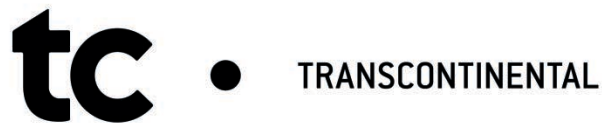


## NOTICE OF

ANNUAL MEETING  
OF SHAREHOLDERS AND  
MANAGEMENT PROXY CIRCULAR







## 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 via live audio webcast at <https://web.lumiagm.com/442749035> on Thursday, February 25, 2021 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 25, 2020 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;
4. to consider an advisory (non-binding) resolution on executive compensation; and
5. to transact such other business as may properly be brought before the Meeting.

The directors have, by resolution, fixed the close of business on January 13, 2021 as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting.

As permitted by Canadian securities regulators, this year, we are using notice-and-access to deliver this Circular and our annual report (Meeting materials) to both our registered and non-registered shareholders. This means that the Meeting materials are being posted online for you to access rather than being mailed out. Notice-and-access gives shareholders more choice, substantially reduces our mailing costs, and is environmentally friendly as it reduces paper and energy consumption.

You will still receive a form of proxy or a voting instruction form in the mail so you can exercise your voting rights with respect to your shares, but, instead of receiving a paper copy of the Meeting materials, you will receive a notice with information about how you can access the Meeting materials electronically and how to request a paper copy.

You may request a paper copy of the Meeting materials, at no cost, up to one year from the date the Meeting materials were filed on the Internet site of SEDAR. You may make such a request at any time prior to the Meeting on the web at <https://www.meetingdocuments.com/astca/TCL> or by contacting our transfer agent, AST Trust Company (Canada), toll-free within North America at 1-888-433-6443, or at 416-682-3801 if you are outside North America, or by emailing your request at [fulfilment@astfinancial.com](mailto:fulfilment@astfinancial.com)

Dated at Montréal, Québec, this 12<sup>th</sup> day of January, 2021.

**By order of the Board of Directors,**

Christine Desaulniers  
Chief Legal Officer and Corporate Secretary

## MANAGEMENT PROXY CIRCULAR SUMMARY

### OUR DIRECTOR NOMINEES

(See page 8 for more information)

| Nominee                             | Age | Director Since | Position  | Ind. | Committee  | Board and Committee Attendance | Other Public Boards | Top Four Competencies  |
|-------------------------------------|-----|----------------|---|------|--|--------------------------------|---------------------|--|
| H. Peter Brues                      | 52  | 2018           | Corporate Director  | Yes  | Audit Committee and Human Resources and Compensation Committee | 100%                           | –                   | <ul style="list-style-type: none"> <li>Manufacturing Industries</li> <li>Accounting, Finance and Risk Management</li> <li>Compensation and Talent Management</li> <li>Sales, Marketing and Retail</li> </ul>                           |
| Jacynthe Côté                       | 62  | 2016           | Corporate Director  | Yes  | Human Resources and Compensation Committee and Lead Director   | 100%                           | 2                   | <ul style="list-style-type: none"> <li>Manufacturing Industries</li> <li>Executive Leadership (Chief Executive Officer)</li> <li>Mergers and Acquisitions</li> <li>Compensation and Talent Management</li> </ul>                       |
| Yves Leduc                          | 56  | 2017           | Chief Executive Officer of Velan Inc.                             | Yes  | Governance and Social Responsibility Committee                 | 100%                           | 1                   | <ul style="list-style-type: none"> <li>Manufacturing Industries</li> <li>Executive Leadership (Chief Executive Officer)</li> <li>Technologies, Research and Development and Innovation</li> <li>Sales, Marketing and Retail</li> </ul> |
| Isabelle Marcoux, C.M.              | 51  | 2005           | Chair of the Board of Transcontinental Inc.                       | No   | –  | 100%                           | 2                   | <ul style="list-style-type: none"> <li>Mergers and Acquisitions</li> <li>Compensation and Talent Management</li> <li>Governance and Regulations</li> <li>Social Responsibility and Sustainable Development</li> </ul>                  |
| Nathalie Marcoux                    | 52  | 2011           | Vice President, Finance of Capinabel Inc.                         | No   | –  | 100%                           | –                   | <ul style="list-style-type: none"> <li>Manufacturing Industries</li> <li>Accounting, Finance and Risk Management</li> <li>Compensation and Talent Management</li> <li>Technologies, Research and Development and Innovation</li> </ul> |
| Pierre Marcoux                      | 49  | 2005           | President of Contex Group Inc.                                    | No   | –  | 100%                           | –                   | <ul style="list-style-type: none"> <li>Media Industry</li> <li>Mergers and Acquisitions</li> <li>Technologies, Research and Development and Innovation</li> <li>Sales, Marketing and Retail</li> </ul>                                 |
| Rémi Marcoux, C.M., O.Q., FCPA, FCA | 80  | 1976           | Founder and Director of Transcontinental Inc.                     | No   | –  | 100%                           | –                   | <ul style="list-style-type: none"> <li>Manufacturing Industries</li> <li>Executive Leadership (Chief Executive Officer)</li> <li>Mergers and Acquisitions</li> <li>Sales, Marketing and Retail</li> </ul>                              |
| Anna Martini, FCPA, FCA             | 58  | 2011           | Executive Vice President and Chief Financial Officer of Groupe CH | Yes  | Audit Committee and Human Resources and Compensation Committee | 100%                           | 1                   | <ul style="list-style-type: none"> <li>Executive Leadership (Chief Executive Officer)</li> <li>Accounting, Finance and Risk Management</li> <li>Compensation and Talent Management</li> <li>Sales, Marketing and Retail</li> </ul>     |

## MANAGEMENT PROXY CIRCULAR SUMMARY

| Nominee          | Age | Director Since | Position  | Ind. | Committee  | Board and Committee Attendance | Other Public Boards | Top Four Competencies   |
|------------------|-----|----------------|---|------|--|--------------------------------|---------------------|---|
| François Olivier | 55  | 2008           | President and Chief Executive Officer of Transcontinental Inc.  | No   | –  | 100%                           | 1                   | <ul style="list-style-type: none"> <li>▪ Manufacturing Industries</li> <li>▪ Executive Leadership (Chief Executive Officer)</li> <li>▪ Mergers and Acquisitions</li> <li>▪ Sales, Marketing and Retail</li> </ul>                       |
| Mario Plourde    | 59  | 2015           | President and Chief Executive Officer of Cascades Inc.  | Yes  | Governance and Social Responsibility Committee                     | 100%                           | 1                   | <ul style="list-style-type: none"> <li>▪ Manufacturing Industries</li> <li>▪ Executive Leadership (Chief Executive Officer)</li> <li>▪ Mergers and Acquisitions</li> <li>▪ Social Responsibility and Sustainable Development</li> </ul> |
| Jean Raymond     | 61  | 2017           | Vice-Chairman, Managing Director and Head of CIBC Capital Markets – Québec of CIBC World Markets Inc. | Yes  | Human Resources and Compensation Committee                         | 100%                           | –                   | <ul style="list-style-type: none"> <li>▪ Media Industry</li> <li>▪ Mergers and Acquisitions</li> <li>▪ Accounting, Finance and Risk Management</li> <li>▪ Compensation and Talent Management</li> </ul>                                 |
| François R. Roy  | 65  | 2008           | Corporate Director  | Yes  | Audit Committee  | 100%                           | 1                   | <ul style="list-style-type: none"> <li>▪ Media Industry</li> <li>▪ Mergers and Acquisitions</li> <li>▪ Accounting, Finance and Risk Management</li> <li>▪ Governance and Regulations</li> </ul>   |
| Annie Thabet     | 60  | 2015           | Partner of Celtis Capital Inc.  | Yes  | Audit Committee and Governance and Social Responsibility Committee | 100%                           | 1                   | <ul style="list-style-type: none"> <li>▪ Manufacturing Industries</li> <li>▪ Mergers and Acquisitions</li> <li>▪ Accounting, Finance and Risk Management</li> <li>▪ Governance and Regulations</li> </ul>                               |

## MANAGEMENT PROXY CIRCULAR SUMMARY

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### APPOINTMENT OF AUDITORS

(See page 6 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 2020 fiscal year: \$3,311,800.

### ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

(See page 7 for more information)

The Board of Directors recommends to vote FOR the advisory resolution on executive compensation.

### 2020 EXECUTIVE COMPENSATION HIGHLIGHTS

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#### 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 target 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

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### 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

✓

Advisory vote on executive compensation

✓

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### 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 (excluding Mr. Rémi Marcoux, the founder)           | 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 2020 fiscal year                            | 9    |
| 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   | ✓    |

## TABLE OF CONTENTS

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|  |                           |
|--|---------------------------|
| <b>1. Questions and Answers</b>  | <b><a href="#">1</a></b>  |
| <b>2. Business of the Meeting</b>  | <b><a href="#">6</a></b>  |
| 2.1 Financial Statements   | 6                         |
| 2.2 Election of Directors  | 6                         |
| 2.3 Appointment of Auditors  | 6                         |
| 2.4 Considering an Advisory Resolution on Executive Compensation   | 7                         |
| <b>3. Nominees for Election to the Board</b>   | <b><a href="#">8</a></b>  |
| 3.1 Description of Nominees  | 8                         |
| 3.2 Additional Disclosure Relating to Directors  | 21                        |
| 3.3 Board Interlocks   | 21                        |
| 3.4 Board of Directors' Attendance Record  | 21                        |
| <b>4. Compensation of Directors Analysis</b>   | <b><a href="#">22</a></b> |
| 4.1 Compensation of Directors  | 22                        |
| 4.2 Summary of Compensation of Directors   | 25                        |
| 4.3 Outstanding Share-Based Awards and Option-Based Awards for the Fiscal Year Ended October 25, 2020                | 26                        |
| 4.4 Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan for the Fiscal Year Ended October 25, 2020 | 27                        |
| <b>5. Disclosure of Corporate Governance Practices</b>   | <b><a href="#">27</a></b> |
| 5.1 Board of Directors and its Committees  | 27                        |
| 5.2 Statements as to Diversity at the Board and Senior Executive Levels  | 36                        |
| 5.3 Tenure and Age of Retirement   | 38                        |
| 5.4 Assessment   | 39                        |
| 5.5 Continuing Education Program   | 39                        |
| 5.6 Code of Conduct  | 40                        |
| 5.7 Sustainability and Social Responsibility   | 41                        |
| 5.8 Interaction with Shareholders  | 42                        |
| 5.9 Interest of Insiders in Material Transactions  | 43                        |
| <b>6. Analysis of Executive Officers' Compensation</b>   | <b><a href="#">43</a></b> |
| 6.1 Report of the Human Resources and Compensation Committee on the Compensation of Executive Officers               | 43                        |
| 6.2 Summary Compensation for Named Executive Officers  | 60                        |
| 6.3 Incentive Plan Awards  | 62                        |
| 6.4 Principal Pension Plans  | 65                        |
| 6.5 Termination and Change of Control Benefits   | 67                        |
| <b>7. Other Information</b>  | <b><a href="#">70</a></b> |
| 7.1 Indebtedness of Directors or Officers  | 70                        |
| 7.2 General  | 70                        |
| 7.3 Availability of Documents  | 70                        |
| 7.4 Shareholder Proposals  | 70                        |
| 7.5 Approval by Directors  | 70                        |
| <b>Schedule A - Mandate of the Board of Directors</b>  | <b><a href="#">71</a></b> |



**TRANSCONTINENTAL INC.  
MANAGEMENT PROXY CIRCULAR**

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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 25, 2021 at 2:00 p.m. via live audio webcast at <https://web.lumiagm.com/442749035> for the purposes set forth in the notice of such Meeting. Unless otherwise specified, the information herein contained is given as at January 12, 2021.

## **1. Questions and Answers**

### **Who can vote?**

Shareholders who are registered as at the close of business on January 13, 2021 (the "Record Date") will be entitled to vote at the Meeting or at any adjournment thereof, either online 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 12, 2021, the Corporation had 73,050,544 Class A Shares and 13,974,626 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; (ii) the appointment of KPMG LLP as the auditors, and the authorization to be given to the directors to fix their remuneration; and (iii) an advisory resolution on executive compensation.

### **How will these matters be decided at the Meeting?**

A simple majority of the votes cast, online 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 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](mailto: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 at the virtual Meeting?**

If you are eligible to vote and if your shares are registered in your name, you can exercise your voting rights online at the virtual 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?".

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of the COVID-19 crisis and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, the

Corporation is holding the Meeting in a virtual only format, which will be conducted via live webcast. All shareholders, regardless of their geographic location, will have an equal opportunity to participate in the Meeting.

Shareholders will not be able to attend the Meeting in person. Attending the Meeting online enables registered shareholders and duly appointed proxyholders, including non-registered (beneficial) shareholders who have duly appointed themselves as proxyholder, to participate at the Meeting by following the steps indicated below and ask questions, all in real time. Registered shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting by completing a ballot online.

To participate in the virtual Meeting, log in online at <https://web.lumiagm.com/442749035>. If you or your duly appointed proxyholder have a control number, click "Login" and then enter it along with the password tc2021 (it is important to respect the case). If you do not have a control number, you can attend the virtual Meeting as a "guest" only, by clicking on "Guest", then completing the online form. Guests will not be able to vote nor ask questions at the Meeting.

For registered shareholders, the control number located on the form of proxy is your control number.

For duly appointed proxyholders, AST Trust Company (Canada) will provide the proxyholder with a control number by email after the proxy voting deadline has passed and the proxyholder has been duly appointed AND registered, as described below under "How to complete the form of proxy?" and "How do I vote if I am a non-registered shareholder?".

Guests, including non-registered beneficial shareholders who have not duly appointed themselves as proxyholder, can log in to the virtual Meeting as set out above. Guests can listen to the Meeting via live webcast but are not able to vote nor ask questions.

If you attend the Meeting online and have logged in with a control number, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. You should ensure you have a strong, preferably high-speed, Internet connection to participate in the Meeting. It is your responsibility to ensure connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting and complete the related procedure described above.

### **How to complete the form of proxy?**

You can choose to vote "FOR", "WITHHOLD" or "AGAINST" 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, write the name of your proxyholder in the space provided, return your proxy by mail, fax or email and have the appointee call AST Trust Company (Canada) at 1 866 751-6315 (toll free in Canada and the United States) or 212 235-5754 by 4:00 p.m. (Montréal time) on February 23, 2021, so that AST Trust Company (Canada) may provide the appointee with a 13-digit proxyholder control number via email. Such 13-digit proxyholder control number will differ from the control number set forth on the proxy. Without a control number, proxyholders will not be able to vote at the Meeting, but will be able to attend as guests. 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; (ii) FOR the appointment of KPMG LLP as auditors and the authorization to be given to the directors to fix their remuneration; and (iii) FOR the advisory resolution on executive compensation. 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 the transfer agent, 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 23, 2021;**

- by completing a form of proxy, that is dated later than the form of proxy you are changing, and mailing it, faxing it or emailing it to AST Trust Company (Canada) so that it is received **before 4:00 p.m. (Montréal time) on February 23, 2021**;
- 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 23, 2021**;
- 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 thereof;
- by exercising your right to vote at the Meeting; 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 an online vote, 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; (ii) FOR the appointment of KPMG LLP as auditors of the Corporation and the authorization of the directors to fix their remuneration; and (iii) FOR the advisory resolution on executive compensation.**

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 73,050,544 Class A Shares and 13,974,626 Class B Shares outstanding. The Class A Shares are restricted securities 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 20.72% 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 persons who own, directly or indirectly, or exercise control or direction of more than 10% of the outstanding voting shares of either class, are as follows:

| Name                                       | Number of Class A Shares /<br>% of outstanding Class A Shares |        | Number of Class B Shares/<br>% of outstanding Class B Shares |        | Percentage of<br>outstanding shares |
|--|---|--------|--|--------|-------------------------------------|
| Capinabel inc. <sup>(1)</sup>              | 102,044   | 0.14%  | 12,562,840   | 89.90% | 14.55%                              |
| Jarislowsky, Fraser Limited <sup>(2)</sup> | 8,002,591   | 10.95% | —  | —      | 9.20%                               |

(1) All of the outstanding shares of Capinabel Inc. are held by Ms. Isabelle Marcoux and Nathalie Marcoux and Messrs Pierre Marcoux and Rémi Marcoux, corporations they control and trusts they are the beneficiaries of. Capinabel Inc. is controlled by Mr. Rémi Marcoux. The shares held by Capinabel Inc. represent 71.30% 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 61.96% of the voting rights attached to all outstanding shares of the Corporation.

