to ensure the effectiveness and good governance and represents the Board with the shareholders at the annual meeting of shareholders. The Chair of the Board ensures that the communications between the Chair of the Board, the Lead Director, the President and Chief Executive Officer and the members of the Board remain open and transparent on all material matters relating to the Corporation. She chairs Board meetings and ensures that Board members receive clear information on a timely basis, that they have sufficient resources to fulfill their responsibilities and oversees the integration and continuing training of directors. In addition, the Chair of the Board acts as a resource person to the Board committees. The Chair of the Board acts as a representative of the Corporation within the community and manages the allocation of donations and sponsorships by the Corporation. She actively participates in the strategic planning process and contributes to the development of the business of the Corporation, represents the Corporation in many instances, entertains relationships with certain large clients and shareholders of the Corporation and participates in public relations activities.

The Board of Directors has appointed a Lead Director. The Lead Director is an independent director whose fundamental role is to ensure that Board members can act independently of management, to allow independent directors to meet and ensure that directors' concerns are made known to the Chair of the Board. The main responsibilities of the Lead Director include, amongst others: (i) chairing and directing meetings of the independent directors; (ii) providing leadership to ensure that the directors can function independently from management; (iii) ensuring that independent directors have regular opportunities to meet without management present; (iv) examining from time to time with the Chair of the Board important matters to be treated by the Board; (v) participating, with the Human Resources and Compensation Committee, in setting the annual objectives and preparing the annual evaluation of the performance of the President and Chief Executive Officer in light of the objectives set each year and determining the elements of his compensation.

The Board of Directors determines with the President and Chief Executive Officer his priorities and responsibilities. The description provides that the President and Chief Executive Officer is ultimately responsible for managing the Corporation, with the objective of ensuring the growth and the profitability of the Corporation, for the proper functioning of its operations and maximizing shareholders' return on capital by surrounding himself with a team of experienced managers. He is responsible for developing and implementing the mission, the vision and the strategy of the Corporation approved by the Board of Directors, in line with the Corporation's values: innovation, teamwork, respect and performance. He must establish short, medium and long term objectives for the Corporation and ensure that action plans and policies are implemented to meet these objectives. He recruits, develops and mobilizes competent and productive management teams and maintains constructive and transparent relationships with these teams. He assumes the direct leadership of his management team by approving their hiring, promotion and wages and obtains the approval of the Board of Directors or the Human Resources and Compensation Committee, if applicable. He is accountable for the development and respect of sound relations with employees, internal and external clients of the Corporation, the financial community, the shareholders, the social communities and governments. While being the custodian of the Corporation's values, he ensures that they are passed on to all employees.

A copy of the full text of the role and responsibilities of the Chair of the Board, the Lead Director and the President and Chief Executive Officer can be obtained from the Corporate Secretary, 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1 or on the Corporation's website at www.tc.tc.

Composition of the Board

The Board of Directors has given the Corporate Governance Committee a mandate to recommend candidates to the Board. The Committee is responsible for reviewing the size and the composition of the Board of Directors, such that they are adequate to maximize the effectiveness of the deliberations and to ensure a diversity of opinions, experience and gender, all the while maintaining the Board's independence from management. This review is carried out on an annual basis. The competencies and skills that the Board should possess have been considered by the Corporate Governance Committee and approved by the Board of Directors. See Section “Competency Requirements” of this Circular.

The Board of Directors did not appoint a nominating committee and the responsibilities that are normally attributed to such committee are part of the responsibilities of the Corporate Governance Committee. The Corporate Governance Committee is composed of three directors, all of whom are independent.

The Corporate Governance Committee reviews annually the size and composition of the Board of Directors. An assessment of the performance of the Board of Directors and of its committees is carried out in writing by the directors every year. The Corporate Governance Committee receives a written nominative report. This assessment allows the identification, inter alia, of competencies and skills that the Board of Directors should consider if and when a new director will be added to the Board of Directors. At least on an annual basis, and after having reviewed the foregoing report, inter alia, the Corporate Governance Committee holds discussions with the Chair of the Board regarding potential candidacies should candidates be needed. In the event of a vacancy on the Board of Directors, members of the committee then discuss potential nominees identified depending on the skills sought and requirements at the committee level as a result of the departure of the board member, taking into account, notably, the objectives in terms of women representation. Potential candidates are generally first met by the chair of the Corporate Governance Committee and the Chair of the Board. A recommendation is thereafter made to the Corporate Governance Committee who reviews the candidacy. Finally, the Corporate Governance Committee recommends to the Board of Directors a candidate to be appointed or elected to the Board of Directors. A discussion follows with all members of the Board of Directors. A favourable decision will result in an invitation to join the Board of Directors at the next annual meeting of shareholders, subject to the vote of the shareholders, or at the next board meeting, as the case may be. This process was followed with rigor with respect to the candidacy of Mr. Peter Brues as a director.

Management proposes 13 nominees as directors. The Board of Directors is convinced that the number of directors that comprise the Board results in an efficient decision making process.

Independence of Directors

The Corporation complies with the guidelines on corporate governance practices which set out that a majority of the directors of the Corporation must be independent. In fact, 62% of the proposed nominees as directors are independent (8 out of 13).

According to Section 1.4 of Multilateral Instrument 52-110, a director is independent if he has no direct or indirect material relationship with the Corporation, which includes a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of the director's independent judgment. After having examined the roles and relations between each director with respect to the Corporation, including those which may reasonably interfere with the exercise of the director’s judgment, the Corporate Governance Committee and the Board of Directors have established that 64% of the Corporation's directors (9 out of 14) were independent at the date of this Circular. The Corporation is proposing 13 nominees for election as directors at the next annual meeting, of which 62% are independent (8 out of 13). These independent directors have no interest in the Corporation or in the management thereof (otherwise than as a shareholder or holder of deferred share units), or any other relationship with them. Moreover, at least 62% of the directors have no interest or relationship with the significant shareholder and are thus considered independent with respect to such shareholder. The number of independent directors is also an equitable reflection of the interest in the Corporation of shareholders other than the significant shareholder. The independent directors are thus in a position to represent fairly all shareholders. The Corporate Governance Committee reviews, on an annual basis, the size and composition of the Board of Directors. After having examined the role and relationships of each of the directors, the Corporate Governance Committee has established that 62% of the directors proposed as nominees by management for election as directors are independent of the Corporation, namely:

Director	Independent	Non-independent	Reason why non-independent
Peter Brues	x		
Jacynthe Côté	x		
Yves Leduc	x		
Isabelle Marcoux		x	Chair of the Board and shareholder of Capinabel Inc.
Nathalie Marcoux		x	Vice President, Finance of Capinabel Inc. and shareholder of Capinabel Inc.
Pierre Marcoux		x	President of TC Media and shareholder of Capinabel Inc.
Rémi Marcoux		x	Founder and shareholder of Capinabel Inc.
Anna Martini	x		
François Olivier		x	President and Chief Executive Officer
Mario Plourde	x		
Jean Raymond	x		
François R. Roy	x		
Annie Thabet	x		

This determination was made based on the following factors:

(i) they (and members of their immediate family) are not and have not been, during the three previous years, an employee or executive or executive officer of the Corporation;

(ii) they (and their spouse, minor children or minor children from a previous marriage) are not and have not been, during the three previous years, a partner or employee of the Corporation's auditors;

(iii) they (and members of their immediate family) are not and have not been, during the three previous years, an executive officer of an entity if any of the executive officers of the Corporation serve or served on such entity's human resources and compensation committee;

(iv) they (and members of their immediate family) have not received more than $75,000 per year in direct compensation from the Corporation over a period of 12 months during the three previous years (other than for acting as director).

However, Mr. Jean Raymond, a director of the Corporation, is Vice-Chairman, Managing Director and Head of CIBC Capital Markets-Québec of CIBC World Markets Inc., an affiliate of Canadian Imperial Bank of Commerce ("CIBC"), a joint book runner, co-lead arranger, administrative agent and a lender pursuant to a CDN $400 million (or the US dollar equivalent) facility and a US $750 million (or the Canadian dollar equivalent) credit facility which mature progressively over a five year term. CIBC also acted as joint book runner for the public offering by the Corporation of subscription receipts in the amount of $287,546,000 in connection with the acquisition of Coveris Americas. The Corporation also participates from time to time in derivative financial instruments for interest and currency coverage with CIBC. These credit facilities and public offering were put in place while Mr. Raymond was a director of the Corporation. He was not involved in the negotiations with or for the benefit of the Corporation. He declared his interest to the other members of the Board of Directors before such financings were approved by the Board of Directors. As of October 28, 2018, the Corporation was in compliance with its covenants pursuant to these credit facilities. Mr. Raymond did not receive any portion of the fees paid CIBC as direct compensation. The Corporation is of the view that the credit facilities were made on the most favorable terms and conditions possible for the Corporation.

For more detailed biographical information regarding each director, see Section 3.1 of this Circular.

The Corporation schedules in camera meetings of independent directors at each meeting of the Board of Directors. Such meetings are chaired by the Lead Director. During the fiscal year ended October 28, 2018, 10 meetings of the Board were held and 10 meetings of independent directors (in camera) were held. The committees of the Board are entirely composed of independent directors and, at each of their meeting, they meet without any members of management in attendance.

The Chair of the Board being not independent, certain mechanisms have been put into place, including holding meetings of independent directors without members of management in attendance. Furthermore, the Board of Directors reinforced the role and responsibilities of the Lead Director who, in conjunction with the Human Resources and Compensation Committee, evaluates the performance of the President and Chief Executive Officer and recommends his compensation. Mr. Richard Fortin is Lead Director since November 12, 2009. He will be replaced after the Meeting as he decided not to stand for re-election as a director of the Corporation.

Competency Requirements

We maintain a matrix of competencies sought for the Board of Directors. These competencies have been identified by the directors at the time of the evaluation of the Board and its committees and are also used when the Corporation wishes to fill a vacancy on the Board. The Corporation believes these competencies meet the needs of the Corporation. Each director must indicate the four principal competencies he or she believes he or she has, his or her age range and the number of years as a director of the Corporation. The following table presents the results of this exercise.

	Age			**Director of Transcontinental**			**Four Principal Competencies**									
Name	under 60 years	60 - 69 years	70 years and more	0 - 5 years	6 - 10 years	More than 10 years	Manufacturing Industries	Media and Communications	Executive Leadership (Chief Executive Officer)	Mergers and Acquisitions	Accounting, Finance and Risk Management	Compensation and Talent Management	Innovation and Technologies	Sales, Marketing and Retail	Governance and Regulations	Social Responsibility and Sustainable Development
Peter Brues	X			X			X			X	X	X				
Jacynthe Côté		X		X			X		X	X		X				
Yves Leduc	X			X			X		X				X	X		
Isabelle Marcoux	X					X				X		X			X	X
Nathalie Marcoux	X				X		X				X	X	X			
Pierre Marcoux	X					X		X		X			X	X		
Rémi Marcoux			X			X	X		X	X				X		
Anna Martini	X				X				X		X	X		X		
François Olivier	X					X	X		X	X				X		
Mario Plourde	X			X			X		X	X						X
Jean Raymond	X			X				X		X	X	X				
François R. Roy		X			X			X		X	X				X	
Annie Thabet	X			X			X			X	X				X	

5.2 Statements as to Diversity at the Board and Senior Executive Levels

The Corporation recognizes the advantages brought by gender diversity at the Board and senior executive levels, as well as throughout the organization. In fact, it strongly believes diversity is vital to any workplace and that gender diverse and inclusive organizations create value both in terms of financial performance and for its stakeholders. It is committed to promote, inter alia, gender diversity. The Corporation aims for a significant representation of women throughout the organization, including at the senior executive and Board of Directors levels.

For the Corporation, gender diversity and inclusion enable it to live its values of respect, teamwork, performance and innovation. It wants to ensure that men and women are given equal opportunities to contribute to the success and performance of the Corporation.

The Corporation is committed to providing a fair, equitable and respectful workplace where women, as well as men, are supported in an environment where they are valued and respected, and given recognition, based on individual merit and are considered for opportunities to advance and succeed.

The Corporation has adopted two gender diversity policies; the first one relates to the representation of women at the Board level and the other applies to all other levels of the organization, including senior executives.

The Board of Directors aims for a significant representation of women at the Board level. To do so, the Corporate Governance Committee has been mandated to identify talented women that could be considered as nominees as directors of the Corporation, to ensure that the selection process for directors include women and to report to the Board of Directors on an annual basis on the representation of women. Selecting a nominee will, however, be based on merit, using objective criteria.

As of the date hereof, 35.7% of the directors were women, namely 5 out of 14 directors. Should the votes be favorable at the Meeting, 38.5% of the directors of the Corporation will be women.

Despite that the widely intended level of 30% is surpassed, the Board of Directors has not fixed a target regarding the representation of women at the Board level. The Corporation does not view the establishment of a target at the Board level as necessary or advisable. Firstly, the composition of the Board of Directors remains principally a question of experience, skills, judgment, personal qualities, values and expertise related to certain business activities brought by each candidate. Furthermore, the composition of the Board of Directors requires that directors have the expertise, the skills and the applicable qualities deemed necessary, including those set forth in the table shown under the heading “Competency Requirements”. The Corporation conducts largely diversified activities, both in manufacturing (print and packaging) and the media sector, which deal with a diverse customer base and who face very different market realities. Even though the Board of Directors is not fixing a specific diversity target in order to ensure that it finds candidates with the best available talents and best fit the skills sought, it supports vigorously, however, a significant representation of women on the Board of Directors with a real commitment towards diversity and inclusion. It should be noted that one-half of the Human Resources and Compensation Committee is composed of women and the committee is chaired by a woman. One-half of the Audit Committee is represented by women.

In connection with its gender diversity policy applicable to the whole organization, including senior executives, the Corporation is committed to implement programs and processes that will clearly support women’s career development and a greater equality in gender balance. In addition, it has committed to taking concrete steps, notably proactively identifying talented women and encouraging them to apply for more senior roles, identifying top talent through its leadership review process, implementing development opportunities for high potential women, ensuring that selection and promotion processes are free of gender bias, analyzing statistics and progress on an annual basis, identifying, within business realities, flexible working options, promoting the importance of diversity to managers of the Corporation and raising their awareness as to their roles and obligations in respect thereof. Hence, for a number of years, a program aimed principally at women managers has been offering development and mobilization activities.

The Corporation is taking concrete measures to increase women representation at the senior executive level. However, in connection with its transformation, the Corporation has experienced changes in its organizational structure that have had an impact on women representation statistics. Presently, 32% of the senior executives are women. The previous year, 37% of the senior executives were women. This drop in women representation results principally from a lower number of women at the senior executive level in the manufacturing operations in certain countries, notably at Coveris Americas, recently acquired. The Corporation intends to improve such women representation.

Despite that the widely intended level of 30% is surpassed, the Corporation did not, however, set any targets with respect to the representation of women at the senior executive level. It prefers implementing programs aimed at ensuring that a talent pool, composed of an adequate number of women who may occupy other senior management roles, exists by offering talented women opportunities to join the Corporation where they may develop and progress. These programs will be extended to the business of Coveris Americas. As more women progress in the organization, the level of gender diversity at the senior executive level should increase.