(2) These shares are held by Jarislowsky, Fraser Limited as portfolio manager. These shares were acquired in the ordinary course of business and not with the purpose of influencing or changing the control 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 the founder of the Corporation, Mr. Rémi Marcoux, his spouse, his direct descendants born or to be

born, his 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 trusts which they are the beneficiaries of, 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 restricted 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 online at the Meeting by completing a ballot online at the appropriate times;
- (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 send it by mail, fax or email;
- (iii) vote electronically on the Internet; or
- (iv) vote by telephone.

Please make sure that the person you appoint as proxyholder 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 online. If you do not wish to attend the Meeting or do not wish to vote online, your proxy will be voted or withheld from voting, in accordance with your instructions specified on your form of 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 form of proxy if you use a smartphone.

To vote electronically, you must go to the following Internet site: [www.astvotemyproxy.com](http://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. Please note that your control numbers is shown on your form of proxy.

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 5.

### **What if I wish to attend the Meeting and vote online?**

If you wish to attend the Meeting on February 25, 2021 and wish to exercise your voting rights with respect to your shares online, it is not necessary for you to complete or return the form of proxy. Your vote will be taken and counted 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 form of proxy gives authority to the named proxyholders on the form of proxy, 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 or by fax or email, so that it arrives no later than 4:00 p.m. on February 23, 2021. 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 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 online at the virtual Meeting*

However, if you wish to vote online at the virtual 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. In addition, you must call AST Trust Company (Canada) at 1 866 751-6315 (toll free in Canada and the United States) or 212 235-5754 by 4:00 p.m. (Montréal time) on February 23, 2021, so that AST Trust Company (Canada) may provide you with a 13-digit control number via email. Such control number will allow you to log in to and vote at the Meeting and without a control number, you will not be able to vote at the Meeting, but you will be able to attend as a guest. Non-registered shareholders who appoint themselves as proxyholders must present themselves at the Meeting. 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 25, 2020, together with the auditors' report thereon, are included in the 2020 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 12, 2021, the Board of Directors consisted of 13 directors. 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 for directors 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 Governance and Social Responsibility Committee for consideration. The Board of Directors will accept the resignation unless the Governance and Social Responsibility 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 committees composed only of independent directors: the Audit Committee, the Governance and Social Responsibility Committee and the Human Resources and Compensation Committee.

Membership of the Board committees is as follows:

#### **Audit Committee**

Peter Brues (chair)  
Anna Martini  
François R. Roy  
Annie Thabet

#### **Governance and Social Responsibility Committee**

Mario Plourde (chair)  
Yves Leduc  
Annie Thabet

#### **Human Resources and Compensation Committee**

Jacynthe Côté (chair)  
Peter Brues  
Anna Martini  
Jean Raymond

The attendance record of each director at meetings of the Board of Directors and its committees held during the fiscal year ended October 25, 2020 is shown in the table under Section 3.4. Attendance to meetings of the Board and its committees was 100% during the last fiscal year.

### 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 to vote FOR 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 25, 2020, 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 25, 2020 and October 27, 2019.

| <b>Category of fees</b> (in thousands of dollars) | <b>2020</b>    | <b>2019</b>    |
|---|----------------|----------------|
| Audit fees  | 1,292.5        | 1,180.1        |
| Audit related fees                                | 175.9          | 202.8          |
| Tax compliance fees                               | 1,279.0        | 425.7          |
| Other tax fees                                    | 554.1          | 511.5          |
| Other   | 10.3           | 81.1           |
| <b>Total</b>                                      | <b>3,311.8</b> | <b>2,401.2</b> |

## **2.4 Considering an Advisory Resolution on Executive Compensation**

Our executive compensation philosophy, policies and programs are based on the fundamental principle of pay-for-performance to align the interests of our executives with those of our shareholders. This compensation approach allows us to attract and retain high-performing executives who will be strongly incented to create value for our shareholders on a sustainable basis. As a shareholder, you are asked to consider the following resolution:

*Resolved, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the management proxy circular provided in connection with the annual meeting of shareholders of the Corporation held on February 25, 2021.*

The Board of Directors recommends that you vote **FOR** this resolution.

Because your vote is advisory, it will not be binding upon the Board of Directors. However, the Human Resources and Compensation Committee will review and analyze the results of the vote and take into consideration such results when reviewing executive compensation philosophy, policies and programs. Please see Section 5.8 for more details on how you can ask questions and provide comments to the Board of Directors and the Human Resources and Compensation Committee on executive compensation.

If you do not specify how you want your shares voted, the directors named as proxyholders in the proxy form or voting instruction form intend to cast the votes represented by proxy at the meeting **FOR** the adoption of the advisory resolution on executive compensation.





### 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 12, 2021, unless otherwise indicated.


Certain information shown below relating to the nominees being proposed as directors of the Corporation was furnished by each relevant nominee.


|  |   |   |   |  |
|--|---|---|---|--|
|                     | <p><b>H. Peter Brues</b><br/>Age: 52<br/>Westmount, Québec</p> <p>Director since 2018</p> <p><b>Independent</b></p> <p><b>Areas of Expertise:</b></p> <ul style="list-style-type: none"><li>▪ Manufacturing Industries</li><li>▪ Accounting, Finance and Risk Management</li><li>▪ Compensation and Talent Management</li><li>▪ Sales, Marketing and Retail</li></ul> | <p><b>Corporate Director</b></p> <p>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 &amp; Americas. Previously, he assumed various responsibilities, including President, Amcor Flexibles Healthcare, President, Amcor Flexibles, Americas and Vice-President of Operations of Amcor Flexibles Europe A/S. He started his career at KPMG Peat Marwick Thorne (now known as KPMG LLP), a chartered accounting firm.</p> |   |  |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>  | <b>Other board membership or trustee of public corporations during the last five years:</b>   |   |  |
| Board  | 9 of 9 100%   | Present boards:   |   |  |
| Audit Committee  | 4 of 4 100%   | —   |   |  |
| Human Resources and Compensation Committee   | 6 of 6 100%   | Past boards:  |   |  |
| Total  | 19 of 19 100%   | —   |   |  |
| <b>Securities held<sup>(1)</sup></b>   | <b>Class A Shares</b>   | <b>Class B Shares</b>   | <b>Deferred share units</b>                       | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |
| 2020   | 18,350  | —   | 18,312  | 607,856  |
| 2019   | 18,350  | —   | 8,352   | 401,865  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |   |   |   |  |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>  | <b>Minimum required (\$)</b>  | <b>Excess over the minimum (\$)</b>               |  |
| 2020   | 670,693   | 285,000   | 385,693   |  |
| 2019   | 487,601   | 270,000   | 217,601   |  |
| Percentage of objective satisfied:<br>235%   |   | Target to meet requirement:<br>Satisfied  | Total compensation received in 2020:<br>\$142,914 |  |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |   |   |   |  |
| Votes in favour  | 309,833,637   | Votes withheld  | 576,919   |  |
| Percentage of votes in favour  | 99.81%  | Percentage of votes withheld  | 0.19%   |  |


|  |   |   |                                     |  |
|--|---|---|-------------------------------------|--|
|                     | <p><b>Jacynthe Côté</b><br/>Age: 62<br/>Candiac, Québec</p> <p>Director since 2016<br/><b>Independent Lead Director</b></p> <p><b>Areas of Expertise:</b></p> <ul style="list-style-type: none"><li>▪ Manufacturing Industries</li><li>▪ Executive Leadership (Chief Executive Officer)</li><li>▪ Mergers and Acquisitions</li><li>▪ Compensation and Talent Management</li></ul> | <p><b>Corporate Director</b></p> <p>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.</p> <p>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 board of directors of Allô Prof, an organization offering free homework help to primary and secondary school children and general education to adults.</p> |                                     |  |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>  | <b>Other board membership or trustee of public corporations during the last five years:</b>   |                                     |  |
| Board  | 9 of 9 100%   | Present boards:   |                                     |  |
| Human Resources and Compensation Committee   | 6 of 6 100%   | <ul style="list-style-type: none"><li>▪ Royal Bank of Canada (since 2014)</li><li>▪ Finning International Inc. (since 2014)</li></ul>   |                                     |  |
| Total  | 15 of 15 100%   | Past boards:  |                                     |  |
|  |   | <ul style="list-style-type: none"><li>▪ Suncor Energy Inc. (2015-2018)</li></ul>  |                                     |  |
| <b>Securities held<sup>(1)</sup></b>   | <b>Class A Shares</b>   | <b>Class B Shares</b>   | <b>Deferred share units</b>         | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |
| 2020   | 3,000   | —   | 31,289                              | 568,512  |
| 2019   | 3,000   | —   | 20,223                              | 304,356  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |   |   |                                     |  |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>  | <b>Minimum required (\$)</b>  | <b>Excess over the minimum (\$)</b> |  |
| 2020   | 688,918   | 285,000   | 403,918                             |  |
| 2019   | 496,748   | 270,000   | 226,748                             |  |
| Percentage of objective satisfied:<br>242%   |   | Target to meet requirement:<br>Satisfied  |                                     | Total compensation received in 2020:<br>\$158,916                        |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |   |   |                                     |  |
| Votes in favour  | 310,207,751   | Votes withheld  |                                     | 202,805  |
| Percentage of votes in favour  | 99.93%  | Percentage of votes withheld  |                                     | 0.07%  |

|  |  |  |                              |  |  |
|--|--|--|------------------------------|--|--|
|                     | <p><b>Yves Leduc</b><br/>Age: 56<br/>Westmount, Québec</p> <p>Director since 2017<br/><b>Independent</b></p> <p><b>Areas of Expertise:</b></p> <ul style="list-style-type: none"><li>▪ Manufacturing Industries</li><li>▪ Executive Leadership (Chief Executive Officer)</li><li>▪ Technologies, Research and Development and Innovation</li><li>▪ Sales, Marketing and Retail</li></ul> | <p><b>Chief Executive Officer of Velan Inc.</b></p> <p>Mr. Yves Leduc is Chief Executive Officer of Velan Inc., a manufacturer of industrial valves, since 2017. Previously, he was President and Chief Executive Officer, since 2015. 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.</p> <p>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.</p> |                              |  |  |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>   | <b>Other board membership or trustee of public corporations during the last five years:</b>  |                              |  |  |
| Board  | 9 of 9 100%  | Present boards:  |                              |  |  |
| Governance and Social Responsibility Committee   | 4 of 4 100%  | <ul style="list-style-type: none"><li>▪ Velan Inc. (since 2017)</li></ul>  |                              |  |  |
| Total  | 13 of 13 100%  | Past boards:<br>—  |                              |  |  |
| <b>Securities held<sup>(1)</sup></b>   | <b>Class A Shares</b>  | <b>Class B Shares</b>  | <b>Deferred share units</b>  | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |  |
| 2020   | 4,900  | —  | 18,988                       | 396,063  |  |
| 2019   | 4,900  | —  | 10,804                       | 236,345  |  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |  |  |                              |  |  |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>   | <b>Minimum required (\$)</b>   |                              | <b>Excess over the minimum (\$)</b>                                      |  |
| 2020   | 460,896  | 285,000  |                              | 175,896  |  |
| 2019   | 319,044  | 270,000  |                              | 49,044   |  |
| Percentage of objective satisfied:<br>162%   |  | Target to meet requirement:<br>Satisfied   |                              | Total compensation received in 2020:<br>\$117,494                        |  |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |  |  |                              |  |  |
| Votes in favour  | 309,916,629  |  | Votes withheld               | 493,927  |  |
| Percentage of votes in favour  | 99.84%   |  | Percentage of votes withheld | 0.16%  |  |


|  |  |  |                              |   |  |           |
|--|--|--|------------------------------|---|--|-----------|
|                     | <b>Isabelle Marcoux, C.M.</b><br>Age: 51<br>Montréal, Québec<br><br>Director since 2005<br><b>Non-independent</b><br><br><b>Areas of Expertise:</b> <ul style="list-style-type: none"><li>▪ Mergers and Acquisitions</li><li>▪ Compensation and Talent Management</li><li>▪ Governance and Regulations</li><li>▪ Social Responsibility and Sustainable Development</li></ul> |  |                              | <b>Chair of the Board of Transcontinental Inc.</b><br><br>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.<br><br>In 2020, Ms. Marcoux was appointed as director of the Institute for governance of private and public organizations (IGOPP) and of Scale AI. She is also a director of the Montreal Children’s Hospital Foundation since 2015 and is a member of the Law Faculty Advisory Board of the McGill University.<br><br>Since 2018, she chairs 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 the 2019-2026 Major Fundraising Campaign of the Montreal Children’s Hospital Foundation.<br><br>In 2019, Ms. Isabelle Marcoux was appointed Member of the Order of Canada for her role in promoting diversity in the Québec economic community. In 2018, Ms. Isabelle Marcoux and Mr. François Olivier were honored by Portage, an organization dedicated to people with a drug addiction reintegrate themselves into society. 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. 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. In 2015, Ms. Marcoux received the “Mercure Leadership Germaine-Gibara” award, Large Company category. |  |           |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>   |  |                              | <b>Other board membership or trustee of public corporations during the last five years:</b>   |  |           |
| Board  | 9 of 9   | 100%                                     |                              | Present boards:   |  |           |
| Total  | 9 of 9   | 100%                                     |                              | <ul style="list-style-type: none"><li>▪ Rogers Communications Inc. (since 2008)</li><li>▪ Power Corporation of Canada (since 2010)</li></ul> Past boards: <ul style="list-style-type: none"><li>▪ George Weston Limited (2007-2019)</li></ul>   |  |           |
| <b>Securities held<sup>(1)(6)</sup></b>  | <b>Class A Shares<sup>(5)</sup></b>  |  | <b>Class B Shares</b>        | <b>Deferred share units<sup>(7)</sup></b>   | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |           |
| 2020   | 4,000  |  | 1,000                        | 7,250   | 203,245  |           |
| 2019   | 4,000  |  | 1,000                        | 6,820   | 102,641  |           |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |  |  |                              |   |  |           |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>   |  | <b>Minimum required (\$)</b> |   | <b>Excess over the minimum (\$)</b>                                      |           |
| 2020   | (3)  |  | 285,000                      |   | (3)  |           |
| 2019   | (3)  |  | 270,000                      |   | (3)  |           |
| Percentage of objective satisfied:<br>(3)  |  | Target to meet requirement:<br>Satisfied |                              | Total compensation received in 2020:<br>\$1,361,953   |  |           |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |  |  |                              |   |  |           |
| Votes in favour  |  | 308,500,935                              |                              | Votes withheld  |  | 1,909,621 |
| Percentage of votes in favour  |  | 99.38%                                   |                              | Percentage of votes withheld  |  | 0.62%     |


|  |  |  |      |  |   |  |
|--|--|--|------|--|---|--|
|                     |  | <b>Nathalie Marcoux</b><br>Age: 52<br>Town of Mount-Royal, Québec<br><br>Director since 2011<br><b>Non-independent</b><br><br><b>Areas of Expertise:</b> <ul style="list-style-type: none"><li>▪ Manufacturing Industries</li><li>▪ Accounting, Finance and Risk Management</li><li>▪ Compensation and Talent Management</li><li>▪ Technologies, Research and Development and Innovation</li></ul> |      | <b>Vice President, Finance of Capinabel Inc.</b><br><br>Ms. Nathalie Marcoux, a chartered accountant, is Vice President, Finance of Capinabel Inc., a private management company and controlling shareholder of the Corporation, 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.<br><br>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. Since 2017, she has been 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. |   |  |
| <b>Member of</b>   |  | <b>Attendance up to October 25, 2020</b>   |      | <b>Other board membership or trustee of public corporations during the last five years:</b>  |   |  |
| Board  |  | 9  | of 9 | 100%   | Present boards:                                   |  |
| Total  |  | 9  | of 9 | 100%   | —   |  |
|  |  | Past boards:   |      |  |   |  |
|  |  | —  |      |  |   |  |
| <b>Securities held<sup>(1)(6)</sup></b>  |  | <b>Class A Shares</b>  |      | <b>Class B Shares</b>  | <b>Deferred share units</b>                       | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |
| 2020   |  | —  |      | —  | 28,724  | 476,244  |
| 2019   |  | —  |      | —  | 27,017  | 406,606  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |  |  |      |  |   |  |
|  |  | <b>Value of ownership based on ownership guidelines (\$)</b>   |      | <b>Minimum required (\$)</b>   |   | <b>Excess over the minimum (\$)</b>                                      |
| 2020   |  | (3)  |      | 285,000  |   | (3)  |
| 2019   |  | (3)  |      | 270,000  |   | (3)  |
| Percentage of objective satisfied:<br>(3)  |  | Target to meet requirement:<br>Satisfied   |      |  | Total compensation received in 2020:<br>\$119,761 |  |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |  |  |      |  |   |  |
| Votes in favour  |  | 308,892,054  |      | Votes withheld   |   | 1,518,502  |
| Percentage of votes in favour  |  | 99.51%   |      | Percentage of votes withheld   |   | 0.49%  |


|   |  |  |  |   |  |  |  |   |  |
|---|--|--|--|---|--|--|--|---|--|
|                            |  | <p><b>Pierre Marcoux</b><br/>Age: 49<br/>Town of Mount-Royal,<br/>Québec</p> <p>Director since 2005<br/><b>Non-independent</b></p> <p><b>Areas of Expertise:</b></p> <ul style="list-style-type: none"><li>• Media Industries</li><li>• Mergers and Acquisitions</li><li>• Technologies, Research and Development and Innovation</li><li>• Sales, Marketing and Retail</li></ul> |  |   | <p><b>President of Contex Group Inc.</b></p> <p>Mr. Pierre Marcoux is President of Contex Group Inc., an event and media company with activities across Canada. Mr. Marcoux founded this business in September 2019.</p> <p>Previously, he was President of TC Media (the media sector operated by the Corporation with activities in specialized media in Canada, principally in the business, financial and construction sectors and a publisher for French-language educational resources in Canada), since January 2018. From 2012 until 2017, he was Senior Vice President, Business and Education of TC Media, and, from 2009 until 2012, was Senior Vice President Business and Consumer Solutions Group of TC Media, 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.</p> <p>Mr. Marcoux sat on the boards of directors of various trade organizations including the board of directors of Vividata for a number of years, an organization measuring audience for print and digital media. He was also a member of the board of directors of Cedrom-SNI Inc., a company held by the Corporation in partnership with others from 2014 until the sale of this business in December 2017.</p> <p>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. Since 2015, he is also an ambassador of their fundraising event, Celebrate Life. Mr. Marcoux was also an honorary ambassador 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.</p> |  |  |   |  |
| <p><b>Member of</b></p> <p>Board</p> <p>Total</p>   |  | <p><b>Attendance up to October 25, 2020</b></p> <p>9 of 9 100%</p> <p>9 of 9 100%</p>  |  | <p><b>Other board membership or trustee of public corporations during the last five years:</b></p> <p>Present boards:</p> <p>—</p> <p>Past boards:</p> <p>—</p> |  |  |  |   |  |
| <p><b>Securities held<sup>(1)(6)</sup></b></p> <p>2020</p> <p>2019</p>                                      |  | <p><b>Class A Shares</b></p> <p>5,000</p> <p>5,000</p>   |  | <p><b>Class B Shares</b></p> <p>1,000</p> <p>1,000</p>  |  | <p><b>Deferred share units</b></p> <p>—</p> <p>—</p>     |  | <p><b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b></p> <p>99,620</p> <p>91,630</p> |  |
| <p><b>Ownership requirements<sup>(3)</sup>:</b></p>   |  |  |  |   |  |  |  |   |  |
|   |  | <p><b>Value of ownership based on ownership guidelines (\$)</b></p>  |  | <p><b>Minimum required (\$)</b></p>   |  | <p><b>Excess over the minimum (\$)</b></p>               |  |   |  |
| 2020  |  | (3)  |  | 285,000   |  | (3)  |  |   |  |
| 2019  |  | (3)  |  | 270,000   |  | (3)  |  |   |  |
| <p>Percentage of objective satisfied:<br/>(3)</p>   |  |  | <p>Target to meet requirement:<br/>Satisfied</p> |   |  | <p>Total compensation received in 2020:<br/>\$95,000</p> |  |   |  |
| <p><b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b></p> |  |  |  |   |  |  |  |   |  |
| <p>Votes in favour</p>  |  |  |  | 308,857,500   |  | <p>Votes withheld</p>                                    |  | 1,553,006   |  |
| <p>Percentage of votes in favour</p>  |  |  |  | 99.50%  |  | <p>Percentage of votes withheld</p>                      |  | 0.50%   |  |


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|                     | <b>Rémi Marcoux, C.M., O.Q., FCPA, FCA</b><br>Age: 80<br>Montréal, Québec<br><br>Director since 1976<br><b>Non-independent</b><br><br><b>Areas of Expertise:</b> <ul style="list-style-type: none"><li>• Manufacturing Industries</li><li>• Executive Leadership (Chief Executive Officer)</li><li>• Mergers and Acquisitions</li><li>• Sales, Marketing and Retail</li></ul> | <b>Founder and Director of Transcontinental Inc.</b> <p>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.</p> <p>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.</p> <p>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.</p> <p>In 2018, Mr. Marcoux was honored by the Cercle des Grands entrepreneurs du Québec for his contribution to Québec's vitality, influence and economic development. 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.</p> <p>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.</p> |                                     |  |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>  | <b>Other board membership or trustee of public corporations during the last five years:</b>  |                                     |  |
| Board  | 9 of 9 100%   | Present boards:  |                                     |  |
| Total  | 9 of 9 100%   | —  |                                     |  |
|  |   | Past boards:   |                                     |  |
|  |   | —  |                                     |  |
| <b>Securities held<sup>(1)(6)</sup></b>  | <b>Class A Shares</b>   | <b>Class B Shares</b>  | <b>Deferred share units</b>         | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |
| 2020   | 102,044   | 12,562,840   | —                                   | 211,742,574  |
| 2019   | 102,044   | 12,562,840   | —                                   | 207,315,081  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |   |  |                                     |  |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>  | <b>Minimum required (\$)</b>   | <b>Excess over the minimum (\$)</b> |  |
| 2020   | 211,742,574   | 285,000  | 211,457,574                         |  |
| 2019   | 207,315,081   | 270,000  | 207,045,081                         |  |
| Percentage of objective satisfied:<br>74,296%  |   | Target to meet requirement:<br>Satisfied   |                                     | Total compensation received in 2020:<br>\$95,000                         |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |   |  |                                     |  |
| Votes in favour  | 308,904,887   | Votes withheld   | 1,505,669                           |  |
| Percentage of votes in favour  | 99.51%  | Percentage of votes withheld   | 0.49%                               |  |





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|                     | <p><b>Anna Martini, FCPA, FCA</b><br/>Age: 58<br/>Montréal, Québec</p> <p>Director since 2011<br/><b>Independent</b></p> <p><b>Areas of Expertise:</b></p> <ul style="list-style-type: none"><li>Executive Leadership (Chief Executive Officer)</li><li>Accounting, Finance and Risk Management</li><li>Compensation and Talent Management</li><li>Sales, Marketing and Retail</li></ul> | <p><b>Executive Vice President and Chief Financial Officer of Groupe CH</b></p> <p>Ms. Anna Martini is Executive Vice President and Chief Financial Officer of Groupe CH, which operates Club de hockey Canadien, Bell Centre, Place Bell, Spectra 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 &amp; 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.</p> <p>Ms. Martini was appointed as a director of Spectacle BidCo Holdings Inc. (holding of the Cirque du Soleil Group) (operating in the live entertainment industry). She is also a director of the Montreal Inc. Foundation, a foundation providing grants to promising entrepreneurs, member of the John Molson School of Business Advisory Board and a member of the board of directors of the Montreal Heart Institute Foundation and of the McGill University Health Centre Foundation. From 2008 until 2017, Ms. Martini was a director of Retail Council of Canada, including Chair of the Board from 2015 until 2017.</p> |                                     |  |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>   | <b>Other board membership or trustee of public corporations during the last five years:</b>   |                                     |  |
| Board  | 9 of 9 100%  | Present boards:   |                                     |  |
| Human Resources and Compensation Committee   | 6 of 6 100%  | <ul style="list-style-type: none"><li>CT Real Estate Investment Trust (since 2013)</li></ul>  |                                     |  |
| Audit Committee  | 4 of 4 100%  | Past boards:  |                                     |  |
| Total  | 19 of 19 100%  | —   |                                     |  |
| <b>Securities held<sup>(1)</sup></b>   | <b>Class A Shares</b>  | <b>Class B Shares</b>   | <b>Deferred share units</b>         | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |
| 2020   | 3,750  | —   | 64,885                              | 1,137,968  |
| 2019   | 3,750  | —   | 52,965                              | 853,561  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |  |   |                                     |  |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>   | <b>Minimum required (\$)</b>  | <b>Excess over the minimum (\$)</b> |  |
| 2020   | 1,289,552  | 285,000   | 1,004,552                           |  |
| 2019   | 1,050,113  | 270,000   | 780,113                             |  |
| Percentage of objective satisfied:<br>452%   |  | Target to meet requirement:<br>Satisfied  |                                     | Total compensation received in 2020:<br>\$171,505                        |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |  |   |                                     |  |
| Votes in favour  | 309,779,581  | Votes withheld  |                                     | 630,975  |
| Percentage of votes in favour  | 99.80%   | Percentage of votes withheld  |                                     | 0.20%  |

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|                     |  | <b>François Olivier</b><br>Age: 55<br>Montréal, Québec<br><br>Director since 2008<br><b>Non-independent</b><br><br><b>Areas of Expertise:</b> <ul style="list-style-type: none"><li>▪ Manufacturing Industries</li><li>▪ Executive Leadership (Chief Executive Officer)</li><li>▪ Mergers and Acquisitions</li><li>▪ Sales, Marketing and Retail</li></ul> |  |  | <b>President and Chief Executive Officer of Transcontinental Inc.</b><br><br>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.<br><br>Mr. Olivier is a director of CAE Inc., a company involved in training for the civil aviation, defense and security, and healthcare markets, since 2017, and a member of its Audit Committee and Governance Committee. He is also 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.<br><br>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 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. |   |  |  |  |
| <b>Member of</b><br><br>Board<br><br><div>Total</div>  |  | <b>Attendance up to<br/>October 25, 2020</b><br><br>9 of 9 100%<br><br>9 of 9 100%   |  | <b>Other board membership or trustee of public corporations during the last five years:</b><br><br>Present boards: <ul style="list-style-type: none"><li>▪ CAE Inc. (since 2017)</li></ul> Past boards:<br>— |   |   |  |  |  |
| <b>Securities held<sup>(1)</sup></b>   |  | <b>Class A Shares</b>  |  | <b>Class B Shares</b>  |   | <b>Deferred share units<sup>(7)</sup></b>           |  | <b>Total value of shares and<br/>deferred share units<br/>(\$)<sup>(2)</sup></b> |  |
| 2020   |  | 159,662  |  | —  |   | 224,805   |  | 6,374,463  |  |
| 2019   |  | 159,662  |  | —  |   | 211,464   |  | 5,585,446  |  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |  |  |  |  |   |   |  |  |  |
|  |  | <b>Value of ownership based on<br/>ownership guidelines<br/>(\$)</b>   |  | <b>Minimum required<br/>(\$)</b>   |   | <b>Excess over the minimum<br/>(\$)</b>             |  |  |  |
| 2020   |  | 11,997,037   |  | 4,325,600  |   | 7,671,437   |  |  |  |
| 2019   |  | 8,823,654  |  | 3,196,200  |   | 5,627,454   |  |  |  |
| Percentage of objective satisfied:<br>277%   |  |  | Target to meet requirement:<br>Satisfied |  |   | Total compensation received in 2020:<br>\$6,965,153 |  |  |  |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |  |  |  |  |   |   |  |  |  |
| Votes in favour  |  |  | 309,398,873                              |  | Votes withheld  |   |  | 1,011,683  |  |
| Percentage of votes in favour  |  |  | 99.67%                                   |  | Percentage of votes withheld  |   |  | 0.33%  |  |

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|                     | <p><b>Mario Plourde</b><br/>Age: 59<br/>Kingsey Falls, Québec</p> <p>Director since 2015<br/><b>Independent</b></p> <p><b>Areas of Expertise:</b></p> <ul style="list-style-type: none"><li>▪ Manufacturing Industries</li><li>▪ Executive Leadership (Chief Executive Officer)</li><li>▪ Mergers and Acquisitions</li><li>▪ Social Responsibility and Sustainable Development</li></ul> | <p><b>President and Chief Executive Officer of Cascades Inc.</b></p> <p>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.</p> <p>Mr. Plourde sits 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.</p> <p>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.</p> |                                     |  |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>   | <b>Other board membership or trustee of public corporations during the last five years:</b>   |                                     |  |
| Board  | 9 of 9 100%  | Present boards:   |                                     |  |
| Governance and Social Responsibility Committee   | 4 of 4 100%  | <ul style="list-style-type: none"><li>▪ Cascades Inc. (since 2014)</li></ul>  |                                     |  |
| Total  | 13 of 13 100%  | Past boards:<br>—   |                                     |  |
| <b>Securities held<sup>(1)</sup></b>   | <b>Class A Shares</b>  | <b>Class B Shares</b>   | <b>Deferred share units</b>         | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |
| 2020   | 9,900  | —   | 33,076                              | 712,542  |
| 2019   | 9,900  | —   | 23,516                              | 502,911  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |  |   |                                     |  |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>   | <b>Minimum required (\$)</b>  | <b>Excess over the minimum (\$)</b> |  |
| 2020   | 811,967  | 285,000   | 526,967                             |  |
| 2019   | 644,337  | 270,000   | 374,337                             |  |
| Percentage of objective satisfied:<br>285%   |  | Target to meet requirement:<br>Satisfied  |                                     | Total compensation received in 2020:<br>\$137,343                        |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |  |   |                                     |  |
| Votes in favour  |  | 309,912,528   | Votes withheld 498,028              |  |
| Percentage of votes in favour  |  | 99.84%  | Percentage of votes withheld 0.16%  |  |