5.3 Tenure and Age of Retirement

The Corporate Governance Committee is responsible to conduct on an annual basis the assessment of the directors, the Board and its committees. The composition of the Board and committees is an integral part of the evaluation process of the performance of the directors and the Board. Thereafter, the Chair of the Board meets to discuss with every director individually their performance and participation at the Board and its committees. The Board has adopted a matrix of the competencies that it is seeking and considers are important and meeting the needs of the Corporation.

The Corporation regularly appoints new directors to its Board of Directors. The Corporate Governance Committee has been mandated by the Board of Directors to identify qualified candidates, taking into account the competencies identified by the Board of Directors as useful as well as the question of women representation.

The Board of Directors has decided not to adopt a policy regarding tenure or age of retirement for directors and to maintain the process followed in the past. Only one independent director, Mr. Richard Fortin, has been a member of the Board for more than 10 years but he is not standing for re-election as a director; only two other independent directors have been directors for more than five years. Since the beginning of 2013, six new directors have been appointed, representing 42.8% of the Board. Mr. Rémi Marcoux, founder of the Corporation, is the only director of more than 70 years. The average age of the nominees is 56 years. The approach followed by the Corporation is therefore very efficient and the renewal of the Board of Directors takes place conscientiously without the need of a policy.

5.4 Assessment

The Corporate Governance Committee has prepared questionnaires to assess the performance both of the Board of Directors and the committees of the Board of Directors. These questionnaires were reviewed extensively during the last year. A self-assessment form is included with the questionnaires and is used by directors to prepare their assessment and their annual meeting with the Chair of the Board. At this meeting, directors are invited to share their comments on their assessment of the effectiveness of the Board of Directors and the contribution of other directors, express their concerns as a director and identify what priorities the Board should have.

The Corporate Governance Committee has also implemented a questionnaire for the assessment of the Chair of the Board. This questionnaire must be completed by all of the other directors.

The assessment of the Board of Directors, the committees of the Board and each director, as well as the assessment of the Chair of the Board, are carried out every year.

A detailed report of the answers is provided to the chair of the Corporate Governance Committee and the report is then studied by the Corporate Governance Committee. Thereafter, the chair of the Corporate Governance Committee gives an account thereof to the Board of Directors, with recommendations. Moreover, the directors are requested to comment on the assessment of all directors as part of their annual meeting with the Chair of the Board.

With respect to the assessment of the Chair of the Board, the chair of the Corporate Governance Committee meets with her personally to discuss the results obtained, once these results have been reviewed by the Corporate Governance Committee and been reported on with members of the Board during the in camera session.

5.5 Continuing Education Program

The Corporation has developed a continuing education program. The main objective of the continuing education program is to offer each new director the opportunity to learn the business of the Corporation and for each director to better understand the challenges the Corporation is facing. This continuing education program is addressed, inter alia, to new directors to inform them as to the role of the Board of Directors, its committees and its directors, the nature and functioning of the Corporation and the operations and management of the Corporation. Therefore, each director has access to a Director Handbook that is updated regularly. The Director Handbook contains material pertinent to the affairs of the Corporation, including the mandate of the Board of Directors and its committees, descriptions of the role and responsibilities of each committee chair and of the Chair of the Board, details of directors' compensation, including the text of the Deferred Share Unit Plan, details regarding the directors' liability insurance, the role and responsibilities of the President and Chief Executive Officer, the Code of Conduct, its policies and research reprots regarding the Corporation. In addition, newly appointed directors benefit from an orientation program in the form of informal meetings with management as well as guided tours of certain of the Corporation's business units.

Moreover, the Corporate Governance Committee is in charge of recommending and organizing with management of the Corporation continuing education activities for directors. Meetings of the Board of Directors are sometimes held at the Corporation's business units and tours of the business units are organized to provide directors with additional insight regarding the Corporation's activities.

The Corporate Governance Committee plans training activities to be held at certain Board meetings, in addition to regularly presentations made to the Board of Directors and various committees. Presentations relating to certain specific business units and their industry, strategic planning and succession plans for members of the Management Committee and the management committees of the operating sectors are made annually and some relating to recent developments in corporate governance or a quarterly basis. Discussions with members of management take place on a regular basis. Directors may also participate to external education activities at the Corporation's expense. All directors attending any such education activity is invited to report thereon at the next meeting of the Board of Directors.

Moreover, the following table sets out certain activities organized in 2018:

Activity	Participants	Date
Visit of the Transcontinental Vaughan plant (Vaughan (ON))	Board of Directors	December 11, 2017
Health, safety and wellness	Human Resources and Compensation Committee Audit Committee	February 26, 2018 February 26, 2018
Risk management program, including financial, strategic and operational risks	Audit Committee Board of Directors	February 26, 2018 March 1, 2018
Succession and development plans	Human Resources and Compensation Committee	February 26, 2018 September 5, 2018
Packaging industry	Board of Directors	March 1, 2018
Sustainability and corporate social responsibility	Corporate Governance Committee	June 6, 2018
Cybersecurity	Board of Directors	September 5, 2018
Strategic planning	Board of Directors	October 22 and 23, 2018
Recent developments in corporate governance	Corporate Governance Committee	Each meeting of the Corporate Governance Committee

In addition, at the beginning of the 2019 fiscal year, a visit of two recently acquired plants through the acquisition of Coveris Americas, Transcontinental Menasha and Transcontinental Tomah, was organized.

Each meeting of the Board of Directors also includes updates of the principal operational challenges as well as to the transformation into packaging, notably with respect to development opportunities, organic growth and acquisitions.

The Corporation provides many opportunities for directors to participate in visits of the operations and read and hear about specialized and relevant information about the Corporation's activities, its competitors and the industries in which the Corporation evolves in. In particular, they receive timely access to comprehensive, important and relevant information before each Board and committee meeting as well as deep dive presentation on relevant topics and have access to senior management.

5.6 Code of Conduct

The Board of Directors of the Corporation has recently approved a new Code of Conduct, a copy of which is available on the Internet site of SEDAR (www.sedar.com) as well as on the Corporation's website (www.tc.tc). A copy can also be obtained on request from our Corporate Secretary at 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1.

The Code of Conduct adopted by the Corporation applies to all individuals who are employed by the Corporation and its subsidiaries, as well as its directors.

The Board of Directors is responsible for ensuring that the Code of Conduct is applied throughout the Corporation. The Board of Directors has given the Corporate Governance Committee a mandate to negotiate and settle all questions relating to the implementation or application of the Code of Conduct. In addition, all executives and executive officers of the Corporation play a decisive role regarding compliance with the Code of Conduct and are invited, on an annual basis, and directors every two years, to complete training on the Code of Conduct including questions to answer as well as practical cases. In order to facilitate its understanding, various policies of the Corporation have been approved by the Board of Directors, including the Environmental Policy, the Corporate Disclosure Policy, the Irregularity, Fraud and Criminal Offense Whistleblowing Policy and Procedure, the Workplace Harassment Policy, the Insider Trading Policy, the Procurement Policy, the Social Media Policy, the Delegation of Authority Policy, the policies concerning women representation and the Policy Relating to the Acceptance of Mandates as Directors.

The Corporate Governance Committee is responsible for examining any departure from the Code of Conduct by a director or a senior executive and to make recommendations to the Board regarding any measures to be taken with respect thereto. The Board of Directors did not grant any waivers with respect to the Code of Conduct to any director, executive or executive officer during the last fiscal year. Therefore, no material change report was filed.

The Code of Conduct includes a section on conflicts of interest as well as a statement regarding actual or potential conflicts of interest that must be completed and signed by all employees, including senior executives as well as all of the directors.

The Corporate Governance Committee ensures that no director participates in a discussion or gives his approval on an issue in which the director has a significant interest and such director will refrain from voting on such issue.

The Board of Directors has adopted several policies and procedures relating to the management of the Corporation's affairs with respect to sound corporate governance.

Moreover, a communications program with employees was adopted regarding the implementation of the Code of Conduct, which ensures its uniform dissemination throughout the Corporation and its subsidiaries.

A copy of the Code of Conduct was filed on SEDAR and can be obtained on SEDAR's Internet site (www.sedar.com). A copy this document can also be obtained from the Corporate Secretary at 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1 or on the Corporation's website at www.tc.tc.

5.7 Sustainability and Social Responsibility

2018 is last year of a three year social responsibility plan (2016-2018) entitled “Driving Sustainable Results”. The plan presented 13 objectives regrouped under the following themes: employees, community, prosperity and environment.

In 2018, we established a stakeholder consultation program on sustainability and social responsibility issues, which included our employees, suppliers, customers and investors. This process provided us with information allowing us to rank social responsibility issues affecting our strategy. This matrix will be the focal point in setting the priorities and objectives for our next year 2019-2021 three year corporate social responsibility plan which will be published in the spring of 2019.

For more information on the objectives, efforts made by the Corporation and certain achievements regarding sustainability and social responsibility, we invite you to read the 2018 Annual Report and the heading “Social Responsibility” on the Corporation’s website (www.tc.tc); the report presents headway made toward the objectives set out in our three year plan.

5.8 Interaction with Shareholders

The Board of Directors remains committed to interact with the Corporation’s shareholders. Meetings are held on a regular basis between management, the Chair of the Board and institutional shareholders. In addition, a conference call with the investment community, in which everyone is invited to participate, is organized on a quarterly basis to review the financial results of the Corporation and at other times where appropriate. Our Investor Relations Department answers all requests or questions from our shareholders. Any person may communicate with our Investor Relations Department or with the Corporate Secretariat; all requests will be redirected to the appropriate individual (telephone: 514-954-4000).

5.9 Interest of Insiders in Material Transactions

To the knowledge of the Corporation, no director or officer of the Corporation, no subsidiary, no insider, no nominee for election as director, no shareholder holding more than 10% of the voting shares of the Corporation had any interest in transactions since the beginning of the last fiscal year of the Corporation or in any proposed transaction that has or could have a material effect on the Corporation or on any of its subsidiaries.

6. Analysis of Executive Officers' Compensation

6.1 Report of the Human Resources and Compensation Committee on the Compensation of Executive Officers

6.1.1 Review and Approval

The Human Resources and Compensation Committee (the "Committee") is composed entirely of independent directors. The Committee reviews annually the performance of the executives and ensures that it has a full understanding of compensation trends and that the programs in place are relevant. When circumstances warrant, the Committee may make recommendations that deviate from current policies.

6.1.2 Compensation Consultation Services

The Committee has retained PCI-Perrault Consulting Inc. ("PCI") to provide exclusive and independent advice with respect to directors, senior executives and executives concerning compensation matters.

PCI reports to the Committee, who will seek their advice when required, with respect to the Corporation’s compensation policy and its components, to ensure its relevance towards the achievement of the Corporation's goals and competitiveness in relation to the comparison groups in place, as well as market practices. All mandates performed by PCI are pre-approved by the chair of the Committee, regardless of the amount in question. Their expertise and knowledge of executive compensation are considered in the decisions made by the Committee. However, when the Committee makes recommendations with respect to compensation to the Board of Directors, it considers a variety of important factors which can include the Corporation’s business strategy, competitive market forces, business needs and governance practices. In 2018, PCI assisted the Corporation with benchmarking of the compensation of executives, the redesign of the medium term incentive compensation plan, as well as with the alignment to the Corporation's compensation policy with respect to the compensation of newly hired executives, in connection with the closing of acquisitions. The Committee considers it obtains independent advice from PCI.

The following table presents the fees paid by the Corporation, to PCI, for services relating to the compensation of senior executives and executives.

Fee category	2018 ($)	2017 ($)
Fees for consulting services related to the compensation of senior executives and executives	29,648	59,796

6.1.3 Role of Management

The Committee requests and evaluates studies and recommendations made by management with respect to the design, development, management and operation of human resources programs for senior executives and executives.

The President and Chief Executive Officer, together with the most senior ranking members of the Corporation from human resources, finance, legal and other services, are involved in the development of these recommendations, depending on the nature of the matter. The Committee independently evaluates these studies and recommendations and decides if they will be the subject of a recommendation to the Board of Directors.

6.1.4 Compensation Philosophy

We use compensation as a tool to support our business strategy

The compensation philosophy for executives of the Corporation aims at optimizing the Corporation's performance by focusing on compensation which is based on performance and the achievement of predetermined objectives. The compensation strategy favours variable components linked to short term and medium term performance, and depends on the achievement of financial objectives set for the Corporation or its business units, or objectives tied to the achievement of strategic or key priorities linked to the development of the Corporation. Details of the composition of senior executive compensation are presented in Section 6.1.5.

Compensation plans and programs for executives are designed in order to:

- recruit, develop and retain key performing executives;
- reward executives who stand out by achieving predetermined and quantifiable objectives through superior performance;
- establish a direct relation between the interests of the executives, and those of the shareholders of the Corporation, by favouring the creation of short, medium and long term value at all levels of the organization;
- encourage teamwork and adhere to company ethics; and
- support the implementation of the Corporation's business strategy.

The Committee reviews periodically all of the components of executive compensation to ensure their adequacy with its business challenges and the competitiveness of its practices compared to market. The philosophy concerning executive compensation aims at not enticing executives to take inappropriate or excessive risks which would reasonably be likely to have material adverse consequences on the Corporation. The following components of the executive compensation program support this philosophy:

Components minimizing risks related to compensation
✓ Balance between fixed and variable compensation and between cash and equity based compensation
✓ Variable compensation horizons vary from 1 to 3 years, depending on the program
✓ Payments under the short term incentive program are limited to two times the target

Components minimizing risks related to compensation	
✓	The payment of target short term incentive compensation and the vesting of medium term incentive compensation are subject to achieving performance objectives closely related to shareholders' interests, including adjusted net earnings per share, adjusted operating earnings, as well as measures such as return on capital employed (ROCE), cash flows generated by both the Printing Sector and the Media Sector, organic growth of the Packaging Sector, and adjusted operating earnings before depreciation and amortization ("EBITDA") for the Packaging Sector
✓	Starting in 2018, the vesting at the end of the three-year cycle is limited to 100% for the performance share units, with the exception of these three senior executives for whom an overachievement factor could reach up to 200%
✓	The Corporation now uses a non-dilutive share unit plan to preserve value for shareholders
✓	Share ownership guidelines are applicable to the Corporation's executives
✓	The Corporation has put in place a clawback policy for variable compensation in the event of financial errors or inappropriate executive behaviors
✓	The Insider Policy prohibits executives from short selling or trading any put or call options with respect to securities of the Corporation

6.1.4.1 Executive Compensation Clawback Policy

In 2014, the Board of Directors adopted an executive compensation clawback policy concerning awards made pursuant the short term and medium term incentive programs (the "Subject Compensation"). Pursuant to this Policy, which applies to all individuals who hold a position eligible for grants of share units under the Share Unit Plan, the Board of Directors may, at its sole discretion, to the extent permitted by applicable laws and to the extent it determines it is in the best interests of the Corporation to do so, require the reimbursement of all, or a portion, of the Subject Compensation received by an executive. The Board of Directors may therefore require any such reimbursement if all of the following conditions are met:

(1) the amount of the Subject Compensation was calculated taking into account certain financial results that were subsequently changed as a result of a restatement of the financial statements of the Corporation (other than as a result of a change in accounting rules); and

(2) the amount of the Subject Compensation that would have been awarded to the executive would have been lower than the amount actually received or awarded if the financial results had been properly reported.

In addition, any executive who has engaged in gross negligence, intentional misconduct or fraud, that caused the need for such restatement of the financial statements, is subject to this policy and could see his or her compensation be subject to a clawback by the Corporation.