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|                     | <p><b>Jean Raymond</b><br/>Age: 61<br/>Montréal, Québec</p> <p>Director since 2017<br/><b>Independent</b></p> <p><b>Areas of Expertise:</b></p> <ul style="list-style-type: none"><li>• Media Industries</li><li>• Mergers and Acquisitions</li><li>• Accounting, Finance and Risk Management</li><li>• Compensation and Talent Management</li></ul> | <p><b>Vice-Chairman, Managing Director and Head of CIBC Capital Markets - Québec of CIBC World Markets Inc.</b></p> <p>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 &amp; Whinney (now KPMG LLP), a chartered accounting firm.</p> <p>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, 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 and the 2019-2026 Major Fundraising Campaign of the Montreal Children's Hospital Foundation.</p> |                                     |  |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>   | <b>Other board membership or trustee of public corporations during the last five years:</b>  |                                     |  |
| Board  | 9 of 9 100%  | Present boards:  |                                     |  |
| Human Resources and Compensation Committee   | 6 of 6 100%  | —  |                                     |  |
| Total  | 15 of 15 100%  | Past boards:   |                                     |  |
|  |  | —  |                                     |  |
| <b>Securities held<sup>(1)</sup></b>   | <b>Class A Shares</b>  | <b>Class B Shares</b>  | <b>Deferred share units</b>         | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |
| 2020   | 10,000   | —  | 22,506                              | 538,949  |
| 2019   | 10,000   | —  | 13,978                              | 360,869  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |  |  |                                     |  |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>   | <b>Minimum required (\$)</b>   | <b>Excess over the minimum (\$)</b> |  |
| 2020   | 637,723  | 285,000  | 352,723                             |  |
| 2019   | 488,629  | 270,000  | 218,629                             |  |
| Percentage of objective satisfied:<br>224%   |  | Target to meet requirement:<br>Satisfied   |                                     | Total compensation received in 2020:<br>\$122,452                        |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |  |  |                                     |  |
| Votes in favour  |  | 310,141,307  | Votes withheld 269,249              |  |
| Percentage of votes in favour  |  | 99.91%   | Percentage of votes withheld 0.09%  |  |

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|                     | <b>François R. Roy</b><br>Age: 65<br>Montréal, Québec<br><br>Director since 2008<br><b>Independent</b><br><br><b>Areas of Expertise:</b> <ul style="list-style-type: none"><li>Media industries</li><li>Mergers and Acquisitions</li><li>Accounting, Finance and Risk Management</li><li>Governance and Regulations</li></ul> | <b>Corporate Director</b><br><br>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. |                                     |  |
| <b>Member of</b>   | <b>Attendance up to October 25, 2020</b>  | <b>Other board membership or trustee of public corporations during the last five years:</b>   |                                     |  |
| Board  | 9 of 9 100%   | Present boards:   |                                     |  |
| Audit Committee  | 4 of 4 100%   | <ul style="list-style-type: none"><li>Noranda Income Fund (since 2010)</li><li>Colabor Group Inc. (since 2020)</li></ul>  |                                     |  |
| Total  | 13 of 13 100%   | Past boards:  |                                     |  |
|  |   | <ul style="list-style-type: none"><li>Capstone Infrastructure Corporation (formerly Macquarie Power &amp; Infrastructure Corporation) (2004-2016)</li><li>Ovivo Inc. (2014-2016)</li><li>Neptune Technologies &amp; Bioresources Inc. (2015-2018)</li></ul>   |                                     |  |
| <b>Securities held<sup>(1)</sup></b>   | <b>Class A Shares</b>   | <b>Class B Shares</b>   | <b>Deferred share units</b>         | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |
| 2020   | 5,000   | —   | 19,619                              | 408,183  |
| 2019   | 5,000   | —   | 18,453                              | 352,968  |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |   |   |                                     |  |
|  | <b>Value of ownership based on ownership guidelines (\$)</b>  | <b>Minimum required (\$)</b>  | <b>Excess over the minimum (\$)</b> |  |
| 2020   | 422,820   | 285,000   | 137,820                             |  |
| 2019   | 380,816   | 270,000   | 110,816                             |  |
| Percentage of objective satisfied:<br>148%   |   | Target to meet requirement:<br>Satisfied  |                                     | Total compensation received in 2020:<br>\$122,452                        |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |   |   |                                     |  |
| Votes in favour  |   | 309,299,797   | Votes withheld 1,110,759            |  |
| Percentage of votes in favour  |   | 99.64%  | Percentage of votes withheld 0.36%  |  |

|  |  |   |  |   |  |   |  |         |
|--|--|---|--|---|--|---|--|---------|
|                     |  | <b>Annie Thabet</b><br>Age: 60<br>Nuns' Island (Verdun), Québec<br><br>Director since 2015<br><b>Independent</b><br><br><b>Areas of Expertise:</b> <ul style="list-style-type: none"><li>▪ Manufacturing Industries</li><li>▪ Mergers and Acquisitions</li><li>▪ Accounting, Finance and Risk Management</li><li>▪ Governance and Regulations</li></ul> |  |   | <b>Partner of Celtis Capital Inc.</b><br><br>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.<br><br>Ms. Thabet is immediate past Chair of the board of directors of the Institute of Corporate Directors (Québec), a member of the board of directors of the Centraide of Greater Montreal Foundation, 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. |   |  |         |
| <b>Member of</b>   |  | <b>Attendance up to October 25, 2020</b>  |  | <b>Other board membership or trustee of public corporations during the last five years:</b> |  |   |  |         |
| Board  |  | 9   | of 9                                     | 100%  | Present boards:  |   |  |         |
| Audit Committee  |  | 4   | of 4                                     | 100%  | ▪ Russel Metals Inc. (since 2018)  |   |  |         |
| Governance and Social Responsibility Committee   |  | 4   | of 4                                     | 100%  | Past boards:   |   |  |         |
| Total  |  | 17  | of 17                                    | 100%  | ▪ The Jean Coutu Group (PJC) Inc. (2010-2018)  |   |  |         |
| <b>Securities held<sup>(1)</sup></b>   |  | <b>Class A Shares</b>   |  | <b>Class B Shares</b>   |  | <b>Deferred share units</b>                       | <b>Total value of shares and deferred share units (\$)<sup>(2)</sup></b> |         |
| 2020   |  | 14,280  |  | —   |  | 20,079  | 569,672  |         |
| 2019   |  | 10,580  |  | —   |  | 14,920  | 383,775  |         |
| <b>Ownership requirements<sup>(3)</sup>:</b>   |  |   |  |   |  |   |  |         |
|  |  | <b>Value of ownership based on ownership guidelines (\$)</b>  |  | <b>Minimum required (\$)</b>  |  | <b>Excess over the minimum (\$)</b>               |  |         |
| 2020   |  | 669,992   |  | 285,000   |  | 384,992   |  |         |
| 2019   |  | 518,859   |  | 270,000   |  | 248,859   |  |         |
| Percentage of objective satisfied:<br>235%   |  |   | Target to meet requirement:<br>Satisfied |   |  | Total compensation received in 2020:<br>\$133,131 |  |         |
| <b>Voting results at the annual meeting of shareholders held on February 27, 2020<sup>(4)</sup>:</b> |  |   |  |   |  |   |  |         |
| Votes in favour  |  |   | 309,727,199                              |   | Votes withheld   |   |  | 683,357 |
| Percentage of votes in favour  |  |   | 99.78%                                   |   | Percentage of votes withheld   |   |  | 0.22%   |

(1) The number of Class A Shares, Class B Shares and deferred share units was determined on January 12, 2021 and January 9, 2020, 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 2020 fiscal year, the closing price of the Class A Shares was \$16.58 and \$16.72 for the Class B Shares. For the 2019 fiscal year, the closing price of the Class A Shares was \$15.05 and \$16.38 for the Class B Shares. The value mentioned for Ms. Isabelle Marcoux and Nathalie Marcoux, as well as for Mr. Pierre Marcoux excludes the value of the shares held by Capinabel Inc. having a value of \$211,742,574. Capinabel Inc. is held by Ms. Isabelle Marcoux and Nathalie Marcoux, Messrs. Pierre Marcoux and Rémi Marcoux, corporations they control and trusts which they are the beneficiaries of. Please see the disclosure regarding the ownership of Mr. Rémi Marcoux.

(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) and the closing price of such shares on the Toronto Stock Exchange on October 23, 2020 (the last business day of the 2020 fiscal year) or October 25, 2019 (the last business day of the 2019 fiscal year), as the case may be. For the 2020 fiscal year, the closing price of the Class A Shares was \$16.58 and \$16.72 for the Class B Shares. For the 2019 fiscal year, the closing price of the Class A Shares was \$15.05 and \$16.38 for the Class B Shares. The requirements for Mr. François Olivier are determined based on the ownership requirements for executives of Transcontinental Inc. For Ms. Isabelle Marcoux and Nathalie Marcoux and Messrs. Pierre Marcoux and Rémi Marcoux, held by Capinabel Inc. in the capital of the Corporation are considered in determining their ownership requirements. Ms. Isabelle Marcoux and Nathalie Marcoux and Messrs. Pierre Marcoux and Rémi Marcoux, corporations they control and trusts which they are the beneficiaries of are the sole shareholders of Capinabel Inc., the controlling shareholder of the Corporation. Please see the disclosure regarding the ownership of Mr. Rémi Marcoux.

- (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) The Class A Shares are held by Gestion Isabelle Marcoux inc., a corporation controlled by Ms. Isabelle Marcoux.
- (6) All of the outstanding shares of Capinabel Inc. are held by Ms. Isabelle Marcoux and Nathalie Marcoux and Messrs. Pierre Marcoux and Rémi Marcoux, corporations they control and trusts which they are the beneficiaries of. Capinabel Inc. is controlled by Mr. Rémi Marcoux. The shares held by Capinabel Inc. represent 71.30% 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 61.96% of the voting rights attached to all outstanding shares of the Corporation.
- (7) The deferred share units held by Ms. Isabelle Marcoux were granted pursuant to the Share Unit Plan applicable to the Chair of the Board and those held by Mr. François Olivier were granted pursuant to the Share Unit Plan of Transcontinental Inc. for executives.
- (8) In 2020, the total number of Class A Shares includes 3,700 Class A Shares held by AT Capital, a corporation controlled by Ms. Annie Thabet.

### **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.

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 Governance and Social Responsibility 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 25, 2020, 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 Governance and Social Responsibility Committee meetings.

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



| Director         | Board of Directors<br>(9 meetings) |      | Audit Committee<br>(4 meetings) |      | Human Resources and<br>Compensation<br>Committee<br>(6 meetings) |      | Governance and<br>Social Responsibility<br>Committee<br>(4 meetings) |      | Total<br>Attendance |
|------------------|------------------------------------|------|---------------------------------|------|--|------|--|------|---------------------|
|                  | Number                             | %    | Number                          | %    | Number   | %    | Number   | %    | %                   |
|                  |                                    |      |                                 |      |  |      |  |      |                     |
| Peter Brues      | 9                                  | 100% | 4                               | 100% | 6  | 100% | —  | —    | 100%                |
| Jacynthe Côté    | 9                                  | 100% | —                               | —    | 6  | 100% | —  | —    | 100%                |
| Yves Leduc       | 9                                  | 100% | —                               | —    | —  | —    | 4  | 100% | 100%                |
| Isabelle Marcoux | 9                                  | 100% | —                               | —    | —  | —    | —  | —    | 100%                |
| Nathalie Marcoux | 9                                  | 100% | —                               | —    | —  | —    | —  | —    | 100%                |
| Pierre Marcoux   | 9                                  | 100% | —                               | —    | —  | —    | —  | —    | 100%                |
| Rémi Marcoux     | 9                                  | 100% | —                               | —    | —  | —    | —  | —    | 100%                |
| Anna Martini     | 9                                  | 100% | 4                               | 100% | 6  | 100% | —  | —    | 100%                |
| François Olivier | 9                                  | 100% | —                               | —    | —  | —    | —  | —    | 100%                |
| Mario Plourde    | 9                                  | 100% | —                               | —    | —  | —    | 4  | 100% | 100%                |
| Jean Raymond     | 9                                  | 100% | —                               | —    | 6  | 100% | —  | —    | 100%                |
| François R. Roy  | 9                                  | 100% | 4                               | 100% | —  | —    | —  | —    | 100%                |
| Annie Thabet     | 9                                  | 100% | 4                               | 100% | —  | —    | 4  | 100% | 100%                |

## 4. Compensation of Directors Analysis

### 4.1 Compensation of Directors

The Board of Directors has given the Governance and Social Responsibility 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 Governance and Social Responsibility Committee reviews, on an annual basis, the compensation of the directors who are not employees of the Corporation or its subsidiaries and compares their compensation with that offered by other companies forming part of a comparison group, as well as by other companies. The Governance and Social Responsibility 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 25, 2020, the Corporation reviewed again the compensation offered by the companies forming part of a comparison group. The comparison group was modified in 2020 to remove Metro Inc., Reitmans (Canada) Limited, Saputo Inc., Torstar Corporation and Transat A.T. Inc., and to add BRP Inc., CAE Inc., Dollarama Inc., Gildan Activewear Inc., Richelieu Hardware Ltd., Stella Jones Inc. and TFI International Inc. In addition to the criteria mentioned above, these companies operate in business segments closer to those in which the Corporation operates and have a market capitalization more similar to that of the Corporation.

Hence, for purposes of the compensation of directors payable in 2020, the comparison group was reviewed as follows:

| <b>Companies forming part of the 2020 comparison group</b> |
|--|
| BRP Inc.   |
| CAE Inc.   |
| Cascades Inc.  |
| CCL Industries Inc.  |
| Cogeco Inc.  |
| Dollarama Inc.   |
| Lassonde Industries Inc.                                   |
| Gildan Activewear Inc.                                     |
| Quebecor Inc.  |
| Stella-Jones Inc.  |
| Uni-Select Inc.  |

For 2021, the Corporation has kept the same comparator group.

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 or its subsidiaries remains slightly below the average of the compensation offered by these companies.

Directors 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 25, 2020, annual fees and fixed fees for the committees they serve. Compensation is paid quarterly.

The following table presents the different components of the compensation the directors were entitled to receive during the fiscal year ended October 25, 2020, with the exception of the Chair of the Board and Mr. François Olivier, President and Chief Executive Officer, who, in this latter case, is not compensated in such capacity.

| <b>Type of compensation</b>                                  | <b>Amount</b>           |
|--|-------------------------|
| Annual compensation  | \$95,000 <sup>(1)</sup> |
| Member of the Audit Committee                                | \$13,000                |
| Member of the Human Resources and Compensation Committee     | \$12,000                |
| Member of the Governance and Social Responsibility Committee | \$10,000                |
| Chair of the Audit Committee                                 | \$25,000                |
| Chair of the Human Resources and Compensation Committee      | \$22,000                |
| Chair of the Governance and Social Responsibility Committee  | \$18,000                |
| Lead Director  | \$20,000                |

(1) As of October 26, 2020, the annual compensation fees of the directors increased by \$5,000.

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/her 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 and its subsidiaries.

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 Governance and Social Responsibility Committee.

The latest compensation review of the Chair of the Board was conducted in 2016. Since then, the role and responsibilities of the position have expanded significantly, mainly with respect to the strategic planning and direction of the business with a specific focus on transforming the business toward a flexible packaging model.

Furthermore, the Chair of the Board has assumed additional responsibilities for various strategic initiatives, including mergers and acquisitions, talent and leadership development, inclusion and diversity as well as the social and environmental responsibility of the business.

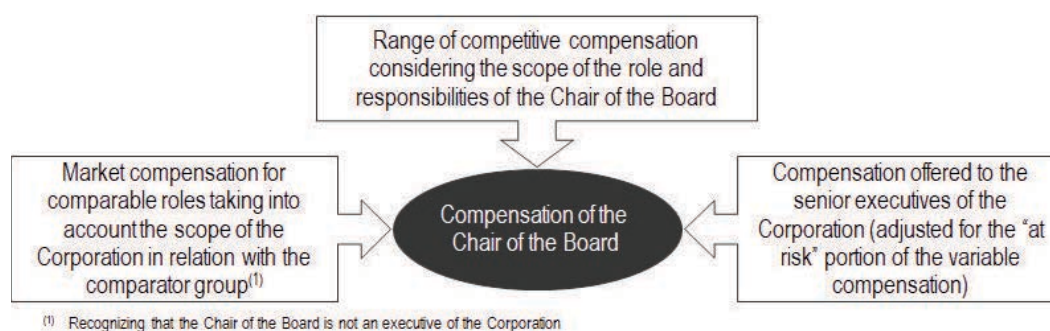
In that context, the Human Resources and Compensation Committee felt appropriate to review the compensation of the Chair of the Board during the last year. The Committee has retained the services of Willis Towers Watson ("WTW") to conduct a market compensation analysis of the role.

As part of its mandate, WTW has developed a comparator group based on the following selection criteria: i) large Canadian listed companies with annual revenues in excess of 1 billion dollar; ii) companies with operations in North America or at the international; iii) family-controlled companies or where a family member is an important shareholder and iv) excluding companies where the Chair of the Board is also the President and CEO.

The table below presents the companies forming part of the comparator group for the Chair of the Board.

| <b>Comparator group for the Chair of the Board</b> |                             |
|--|-----------------------------|
| Alimentation Couche-Tard inc.                      | Leon's Furnitures Limited   |
| Bombardier Inc.                                    | Linamar Corporation         |
| Canadian tire Corporation                          | Loblaw Companies Limited    |
| Cascades inc.                                      | Maple Leaf Foods Inc.       |
| CGI inc.   | Quebecor inc.               |
| Cogeco Communications inc.                         | Rogers Communications Inc.  |
| Corus Entertainment Inc.                           | Shaw Communications Inc.    |
| Empire Company Limited                             | Thomson Reuters Corporation |

Based on the compensation data from the comparator group, WTW has developed a framework to help positioning the Chair of the Board compensation within a competitive and reasonable range consistent with her role and responsibilities as well as the compensation observed in the market for similar roles of comparable scope while remaining below the compensation offered to the key senior executives of the Corporation.



The compensation of the Chair of the Board was set at \$747,400 as of January 1, 2020. Based on the results of the study, the Human Resources and Compensation Committee has recommended to the Board an adjustment to the incentive compensation in 2020. Therefore, her incentive compensation in the form of restricted share units granted is now of \$450,000, subject to a three-year vesting period. Such increase in the form of restricted share units reinforce the alignment of her compensation with the interests of the shareholders.

In accordance with the Corporation's ownership guidelines for directors, as at January 12, 2021, all directors held shares or deferred share units representing an amount equal to at least three times the sum of a director's annual compensation payable in 2020. 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) and the closing price of such shares on the Toronto Stock Exchange on October 23, 2020 (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 25, 2020 (with the exception of Mr. François Olivier who is a Named Executive Officer).

| Director                        | Fees earned<br>(\$) <sup>(1)</sup> | Share-based<br>awards<br>(\$) | Option-based<br>awards<br>(\$) | Non-equity<br>incentive plan<br>compensation<br>(\$) | Pension<br>value<br>(\$) <sup>(2)</sup> | All other<br>compensation<br>(\$) <sup>(3)</sup> | Total<br>(\$) |
|---------------------------------|------------------------------------|-------------------------------|--------------------------------|--|---|--|---------------|
| Peter Brues                     | —                                  | 132,000                       | —                              | —  | —                                       | 10,914   | 142,914       |
| Jacynthe Côté                   | —                                  | 137,000                       | —                              | —  | —                                       | 21,916   | 158,916       |
| Yves Leduc                      | —                                  | 105,000                       | —                              | —  | —                                       | 12,494   | 117,494       |
| Isabelle Marcoux <sup>(4)</sup> | 744,692                            | 450,000                       | —                              | —  | 96,722                                  | 70,539   | 1,361,953     |
| Nathalie Marcoux                | 95,000                             | —                             | —                              | —  | —                                       | 24,761   | 119,761       |
| Pierre Marcoux                  | 95,000                             | —                             | —                              | —  | —                                       | —  | 95,000        |
| Rémi Marcoux                    | 95,000                             | —                             | —                              | —  | —                                       | —  | 95,000        |
| Anna Martini                    | —                                  | 120,000                       | —                              | —  | —                                       | 51,505   | 171,505       |
| Mario Plourde                   | —                                  | 113,000                       | —                              | —  | —                                       | 24,343   | 137,343       |
| Jean Raymond                    | —                                  | 107,000                       | —                              | —  | —                                       | 15,452   | 122,452       |
| François R. Roy                 | 108,000                            | —                             | —                              | —  | —                                       | 16,912   | 124,912       |
| Annie Thabet                    | 59,000                             | 59,000                        | —                              | —  | —                                       | 15,131   | 133,131       |

- (1) Mr. François Olivier is a senior executive of the Corporation and did not receive any compensation for serving as a director. Mr. François Olivier's compensation as President and Chief Executive Officer is disclosed under Section 6.2. The compensation for Ms. Isabelle 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 and its subsidiaries.
- (3) Includes DSUs granted corresponding to dividends declared to holders of Class A Shares and, for Ms. Isabelle Marcoux the cost of indirect benefits.
- (4) Ms. Isabelle Marcoux was compensated as Chair of the Board in the form of an annual salary of \$747,400 as of January 1, 2020, an incentive compensation through the grant of share units, 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. The tables set out below present the total accumulated benefits payable to Ms. Isabelle Marcoux pursuant to the pension plans of the Corporation. See Section 6.4 .

**Table for Defined Benefit Components**

| Name             | Number of<br>years credited<br>service | Annual benefits payable<br>(\$) |           | Accrued<br>obligation at<br>start of year<br>(\$) | Compensatory<br>change<br>(\$) | Non-<br>compensatory<br>change<br>(\$) | Accrued<br>obligation at<br>year end<br>(\$) |
|------------------|--|---------------------------------|-----------|---|--------------------------------|--|--|
|                  |  | At year end                     | At age 65 |   |                                |  |  |
| Isabelle Marcoux | 9.42                                   | 47,000                          | 47,000    | 868,000   | —                              | 71,000                                 | 939,000                                      |

**Table for Defined Contribution Components**

| Name             | Accumulated value at start of year<br>(\$) | Compensatory change<br>(\$) | Accumulation value at year end<br>(\$) |
|------------------|--|-----------------------------|--|
| Isabelle Marcoux | 1,167,069                                  | 96,722                      | 1,263,791                              |

The following table presents the fees paid to each director as such for the fiscal year ended October 25, 2020, 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 (\$) | Compensation as Lead Director (\$) | Total (\$) | % paid in share units |
|---------------------------------|--------------------------|---------------------------------------|--------------------------------------|------------------------------------|------------|-----------------------|
| Peter Brues                     | 95,000                   | 12,000                                | 25,000                               | —                                  | 132,000    | 100%                  |
| Jacynthe Côté                   | 95,000                   | —                                     | 22,000                               | 20,000                             | 137,000    | 100%                  |
| Yves Leduc                      | 95,000                   | 10,000                                | —                                    | —                                  | 105,000    | 100%                  |
| Isabelle Marcoux <sup>(1)</sup> | —                        | —                                     | —                                    | —                                  | —          | —                     |
| Nathalie Marcoux                | 95,000                   | —                                     | —                                    | —                                  | 95,000     | —                     |
| Pierre Marcoux                  | 95,000                   | —                                     | —                                    | —                                  | 95,000     | —                     |
| Rémi Marcoux                    | 95,000                   | —                                     | —                                    | —                                  | 95,000     | —                     |
| Anna Martini                    | 95,000                   | 25,000                                | —                                    | —                                  | 120,000    | 100%                  |
| François Olivier                | —                        | —                                     | —                                    | —                                  | —          | —                     |
| Mario Plourde                   | 95,000                   | —                                     | 18,000                               | —                                  | 113,000    | 100%                  |
| Jean Raymond                    | 95,000                   | 12,000                                | —                                    | —                                  | 107,000    | 100%                  |
| François R. Roy                 | 95,000                   | 13,000                                | —                                    | —                                  | 108,000    | —                     |
| Annie Thabet                    | 95,000                   | 23,000                                | —                                    | —                                  | 118,000    | 50%                   |

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

#### 4.3 Outstanding Share-Based Awards and Option-Based Awards for the Fiscal Year Ended October 25, 2020

The following table presents for each director all outstanding awards at the end of the fiscal year ended October 25, 2020 (with the exception of Mr. François Olivier who is a Named Executive Officer, see Section 6.3.1).

| Director         | Option-based awards  |                            |                        |   | Share-based awards  |   |   |
|------------------|--|----------------------------|------------------------|---|---|---|---|
|                  | Number of securities underlying unexercised options (number) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) <sup>(1)</sup> | Number of shares or units of shares that have not vested (number) | Market or payout value of share-based awards that have not vested (\$) <sup>(2)</sup> | Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(3)</sup> |
| Peter Brues      | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 303,606   |
| Jacynthe Côté    | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 518,773   |
| Yves Leduc       | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 314,829   |
| Isabelle Marcoux | N/A  | N/A                        | N/A                    | N/A   | 39,761 <sup>(4)</sup>   | 623,455   | 120,205   |
| Nathalie Marcoux | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 476,244   |
| Pierre Marcoux   | N/A  | N/A                        | N/A                    | N/A   | —   | —   | —   |
| Rémi Marcoux     | N/A  | N/A                        | N/A                    | N/A   | —   | —   | —   |
| Anna Martini     | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 1,075,795   |
| Mario Plourde    | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 548,400   |
| Jean Raymond     | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 373,152   |
| François R. Roy  | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 325,275   |
| Annie Thabet     | N/A  | N/A                        | N/A                    | N/A   | —   | —   | 332,906   |

(1) The Corporation has ceased granting options since the 2014 fiscal year

(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 23, 2020, being the last business day of the fiscal year, which closing price was \$16.58 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 23, 2020, being the last business day of the fiscal year, which closing price was \$16.58 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 23, 2020, being the last business day of the fiscal year, which closing price was \$16.58 per share.
- (4) The number of share units includes dividends calculated with respect to share units granted on January 9, 2018, January 10, 2019 and January 9, 2020. The share units were granted pursuant to the Share Unit Plan applicable to the Chair of the Board. On January 12, 2021, being the vesting date for the share units granted on January 9, 2018, 7,035 share units vested.

#### 4.4 Option-Based Awards, Share-Based Awards and Non-Equity Incentive Plan for the Fiscal Year Ended October 25, 2020

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 25, 2020 (except for Mr. François Olivier who is a Named Executive Officer, see Section 6.3.2).

| Director         | Option-based awards -<br>Value vested during the year<br>(\$) <sup>(1)</sup> | Share-based awards -<br>Value vested during the year<br>(\$) <sup>(2)</sup> | Non-equity incentive plan<br>compensation -<br>Value earned during the year<br>(\$) |
|------------------|--|---|---|
| Peter Brues      | —  | 142,914   | —   |
| Jacynthe Côté    | —  | 158,916   | —   |
| Yves Leduc       | —  | 117,494   | —   |
| Isabelle Marcoux | —  | 6,250 <sup>(3)</sup>  | —   |
| Nathalie Marcoux | —  | 24,761  | —   |
| Pierre Marcoux   | —  | —   | —   |
| Rémi Marcoux     | —  | —   | —   |
| Anna Martini     | —  | 171,505   | —   |
| Mario Plourde    | —  | 137,343   | —   |
| Jean Raymond     | —  | 122,452   | —   |
| François R. Roy  | —  | 16,912  | —   |
| Annie Thabet     | —  | 74,131  | —   |

- (1) The Corporation has ceased granting options since the 2014 fiscal year.
- (2) For directors other than Ms. Isabelle Marcoux, the value of the share units which vested during the fiscal year ended October 25, 2020 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.
- (3) For Ms. Isabelle Marcoux, the value of the share units which vested during the fiscal year ended October 25, 2020 is calculated in accordance with the provisions of the Share Unit Plan applicable to the Chair of the Board 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. 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 25, 2020, the Board of Directors held nine 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, the annual budget of the Corporation and the consolidated and operating sectors' multiyear plans; (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 by way 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 standing committees, namely (i) the Human Resources and Compensation Committee; (ii) the Governance and Social Responsibility Committee; and (iii) the Audit Committee. From time to time, the Board of Directors establishes committees with special mandates. For example, in 2019, the Board had formed a committee formed of three independent directors with the mandate of reviewing a transaction between the Corporation and a corporation controlled by a director and to recommend its approval by all of the independent directors. The independent directors chosen by the Board were chosen notably for their experience and given the challenges tied to this transaction. Persons related to such director were not directly involved in the negotiations nor were they involved for the Corporation in the approval of the transaction, members of management involved reporting directly to the special committee. The Board intends to follow the same process with respect to any other related party transaction (within the meaning of Instrument 61-101- Protection of Minority Security Holders in Special Transactions) whatever the amount involved. Any other matter with a related party clearly within the mandate of a standing committee of the Board (for example, the compensation of the President and Chief Executive Officer) will be treated by such standing committee which is formed solely of independent directors.

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](http://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 Real Estate Investment Trust, both publicly traded issuers. Mr. Brues was President of large scale international businesses where human resources reported 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 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 and also sit on the Audit Committee of the Corporation. 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 management 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 generally reviewed by management, the Audit Committee and the Board of Directors once or 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 2020, 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, and all directors participated. The Human Resources and Compensation Committee also reviews development programs for successors to the senior executives, high potential individuals, the next generation of executives and women managers.

The Human Resources and Compensation Committee has the appropriate authority 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 25, 2020, the Human Resources and Compensation Committee held six meetings. During this fiscal year, the Human Resources and Compensation Committee, inter alia:

- reviewed the impact of the COVID-19 crisis on the operations of the Corporation, notably with respect to measures implemented related to health, safety and wellness and other protective measures for employees, reductions of personnel, support programs for employees and management compensation;
- as a result of the COVID-19 crisis, retained the services of independent external consultants and conducted with them a rigorous exercise reviewing compensation programs for the executives of the Corporation, the performance criteria applicable under different incentive compensation programs and approved certain adjustments and the calculations determining the amounts to be paid pursuant thereto;

- retained the services of independent external consultants to complete an exhaustive benchmarking exercise and analysis of the compensation of the Chair of the Board, reviewed the results and recommendations following such exercise and recommended for approval by the Board of Directors certain amendments to her compensation;
- reviewed and approved the organizational chart, including the ones for the Packaging Sector, the Printing Sector and certain functions at the head office;
- reviewed and approved the comparison groups used in connection with the compensation of executives;
- reviewed and approved the compensation of the senior executives and the Named Executive Officers;
- reviewed the short, medium and long-term incentive programs for members of the various operating sectors and head office;
- reviewed and approved amendments to the medium-term incentive programs;
- approved the wage and salary increase policy;
- reviewed the value of the grants of share units and recommended their approval to the Board of Directors;
- reviewed and approved the vesting criteria for the performance based share units granted to the executives;
- reviewed programs for the development of successors to senior executives, high potential employees, the next generation of executives and women managers;
- reviewed the succession plans for the Management Committee and the management committees of the operating sectors;
- reviewed reports on complaints regarding human resources matters;
- 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 regarding women representation;
- reviewed and approved the share ownership guidelines as they pertain to the executives;
- discussed with management changes to the management team;
- 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.