6.1.4.2 Insider Policy

The Corporation has a policy to ensure compliance with securities legislation regarding actions that may be taken by directors, officers, employees or any other person having privileged information regarding the Corporation's securities. This policy is subject to updates approved by the Board of Directors. On a quarterly basis, the Corporation reminds its insiders that all applicable trades must be reported to the appropriate authorities within five days of any transaction and that failure to do so could lead to penalties. In addition, the Corporation has established a rule whereby insiders may generally trade in the Corporation's securities during the period commencing on the third trading day following the release of the Corporation's interim or annual financial results and ending on the last day of the fiscal quarter during which such financial results are released. The policy expressly provides that an insider cannot carry out at any time, any trades if he or she has knowledge of a material fact, the disclosure of which could materially affect the share price. The policy further prohibits insiders from short selling or trading any put or call options with respect to securities of the Corporation.

6.1.4.3 Compensation Competitiveness and Comparison Groups

In connection with the periodic review by the Committee of senior executive compensation, each component of total compensation (base salary, short term incentive compensation, medium term incentive compensation, pension plans, group benefits and indirect benefits) is reviewed in a benchmarking exercise, with the view of aligning to general market practices. The Committee approves the targets of the variable incentive programs, the financial measures supporting the Corporation's objectives as well as the relative weighting of such measures.

For purposes of designing the global compensation program for the senior executive team, the Committee has taken into account compensation paid for equivalent positions within comparison groups composed of businesses competing with the Corporation for the hiring of senior executives. For the Named Executive Officers, the Committee considers compensation data, included in management proxy circulars of selected publicly listed companies and published surveys from known firms, with the objective that target total direct compensation be positioned at the median of the market, the latter being composed of these comparison groups.

Given the growth objectives for the packaging activities, notably by acquisitions made in the United States, and the divestiture of the Corporation's publishing activities in Canada, the composition of the comparison groups was reviewed in 2017. New additions were made to reflect the increased importance of packaging activities. In addition, as the Media Sector now represents a significantly smaller portion of the Corporation's activities, selected companies from this industry were removed.

For the President and Chief Executive Officer, the President, TC Transcontinental Printing and TC Transcontinental Packaging, and the President, TC Transcontinental Printing, the Committee uses a comparison group formed of companies with revenues ranging from 1.1 billion dollars to 4.8 billion dollars, with an average of 3.0 billion dollars. The comparison group is comprised of companies representing the principal business activities of the Corporation, with an emphasis on packaging activities, given that one-half of the revenues of the Corporation now comes from this sector and that the Corporation intends to pursue its growth in these activities. The comparison group used to compare the compensation of these senior executives includes American-based companies of a size more or less comparable and with whom the Corporation competes for customers and recruitment of executive talent.

With respect to the compensation of the Chief Financial Officer, and the Chief Legal Officer and Corporate Secretary, the Committee uses a comparison group formed of companies of a similar size, with head offices located in Québec.

The table below illustrates the comparison groups used to establish the Named Executive Officers' compensation in 2018. Modifications were made to include more organizations from the packaging industry, considering the growing size of this Sector and its strategic importance.

Companies forming the comparison group	**President and Chief Executive Officer, President, TC Transcontinental Printing and TC Transcontinental Packaging President, TC Transcontinental Printing**	**Chief Financial Officer, Chief Financial and Development Officer and Chief Legal Officer and Corporate Secretary(1)**
Aimia Inc.		✓
Bemis Company, Inc.	✓	
CAE Inc.		✓
Cascades Inc.	✓	✓
CCL Industries Inc.	✓	✓
Cogeco Inc.		✓
Deluxe Corporation	✓	
Dollarama Inc.		✓
Dorel Industries Inc.		✓
Gildan Activewear Inc.		✓
Intertape Polymer Group Inc.	✓	
LSC Communications Inc.	✓	
Quad/Graphics, Inc.	✓	
Quebecor Inc.		✓
Rayonier Advance Materials	✓	✓
Sonoco Products Company	✓	
TFI International Inc.		✓
The Jean Coutu Group (PJC) Inc.(2)		✓
Transat A.T. Inc.		✓
Uni-Select Inc.		✓
Winpak Ltd.	✓	✓

(1) For the positions of Chief Financial Officer, Chief Financial and Development Officer and Chief Legal Officer and Corporate Secretary, an additional reference group composed of Québec organizations was used to complete the comparison group for which the number of observations are limited in management proxy circulars.

(2) Excluded in 2019 as the shares of The Jean Coutu Group (PJC) Inc. are no longer listed on a stock exchange.

6.1.5 Composition of Global Compensation

Target variable compensation represents at least one half of the total direct compensation for all Named Executive Officers

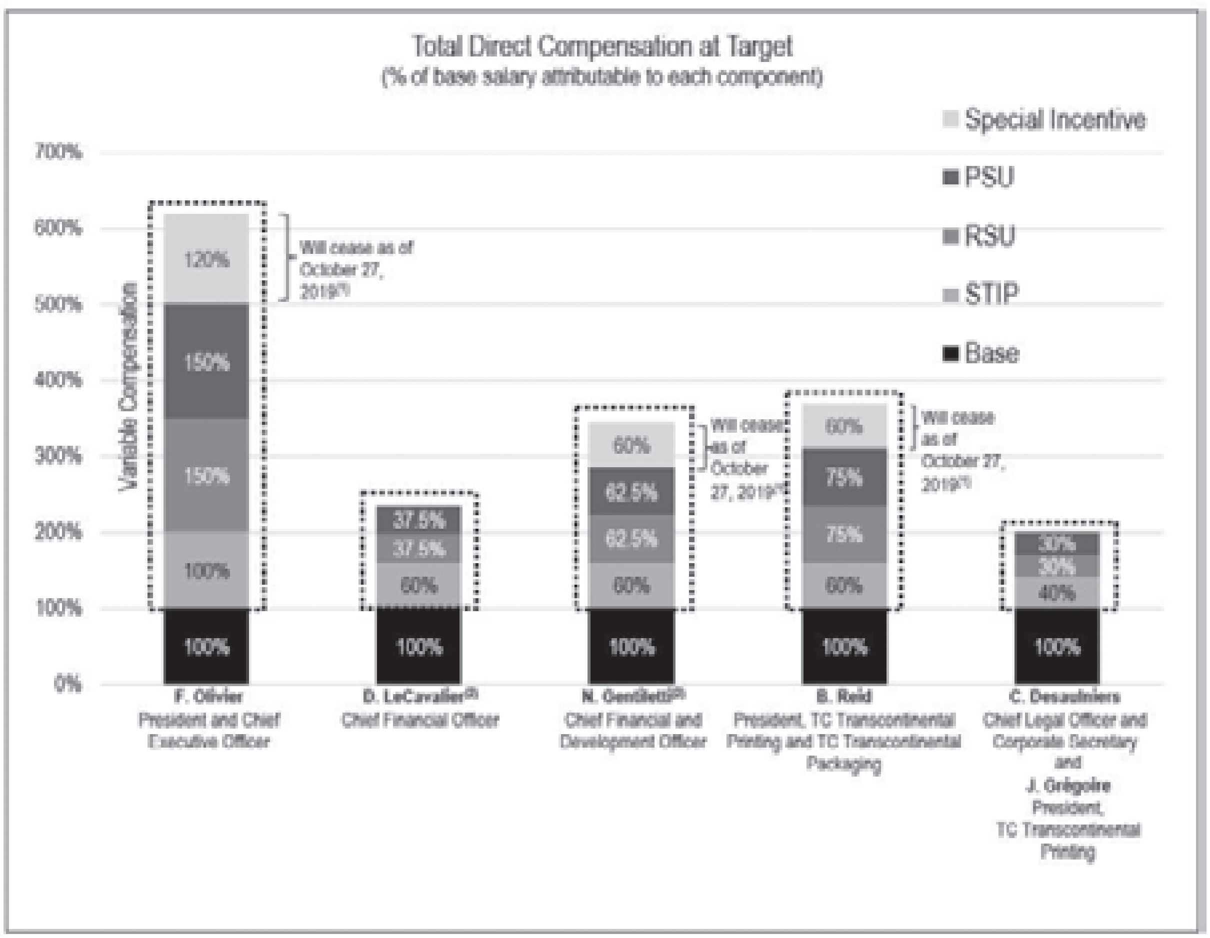
The global compensation of the Corporation's senior executives is composed of direct compensation, which includes compensation payable in cash (base salary and short term incentive compensation), medium term incentive compensation (share units), special incentive compensation underlying the transformation towards packaging activities (short term incentive cash compensation to which a very limited number of senior executives are eligible) and, until the end of 2013, long term incentive compensation (stock options), as well as pension plans, group benefits and indirect benefits. The decision to cease granting as of 2014 stock options was taken for various reasons, including to have better alignment with market practices and, in accordance with the compensation philosophy of the Corporation, to put emphasis on the performance and the strategic decision making process, as well as for administrative and accounting considerations.

The following table sets forth a summary of the principal components of executive compensation, their type, the manner in which they are determined or granted, as well as the objectives and performance period underlying each component. The target cash compensation and the total target direct compensation of the executives are benchmarked at the median of the companies forming part of the respective comparison group for each executive position.

Component	Description	Performance period	Objectives
Base Salary			
	▪ Cash compensation determined based upon the inherent responsibilities of the position, the expertise and performance of the individual.	One year	▪ Recognition of the individual's performance. ▪ Attraction and retention of key and high performing executives.
Short Term Incentive Compensation (STI)			
	▪ Variable cash compensation based upon achieving financial objectives and objectives tied to the execution of certain strategic or high priority initiatives for the development of the Corporation, set out at the beginning of the year. ▪ Target payment corresponds to a percentage of the base salary between 0% and 100% depending on the position occupied. ▪ Maximum payment equivalent to two times the target.	One year	▪ Focuses on the achievement of financial and operating objectives specific to each sector or business unit, and on strategic and consolidated financial objectives. ▪ Stimulates performance of the Corporation and achievement of superior results while encouraging collaboration between teams.
Special Incentive Program Underlying the Transformation Towards Packaging Activities (Special Incentive Program)			
	▪ Transitionary program implemented in 2014 to focus the efforts of the Corporation's transformation towards packaging activities. ▪ Variable cash compensation calculated based on the level of achievement of specific objectives of the Corporation's transformation between 2014 and 2019. ▪ Eligibility limited to very few senior executives and level of achievement is established annually. ▪ Depending on the position occupied, the target corresponds to 60% or 120% of base salary and overachievement can reach from 72% to 144% of base salary (for the years 2018 and 2019). ▪ The Committee has full discretion to assess annual performance achievement of the objectives.	One year	▪ Recognizes additional efforts above and beyond normal responsibilities of a very limited number of senior executives to speed up the transformation towards packaging activities. ▪ Rewards the achievement of strategic and financial objectives linked to packaging activities. ▪ Ensures momentum and focuses certain Named Executive Officers towards the achievement of clear and specific high priority objectives, in line with the development of the packaging activities.

Component	Description	Performance period	Objectives
Share Unit Plan of Transcontinental Inc. (SUP)			
	▪ Variable compensation in the form of a grant, in equal proportion, of performance based share units ("PSUs") or deferred performance based share units ("DPSUs"), and restricted share units ("RSUs"). ▪ Based on the position occupied as well as the individual's performance, the annual grant is established as a target percentage of the base salary between 0% and 300%. ▪ Vesting of PSUs, DPSUs and RSUs is determined at the end of a three year cycle. ▪ PSUs and RSUs are payable upon vesting. Vested DPSUs are payable after termination of employment with the Corporation.	Three years	▪ Alignment of the interests of the executives with those of the shareholders. ▪ Retention of executives. ▪ Recognition of the input of the executives of each sector and their active contribution to the success and medium term performance of the Corporation. ▪ A direct link between the executives' compensation and the consequences of their current decisions on the future results of the Corporation.

The target compensation of the Named Executive Officers at the end of the fiscal year ended October 28, 2018 is represented below; each component is presented as a multiple of the senior executive's base salary. The variable compensation figures are based on the assumption that the objectives and vesting conditions are achieved at 100%. The special incentive component applicable to the President and Chief Executive Officer, the Chief Financial and Development Officer and the President, TC Transcontinental Printing and TC Transcontinental Packaging is presented separately. The special incentive program is transitionary in nature. As such, as of October 28, 2019 this program will no longer exist as illustrated in the graph below. For purposes of the compensation analysis, the Named Executive Officers include the President and Chief Executive Officer, the two individuals having held the position of Chief Financial Officer in 2018 and the three most highly compensated executive officers in 2018.



(1) The special incentive program provides participants with the opportunity to maintain their cash compensation level until payment of the RSUs and PSUs grantedin 2018 is made. This program will cease as of October 27, 2019 (see Section 6.1.5.3).

(2) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

6.1.5.1 Base Salary

Base salary takes into account the breadth of the position and the responsibilities, as well as the performance of the executive. Base salaries are compared to the median of the salaries paid for equivalent positions within the comparison groups and to salaries for equivalent positions within the Corporation. Such salaries are reviewed on an annual basis and annual adjustments generally come into effect on January 1st following the end of the fiscal year. For 2017 and 2018, the Committee approved a 2% budget for salary increases. Salaries paid to the Named Executive Officers are disclosed under the column "Salary" of the Summary Compensation Table in Section 6.2 and were subject to a 2% annual increase.

6.1.5.2 Short Term Incentive Compensation

Compensation paid pursuant to the short term incentive compensation program depends on the level of achievement of financial objectives, as well as objectives tied to the achievement of certain strategic or high priority activities associated to the development of the Corporation. The Corporation attributes to each executive, depending on his or her hierarchical level, an incentive target level set as a percentage of his or her base salary, representing the amount which will be paid if all objectives are achieved according to the targets set. Actual short term incentive compensation for senior executives may vary between zero and two times the target, based on the level of achievement of the predetermined objectives set out at the beginning of the fiscal year. The objectives and relative weighting are re-evaluated on an annual basis by the Committee and communicated to the relevant executives.

For the fiscal year ended October 28, 2018 the performance measures used for purposes of short term incentive compensation were as follows:

(i) Financial objectives: the performance measures chosen were adjusted net earnings per share and adjusted operating earnings at different levels of the organization (consolidated, sector, group). These objectives are chosen to link the performance of the executive to the financial performance of the Corporation.

(ii) Operating objectives: the strategic performance measures chosen vary depending on the business sector. These are developed with a medium term outlook, even if measured on an annual basis.

   (a) For the Media Sector, the performance measures were focused on the implementation of the monetization of select databases of our brands, as well as on the successful migration to new technological platforms and the creation of digital content.

   (b) For the Printing Sector, the performance measures were focused on operating cost savings.

   (c) For the Packaging Sector, the performance measures were focused on sales growth and savings on procurement initiatives.

(iii) Functional objectives: the performance measures chosen vary with the position occupied. These objectives apply to the finance and legal functions, and allow for prioritization of the efforts of certain executives towards key priorities and issues specific to those support positions.

(iv) Health, safety and wellness objectives: these performance measures were focused on key indicators of the Corporation's health and safety program, as well as the implementation of a disability management policy and toolbox.

The weight of the financial indicators, in determining the amount the executive is entitled to receive, as short term incentive compensation, is designed to enhance the synergies between sectors and reinforce the accountability of the Corporation's executives.

The following table presents the target short term incentive compensation as a percentage of salary, the indicators used in 2018 to measure the Corporation's performance for purposes of the short term incentive compensation program, as well as their relative weight.

	Target short term incentive (% of base salary)	Relative weight of financial indicators of the short term incentive program[1]				
		Adjusted net earnings per share	Adjusted operating earnings of the sector[2]	Operating objectives[3]	Functional objectives	Health, safety and wellness objectives[4]
François Olivier President and Chief Executive Officer	100%	80%	—	15%	—	5%
Donald LeCavalier[5] Chief Financial Officer	60%	70%	—	—	25%	5%
Nelson Gentiletti[5] Chief Financial and Development Officer	60%	60%	10%	15%	10%	5%
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	60%	40%	35%	20%	—	5%
Christine Desaulniers Chief Legal Officer and Corporate Secretary	40%	70%	—	—	25%	5%
Jacques Grégoire President, TC Transcontinental Printing	40%	10%	55%	30%	—	5%

(1) Excludes the special incentive program described under Section 6.1.5.3.

(2) For the President, TC Transcontinental Printing and TC Transcontinental Packaging, 20% were based on the adjusted operating earnings of the Packaging Sector, subject to certain adjustments and 15% were based on the adjusted operating earnings of the Printing Sector, subject to certain adjustments. For the President, TC Transcontinental Printing, the adjusted operating earnings are related to the Printing Sector, subject to certain adjustments.

(3) For the President and Chief Executive Officer, this objective is divided equally by each of the operating objectives of the Printing Sector and the Packaging Sector. For the President, TC Transcontinental Printing and TC Transcontinental Packaging and for the Chief Financial and Development Officer, the operating objectives are related to the Packaging Sector. For the President, TC Transcontinental Printing, the operating objectives are related to the Printing Sector.

(4) For the President, TC Transcontinental Printing and TC Transcontinental Packaging, this objective is divided equally between the Packaging Sector and the Printing Sector.

(5) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

The short term incentive compensation program is calculated according to the following formula:

Base salary x applicable period x target incentive x multiplying factor associated to the achievement of the objectives.

The applicable period is defined as the number of months worked during the year. The multiplying factor corresponds to the level achieved for each objective. Each objective has a relative weighting. The multiplying factor is the weighted sum of each objective's multiplying factor.

Short Term Incentive Compensation Paid for the 2018 Fiscal Year

For the fiscal year ended October 28, 2018 certain objectives were achieved in full and others were partially achieved.

The following table presents the objectives for 2018, approved by the Board of Directors, as well as the results achieved by the Corporation:

Performance measure	Objective	Result	Evaluation of performance
Adjusted net earnings per share[1]	2.35	2.32	99%
Increase in adjusted operating earnings for the Printing Sector	(6.3%)	(4.9%)	102%
Increase in adjusted operating earnings for the Packaging Sector	10.7 %	(15.2%)	77%

Performance measure	Objective	Result	Evaluation of performance
Operating objectives for the Printing Sector(2)	—	—	97%
Operating objectives for the Packaging Sector(3)	—	—	50%
Operating objectives for the Media Sector(4)	—	—	100%
Functional objectives(5)	—	—	100%
Health, safety and wellness objectives(6)	—	—	100%

(1) Adjusted net earnings per share published by the Corporation are normalized to exclude exchange rate variations and other adjustments as follows:

(In millions of dollars, except per share information)	2018
Net earnings applicable to participating shares	**213.4**
Accelerated recognition of deferred revenues (after tax)	(75.4)
Accelerated depreciation (after tax)	16.3
Restructuring and other costs (gains) (after tax)	3.0
Impairment of assets (after tax)	4.9
Impact of the U.S. tax reform on deferred taxes	36.6
Amortization of intangible assets arising from business combinations (after tax)	33.4
Reversal of the fair value adjustment of inventory sold arising from business combinations (after tax)	7.2
Adjusted net earnings applicable to participating shares	**239.4**
Effect of the stock-based compensation expense (after tax)	1.8
Effect of acquisitions/divestitures (after tax)	(14.9)
Exchange rate and other elements impact (after tax)	(4.6)
Amortization of intangible assets arising from business combinations (after tax)	(33.4)
Impact of U.S. tax reform and other tax elements on income taxes	(8.9)
Effect of normalizing items on adjusted net earnings applicable to participating shares (after tax)	**(60.0)**
Adjusted net earnings applicable to participating shares (after normalized items)	**179.4**
Average number of shares in budget	77.4
Adjusted net earnings per share	**2.32**

(2) Objectives related to achieving operating cost savings.

(3) Objectives related to sales growth and savings on procurement initiatives.

(4) Objectives related to elements tied to the implementation of the monetization of select databases of our brands, as well as on the successful migration to new technological platforms and the creation of digital content.

(5) For the Chief Financial and Development Officer, the objective was comprised of elements related to the acquisition of Coveris Americas. Based upon management's evaluation, this objective was achieved at 100%. For the Chief Legal Officer and Corporate Secretary, the objective was comprised of elements tied to the analysis of legal requirements by state regarding certain contractual matters as well as the organization of the Legal Department. Based upon management's evaluation, this objective was achieved at 100%.

(6) Based upon management's evaluation, the health, safety and wellness objectives were achieved at 100% for the head office, the Printing Sector and the Packaging Sector.

6.1.5.3 Special Incentive Compensation Underlying The Transformation Towards Packaging Activities (Ceases in 2019)

In January 2014, the Corporation implemented a special incentive compensation program for a very limited number of senior executives to support the transformation of the Corporation toward packaging activities. The program was originally scheduled to end in December 2017.

The special incentive program was renewed for 2018 and 2019 for these same Named Executive Officers in order to continue to support the progression of the packaging activities and to provide participants with the opportunity to maintain the level of their cash compensation until 2020, given that payment of RSUs and PSUs pursuant to this plan reviewed in 2018 will be made at the end of the first three year cycle, being in 2020.

This program is designed to sustain momentum and clear focus towards the transformation into packaging. For 2018 and 2019, financial objectives related to the Packaging Sector are established annually by the Board of Directors to ensure continued focus on growth and profitability of the Packaging Sector.

For 2018, the target award of the program represents 60% or 120% of the Named Executive Officer's base salary. Each December, the Board of Directors assesses the level of achievement of the objectives, which could vary between 0% and 120%.

6.1.5.4 Medium Term Incentive Compensation

The Corporation no longer offers long term incentive compensation (see Section 6.3.3.1). The objectives of the medium term incentive plan (see Section 6.1.5.4.1) are to:

(i) align the interests of management with the increase in shareholder value; and

(ii) attract and retain executives with key competencies.

The Committee reviews annually the provisions of the medium term incentive plan and recommends, if applicable, amendments to the Board of Directors.

Grants approved pursuant to the medium term incentive plans are recommended annually by the President and Chief Executive Officer, taking into account the hierarchical level of the relevant executive, the appropriate target percentage of base salary, as well as the contribution of the executive to the achievement of the performance objectives. The Committee reviews the grants, adjusts them where appropriate, and recommends their approval to the Board of Directors.

6.1.5.4.1 Share Unit Plan (the "SUP")

The purpose of the SUP is to ensure a better alignment between the interests of executives and those of the shareholders by granting, to eligible executives and to the Chair of the Board, share units, the value of which will increase or decrease based on the value of the Corporation's Class A Shares. In order to support the Corporation's retention strategy, a portion of the annual share unit grant is solely based upon the executive remaining employed by the Corporation at the end of a three year cycle. The Corporation implemented the SUP in order to grant share units to executives in recognition of their contribution to the medium term performance and success of the Corporation. The SUP is intended to favor value creation in the medium term, to achieve sector specific objectives and alignment with the strategic plan of the Corporation. Share units that are granted entitle the holder to receive the equivalent in share units of any dividend declared by the Corporation to holders of Class A Shares, subject to vesting of such share units at the end of the three year cycle, if applicable.

The SUP was initially approved by the Board of Directors of the Corporation on June 14, 2005 and amended on several occasions. The SUP is non-dilutive and is settled in cash or shares purchased on the open market on the Toronto Stock Exchange.

The Committee has the authority to make recommendations to the Board of Directors regarding participants to the SUP, the terms and conditions of each grant, the type of units (in the form of deferred share units (DSUs) or RSUs), the date of the grant, the vesting date and the vesting conditions.

Vesting of PSUs is based on the average of the results achieved with respect to the short term incentive compensation program over a three year period for grants made prior to 2018. Some of these financial and strategic objectives take effect over three years. They are reviewed annually to ensure they are aligned with the three year plan. Using for all grants one financial performance measure from one type of industry is not relevant given the diversity of the operating sectors of the Corporation and that no other organization operates in all the same sectors. The medium term performance measure used for all grants prior to 2018 is the average level of achievement of specific strategic objectives for each sector over a three year period.

Results achieved by the President, TC Transcontinental Printing and TC Transcontinental Packaging determine the vesting of PSUs of the executives of the Printing Sector and the Packaging Sector. Vesting of PSUs for head office and Media Sector executives depends on the results achieved by the President and Chief Executive Officer.

The program was reviewed in January 2018 to introduce new performance measures. Vesting of PSUs granted in January 2018 is dependent upon the following financial measures: return on capital employed (ROCE), cash flows generated by both the Printing Sector and the Media Sector, organic growth of the Packaging Sector, and adjusted operating earnings before depreciation and amortization (EBITDA) for the Packaging Sector. In addition, for the President, TC Transcontinental Printing and TC Transcontinental Packaging, gross margin for the Packaging Sector is also included as a performance measure. An overachievement factor was introduced for three Named Executive Officers.

The selected performance measures aim to ensure that the Corporation's transformation strategy is deployed as expected, while maintaining financial performance of the Corporation through profitable organic growth, as well as making conscientious use of the Corporation's capital.

Since the 2014 fiscal year, all PSUs granted represent generally one-half of the total grant. The Committee may choose to grant to certain executives deferred performance based units (DPSUs) in replacement of PSUs in order to assist them in achieving their share ownership requirements.

Grants during the 2018 Fiscal Year

On January 9, 2018 a total of 259,710 share units were granted to 34 persons, of which 116,665 were performance based (PSUs*),* 9,882 were deferred performance based (DPSUs), 133,163 were retention based (RSUs) and 2,206 vested deferred share units (DSUs) were granted in connection with the conversion of annual short term incentive compensation. On January 10, 2019 a total of 422,741 share units were granted to 45 individuals and 69,231 vested deferred share units were granted in connection with the conversion of annual short term incentive compensation.

In addition, during the 2018 fiscal year, 13,920 RSUs, 12,581 PSUs and 700 DPSUs were granted, representing the payment of dividends payable regarding grants made on January 9, 2018, January 9, 2017, March 14, 2016 and January 11, 2016.

An executive who holds RSUs or PSUs may receive payment at the end of a three year cycle following the grant if the vesting conditions have been satisfied. An executive who holds DSUs may only receive payment upon leaving the Corporation, provided that the vesting conditions have been satisfied. Vesting of RSUs depends only upon the executive remaining in the employment of the Corporation at the expiry of the three year cycle.

The price of the share unit grant is calculated based on the weighted average price of transactions of the Class A Shares on the Toronto Stock Exchange (the "Market Value") for the five trading days immediately preceding the date of the grant.

Participants receive, as at the date of payment in the case of DSUs or as at the date of vesting in the case of RSUs and PSUs, a value equal to the Market Value of the Class A Shares on that date. The Board of Directors then determines if the payment will be made in shares acquired on the open market or in cash. Vested DSUs are paid at the time of the termination of employment while RSUs and PSUs must be paid out when rights vest, three years after the date of the grant.

Details of the SUP are presented in note 23 to the Corporation's audited consolidated financial statements for the fiscal year ended October 28, 2018 which are included in the 2018 Annual Report. These documents can be found on the Internet site of SEDAR (www.sedar.com) as well as on the Corporation's website (www.tc.tc).

Vesting of the 2016 Grant after the End of the 2018 Fiscal Year

On January 11, 2016 the Corporation granted 344,918 share units, of which 172,459 share units were performance based and 172,459 share units were retention based. On March 14, 2016 the Corporation granted 7,485 retention based share units.

Vesting of the performance based share units was conditional upon the average cumulative performance over a three year period of the results achieved pursuant to the short term incentive compensation program for the President of TC Transcontinental Printing and TC Transcontinental Packaging with respect to the employees of the Printing Sector and the Packaging Sector, and for the President and Chief Executive Officer with respect to head office employees as well as for employees of the Media Sector.

In accordance with the provisions of the SUP, on December 18, 2018 all of the outstanding retention based share units and performance based share units vested.

Of the 172,459 retention based share units granted on January 11, 2016 which vested on December 18, 2018, the value of 157,838 RSUs ($3,145,711) was paid to their holders. Of the 172,459 performance based share units granted on January 11, 2016 which vested on December 18, 2018, the value of 157,838 PSUs ($3,145,711) was paid to their holders. The remaining retention based and performance based share units were cancelled upon termination of employment of employees and, therefore, 92% of these share units vested. All of the 7,485 retention based share units granted on March 14, 2016 vested on December 18, 2018.

6.1.6 Share Ownership Guidelines

The Corporation has share ownership guidelines and extended the application of those guidelines to executives and senior executives. Depending on their hierarchical level, they must own the equivalent of up to three times their annual base salary in shares of the Corporation, vested deferred share units, and/or retention based unvested restricted share units. This requirement must be attained within a specific timeline, which is five years following hiring, promotion or from the moment the employee becomes subject to the share ownership guidelines.

Share ownership guidelines	Multiple of base salary
President and Chief Executive Officer	3.0
Chief Financial Officer	1.5
Chief Financial and Development Officer	1.5
President, TC Transcontinental Printing and TC Transcontinental Packaging	1.5
President, TC Transcontinental Printing	1.0
Chief Functional Officers and Senior Vice Presidents	1.0
Other Designated Executives, Vice Presidents and Managers	0 to 1.0

In addition, the Corporation's senior executives and executives who are subject to the share ownership guidelines, may convert all or a portion of, their short term incentive payable pursuant to the short term incentive program or the special incentive compensation program into vested DSUs. This measure is intended to reduce the time it takes an executive to meet the share ownership guidelines.

The following table presents the ownership of shares of the Corporation by the Named Executive Officers at the end of the fiscal year ended October 28, 2018.

Named Executive Officer	Number of Class A Shares	Number of vested DSUs	Number of retention based RSUs (1)	Total value ($)(2)	Ownership guidelines - Multiple of base salary	% of achievement of the requirement
François Olivier President and Chief Executive Officer	44,440	175,085	178,256	8,760,709	3.0	281%
Donald LeCavalier(3) Chief Financial Officer	9,050	159	9,849	422,054	1.5	66 %
Nelson Gentiletti(3) Chief Financial and Development Officer	4,000	—	42,723	1,002,460	1.5	126%
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	3,000	20,323	46,479	1,569,519	1.5	193%
Christine Desaulniers Chief Legal Officer and Corporate Secretary	6,200	28,623	18,097	1,157,168	1.0	289%
Jacques Grégoire President, TC Transcontinental Printing	60,000	—	14,382	1,575,770	1.0	495%

(1) Unvested. Upon vesting, RSUs are payable in shares of the Corporation or in cash, at the discretion of the Board of Directors.