### ***Governance and Social Responsibility Committee***

The Governance and Social Responsibility Committee is composed exclusively of three independent directors:

Chair: Mario Plourde

Members: Yves Leduc, Annie Thabet

The Governance and Social Responsibility 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 (including various undertakings and initiatives put forward by the Corporation, performance measures to be used, progress made regarding objectives pre-established and discussed with members of the Committee and the positioning compared to that of other businesses).

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

During the fiscal year ended October 25, 2020, the Governance and Social Responsibility Committee held four meetings. During such fiscal year, the Governance and Social Responsibility 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 members of the Board of Directors and its committees;
- examined the independence of the directors;
- discussed and 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 of Directors;
- reviewed and approved the questionnaires for the assessment of the Board of Directors, 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 committee;
- discussed the initiatives of the Corporation in terms of diversity and women representation launched in compliance with the Corporation's policies on women representation and reviewed progress made;
- reviewed the 2019 Corporate Social Responsibility Plan Progress Report;
- discussed projects of the Corporation relating to sustainability;
- discussed standards to be used in connection with statements regarding social responsibility and sustainability;
- discussed the targets and undertakings of the Corporation in connection with social responsibility and sustainability tied to the United Nations Global Compact;
- discussed the impact of the COVID-19 crisis on packaging materials;
- discussed the strategy of the Corporation regarding recycling;
- discussed recent developments in environmental matters;
- reviewed proposed amendments to the Code of Conduct, the questionnaire and certificates completed by employees and executives with respect to the Code of Conduct;
- 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;
- examined reports setting out transactions made from time to time by insiders; and
- discussed the continuing education opportunities for directors.

## **Audit Committee**

The Audit Committee is composed exclusively of four independent directors:

Chair: Peter Brues

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 efficient internal controls for financial reporting, including with respect to the Corporation's disclosure of financial information; (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 appropriate authority to retain, at the expense of the Corporation, external consultants and experts to discharge its responsibilities.

During the fiscal year ended October 25, 2020, the Audit Committee held four 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;
- discussed the impacts of the COVID-19 crisis on the results of the Corporation;
- examined the financial situation and discussed measures taken by the Corporation in connection with the COVID-19 crisis to maintain a sane financial situation, including regarding tight management of the working capital and the balance sheet and the eligibility under various governmental support programs;
- reviewed and discussed the Corporation's risk management program (including operational, financial and strategic risks), their evolution and actions undertaken to mitigate them as well as those arising from the COVID-19 crisis;
- examined the assumptions underlying the budget for the 2021 fiscal year;
- reviewed reports made with respect to internal controls and the internal audit mandate;
- reviewed and approved the execution of derivative agreements (*ISDA*);
- reviewed, at the time of its renewal, the insurance coverage for the Corporation, including the directors and officers' insurance coverage policy;

- examined the certification of accounting processes;
- reviewed reports 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 environmental and litigation reports;
- reviewed, on a quarterly basis, the hedging programs (including regarding interest rates and exchange rates);
- reviewed the dividend policy and the declaration and payment of dividends, including due to the COVID-19 crisis;
- reviewed reports regarding complaints filed pursuant to the Whistleblowing Policy and Procedure;
- reviewed the report regarding health, safety and wellness statistics;
- reviewed and recommended to the Board the renewal of the 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 25, 2020. A copy of the Annual Information Form can be obtained on SEDAR's Internet site ([www.sedar.com](http://www.sedar.com)), on the Corporation's website ([www.tc.tc](http://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 other stakeholders and participates in public relations activities. The responsibilities of the position have been enhanced in different strategic mergers and acquisitions files, regarding talent and leadership development and concerning inclusion and diversity and corporate social responsibility and sustainability.

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 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](http://www.tc.tc).

### ***Composition of the Board***

The Board of Directors has given the Governance and Social Responsibility 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 Governance and Social Responsibility 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 Governance and Social Responsibility Committee. The Governance and Social Responsibility Committee is composed of three directors, all of whom are independent.

The Governance and Social Responsibility 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 Governance and Social Responsibility 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 Governance and Social Responsibility 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's representation. Potential candidates are generally first met by the chair of the Governance and Social Responsibility Committee and the Chair of the Board. A recommendation is thereafter made to the Governance and Social Responsibility Committee who reviews the candidacy. Finally, the Governance and Social Responsibility 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.

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.



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 Governance and Social Responsibility Committee and the Board of Directors have established that 62% of the Corporation's directors (8 out of 13 ) 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 Governance and Social Responsibility 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 Governance and Social Responsibility Committee has established that 62% of the 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               | Shareholder of Capinabel Inc.         |
| Nathalie Marcoux |             | x               | Shareholder of Capinabel Inc.         |
| Pierre Marcoux   |             | x               | Shareholder of Capinabel Inc.         |
| Rémi Marcoux     |             | x               | 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 term loans for US\$700 million. The Corporation also participates from time to time in derivative financial instruments for interest and currency hedging with CIBC. Mr. Raymond was not involved in the negotiations with, nor 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 25, 2020, the Corporation was in compliance with its covenants pursuant to these credit

facilities. Mr. Raymond did not receive any portion of the fees paid to 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, without the presence of the Chair of the Board and members of management, at each meeting of the Board of Directors. Such meetings are chaired by the Lead Director. During the fiscal year ended October 25, 2020, nine meetings of the Board of Directors having been held, nine meetings of independent directors (in camera) were therefore held. The committees of the Board of Directors are entirely composed of independent directors and members of such committees meet, at each of their meeting, without any members of management in attendance.

The Board of Directors reinforced the role and responsibilities of the Lead Director who, in conjunction with the Human Resources and Compensation Committee, also evaluates the performance of the President and Chief Executive Officer and recommends his compensation. Ms Jacynthe Côté was appointed Lead Director on February 28, 2019.

### 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.

| Name             | Age        |               |            | Director of Transcontinental |              |            | Four Principal Competencies |                |   |                          |   |                                    |   |                             |                            |   |
|------------------|------------|---------------|------------|------------------------------|--------------|------------|-----------------------------|----------------|---|--------------------------|---|------------------------------------|---|-----------------------------|----------------------------|---|
|                  | < 60 years | 60 - 69 years | ≥ 70 years | < 5 years                    | 6 - 10 years | > 10 years | Manufacturing Industries    | Media Industry | Executive Leadership<br>(Chief Executive Officer) | Mergers and Acquisitions | Accounting, Finance and Risk Management | Compensation and Talent Management | Technologies, Research and Development and Innovation | 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 gender diversity and inclusion. 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, diversity and inclusion enable it to live its values of respect, teamwork, performance and innovation. It wants to ensure, among other things, 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, are 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 of Directors level and the other applies to all other levels of the organization, including senior executives.

Pursuant to its policy, the Board of Directors aims for a significant representation of women at the Board of Directors level. To do so, the Governance and Social Responsibility 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. Under its three-year 2019-2021 Corporate Social Responsibility Plan, the Corporation has also set a priority of progressing towards a more balanced gender representation within its leadership by i) ensuring at least 30% of female representation on the Board of Directors, (ii) having at least three women on the Management Committee; and (iii) reaching 30% of women in executive and management positions. These objectives were all achieved during the last fiscal year.

As of the date hereof, 38.5% of the directors are women, namely 5 out of 13 directors. Should the votes be favorable at the Meeting regarding the proposed nominees for election, 38.5% of the directors of the Corporation will be women. The Board of Directors is chaired by a woman. It should also be noted that the Lead Director is a woman, that the Human Resources and Compensation Committee is chaired by a woman, that one-half of said committee is composed of women and that one-half of the Audit Committee is also composed of women.

The composition of the Board of Directors remains first and foremost a question of experience, skills, judgment, personal qualities, values and expertise related to certain business activities brought by a candidate. Furthermore, 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 (packaging and print) and the media sector, which deal with a diverse customer base and which face very different market realities. The Board of Directors is committed to a significant representation of women on the Board of Directors with a real commitment towards diversity and inclusion.

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, (i) proactively identifying talented women and encouraging them to apply for more senior roles; (ii) identifying top talent through its leadership review process; (iii) implementing development opportunities for high potential women; (iv) ensuring that selection and promotion processes are free of gender bias; (v) analyzing statistics and progress on an annual basis; (vi) identifying, within business realities, flexible working options; (vii) promoting the importance of diversity to managers of the Corporation; and (viii) raising their awareness as to their roles and obligations in respect thereof. Hence, for a number of years, a program aimed principally at women executives and managers has been offering development and mobilization activities, including by organizing meetings at least on an annual basis with all of such executives and managers and by offering sponsorship and mentoring programs where members of the Management Committee play an important role in connection with the development of high potential executives and managers or those identified as potential successors for positions on the Management Committee or management committees of the operating sectors of the Corporation. These initiatives have contributed to a number of women progressing at different levels. The Corporation wants to continue having women progress at different levels. It is also implementing various programs aiming at ensuring that a talented pool composed of an adequate number of women who may occupy executive positions by offering talented women opportunities to join the Corporation where they may develop and progress. As more women progress in the organization, the level of gender diversity at the senior executive level should increase. The Corporation has renewed its objectives of maintaining at least three women on the Management Committee; and 30% of women in executive and management positions as these objectives were all achieved as at October 25, 2020. The Corporation wants to continue having women progress at different levels and has sector wide objective tied to

compensation have been introduced for 2021. At the same time last year, 34.5% of senior executives were women. This year, 36.4% of the senior executives are women.

The Corporation has initiated an enlargement process of its actual diversity policy beyond gender diversity, both at the Board and senior management levels, favoring even further an inclusion culture. This exercise is intended to leverage the robust framework already established for gender diversity to include "designated groups" (within the meaning of Article 3 of the *Employment Equity Act* (Canada) which includes women, aboriginal peoples (being Indians, Inuit or Métis), persons with disabilities and members of visible minorities (persons other than aboriginal peoples who are non-Caucasian in race or non-white in color) ("Visible Minorities"). "Persons with disabilities" is defined as meaning persons who have a long-term or recurring physical, mental, sensory, psychiatric or learning impairment and who: (i) consider themselves to be disadvantaged in employment by reason of that impairment; or (ii) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment. This definition also includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace. The Corporation operates in numerous jurisdictions where talent pools formed of designated groups vary from one location to the other. While the Corporation employs an important number of employees who are part of the designated groups, the situation is presently different at the executive and manager levels. The Corporation has recently launched a number of initiatives, including development opportunities to promote their progress within the organization, aiming for greater inclusion of lesbian, gay, bisexual, transgender and queer individuals (the "LGBTQ community") and Visible Minorities, the first two groups where the Corporation intends to focus on and where it believes it may make progress more rapidly.

When looking for a director, the Governance and Social Responsibility Committee analyzes candidates based on the skills and the qualities that the Board of Directors is looking and takes into account the needs for composition of the committees, without bias regarding any designated group. No target has yet been fixed other than with respect to gender diversity, the choice of candidates being more linked to the needs of the Corporation, the experience, the judgment, the values, the skills and personal qualities of the candidates. For the time being, the different aspects of diversity in a broader sense are under analysis at the Board of Directors level in order to design an appropriate framework to support concrete strategies in that respect. The Corporation has adopted similar principles regarding research and hiring of senior management.

As of the date hereof, 38.5% of the directors form part of the designated groups; all of them are women and 39.4% of senior management form part of the designated groups; while 36.4% of senior management are women and 3.0% are members of Visible Minorities.

### **5.3 Tenure and Age of Retirement**

The Governance and Social Responsibility Committee is responsible to conduct on an annual basis the assessment of the directors, the Board of Directors and its committees. The composition of the Board of Directors and committees is an integral part of the evaluation process of the performance of the directors and the Board of Directors. Thereafter, the Chair of the Board meets to discuss with every director individually their performance and participation at the Board of Directors and its committees. The Board of Directors 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 Governance and Social Responsibility 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, satisfying the needs of the board committees, as well as the question of women representation, notably.

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. François R. Roy, has been a member of the Board of Directors for more than 10 years. Since the beginning of 2015, six new directors have been appointed, representing 46.2% of the Board of Directors. Mr. Rémi Marcoux, founder of the Corporation, is the only director of more than 70 years. The average age of the nominees (excluding Mr. Rémi Marcoux, the founder of the Corporation) 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. The Board of Directors also considers certain factors in its choices regarding the efficiency of the deliberations, a diversity in the experience and opinions of the individuals and the fact that the Corporation operates its activities in three industries at the international level, facing very different challenges.

## 5.4 Assessment

The Governance and Social Responsibility 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 few years. 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 of Directors should have.

The Governance and Social Responsibility 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 of Directors 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 Governance and Social Responsibility Committee and the report is then studied by the Governance and Social Responsibility Committee. Thereafter, the chair of the Governance and Social Responsibility 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 Governance and Social Responsibility Committee meets with her personally to discuss the results obtained, once these results have been reviewed by the Governance and Social Responsibility 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 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 reports 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 Governance and Social Responsibility 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 Governance and Social Responsibility 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 and the packaging industry on 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 during the 2020 fiscal year:

| Activity   | Participants       | Date                    |
|--|--------------------|-------------------------|
| Strategic planning                                 | Board of Directors | October 28 and 29, 2019 |
| Key trends in the packaging industry               | Board of Directors | October 28, 2019        |
| The role of the flyer for large Canadian retailers | Board of Directors | October 28, 2019        |



| Activity  | Participants  | Date  |
|---|---|---|
| Recent developments in corporate governance   | Governance and Social Responsibility Committee  | All meetings  |
| Health, safety and wellness   | Human Resources and Compensation Committee<br>Audit Committee                               | All meetings<br>February 26, 2020<br>September 8, 2020  |
| Risk management program, including those tied to the COVID-19 crisis  | Audit Committee<br>Board of Directors   | All meetings<br>June 10, 2020   |
| Circular economy projects and corporate social responsibility   | Governance and Social Responsibility Committee  | December 11, 2019   |
| Packaging Sector - update   | Board of Directors  | December 12, 2019<br>June 10, 2020<br>September 9, 2020   |
| Standards for statements concerning corporate social responsibility and sustainability  | Governance and Social Responsibility Committee  | February 26, 2020   |
| Objectives and undertakings of the Corporation with respect to corporate social responsibility and sustainability tied to the United Nations Global Compact | Governance and Social Responsibility Committee  | February 26, 2020   |
| Issues for the collection and recycling of residual materials   | Board of Directors  | February 27, 2020   |
| Impacts, issues and challenges arising from the COVID-19 crisis   | Board of Directors<br><br>Human Resources and compensation Committee<br><br>Audit Committee | March 27, 2020<br>May 8, 2020<br>June 10, 2020<br>September 9, 2020<br>June 9, 2020<br>September 8, 2020<br>June 9, 2020<br>September 8, 2020 |
| Impact of the COVID-19 crisis on packaging materials  | Governance and Social Responsibility Committee  | June 9, 2020  |
| 2019-2021 Corporate Social Responsibility Plan Status Report  | Governance and Social Responsibility Committee<br>Board of Directors                        | June 9, 2020<br>June 10, 2020   |
| Succession and development plans  | Human Resources and Compensation Committee<br>(All directors present)                       | September 8, 2020   |

Each meeting of the Board of Directors also includes updates of the principal operational challenges as well as 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 of Directors 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 approved a Code of Conduct, a copy of which is available on the Internet site of SEDAR ([www.sedar.com](http://www.sedar.com)) as well as on the Corporation's website ([www.tc.tc](http://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 Governance and Social Responsibility 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 Whistleblowing Policy and Procedure, the Workplace Harassment and Violence Prevention 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 Governance and Social Responsibility 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 of Directors 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 Governance and Social Responsibility 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 matter.

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](http://www.sedar.com)). A copy of 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](http://www.tc.tc).

## **5.7 Sustainability and Social Responsibility**

With the launch in 2019 of its 2019-2021 Corporate Social Responsibility Plan, titled Acting Together, the Corporation put down another marker in its journey by committing to a new set of specific and quantifiable targets. In order to take into account the concerns of the Corporation's stakeholders, in particular in relation to the environmental and social chapter, this plan aims to reconcile the Corporation's business activities with 11 meaningful objectives, relating to its employees, its operations, its products and its communities:

Its employees:

1. maintain a safe and healthy work environment;
2. move towards a more balanced gender representation in leadership;
3. develop its talent;

Its operations:

4. reduce its greenhouse gas emissions;
5. optimize waste management;
6. ensure food safety and quality;

Its products:

7. promote the use of sustainable materials;
8. design for end-of-life;
9. focus on product research and development;

Its communities:

10. invest in its communities;
11. foster employee engagement.

As the Corporation is entering the second year of this three-year plan, it has made promising progress for each of its objectives and is continuing its efforts with determination. In June 2020, the Corporation was named as one of Canada's 50 best corporate citizens, placing in 10<sup>th</sup> position in the Corporate Knights' ranking and appearing in the top 50 for a 17<sup>th</sup> year. The Corporation has achieved this recognition in particular thanks to its high clean revenue score, strong gender diversity at the board and executive levels, its solid safety record, as well as its strong energy and water consumption productivity.

In December 2020, the Corporation passed from a C to a B rating with the CDP (Carbon Disclosure Project) organization, for its disclosure of information related to the management of risks associated with climate change and the protection of forests.

For more information on the results and efforts made by the Corporation regarding sustainability and corporate social responsibility, please consult the "Social Responsibility" section on the Corporation's website ([www.tc.tc](http://www.tc.tc)), including the 2019-2021 three-year plan and the 2019 status report.

As part of good governance practices, the Corporation's strategy and its corporate social responsibility objectives are supervised by the Governance and Social Responsibility Committee of the Board of Directors. Following a long tradition of responsible management, these major directions guide the Corporation with regards to the management of its talent, its environmental objectives, its strategic investments, its partnerships and community commitments, its expansion plans and the creation of value for its shareholders. Moreover, the initiatives that have materialized over the past year respond to the issues raised by its stakeholders as part of the materiality analysis carried out in 2018 with its employees, suppliers, customers, investors and external interest groups.

Over the years, as Canada's largest printer, the Corporation has made a significant and positive impact on forest management practices through its Paper Purchasing Policy; it is an industry leader in sustainable procurement of certified paper and was recognized in Canopy's Blueline rankings among North America's most responsible printers.

As one of the leaders in flexible packaging in North America, the Corporation also wishes to play an active role in creating a circular economy for plastics in the regions where it operates. In this regard, the Corporation has distinguished itself by being the first Canadian manufacturer to join the Ellen MacArthur Foundation's New Plastic Economy Global Commitment. In addition, in early 2020, the Corporation announced the creation of a new Recycling group within TC Transcontinental Packaging and acquired the assets of Enviroplast Inc. marking a further step in the implementation of its circular economy strategy while continuing its research and development efforts in order to produce innovative and environmentally responsible packaging. In the current context, the benefits of safe packaging are also particularly important.

Finally, to emphasize the Corporation's commitment as a corporate citizen, in 2020 it joined the United Nations Global Compact, a voluntary initiative through which signatory companies commit to aligning their approach to social responsibility with universal principles relating to human rights, labour standards and environmental protection. Among the international sustainable development goals defined by the Global Compact, seven goals are fully aligned with the targets of its three-year Acting Together plan and with its policies. For the Corporation, this commitment to the United Nations' objectives confirms its commitment to corporate social responsibility and its integration within its operations and its culture.

The COVID-19 crisis reminds the Corporation of the importance of acting together, in a responsible manner and to do its part as a corporate citizen. The Corporation is determined to continue its efforts and collaborate with all of its stakeholders in order to improve the economic, social and environmental conditions of the world in which we live in.

## **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, certain directors and institutional shareholders. The Lead Director is also involved in such activities. 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 Consulting Services

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

PCI reports to the Committee, who will seek its 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 2020, PCI notably assisted the Corporation with certain aspects of the medium-term incentive plan, particularly with respect to the performance objectives related with the performance share units, the harmonization of grant and payout dates, and the opportunity to differ the vesting and payout of the share units awarded in 2018, 2019 and 2020. PCI also collaborated with the Corporation to review the specifics of the share ownership guidelines, to update the compensation comparison groups and to benchmark some positions against the market, while offering occasional support to the Committee. The Committee considers it obtains independent advice from PCI.

In 2020, the Corporation also retained Willis Towers Watson ("WTW") to obtain advice with respect to the compensation of the Chair of the Board. The Committee also considers that it obtained independent advice from Towers.

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

|                                 | 2020<br>(\$) | 2019<br>(\$) |
|---------------------------------|--------------|--------------|
| <b>Compensation Consultants</b> |              |              |
| PCI - Perrault Consulting       | 93,713       | 30,423       |
| Willis Towers Watson            | 30,348       | —            |

#### 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 social responsibility plan of the Corporation, namely health, safety, wellness and gender diversity. 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
- ✓ 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, both at the consolidated level and at the Sectors level. Furthermore, several performance measures related to profitability and efficiency are used to determine the compensation of executives notably, adjusted net earnings per share, return on capital employed ("ROCE"), cash flows, and adjusted operating earnings before depreciation and amortization ("EBITDA"). In addition to financial measures, the realization of the Corporation's social responsibility plan is also taken into account.
- ✓ The vesting at the end of the three-year cycle is limited to 100% for the performance share units, with the exception of four senior executives for whom an overachievement factor could reach up to 200% of target for awards since 2018.
- ✓ The Corporation 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

The Board of Directors has 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.

In preparation for fiscal year 2020, a process was followed to review the composition of the comparison groups with a view, in particular, to making them more homogeneous for the positions of Sector presidents. Therefore, specific comparison groups were created for them. For the President and Chief Executive Officer, the President, TC Transcontinental Printing, and the President, TC Transcontinental Packaging, the Committee uses comparison groups formed of companies with revenues ranging from 1.1 billion dollars to 7.9 billion dollars, with a median of 3.8 billion dollars. 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 with the exception of one company headquartered in Winnipeg.

The table below illustrates the comparison groups used to establish the Named Executive Officers' compensation. The organizations that were added to the comparison groups are marked with an (N).

| Companies forming the comparison groups <sup>(1)</sup> | President and Chief Executive Officer | President, TC Transcontinental Printing | President, TC Transcontinental Packaging | Chief Financial Officer and Chief Legal Officer and Corporate Secretary |
|--|---------------------------------------|---|--|---|
| Berry Plastics Inc.                                    |                                       |   | ✓  |   |
| BRP Inc. (N)   |                                       |   |  | ✓   |
| CAE Inc.   |                                       |   |  | ✓   |
| Cascades Inc.  | ✓                                     | ✓                                       | ✓  | ✓   |
| CCL Industries Inc.                                    | ✓                                     |   | ✓  | ✓   |
| Cogeco Inc.  |                                       |   |  | ✓   |
| Deluxe Corporation                                     | ✓                                     | ✓                                       |  |   |
| Dollarama Inc.   |                                       |   |  | ✓   |
| Gildan Activewear Inc.                                 |                                       |   |  | ✓   |
| Intertape Polymer Group Inc.                           | ✓                                     | ✓                                       | ✓  |   |
| LSC Communications Inc.                                | ✓                                     | ✓                                       |  |   |
| Quad/Graphics, Inc.                                    | ✓                                     |   |  |   |
| Quebecor Inc.  |                                       |   |  | ✓   |
| Rayonier Advance Materials                             | ✓                                     | ✓                                       | ✓  |   |
| Resolute Forest Products Inc. (N)                      | ✓                                     | ✓                                       |  | ✓   |
| R.R. Donnelley & Sons Company (N)                      |                                       | ✓                                       |  |   |
| Sealed Air Corporation (N)                             | ✓                                     |   | ✓  |   |
| Silgan Holdings Inc. (N)                               | ✓                                     |   | ✓  |   |
| Sonoco Products Company                                | ✓                                     |   | ✓  |   |
| TFI International Inc.                                 |                                       |   |  | ✓   |
| Transat A.T. Inc.                                      |                                       |   |  | ✓   |
| Uni-Select Inc.  |                                       |   |  | ✓   |
| Wipak Ltd.   | ✓                                     | ✓                                       |  | ✓   |

(1) Bemis Company Inc. was removed from the comparison groups following its 2019 acquisition by Amcor Plc which rendered the consolidated company too large for compensation benchmarking purposes. Aimia Inc. and Dorel Industries Inc. were also removed from the comparison groups because the Committee judged they were no longer a reflection of the job market for executives in corporate roles in Québec.

### 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), as well as pension plans, group benefits and indirect benefits.

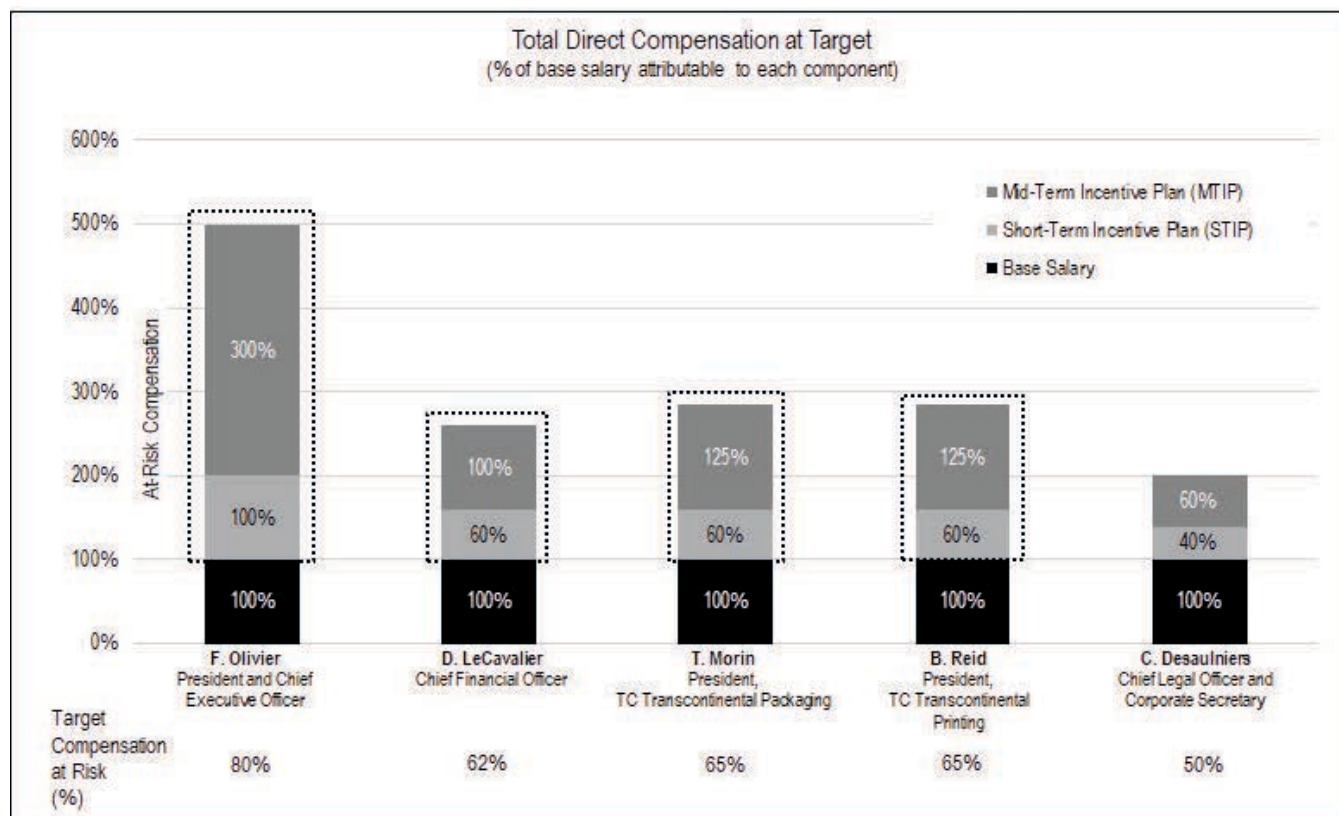
The following table sets forth a summary of the principal components of executive compensation, their type, the manner in which they are determined or granted, as well as the objectives and performance period underlying each component. The target cash compensation and the total target direct compensation 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  |
|--------------------|---|--------------------|---|
| <b>Base Salary</b> |   |                    |   |
|                    | <ul style="list-style-type: none"> <li>Cash compensation determined based upon the inherent responsibilities of the position, the expertise and performance of the individual.</li> </ul> | One year           | <ul style="list-style-type: none"> <li>Recognition of the individual's performance.</li> <li>Attraction and retention of key and high performing executives.</li> </ul> |



| Component  | Description   | Performance period | Objectives   |
|--|---|--------------------|--|
| <b>Short-Term Incentive Compensation (STI)</b>   |   |                    |  |
|  | <ul style="list-style-type: none"> <li>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.</li> <li>Target payment corresponds to a percentage of the base salary between 0% and 100% depending on the position occupied.</li> <li>Maximum payment equivalent to two times the target.</li> </ul>   | One year           | <ul style="list-style-type: none"> <li>Focuses on the achievement of financial and operating objectives specific to each sector or business unit, and on strategic and consolidated financial objectives and objectives related to the Corporation's social responsibility plan.</li> <li>Stimulates performance of the Corporation and achievement of superior financial results and objectives related to the Corporation's social responsibility plan while encouraging collaboration between teams.</li> </ul> |
| <b>Share Unit Plan of Transcontinental Inc. (SUP) (Medium-term incentive compensation)</b> |   |                    |  |
|  | <ul style="list-style-type: none"> <li>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 retention-based share units ("RSUs").</li> <li>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%.</li> <li>Vesting of PSUs, DPSUs and RSUs is determined at the end of a three-year cycle.</li> <li>PSUs and RSUs are payable upon vesting. Vested DPSUs are payable after termination of employment</li> </ul> | Three years        | <ul style="list-style-type: none"> <li>Alignment of the interests of the executives with those of the shareholders.</li> <li>Retention of executives.</li> <li>Recognition of the input of the executives of each sector and their active contribution to the success and medium and long-term performance of the Corporation.</li> <li>A direct link between the executives' compensation and the consequences of their current decisions on the future results of the Corporation.</li> </ul>                    |

The target compensation of the Named Executive Officers at the end of the fiscal year ended October 25, 2020 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%. For purposes of the compensation analysis, the Named Executive Officers include the President and Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers in 2020.



#### 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 1<sup>st</sup> following the end of the fiscal year. For each of 2020 and 2021, the Committee approved a 1.5% salary increase budget for the Printing Sector and a 2.0% budget for the head office and the Packaging and Media Sectors. The annual salary increase budget recommendation is based, among others, upon the economic context and market trends, in particular in the manufacturing sector. Salaries paid in 2020 to the Named Executive Officers are disclosed under the column “Salary” of the Summary Compensation Table in Section 6.2 and were subject to increases commensurate with the budgets with the exception of Mr. François Olivier, Mr. Donald LeCavalier and Mr. Thomas Morin. Mr. François Olivier received an increase of 1.5% compared with 2.0% for the head office. Mr. Donald LeCavalier received an adjustment of 7.5% for each of 2020 and 2021 while Mr. Thomas Morin received an adjustment of 11.8% for 2020 and of 7.5% for 2021 on the basis of updated market data and reflective of their progressions in the role of Chief Financial Officer and President, TC Transcontinental Packaging having been recently nominated in 2018 and 2019 respectively.

#### 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, including objectives related to the Corporation's social responsibility plan. 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 reevaluated on an annual basis by the Committee and communicated to the relevant executives.