(2) The total value is calculated using the highest of the grant price or the purchase price and the closing price of the Class A Shares on the Toronto Stock Exchange on October 26, 2018, being the last business day of the fiscal year.

(3) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

6.1.7 Pension Plans

The pension plans offered to the Named Executive Officers are described in Section 6.4.

6.1.8 Compensation of the President and Chief Executive Officer

As President and Chief Executive Officer, the base salary of Mr. François Olivier for the 2018 calendar year was $1,039,400. The base salary of Mr. Olivier was increased to $1,065,400 for the calendar year commencing on January 1, 2019 representing an increase of 2.5% compared to his base salary for the 2018 calendar year, in consideration of his performance as well as to ensure he maintains his positioning within his comparison group. The Committee decided to maintain his short term variable compensation target.

To maintain the global compensation competitiveness of the President and Chief Executive Officer, the grant value of RSUs and PSUs was increased and a multiplier was introduced. The multiplier can reach up to a maximum of two times the number of PSUs held by the President and Chief Executive Officer at the end of the three year cycle, if performance objectives are overachieved. The first payments related to RSUs and PSUs (should performance warrant) granted in 2018 will be paid in December 2020.

In the meantime, to maintain the competitiveness of the global compensation of Mr. Olivier, the special incentive compensation program described in Section 6.1.5.3 was extended for 2018 and 2019. It is important to note that one-half of the share units granted pursuant to the medium term compensation program will only vest if certain financial objectives are satisfied, and that the value that will be received from vested share units is a direct function of the share price of the Class A Shares at the time of vesting. These characteristics of the medium term compensation program demonstrate the important alignment of the compensation of the President and Chief Executive Officer with the interests of the shareholders.

The short term incentive compensation of Mr. François Olivier for the fiscal year ended October 28, 2018 was 945,204 $ (91% of the target), compared to $1,988,324 for the fiscal year ended October 29, 2017 (195% of the target). The table below presents the results achieved for each performance measure.

Performance measure	Objective	Result	Evaluation of performance	Weight
Short Term Incentive Compensation				**100%**
Adjusted net earnings per share ($)(1)	2.35	2.32	99%	80%
Operating objectives for the Printing Sector(2)	—	—	97%	7.5%
Operating objectives for the Packaging Sector(3)	—	—	50%	7.5%
Health, safety and wellness objectives(4)	—	—	100%	5%

(1) Adjusted net earnings per share are detailed in note 1 of the 2018 objectives table under Section 6.1.5.2.

(2) The operating objectives for the Printing Sector are detailed in note 2 of the 2018 objectives table under Section 6.1.5.2.

(3) The operating objectives for the Packaging Sector are detailed in note 3 of the 2018 objectives table under Section 6.1.5.2.

(4) The health, safety and wellness objectives are detailed in note 6 of the 2018 objectives table under Section 6.1.5.2. These objectives were achieved in full for the head office.

As part of the special incentive compensation program, Mr. François Olivier is one of three senior executives eligible to such variable incentive compensation. Payment depends on the achievement of precise and measurable annual objectives related to the transformation of the Corporation towards packaging activities. For the fiscal year ended October 28, 2018 the payment to Mr. Olivier related to this program was $1,496,736, being 120% of the 2018 target (120% of the base salary).

Performance measure	Evaluation of performance	Weight
Special Incentive Compensation Program		**100%**
Run rate of adjusted operating earnings before depreciation and amortization as at October 28, 2018	120%	100%

Mr. François Olivier participates to the SUP and the number of share units granted was recommended by the Committee and approved by the Board of Directors. On January 9, 2018, the Corporation granted to Mr. Olivier 63,611 retention based RSUs and 63,611 PSUs. Vesting of these PSUs, which can range from 0% to 200%, is based on the cumulative performance (3 years) of free cash flows for the Printing Sector and the Media Sector, organic revenue growth for the Packaging Sector, return on capital employed for the Corporation, as well as adjusted operating earnings before depreciation and amortization for the Packaging

Sector. The amount payable with respect to vested share units granted in 2018 will be determined in December 2020 based on the price of the Class A Shares on the payment date. The value of the share-based award presented in the Summary Compensation Table (see Section 6.2) is calculated based on the price of the Class A Shares on the grant date.

In addition, 5,195 RSUs, 5,195 PSUs and 5,599 DSUs (representing the equivalent of the dividends paid on the number of Class A Shares equal to the number of RSUs, PSUs and DSUs outstanding at the time of payment of each dividend) were granted to Mr. Olivier during the fiscal year ended October 28, 2018.

On December 18, 2018, 59,677 RSUs (and 5,849 share units representing the equivalent of the dividends declared on the Class A Shares), and 59,677 PSUs (and 5,849 share units representing the equivalent of the dividends declared on the Class A Shares) granted to Mr. Olivier on January 11, 2016 vested, as the performance objectives for the 2016 to 2018 cycle were satisfied.

On January 10, 2019 the Corporation granted to Mr. François Olivier 163,572 share units (RSUs and PSUs) and 25,589 deferred share units (DSUs) in regards to the conversion in DSUs of a portion of his annual short term incentive compensation.

In the event of termination without sufficient cause, the Corporation has agreed to pay to Mr. Olivier an amount equal to two times his base salary and the sum of his short term incentive compensation paid for the last two completed years preceding his termination of employment as well as accelerate the vesting of his options and retention based share units. In addition, he would be entitled to the payment of the incentive compensation under the special incentive compensation program, prorated for the time worked during the fiscal year leading to his termination. His employment agreement also contains non-competition undertakings for a period of 24 months.

In the event of termination of employment following a change of control, or the sale of a substantial portion of the assets of the Corporation, Mr. Olivier would also receive an amount equal to two years of his annual base salary and the sum of his short term incentive compensation paid during the last two years preceding his termination of employment. He would also benefit from an acceleration of the vesting of his options and share units. In addition, he would be entitled to the compensation pursuant to the special incentive compensation program, prorated for the time worked during the fiscal year leading to the termination. His employment agreement also contains non-competition undertakings for a period of 24 months.

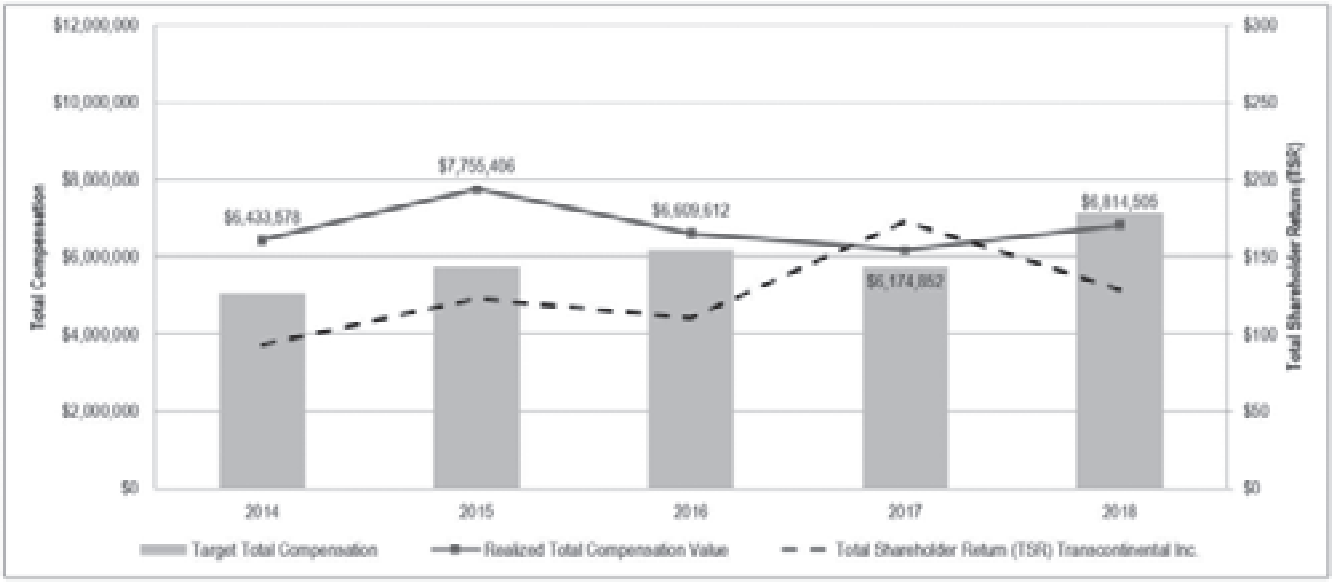
Mr. Olivier is eligible to the pension benefits described under Section 6.4.3.

In order to establish a relevant comparison, the following graph and table introduce a comparison of the total compensation (or realizable when not yet paid) of the President and Chief Executive Officer in the same year in which it was originally granted, regardless of the year of the payment, or the exercise of options or of their vesting.

Realized compensation includes base salary, short term incentive compensation paid, compensation received pursuant to the special incentive program, the value of vested share units at payout or the value of share units outstanding as at October 28, 2018 the plus-value of stock options upon exercise or the plus-value of in-the-money stock options outstanding as at October 28, 2018 and the value of the pension benefits and other compensation elements as of October 28, 2018.

The realized value of unvested share units and unexercised stock options is calculated based on the closing price of the Class A Shares on October 26, 2018 ($20.85) (the last business day of the fiscal year).

For illustration purposes, the President and Chief Executive Officer's realized value is compared to value to shareholders, which represents the cumulative value of a $100 investment in the Corporation's Class A Shares made on the first trading day of the period indicated, assuming reinvestment of dividends. Note that, for the years 2014 to 2018, the special incentive compensation program is included in Mr. Olivier's compensation, however this program will cease on October 27, 2019.



Fiscal Year	Target total compensation(1) ($)	Realized total compensation value as of October 28, 2018 ($)(2)	Value to shareholders of a $100 investment ($)(3)
2014	5,077,922	6,433,578	93
2015	5,726,535	7,755,406	123
2016	6,178,819	6,609,612	110
2017	5,718,116	6,174,852	173
2018	7,121,597	6,814,505	129

(1) Includes base salary, target short term incentive compensation, target compensation received pursuant to the special incentive compensation program for 2014, 2015, 2016, 2017 and 2018, target grants under the SUP, value of pension benefits and value of other compensation elements. In 2018, the target award under the SUP was increased to 300% of base salary, compared to 200% for the preceding fiscal years, thus explaining the increase in total target compensation. The target value under the SUP is an estimate of the value of the share units that could be vested and paid in December 2020. This portion of the compensation remains at risk until the payment date. The value that will actually be received is subject to the Corporation's operational performance as well as the price of the Class A Shares on the payment date.

(2) Includes base salary, short term incentive compensation paid, compensation received pursuant to the special incentive compensation program for 2014, 2015, 2016, 2017 and 2018, the actual value received based on the closing price of the Class A Shares at the time of vesting of the share units granted in 2014 and 2015, the estimated value as at October 28, 2018 of share units granted in 2016, 2017 and 2018 that have not vested at the end of the fiscal year 2018, the value of pension benefits and the value of other compensation elements.

(3) Value of a $100 investment in Class A Shares invested on November 1, 2013 and evaluated at the end of each fiscal year mentioned in the table.

The table below shows the total vested and unvested equity of the Corporation owned by Mr. François Olivier as of October 28, 2018. His total ownership value at risk is $13,128,513.

Holdings	Shares	DSUs	Vested options(1)	Total vested	PSUs	RSUs	Unvested options(1)	Total unvested	Total ownership and value at risk
Number	44,440	175,085	117,452	336,977	178,256	178,256	—	356,512	$13,128,513
Value(2)	$926,574	$3,650,522	$1,118,143	$5,695,239	$3,716,637	$3,716,637	—	$7,433,274	

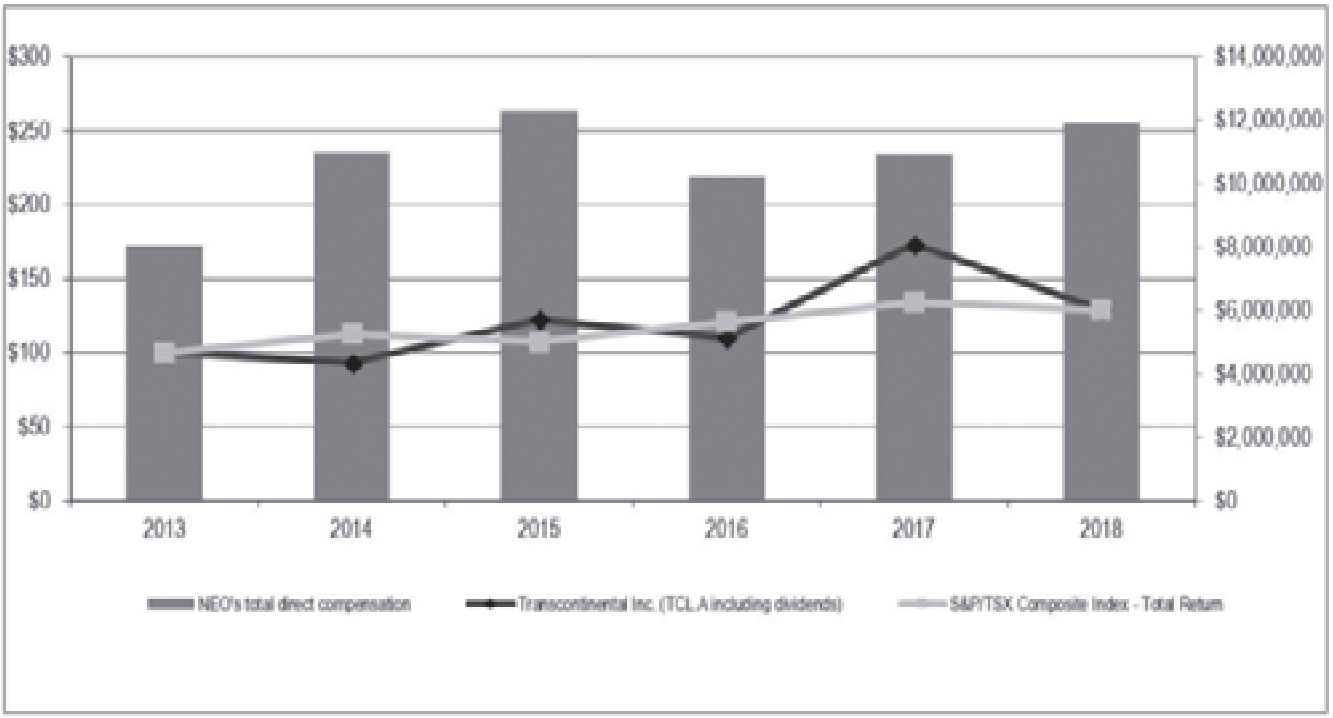
(1) Represents the estimated gain from the exercise of the underlying options.

(2) Calculated using the closing price of the Corporation's Class A Shares on the Toronto Stock Exchange of $20.85 as of October 26, 2018, being the last business day of the fiscal year.

6.1.9 Performance Graph

The following graph illustrates the total cumulative yield of a $100 investment in shares of the Corporation made on October 31, 2013 compared with the cumulative performance of the S&P/TSX Composite Index on the Toronto Stock Exchange and the evolution of the total direct compensation of the Named Executive Officers for the last five fiscal years.

Compounded Annual Growth Rate (including dividends):
+5.2%: S&P/TSX Composite Index
+5.2%: Compounded annual growth rate of Class A Shares
+8.1%: Increase of total direct compensation of the Named Executive Officers



As at:	October 31, 2013(1)	October 31, 2014	October 31, 2015	October 31, 2016	October 29, 2017	October 28, 2018
TCL.A	$16.65	$15.39	$20.15	$17.94	$28.12	$20.85
Total direct compensation of the Named Executive Officers (in $000)	$8,040	$10,952	$12,286	$10,242	$10,931	$11,891
S&P/TSX Composite Index - Total Return	$39,369.48	$44,318.34	$41,271.89	$47,645.50	$52,847.06	$50,799.62

(1) A special dividend of $1.00 per Class A Share Share was declared in the second quarter of 2013.

6.1.10 Graphic Illustration of the Performance

During the last five years, the total direct compensation of the Named Executive Officers (base salary, short term incentive compensation, share based and option awards) went from $8,040,495 in 2013 to $11,890,778 in 2018, an annualized increase of 8.1%. During the same period, the price of Class A Shares went from $16.65 on October 31, 2013 to $20.85 on October 26, 2018 (the last business day of the fiscal year). The compound annual growth rate, including dividends, of the Class A Shares is 5.2%.

It should be noted that the Named Executive Officers in 2018 were not all the same as those on October 31, 2013 and that incentive compensation programs have been significantly modified during this same period. For a number of reasons, we cannot establish a direct relationship between the evolution of the total direct compensation of the Named Executive Officers and the evolution of the price of Class A Shares between two specific points in time.

Firstly, a portion of the compensation is composed of a fixed salary and a variable short term component which depends on the achievement of financial and operating objectives related to the activities led by each Named Executive Officer. In addition, a special incentive compensation program underlying the transformation towards packaging activities was implemented in 2014. In the last five years, the total direct compensation for the Named Executives Officers increased significantly by the amounts payable as a result of this special incentive compensation program which is transitionary in nature. In 2018, the value of the RSU and PSU grants increased for the President and Chief Executive Officer, the Chief Financial and Development Officer and the President, TC Transcontinental Printing and TC Transcontinental Packaging. As to the variable medium term compensation component, even though based on share units, the final value of which is directly tied to the price of the Class A Shares, the value of the variable medium term portion at the time of grant is not a function of the share price as it depends on the hierarchical level and individual performance.

In addition, the price of the Class A Shares depends on a number of factors outside of the control of the Corporation, including the perception of investors of the industries in which the Corporation operates as well as the economic conjuncture, to name just a few.

For purposes of this analysis, and in order to avoid any duplication, amounts granted pursuant to arrangements relating to termination of employment were excluded from the analysis. In addition, only five Named Executive Officers were considered in the above analysis. For 2018, we included in the analysis, the Chief Financial and Development Officer as opposed to the person who was the Chief Financial Officer on the last day of the fiscal year as the former held such responsibilities during 11 months.

6.1.11 Conclusion

In accordance with the Corporation's compensation policy, a significant portion of the compensation paid to executives is tied to the performance of the Corporation, as well as at its operating sectors and that of the individual executive concerned. The Committee reviews the compensation programs for executives on a regular basis to ensure that they remain competitive and are in line with the objectives, values and commercial strategies of the Corporation.

When circumstances warrant, the Committee may make recommendations that deviate from current policies.

January 10, 2019

The Human Resources and Compensation Committee composed entirely of independent directors:

Jacynthe Côté, chair	Peter Brues	Anna Martini	Jean Raymond

6.2 Summary Compensation for Named Executive Officers

The following table details compensation information for the fiscal years ended October 28, 2018, October 29, 2017 and October 31, 2016 for the individuals who held the roles of President and Chief Executive Officer, Chief Financial Officer (two individuals in 2018) as well as the other three most highly compensated executive officers of the Corporation, during the last fiscal year, who were employees of the Corporation on October 28, 2018 (the "Named Executive Officers").

The 2018 summary compensation table includes unvested and estimated RSU and PSU values at the date of grant (January 2018) corresponding to new SUP targets, as well as the value of the bonus pursuant to the special incentive program paid for 2018. Consequently, the total compensation disclosed for 2018 is more significant than the compensation actually paid for 2018, given that both the special incentive program (paid) and the increase in the medium term incentive program (unvested) grant for 2018 are included. In reality, the medium term incentive grant for 2018 will vest, in part or in whole, and pay out at the end of 2020 (performance warranted) after the special incentive program ceases in 2019.

Name and principal position	Year	Salary ($)	Share-based awards ($)[1]	Option-based award ($)	Non-equity incentive plan ($) Annual incentive plans[2]	Long term incentive plans	Pension value ($)[3]	All other compensation ($)[4]	Total compensation ($)
François Olivier President and Chief Executive Officer	2018	1,035,869	3,118,211	—	2,441,940	—	182,044	502,074	7,280,137
	2017	1,015,539	2,037,988	—	2,614,398	—	176,946	493,597	6,338,467
	2016	995,649	1,997,986	—	2,374,573	—	175,892	574,968	6,119,068
Donald LeCavalier[5] Chief Financial Officer	2018	313,019	120,687	—	241,360	—	32,239	59,732	767,037
	2017	291,185	118,337	—	236,640	—	31,186	63,854	741,203
	2016	287,462	139,210	—	145,000	—	42,295	60,624	674,591
Nelson Gentiletti[5] Chief Financial and Development Officer	2018	528,800	663,241	—	635,128	—	68,692	136,037	2,031,898
	2017	518,474	520,186	—	753,613	—	67,351	133,411	1,993,035
	2016	508,274	510,001	—	650,556	—	66,025	188,804	1,923,659
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	2018	540,165	812,997	—	625,604	—	80,964	133,034	2,192,764
	2017	529,600	531,385	—	703,083	—	79,381	123,843	1,967,292
	2016	519,138	521,016	—	614,392	—	77,808	170,791	1,903,145
Christine Desaulniers Chief Legal Officer and Corporate Secretary	2018	399,458	240,345	—	204,632	—	55,882	93,828	994,145
	2017	391,843	235,632	—	314,160	—	54,817	93,099	1,089,551
	2016	383,714	231,012	—	192,500	—	53,679	95,083	955,987
Jacques Grégoire President, TC Transcontinental Printing	2018	314,308	190,982	—	139,097	—	37,506	47,360	729,253
	2017	311,044	187,254	—	336,558	—	40,412	44,287	919,554
	2016	304,985	183,604	—	283,788	—	18,360	38,937	829,673

(1) Represents the value of share-based awards pursuant to the Share Unit Plan based upon the value of Class A Shares at the time of grant of $16.74, $22.67 and $24.61 for grants made on January 11, 2016, January 9, 2017 and January 9, 2018, respectively. It should be noted that the actual value received, if any, will be different as it will depend on the portion of the units that will effectively vest at the expiry of the three year cycle, in December 2018, 2019 and 2020, respectively, and the price of the Class A Shares at the time of vesting. Vesting of a portion of the share units granted is contingent upon the achievement of performance objectives. The distribution of the values according the share unit program for 2018 is as follows (the targets under the Share Unit Plan for Messrs. François Olivier, Nelson Gentiletti et Brian Reid were increased in 2018. See Section 6.1.5.4.1):

Name and principal position	RSU	PSU
François Olivier President and Chief Executive Officer	$1,559,106	$1,559,106
Donald LeCavalier Chief Financial Officer	$60,344	$60,344
Nelson Gentiletti Chief Financial and Development Officer	$331,621	$331,621
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	$406,499	$406,499
Christine Desaulniers Chief Legal Officer and Corporate Secretary	$120,173	$120,173
Jacques Grégoire President, TC Transcontinental Printing	$95,491	$95,491

(2) Including the short term incentive compensation paid and the amount paid pursuant to the special incentive compensation program for Messrs. François Olivier, Nelson Gentiletti and Brian Reid in 2016, 2017 and 2018. 2019 will be the last year of this transitionary program.

(3) M. Jacques Grégoire contributes to the defined contribution pension plan since May 1st, 2016.

(4) Including, in 2018, cost of indirect benefits, group insurance, and the value of credited dividends on share units. The value of credited dividends in 2018 is $406,936 for Mr. Olivier, $15,167 for Mr. Donald LeCavalier, $64,102 for Mr. Nelson Gentiletti, $85,515 for Mr. Brian Reid, $50,750 for Ms. Christine Desaulniers and $21,839 for Mr. Jacques Grégoire. For the President and Chief Executive Officer, the amount includes the sum of $35,000 relating to a discretionary allowance. For the Chief Financial and Development Officer, the amount includes the sum of $26,250 relating to a discretionary allowance and the sum of $17,880 as a car allowance. For the Chief Financial

Officer and the Chief Legal Officer and Corporate Secretary, the amount included the sum of $17,880 as a car allowance. For the President, TC Transcontinental Printing, the amount included the sum of $7,800 as a car allowance.

(5) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

6.3 Incentive Plan Awards

6.3.1 Outstanding Share-Based Awards and Option-Based Awards

	Option-based awards				Share-based awards		
Name	Number of securities underlying unexercised options	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)(1)	Number of shares or units of shares that have not vested(2)	Market or payout value of share-based awards that have not vested ($)(3)	Market or payout value of vested share-based awards not paid out or distributed ($)(4)
François Olivier President and Chief Executive Officer	117,452	11.33	January 8, 2020	1,118,143	356,511	8,792,485	3,650,522
Donald LeCavalier(5) Chief Financial Officer	—	—	—	—	19,698	410,706	3,315
Nelson Gentiletti(5) Chief Financial and Development Officer	—	—	—	—	85,452	2,070,783	—
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	—	—	—	—	92,959	2,292,576	423,735
Christine Desaulniers Chief Legal Officer and Corporate Secretary	17,788	11.33	January 8, 2020	169,342	36,195	754,665	596,790
Jacques Grégoire President, TC Transcontinental Printing	—	—	—	—	28,764	599,738	—

(1) The aggregate value of unexercised in-the-money options is equal to the difference between the exercise price of the options and the closing price of the Class A Shares on the Toronto Stock Exchange on October 26, 2018, being the last business day of the fiscal year, which closing price was $20.85 per share. Actual gains, if any, on exercise, will depend on the value of the Class A Shares on the date of exercise.

(2) Including unvested retention based share units and performance based share units, as at October 28, 2018, inclusive of dividend equivalents linked to the units.

(3) The market value of the share units not contingent upon the achievement of performance objectives is based on the closing prices of the Class A Shares on the Toronto Stock Exchange on October 26, 2018, being the last business day of the fiscal year, which closing price was $20.85 per share. The market value of the performance based share units is calculated based on the maximum payment which could be made (100% except for Messrs. François Olivier, Nelson Gentiletti ans Brian Reid who can receive up to 200% in connection with the 2018 grant); the value is also calculated based on the closing price of the Class A Shares on the Toronto Stock Exchange on October 26, 2018.

(4) The market value of the vested share units is based on the closing prices of the Class A Shares on the Toronto Stock Exchange on October 26, 2018, being the last business day of the fiscal year, which closing price was $20.85 per share.

(5) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

On January 10, 2019 the Corporation granted a total of 215,209 retention based share units, 146,210 performance based share units, and 69,231 vested deferred share units were granted in connection with the conversion of annual short term incentive compensation.

6.3.2 Incentive Plan Awards - Value Vested or Earned During the Fiscal Year Ended October 28, 2018

Name	Option-based awards - value vested during the year ($)(1)	Share-based awards - value vested during the year ($)(2)(3)	Non-equity incentive plan compensation - value earned during the year ($)
François Olivier President and Chief Executive Officer	—	2,307,332	2,441,940
Donald LeCavalier(4) Chief Financial Officer	—	151,871	241,360
Nelson Gentiletti(4) Chief Financial and Development Officer	—	552,510	635,128
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	—	369,166	625,604
Christine Desaulniers Chief Legal Officer and Corporate Secretary	—	273,782	204,632
Jacques Grégoire President, TC Transcontinental Printing	—	261,995	139,097

(1) The value is calculated as if the stock options were exercised on the vesting date of each relevant grant. The value is equal to the excess of the closing price of the Class A Shares on the vesting date over the exercise price. The actual value earned, if any, will be different and will be based on the closing price of the Class A Shares on the actual date of exercise.

(2) The value of share units which vested during the year ended October 28, 2018 is calculated in accordance with the provisions of the Share Unit Plan for executives of Transcontinental Inc., including the equivalent in share units of dividends declared by the Corporation to holders of Class A Shares, based on the weighted average price for transactions of Class A Shares on the Toronto Stock Exchange during the five trading days preceding the vesting date.

(3) It is to be noted that PSUs vested based on an achievement of 100% of the performance criteria as detailed in Section 6.1.5.4.1.

(4) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

The following table lists the number and net value of options realized that were exercised during 2018 by each Named Executive Officer:

Name	Number of Shares Acquired Upon Exercise	Exercise Price ($)	Net Value Realized Upon Exercise ($)(1)
François Olivier President and Chief Executive Officer	—	—	—
Donald LeCavalier(2) Chief Financial Officer	—	—	—
Nelson Gentiletti(2) Chief Financial and Development Officer	—	—	—
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	—	—	—
Christine Desaulniers Chief Legal Officer and Corporate Secretary	—	—	—
Jacques Grégoire President, TC Transcontinental Printing	—	—	—

(1) This amount is calculated based on the difference between the exercise price and the market price of the Class A Shares at the time of exercise.

(2) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

6.3.3 Equity Shares Issuable Pursuant to the Stock Option Plan

The following table presents the number of remaining securities issuable pursuant to equity share based compensation plans as of October 28, 2018.

Type of plan	Number of securities issuable upon exercise of outstanding options, warrants or rights at October 28, 2018	Average weighted exercise price of outstanding options, warrants and rights at October 28, 2018	Number of remaining securities issuable pursuant to equity share based compensation plans at October 28, 2018
Share based compensation plan approved by security holders(1) Class A Shares	135,240	$11.33	3,583,635
Share based compensation plan not approved by security holders	—	—	—

(1) Pursuant to the Stock Option Plan.

On October 28, 2018 the number of Class A Shares available for future issuances pursuant to the Stock Option Plan was 3,448,395.

6.3.3.1 Stock Option Plan (the "SOP")

Stock options have, in the past, been granted annually to certain senior executives who sit on the Management Committee as well as other selected executives. Since the 2014 fiscal year, the Corporation has ceased granting stock options and instead grants share units. The Human Resources and Compensation Committee is responsible for administering the SOP and, as such, for recommending for approval by the Board of Directors the timing of the grants as well as the number of options to be granted.

The SOP has the following principal features:

(i) options granted under the SOP are for Class A Shares;

(ii) senior executives, executives and certain managers recognized for their strategic contribution and identified by the Committee, as having a significant impact on the Corporation's long term results are eligible to participate in the SOP. However, in order to reduce the dilutive effect of stock option grants, stock options were only granted to a limited group of persons comprised only of members who sit on the Executive Committee and other selected senior executives;

(iii) the total number of Class A Shares issuable following the exercise of any options granted under the SOP (the "Reserved Shares") is 6,078,562, representing 8.29% of the outstanding Class A Shares and 1.72% of the voting rights attached to the Corporation's outstanding shares. Of this number, a balance of 3,448,395 Reserved Shares may be issued for future option grants;

(iv) the maximum number of Reserved Shares that may be subject to options granted in favor of any one participant may not exceed 5% of the total number of Class A Shares issued and outstanding of the Corporation (namely 4% of the outstanding shares of the Corporation);

(v) 135,240 options are issued and outstanding at a weighted average exercise price of $11.33, representing 0.18% of the outstanding Class A Shares and 0.04% of the voting rights attached to the Corporation's outstanding shares. Of this number, 135,240 options are exercisable at a weighted average exercise price of $11.33;

(vi) the price at which stock options are granted is determined by the Committee, but may not, under any circumstance, be less than the weighted average trading price of the transactions of the Class A Shares on the Toronto Stock Exchange for the five business days immediately preceding the date on which the options are granted;

(vii) Options vest at a rate of 25% per year as at the first anniversary of their grant and expire at the latest seven years after the date of the grant;

(viii) when a participant's employment ceases (except in the event of retirement), any vested options at the date of employment termination must generally be exercised within 90 days following such termination of employment (except in the event of death, where the options must be exercised within 180 days following the date of death), but, in no event, after the expiry date of the options, failing which the options will expire and be cancelled. In the event of retirement, a participant will benefit from a vesting period with respect to the options granted for a period of one year after the date of retirement as well as an additional period of 90 days to exercise the options (but, in no event, after the expiry date of the options);

(ix) the options can in no way be assigned or transferred, except by means of a will or pursuant to applicable laws regarding estates; and

(x) the Committee may amend the rules of the SOP at any time, subject to any regulatory approvals, if necessary.

Shareholders of the Corporation approved amendments to the SOP at the annual meeting held on February 21, 2007 relating to: (i) the procedure to be followed for amendments to the SOP by setting out the types of amendments which need to be approved by the shareholders; (ii) the extension of the term of the options which would have otherwise lapsed during a black-out period, up to a maximum of five trading days; and (iii) the right of the Board of Directors to accelerate all, or a portion of, the options upon the change of control of the Corporation.

Shareholders of the Corporation also approved amendments to the SOP at the annual meeting held on March 30, 2005, increasing the number of Reserved Shares by 3,000,000 shares and reducing the vesting schedule from five years to four years (namely 20% to 25% per year) and the term of the options from 10 years to seven years, all of the above with respect to options granted after March 30, 2005.

Details of the SOP are presented in note 23 to the Corporation's audited consolidated financial statements for the fiscal year ended October 28, 2018 which are included in the 2018 Annual Report. These documents can be found on the Internet site of SEDAR (www.sedar.com) as well as on the Corporation's website (www.tc.tc). These documents, as well as the rules governing the SOP, can also be obtained on request from the Corporate Secretary at 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1.

6.4 Principal Pension Plans

The pension plans for senior executives were amended as at June 1, 2010 to include defined contribution components (the "DC Components"). All Named Executive Officers have transferred to the DC Components.

Benefits accumulated before June 1, 2010 have been maintained in accordance with the provisions of the defined benefit components (the "DB Components") that were in effect on that date. Future salary increases will continue to be used for calculating pension for service before June 1, 2010.

6.4.1 DC Components for Service from June 1, 2010

The DC Components include, for all Named Executive Officers, a funded basic plan covering DC contributions up to the tax ceiling and a partially funded supplemental plan and individual retirement agreements covering contributions in excess of the tax ceiling. Total contributions to the DC Components vary between 14% and 18% of the member's salary, according to the member's age and continuous service, including 5% of salary that is contributed by the member up to the tax ceiling provided for under the basic plan and based on the tax rules ($26,500 in 2018). The partially funded supplemental plan and the partially funded individual retirement agreements cover DC contributions in excess of the tax ceiling. These excess contributions are credited in notional accounts and are payable to the member upon retirement, death or termination of employment, in accordance with the rules of the plans. For contribution purposes, the salary is limited to $294,444 in 2018 (increased on January 1 of each year based on the increase in the tax ceiling) for the supplemental plan. The individual retirement agreements cover the portion of the salary exceeding $294,444. For senior executives who were at least 45 years of age and were members of the DB Components on May 31, 2010 the Corporation pays a transitionary contribution benefit ranging between 1% and 4% of the salary, based on the member's age as of that date. The salary pursuant to the DC Components is the base salary paid by the Corporation, excluding any other form of compensation.

6.4.2 DB Components for Service prior to June 1, 2010

The DB Components include, for Named Executive Officers, a funded basic plan covering pension benefits up to the tax ceiling as well as a partially funded supplemental plan and partially funded individual retirement agreements covering pension benefits in excess of the tax ceiling.

Except for Mr. François Olivier, whose pension benefits details are provided in Section 6.4.3, total benefits pursuant to the DB Components are equal to 1.7% of the average of the three highest annual salaries during the last ten years, multiplied by the number of years of credited service up to May 31, 2010. In 2018, the average salary is limited to $173,203 (increased January 1 of each year according to the eligible tax ceiling) for the basic plan, to $314,592 (increased at a rate of 3.5% per year on each January 1) for the supplemental plan, and $400,000 for individual retirement agreements. Salary pursuant to the DB Components is the base salary paid by the Corporation, excluding any other form of compensation.

The following provisions also apply to the DB Components for executives:

- *Retirement age:* Normal retirement age is 65. However, a member is eligible to reduced benefits as early as age 55. If the member retires between the age of 62 (age 60 for service before January 1, 1998) and the normal retirement age, the defined benefits will not be reduced.
- *Benefits upon death during retirement*: The normal form of pension for a member with a spouse is a lifetime pension with a 60% survivor pension payable to the spouse. For members without a spouse, the normal payment method is a life annuity with a guarantee of 120 payments (the pension is paid for life, subject to a 10 year guarantee period).
- *Indexing during retirement*: Except for the portion payable pursuant to the individual retirement agreement, the pension is adjusted annually during retirement at a rate of 75% of the increase in the Consumer Price Index, less 1%, subject to a minimum annual adjustment of 0% and a maximum annual adjustment of 6.5%.

6.4.3 Mr. François Olivier

Mr. François Olivier is eligible to the following pension benefits, depending on his period of service:

- *Credited service commencing on June 1, 2010*: Total value of the DC accounts under the DC Components; total annual contributions on behalf of Mr. Olivier are equal to 21.5% of his base salary, including an annual contribution paid by Mr. Olivier equal to 5% of his salary, subject to the tax ceiling provided for under the basic plan ($26,500 in 2018).
- *Credited service from February 20, 2008 to May 31, 2010*: For each year, pension benefits are equal to 2% of the average of the three highest annual salaries during the last ten years of service.
- *Credited service from May 1, 1997 to February 19, 2008*: For each year, pension benefits are equal to 1.7% of the average of the three highest annual salaries during the last ten years of service, subject to a maximum average salary of $400,000.
- *Credited service from October 1, 1994 to April 30, 1997*: Mr. Olivier was a member of the retirement plan for regular and management employees entitling him to a career earnings pension at a rate of 1.7%, up to the tax ceiling.

Provisions relating to retirement age, benefits upon death during retirement and indexation during retirement are identical to those described above for the other Named Executive Officers, with the exception of the benefits related to credited service before May 1, 1997 where the provisions of the retirement plan for regular and management employees or the supplemental pension plan for the executives employees apply.

6.4.4 Table for DB Components

The following table presents a summary of the estimated total accumulated benefits pursuant to the DB Components. Benefits identified in this table reflect accumulated benefits pursuant to plan provisions in effect at the end of the fiscal year ended October 28, 2018.

Name	Number of years credited service	Annual benefits payable ($)(1)		Accrued obligation at start of year ($)	Compensatory change ($)	Non-compensatory change ($)	Accrued obligation at year end ($)
		At year end	At age 65				
François Olivier President and Chief Executive Officer	15.67	122,000	122,000	2,028,000	(15,000)	(45,000)	1,968,000
Donald LeCavalier(2) Chief Financial Officer	3.86	19,000	19,000	393,000	(7,000)	(11,000)	375,000

Name	Number of years credited service	Annual benefits payable ($)(1)		Accrued obligation at start of year ($)	Compensatory change ($)	Non-compensatory change ($)	Accrued obligation at year end ($)
		At year end	At age 65				
Nelson Gentiletti(2) Chief Financial and Development Officer	—	—	—	—	—	—	—
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	18.17	68,000	68,000	1,156,000	—	4,000	1,160,000
Christine Desaulniers Chief Legal Officer and Corporate Secretary	4.54	30,000	30,000	507,000	—	(8,000)	499,000
Jacques Grégoire President, TC Transcontinental Printing	—	—	—	—	—	—	—

(1) Mr. Nelson Gentiletti and Mr. Jacques Grégoire did not participate in the DB Components.

(2) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

6.4.5 Table for DC Components

The following table summarizes the total accumulated benefits pursuant to the DC Components. Benefits identified in the table reflect the accumulated benefits at the end of the fiscal year ended October 28, 2018 pursuant to the provisions in effect.

Name	Accumulated value at start of year ($)	Compensatory change ($)(1)	Accumulation value at year end ($)
François Olivier President and Chief Executive Officer	2,040,772	197,044	2,245,235
Donald LeCavalier(2) Chief Financial Officer	437,039	39,239	477,694
Nelson Gentiletti(2) Chief Financial and Development Officer	703,014	68,692	811,522
Brian Reid President, TC Transcontinental Printing and TC Transcontinental Packaging	903,763	80,964	995,756
Christine Desaulniers Chief Legal Officer and Corporate Secretary	688,220	55,882	745,138
Jacques Grégoire President, TC Transcontinental Printing	85,914	37,506	137,373

(1) Represents the employer contributions to the DC Components for the fiscal year ended October 28, 2018.

(2) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

6.5 Termination and Change of Control Benefits

Generally, officers of the Corporation or of its subsidiaries do not have employment contracts. However, employment proposals made in connection with certain acquisitions carried out by the Corporation may contain specific terms and conditions in case of termination of employment, which provide for the payment of indemnities. As at October 28, 2018 the President and Chief Executive Officer is the only Named Executive Officer who has an employment contract containing termination of employment provisions. The following table explains the applicable treatment for the different compensation programs according to the circumstances leading to the termination of employment. If a provision is applied differently for Mr. François Olivier, in accordance with his employment agreement, this provision is identified in a note below the table.

Compensation plan	Resignation	Involuntary termination	Retirement	Death	Termination following a change of control	Termination for cause
Short term incentive compensation	Eligible to the incentive compensation earned in the previous fiscal year, that would be payable at the date of termination of employment.	Eligible to the incentive compensation earned in the previous fiscal year, that would be payable at the date of termination of employment.(1)	Eligible to receive the incentive compensation based on the results of the Corporation prorated based on the length of service during the fiscal year.	No specific provision.	No specific provision.(2)	No incentive compensation payable.
Special incentive compensation program	No incentive compensation payable.	Eligibility based on the results of the Corporation; prorated based on the length of service during the current fiscal year; no incentive compensation for subsequent years.	Eligibility based on the results of the Corporation; prorated based on the length of service during the current fiscal year; no incentive compensation for subsequent years.	Eligible based on the results of the Corporation; prorated based on the length of service during the current fiscal year; no incentive compensation for subsequent years.	No specific provision.(3)	No incentive compensation payable.
RSUs	Non-vested share units at the date of termination of employment are cancelled.	Non-vested share units at the date of termination of employment are cancelled (4)	Vesting continues until the earlier of the first anniversary of the date of retirement or December 20 of the year following the year during which the retirement occurred. Non-vested share units are cancelled.	Non-vested share units at the date of death are cancelled.	No specific provision.(4)	Non-vested share units at the date of termination of employment are cancelled.
PSUs	Non-vested share units at the date of termination of employment are cancelled.	Non-vested share units at the date of termination of employment are cancelled.	Vesting continues until the earlier of the first anniversary of the date of retirement or December 20 of the year following the year during which the retirement occurred. Non-vested share units are cancelled.	Non-vested share units at the date of death are cancelled.	No specific provision.(4)	Non-vested share units at the date of termination of employment are cancelled.
DSUs	Not later than 90 days following the termination of employment, payment to be made with respect to vested deferred share units at the time of termination of employment. All other deferred share units are cancelled.	Payment of the value of the deferred share units shall be made in accordance with the provisions of the Share Unit Plan.	Payment with respect to vested deferred share units is made not later than one year following the date of retirement.	Not later than 180 days following the death, payment to be made for all vested deferred share units at the date of death.	Payment of the value of the deferred share units shall be made in accordance with the provisions of the Share Unit Plan.	Not later than 90 days following the termination of employment, payment to be made with respect to vested deferred share units at the time of termination of employment.
SOP	Right to exercise within 90 days following termination of employment all options which have vested, unless otherwise expired, at the date of termination of employment. All other options are cancelled.	Right to exercise within 90 days following termination of employment all options which have vested, unless otherwise expired, at the time of termination of employment. All other options are cancelled.(5)	Vesting continues for one year following the date of retirement. All other options are cancelled. All options which are not exercised within 90 days thereof, unless otherwise expired, are cancelled.	Right to exercise within 180 days following the date of death all options granted and vested at the date of death, unless otherwise expired. All other options are cancelled.	No specific provision.(6)	Right to exercise within 90 days following termination of employment all options which have vested, unless otherwise expired, at the date of termination of employment. All other options are cancelled.

Compensation plan	Resignation	Involuntary termination	Retirement	Death	Termination following a change of control	Termination for cause
Pension plans	Accumulated benefits at the date of resignation in accordance with the provisions of the basic and supplemental plans; no benefits payable pursuant to the individual agreement if the resignation is before age 55.(7)	Accumulated benefits at the time of termination of employment in accordance with the provisions of the plans.	Accumulated benefits at the time of retirement in accordance with the provisions of the plans.	Accumulated benefits at the time of death in accordance with the provisions of the plans.	Accumulated benefits at the time of termination of employment in accordance with the provisions of the plans.	Accumulated benefits at the time of termination of employment in accordance with the provisions of the basic and supplemental plans; no benefits payable pursuant to the individual retirement agreement.

(1) Mr. François Olivier is also eligible to the sum of the short term incentive compensation paid during the last two completed years prior to the termination of employment.

(2) Mr. François Olivier is eligible to the incentive compensation earned in the previous fiscal year, that would be payable at the termination of the employment, plus the sum of the short term incentive compensation paid during the last two completed years prior to the termination of employment.

(3) Mr. François Olivier is eligible to the special incentive compensation based on the results of the Corporation prorated based on the length of service during the current fiscal year; no incentive compensation for subsequent years.

(4) Mr. François Olivier is eligible to the acceleration of the vesting of all non-vested share units.

(5) Mr. François Olivier is eligible to the acceleration of the vesting of all unvested options. Options may be exercised until the 90th day after the last day of work.

(6) Mr. François Olivier is eligible to the acceleration of the vesting of all unvested options. All options which are not exercised within 180 days, unless otherwise expired, are cancelled.

(7) Mr. François Olivier does not have a provision related to any age restriction.

6.5.1 President and Chief Executive Officer

In addition to the conditions described previously in the event of an involuntary termination of employment of Mr. François Olivier or a termination of his employment following a change of control of the Corporation, Mr. Olivier would be entitled to a severance equivalent to two times his base salary. However, no specific clause applies in the case of a change in control of the Corporation without termination of employment. Regardless of the termination reason, no measure is provided for the payment of indirect benefits.

The following table sets forth estimates of the incremental amounts which would be payable to the President and Chief Executive Officer as if such events had occurred on October 28, 2018.

François Olivier President and Chief Executive Officer	Resignation ($)	Involuntary termination ($)	Retirement ($)	Death ($)	Termination of employment following a change of control ($)	Termination for cause ($)
Severance	—	2,078,800	—	—	2,078,800	—
Short term incentive compensation(1)	—	2,933,528	—	—	2,933,528	—
Special incentive compensation	—	—	—	—	—	—
Vested share units(2)	—	—	—	—	—	—
Unvested share units(2)	—	3,716,630	2,562,615	—	7,433,260	—
Stock options(2)	—	—	—	—	—	—
Value of accrued pension obligation	—	—	—	—	—	—
Total	**—**	**8,728,958**	**2,562,615**	**—**	**12,445,588**	**—**

(1) In accordance with the terms and conditions of Mr. Olivier’s employment agreement.

(2) The value is calculated based on the closing price of the Class A Shares on October 26, 2018 the last business day of the fiscal year, of $20.85.

6.5.2 Other Named Executive Officers

Regardless of the reason of termination, no provision is provided contractually for the payment of severance or indirect benefits for the other Named Executive Officers. Other than the President and Chief Executive Officer, none of the Named Executive Officers have agreements providing for incremental payments in the event of resignation, involuntary termination, retirement, death, termination of employment following a change of control or termination for cause. Severance, if any, in the event of involuntary termination or termination of employment following a change of control is undetermined. In case of termination of employment, the terms and conditions of the compensation programs presented in the table of Section 6.5 apply.

With respect to the other Named Executive Officers, there are no incremental amounts except in case of retirement. The following table sets forth estimates of the incremental amounts which would be payable to each other Named Executive Officer in the event of retirement as if such event had occurred on October 28, 2018.

	Donald LeCavalier (2) Chief Financial Officer **($)**	**Nelson Gentiletti**(2) Chief Financial and Development Officer **($)**	**Brian Reid** President, TC Transcontinental Printing and TC Transcontinental Packaging **($)**	**Christine Desaulniers** Chief Legal Officer and Corporate Secretary **($)**	**Jacques Grégoire** President, TC Transcontinental Printing **($)**
Severance	—	—	—	—	—
Short term incentive compensation	—	—	—	—	—
Special incentive compensation	—	—	—	—	—
Vested share units(1)	—	—	—	—	—
Unvested share units(1)	178,550	654,127	668,254	296,296	235,491
Stock options(1)	—	—	—	—	—
Value of accrued pension obligation	—	—	—	—	—
Total	**178,550**	**654,127**	**668,254**	**296,296**	**235,491**

(1) The value is calculated based on the closing price of the Class A Shares on October 26, 2018, the last business day of the fiscal year, of $20.85.

(2) Mr. Nelson Gentiletti left the Corporation on December 31, 2018. As of September 21, 2018, Mr. Gentiletti ceased acting as Chief Financial Officer, which responsibilities were then assumed by Mr. Donald LeCavalier.

7. Other Information

7.1 Indebtedness of Directors or Officers

Neither the Corporation nor any of its subsidiaries grants any loans to any of its directors or executive officers.

7.2 Directors' and Officers' Liability Insurance

The Corporation subscribes to an insurance policy for the benefit of directors and officers of the Corporation against liability incurred by them in these capacities. The current annual policy limit per risk and per year is $60,000,000. In the event of a claim, the deductible amount is $200,000. The annual premium is 160,130 $.

7.3 General

Information contained herein is given as at the date hereof except as otherwise stated. Management of the Corporation knows of no matter to come before the Meeting other than the matters referred to in the accompanying Notice of the Meeting.

7.4 Availability of Documents

The Corporation's financial information is included in the audited consolidated financial statements of the Corporation and notes thereto and in the accompanying Management's Discussion and Analysis for the fiscal year ended October 28, 2018. Copies of these documents and additional information concerning the Corporation can be found on the Internet site of SEDAR (www.sedar.com) and may also be obtained on request from the Corporate Secretary at our registered office, 1 Place Ville Marie, Suite 3240, Montréal, Québec H3B 0G1. The above documents, as well as the Corporation's press releases, are also available on the Corporation's website (www.tc.tc).

7.5 Shareholder Proposals

The *Canada Business Corporations Act* allows certain eligible shareholders to submit shareholder proposals to the Corporation, which proposals may be included in a management proxy circular relating to an annual meeting of shareholders. The final date by which the Corporation must receive any such shareholder proposal for the next annual meeting of shareholders of the Corporation is October 12, 2019.

7.6 Approval by Directors

The content and the sending to the shareholders of this Circular have been approved by the Board of Directors of the Corporation.

Dated at Montréal, this 10th day of January, 2019.

Christine Desaulniers
Chief Legal Officer and Corporate Secretary

Schedule A - Mandate of the Board of Directors

Transcontinental Inc. (the "Corporation") is a corporation with values founded on sound corporate governance. Its board of directors (the “Board”) is elected by the shareholders to oversee management of the business in accordance with applicable laws and regulations and to ensure that senior management of the Corporation acts in a manner that not only protects the values of the Corporation but is also in compliance therewith, thus ensuring that the Corporation is managed in line with the best interests of the "four pillars" of the business, namely its employees, its customers, its shareholders and the community. The Board discharges its responsibilities directly or through its committees. The Board is not responsible for the day-to-day management and operations of the Corporation which responsibilities fall on management. The Board is however responsible for overseeing management in carrying out such responsibilities.

MEMBERS OF THE BOARD OF DIRECTORS

1. **Selection and Number of Directors**. Based on the Corporation’s articles, the Board can be composed of a minimum of three and of a maximum of 15 directors. The size and composition of the Board are reviewed at least on an annual basis. The number of directors must make room for diversity of thought and experience while enabling an efficient decision-making process. In accordance with National Instrument 58-101 - Disclosure of Corporate Governance Practices, the Board is composed of a majority of independent directors.

2. **Term of the Mandate**. Directors are elected annually at the Corporation’s annual meeting of shareholders. Directors are elected for a one (1) year term, subject to re-election by shareholders at the following annual meeting. Vacancies can be filled during the year.

3. **Qualification Criteria**. Directors are recruited based on their expertise, taking into account their complementarity with that of the other directors and the matrix of competencies adopted for members of the Board. Directors are recruited for their values, their knowledge and their experience, as well as their availability to devote sufficient time to the affairs of the Corporation. Each director must devote the time and resources necessary to discharge his responsibilities.

   A director experiencing a material change in his principal occupation must immediately inform the Chair of the Board. The Chair of the Board and the chair of the Corporate Governance Committee will examine the circumstances and decide whether such director may continue to sit on the Board.

4. **Essential Qualities of a Director**. The Board expects each director to meet the highest level of professional standards as described hereinafter. The Corporation requires its directors to demonstrate the highest level of integrity and rigor and to act honestly, objectively and in good faith. Moreover, the Corporation expects directors to demonstrate sound business acumen, that their deliberations and decisions reflect the values of the Corporation and that directors assume responsibility for their decisions. In the event of an actual or potential conflict of interest, a director must immediately inform the Chair of the Board and withhold form participating in the discussions on any matter relating to the actual or potential conflict of interest situation or vote thereon.

5. **Training**. Each director receives a Director Handbook prepared by the Corporate Secretary that is updated regularly. The Director Handbook contains information relevant to the affairs of the Corporation, including the mandates of the Board and its committees, descriptions of the role and responsibilities of each committee chair, the Chair of the Board, the Lead Director and President and Chief Executive Officer, details regarding compensation of the directors, the Code of Conduct and policies of the Corporation, as needed.

   Each director is invited to participate in continuous education activities relating to the business of the Corporation, the industries in which it operates and regulatory matters

   Presentations on general or specific topics are also used for the ongoing training of directors. These training sessions allow directors to understand the operations of the Corporation and can be useful tools in giving them a better insight into the Corporation’s overall strategic plan.

   Newly appointed directors benefit from an orientation program in the form of informal meetings with management, as well as guided tours or certain of the Corporation’s business units.

6. **Shareholdings**. Each director (other than a director who is also an executive of the Corporation) must own, within three years following his appointment or election to the Board, the equivalent of three (3) times the annual base director compensation in shares or deferred share units.

7. **Retirement Age**. The Board has not set a mandatory retirement age for directors.

8. **Meetings**. The Board meets based on a calendar set on an annual basis and at any other relevant time.

ROLE AND RESPONSIBILITIES

The primary mandate of the Board is to represent the interests of all shareholders. For this purpose, the Board has established committees composed of independent directors to ensure that the Corporation operates in a manner that respects its employees, customers, suppliers and shareholders and in accordance with applicable laws and regulations. The principal responsibilities of the Board are the following:

1. **Strategy and Operations**

   (i) Adopt a long-term strategic planning process, participate in the process and approve the strategic plans and priorities identified by senior management;

   (ii) Review the strategic plan on a regular basis in light of the risks and business opportunities of the Corporation;

   (iii) Review and approve the financial objectives of the Corporation, its business plans and the annual budget of the Corporation, including the capital expenditure budget;

   (iv) Review the dividend policy of the Corporation and approve the payment of dividends, as the case may be;

   (v) Ensure, to the extent possible, that the President and Chief Executive Officer and other members of senior management are honest and create a culture of integrity throughout the organization;

   (vi) Ensure that the Corporation is managed in a manner that preserves its financial integrity in compliance with the policies approved by the Board and applicable laws and regulations;

   (vii) Approve, prior to their disclosure, the interim and annual financial statements of the Corporation, the management's discussion and analysis and press releases relating to the interim and annual financial results;

   (viii) Examine the results of the Corporation based on its strategic plan, its business plans, its budget and other objectives; and

   (ix) Delegate to the Chair of the Board, the President and Chief Executive Officer and other members of management the authority to manage and oversee the activities of the Corporation, make decisions in the course of the business of the Corporation and with regards to its responsibilities other than those expressly reserved to the Board pursuant to the Policy on delegation of authority of the Corporation.

2. **Human Resources**

   (i) Appoint the President and Chief Executive Officer, determine his role and responsibilities and ensure that a succession plan is implemented; and

   (ii) Review the organizational structure, succession planning, training and performance plans of senior executives; and

   (iii) Review regularly statistics and performance of the Corporation regarding health, safety and wellness and ensure that action plans are implemented, if necessary.

3. **Corporate Governance**

   (i) Develop the Corporation's vision with respect to corporate governance, and, in particular, develop a set of principles and guidelines regarding corporate governance and ensure that the Corporate Governance Committee addresses any governance related issues;

   (ii) Review regularly the mandates of the Board and of the various Board committees;

   (iii) Appoint the Chair of the Board and the chair of each committee as well as the committee members;

(iv) Appoint a Lead Director with the principal objective of ensuring that the Board is independent from management;

(v) Evaluate the efficiency of the Board and its members and ensure that the chair of the Board is evaluated and directors conduct a self-evaluation on a regular basis;

(vi) Ensure that the competencies of Board members complement one another in order to stimulate discussion and contribute new ideas, thus encouraging management to excel;

(vii) Ensure that directors remain independent of senior management;

(viii) Provide an orientation and training program for Board members and ensure that all new directors have access to a full education program. Provide all these directors with access to ongoing training programs in order that they may maintain or enhance their competencies and skills as directors. Ensure that the levels of knowledge and understanding of the directors are continuously updated through an adequate program consisting of visits to operating sites and of reports and presentations on business-related topics;

(ix) Ensure that the information given to Board members is as complete and as accurate as possible;

(x) Ensure that the directors' remuneration is fair and sufficiently interesting to attract and retain highly qualified directors;

(xi) Ensure that directors have sufficient time to read the documentation prepared for each meeting of the Board and committees meeting; and

(xii) Ensure that an "in camera" session is held at the end of each Board meeting or at any other time deemed appropriate by the Lead Director and at which members of management are not in attendance.

4. Communications

(i) Ensure that policies and procedures relating to the disclosure of information and any other material matter are adopted and implemented; and

(ii) Oversee communications between the Corporation, its shareholders and the general public and ensure the effectiveness of the Corporation's communications policy. Oversee the adoption of the financial disclosure process and ensure that all financial information is disclosed on a timely basis, as well as in an accurate and comprehensive manner. Set up measures to gather feedback from interested parties through direct communication channels between these parties and independent directors.

5. Risk Management

(i) Ensure the adoption of the Corporation's principal policies regarding security, conflicts of interest and relations with customers and suppliers; and

(ii) Ensure that an adequate system is implemented to identify risks, evaluate the important risks to which the Corporation is exposed and ensure that the Corporation has the appropriate systems to manage these risks.

6. Ethics, Social Responsibilities and Sustainability

(i) Ensure the adoption of a code of conduct applicable to all employees without distinction, including senior executives and directors and ensure its enforcement;

(ii) Review reports and initiatives of the Corporation regarding sustainability; and

(iii) Review reports relating to policies and practices linked to corporate and social responsibility.

OBLIGATIONS OF DIRECTORS

The Corporation expects the following from its directors:

1. **Adequate Preparation**. In order to be able to provide sound advice, directors must carefully prepare for each Board meeting and committee meeting where they participate, ask relevant questions to senior management so as to be in a position to understand or challenge the assumptions underlying management's recommendations regarding projects or decisions submitted to the Board or to a committee for its approval and actively participate at each meeting. The

Board should benefit from the personal experience of each director as well as from his general knowledge and financial competency.

2. **Ability to communicate**. Directors should be able to communicate well with other Board members while being receptive to their opinions and input. They must also be good listeners and be capable of addressing sensitive issues so as to encourage free and open discussions.

PHYSICAL ORGANIZATION OF MEETINGS OF THE BOARD

The Chair of the Board, in cooperation with the Lead Director, the President and Chief Executive Officer and the Corporate Secretary are responsible for setting the agenda for each Board meeting. Reasonable efforts are made to ensure that the documentation is true and up to date and made available to Board members several days before a meeting.

Dates of Board meetings are determined sufficiently in advance to ensure that Board members are available. The Board holds statutory meetings to approve the interim financial statements and annual financial statements and, if required, to discuss any material acquisition or disposition or material transactions outside the Corporation's ordinary course of business and approve them.

Board members attend meetings in person. They may also attend by teleconference. At Board meetings, certain members of senior management are sometimes invited to make presentations on topics related to their sector of activity, thus providing Board members with an opportunity to enhance their knowledge of the Corporation's activities.

The Board may retain external consultants at the expense of the Corporation.

COMMITTEES OF THE BOARD

Subject to any restrictions made pursuant to applicable laws and regulations, the Board may discharge its obligations through committees. The Board appoints the directors to sit on committees. At least on an annual basis, the Board reviews the composition of the committees and, as needed, the matters to be delegated to the committees. The Board may, if it deems necessary or advisable, create special committees. The Board has created an Audit Committee, a Human Resources and Compensation Committee and a Corporate Governance Committee, all of which have the responsibilities set out in their mandate as approved by the Board.

CODE OF CONDUCT

The Corporation has adopted a Code of Conduct which applies to all directors and employees of the Corporation, without exception. A copy of the Code of Conduct is given to each director at the time of his appointment and whenever changes are made thereto. The Code of Conduct requires that each director act in accordance with applicable laws. Each director of the Corporation must confirm that he has received and has read the Code of Conduct and that they agree to comply with it.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Transcontinental Inc. will be held at 2:00 p.m. on February 28, 2019 at the Saint James Club of Montreal, Saint-Denis Room, 1145 Union Avenue, Montréal, Québec, Canada.