For the fiscal year ended October 25, 2020 the performance measures used for purposes of short-term incentive compensation were as follows:

- (i) Financial objectives: the performance measures 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 vary depending on the business sector. These are developed with a medium-term outlook, even if measured on an annual basis.
  - (a) For the Packaging Sector, the performance measures were focused on the net sales growth.
  - (b) For the Printing Sector, the performance measures were focused on cost management measures and the integration of recently acquired companies.
  - (c) For the Media Sector, the performance measures were focused on the increase of the Corporation's market share with respect to the English as a second language books and documents for colleges and universities.
- (iii) Health, safety and wellness objectives: these performance measures were focused on key indicators of the Corporation's health and safety program for the Printing and Packaging Sectors and on the identification of areas of improvement and the development of an improvement plan with respect to health, safety and wellness for all Sectors in accordance with the Corporation's social responsibility plan.
- (iv) Gender diversity objectives: these performance measures were focused on the growth of female representation in executive and management positions in corporate roles and as well as in the Printing and Packaging Sectors and to support their development through an all-female mentorship program in accordance with the Corporation's social responsibility plan.

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 to 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 2020 to measure the Corporation's performance for purposes of the short-term incentive compensation program, as well as their relative weight.

|  | Relative weight of financial indicators of the short term incentive program |                                 |  |  |   |                             |
|--|---|---------------------------------|--|--|---|-----------------------------|
|  | Target short-term incentive (% of base salary)                              | Adjusted net earnings per share | Adjusted operating earnings of the Printing Sector | Adjusted net earnings before amortization, interest and taxes for the Packaging Sector | Health, safety and wellness objectives <sup>(1)</sup> | Gender diversity objectives |
| <b>François Olivier</b><br>President and Chief Executive Officer | 100%  | 90%                             | —  | —  | 5%  | 5%                          |
| <b>Donald LeCavalier</b><br>Chief Financial Officer              | 60%   | 90%                             | —  | —  | 5%  | 5%                          |
| <b>Thomas Morin</b><br>President, TC Transcontinental Packaging  | 60%   | 40%                             | —  | 50%  | 5%  | 5%                          |
| <b>Brian Reid</b><br>President, TC Transcontinental Printing     | 60%   | 40%                             | 50%  | —  | 5%  | 5%                          |

|  | Relative weight of financial indicators of the short term incentive program |                                 |  |  |   |                             |
|--|---|---------------------------------|--|--|---|-----------------------------|
|  | Target short-term incentive (% of base salary)                              | Adjusted net earnings per share | Adjusted operating earnings of the Printing Sector | Adjusted net earnings before amortization, interest and taxes for the Packaging Sector | Health, safety and wellness objectives <sup>(1)</sup> | Gender diversity objectives |
| <b>Christine Desaulniers</b><br>Chief Legal Officer and<br>Corporate Secretary | 40%   | 90%                             | —  | —  | 5%  | 5%                          |

(1) For the President and Chief Executive Officer, this objective is divided equally among the health, safety and wellness objectives of the Packaging Sector, the Printing Sector, the Media Sector and the head office.

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

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

The result is prorated for the number of months worked during the year when applicable. 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 2020 Fiscal Year

The crisis related to the COVID-19 pandemic has disrupted the last seven months of fiscal year 2020 for the last seven months of the year. From the start of the crisis, we were put under the obligation to set new objectives for the Corporation. They were mostly aimed at protecting the health and the security of our employees, at maintaining essential services required by our clients, at implementing further cost containment measures and at protecting our cash flows by a sound management of accounts payable. Efforts were foremost focused on preserving the health of our employees and their families and to ensure we were able to maintain our operating activities as securely as possible. A crisis management committee was established and rigorous preventive measures were deployed company-wide and regularly reviewed in light of newly acquired knowledge with respect to COVID-19. Special care was given to support our clients that provide essential services to the population and to adapt to evolving demand during this period. We therefore optimized production oversight to tend to needs that were often very difficult to foresee in advance. Important cost containment measures were also put into place, for example managers, executives and all other employees not directly involved in production nor fabrication saw their compensation reduced either by shortening of their work week or temporary salary reductions per se. Some individuals preferred to use outstanding vacation days to compensate for loss of income. All members of senior management accepted a 20% salary reduction during the first months of the pandemic. We also had to proceed with temporary layoffs. In these cases, financial support measures were implemented to complement the governmental programs. Lastly, rigorous oversight of financial expenses and cash flows were performed throughout the COVID-19 crisis.

The end result was that the Packaging Sector, main driver of our growth and performing its activities mostly in the United States, improved its profitability significantly compared to the previous financial exercise thanks to operational efficiency gains and to overachievement of forecasted synergies. Furthermore, the sustained demand from our clients providing essential services from food packaging and consumer products sectors during the COVID-19 crisis, enabled us to partly compensate the losses suffered in our other packaging markets.

The Printing Sector was performing above expectations for the first five months of the fiscal year. The sector's revenues were significantly reduced during the COVID-19 crisis. The efficient optimization of the platform, rigorous cost reduction measures and a particular attention to the employees' health and safety enabled the sector to exceed the revised objectives and garner an excellent operating margin before depreciation and solid cash flows.

The profitability of the Media Sector improved importantly compared to the previous financial year having rapidly adapted its offer in innovative fashion in the context of the COVID-19 crisis despite the sale of assets in the specialized media and event organization activities near the end of 2019 which constituted an important part of its portfolio.

The Committee kept a very close watch and frequently reviewed the Corporation's performance and requested the help of independent external consultants in handling this unprecedented situation. To recognize the magnitude of the efforts deployed but mostly to reflect the exceptional results achieved in a very unpredictable environment, it was deemed impossible for the Printing Sector not to consider additional performance targets to those initially agreed upon.

When measuring the performance of the Corporation compared with the objectives that were set at the start of the year, the Committee took into account the robust results achieved by the Corporation notwithstanding the upsetting events. For the Printing Sector, in addition to performance anterior to the COVID-19 crisis, the following elements were considered for the duration of the crisis period: the protection of the health and safety of our employees, the satisfaction of the needs expressed by our clients, cost containment and the rigorous management of financial resources.

The Committee considered all these elements when assessing the Corporation's performance for the fiscal year ended October 25, 2020. After consulting with the Board of Directors and considering the fact that the crisis was handled in a flawless way and that certain objectives were overachieved, certain were achieved in full and others were partially achieved, the Committee, not having taken into account the amounts received from the Canada Emergency Wage Subsidy, recommended to downward adjust the multiplier of the Adjusted net earnings per share component of the formula and restrict it to 162.5%.

The following table presents the objectives for 2020 approved by the Board of Directors, as well as the results achieved by the Corporation.

| Performance measure   | Objective      | Result         | Evaluation of performance <sup>(1)</sup> |
|---|----------------|----------------|--|
| Adjusted net earnings per share (\$) <sup>(2)</sup>   | 2.33           | 2.58           | 162.5%                                   |
| Adjusted operating earnings for the Printing Sector   | <sup>(3)</sup> | <sup>(3)</sup> | 138%                                     |
| Adjusted earnings before amortization, interest and taxes for the Packaging Sector (in millions US dollars) | 156.8          | 167.9          | 188%                                     |
| Operating objectives for the Packaging Sector   | <sup>(4)</sup> | <sup>(4)</sup> | —  |
| Operating objectives for the Printing Sector  | <sup>(5)</sup> | <sup>(5)</sup> | 180%                                     |
| Operating objectives for the Media Sector   | <sup>(6)</sup> | <sup>(6)</sup> | 200%                                     |
| Health, safety and wellness objectives  | <sup>(7)</sup> | <sup>(7)</sup> | 100%                                     |
| Gender diversity objectives   | <sup>(8)</sup> | <sup>(8)</sup> | 100%                                     |

- (1) The payment is established according to payment grids based on the evaluation of the performance with the exception of the adjusted net earnings per share for which the Committee used its discretion as described in footnote (2) below.
- (2) Adjusted net earnings per share published by the Corporation after normalized items, including the exchange rate variations is described below. This year, even though the calculated adjusted net earnings per share largely exceeded the objectives that were set at the start of the financial year which would have resulted in a 200% multiplier, the Board of directors exercised its discretion in capping the multiplier for the adjusted net earnings component to 162.5%.

|  |              |
|--|--------------|
| (In millions of dollars, except per share amounts)   | <b>2020</b>  |
| <b>Net earnings</b>  | <b>131.7</b> |
| Restructuring and other costs (gains) (after tax)  | 42.4         |
| Amortization of intangible assets arising from business combinations (after tax)                           | 52.9         |
| <b>Adjusted net earnings</b>   | <b>227.0</b> |
| <b>Effect of normalizing items on adjusted net earnings applicable to participating shares (after tax)</b> | <b>(1.3)</b> |
| <b>Adjusted net earnings applicable to participating shares (after normalized items)</b>                   | <b>225.7</b> |
| Average number of shares in budget   | 87.3         |
| <b>Adjusted net earnings attributable to shareholders of the Corporation per share</b>                     | <b>2.58</b>  |

- (3) After taking into consideration the above-mentioned elements, the Committee has approved an evaluation of performance of 138%.
- (4) Objectives related to measures related to the growth of net sales.
- (5) Objectives related to achieving cost management measures and the integration of recently acquired companies.
- (6) Objectives related to elements tied to the increase of the Corporation's market share with respect to the English as a second language books and documents for colleges and universities..
- (7) Based upon management's evaluation, the health, safety and wellness objectives were achieved at 100% for every sector.
- (8) Based upon management's evaluation, the diversity objectives were achieved at 100%.



### 6.1.5.3 Medium-Term Incentive Compensation

The objectives of the medium-term incentive plan (see Section 6.1.5.3.1) 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 plan 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.

#### 6.1.5.3.1 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 share units to eligible executives, 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 units 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. Features similar to the SUP are also applicable for the Chair of the Board.

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.

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 revenue 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, EBITDA margin before management fees for the Packaging Sector was also included as a performance measure as he was responsible for the Packaging Sector until July 2019. Depending on measures, their achievement is measured either against three-year averages or as the average result of three yearly targets. An overachievement factor was introduced for two Named Executive Officers.

The vesting of PSUs granted in 2019 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 revenue growth of the Packaging Sector, and EBITDA before management fees for the Packaging Sector. Depending on measures, their achievement is measured either against three-year weighted averages, three-year compounded annual growth rates or as the average result of three yearly targets. The weighting allocated to each measure varies on the basis of the participant's sector and position occupied. An overachievement factor is in effect for three Named Executive Officers.

For all sectors, the vesting of PSUs granted in 2020 is dependent, in part or in whole, on the Corporation's EBITDA and return on capital employed (ROCE). Depending on the sector where a participant performs his duties, an additional financial component equivalent to the sector's EBITDA is also used. Depending on measures, their achievement is measured either against three-year weighted averages, or as the average result of three yearly targets. The weighting allocated to each measure varies on the basis of the participant's sector and position occupied. An overachievement factor is in effect for four Named Executive Officers.



The selected performance measures aim to ensure that the Corporation's strategy of growing the Packaging Sector continues to be 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.

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

#### Grants during the 2020 Fiscal Year

On January 9, 2020 a total of 528,898 share units were granted to 43 persons, of which 156,079 were performance-based (PSUs), 100,540 were deferred performance-based (DPSUs), 266,083 were retention based (RSUs), 3,155 were vested deferred share units (DSUs) and 3,041 vested deferred share units (DSUs) in connection with the conversion of annual short-term incentive compensation.

On February 28, 2020, a total of 14,056 share units were granted to 3 individuals, of which 7,028 were deferred performance based (DPSUs) and 7,028 were retention based (RSUs).

On December 15, 2020, 14,279 retention based share units (RSUs) were granted to 1 individual.

In addition, during the 2020 fiscal year, 32,483 RSUs, 19,946 PSUs, 11,273 DPSUs and 19,257 DSUs were granted, representing the payment of dividends payable regarding grants made on January 9, 2018, January 10, 2019, February 28, 2019, June 6, 2019, January 9, 2020 and February 28, 2020.

On January 12, 2021 a total of 449,399 share units were granted to 45 individuals and 8,303 vested deferred share units (DSUs) were granted in connection with the conversion of annual short-term incentive compensation.

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 after 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 units 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 24 to the Corporation's audited consolidated financial statements for the fiscal year ended October 25, 2020 which are included in the 2020 Annual Report. These documents can be found on the Internet site of SEDAR ([www.sedar.com](http://www.sedar.com)) as well as on the Corporation's website ([www.tc.tc](http://www.tc.tc)).

#### Vesting of the 2018 Grants after the End of the 2020 Fiscal Year

On January 9, 2018 the Corporation granted 312,158 share units, of which 134,741 share units were performance based, 18,278 share units were deferred performance based and 159,139 share units were retention based.

In 2020, modifications were made with respect to share units vesting and payout dates. Whereas in the past share units were awarded in January of the year and paid out in December two calendar years later (in this case, share units awarded on January 9, 2018 were planned to be paid out in December 2020), share units awarded from January 2021 on will become vested and payable on the third anniversary of the award, in January. All other plan features remain unchanged.

Tying in with the above mentioned modifications and given the very volatile financial context related to the COVID-19 crisis, the Corporation opted to put forward a measure that would enable participants who so desire to defer the vesting and payout of their share units up to 12 months. Consequently, Mr. François Olivier, Mr. Donald LeCavalier and Mrs. Christine Desaulniers elected to defer the vesting and payout of their share units awarded on January 9, 2018 to December 2021, while Mr. Brian Reid rather opted for a vesting and payout in January 2021. Mr. Thomas Morin did not participate in the program at

the time since he was hired in 2019. It should be noted that the final value of these units remain subject to the fluctuation of the share price leading to the elected vesting and payout date.

Notwithstanding the vesting and payout deferral for some participants, the performance period related to grants made on January 9, 2018 ended at the conclusion of fiscal year 2020. Vesting of the performance-based share units was based on financial objectives among the following: return on capital employed (ROCE), cash flows generated by the Printing and Media Sectors, organic revenue growth from the Packaging Sector and adjusted operating earnings before depreciation and amortization (EBITDA) for the Packaging Sector. In addition, for the President, TC Transcontinental Printing, EBITDA margin before management fees for the Packaging Sector was also included as a performance measure as he was responsible for the Packaging Sector until July 2019. Following the evaluation of the different performance targets by the Committee, the payout factor for the PSUs and DPSUs adds up to 72% for the corporate executives, to 54% for executives from the Packaging Sector and to 93% for executives from the Printing and Media Sectors. With respect to the Named Executive Officers benefiting from the overachievement factor, such was established at 120% of PSUs on the basis that targets were exceeded for three of the four performance measures.

Of the 159,139 retention based share units that were granted on January 9, 2018, the rights to 7,347 RSUs were vested and these share units were paid out on December 15, 2020, the rights to 32,951 RSUs could become vested and payable on January 12, 2021 and the rights to 70,976 RSUs could become vested and payable on December 14, 2021.

Of the 134,741 performance share units that were granted on January 9, 2018, the rights to 5,328 PSUs were vested and these share units were paid out on December 15, 2020, the rights to 21,736 PSUs could become vested and payable on January 12, 2021 and the right to 70,976 PSUs could become vested and payable on December 14, 2021.

Of the 18,272 deferred performance share units that were granted on January 9, 2018, the rights to 12,019 DPSUs were vested and these share units were converted to vested DSUs on December 15, 2020, the rights to 5,095 DPSUs could become vested and converted to vested DSUs on January 12, 2021.

All rights related to share units that could become vested either on January 12, 2021 or December 14, 2021 will become vested only if the participant remains employed by the Corporation on the date.

The remaining retention based and performance based share units were cancelled upon termination of employment of employees or because performance targets were not met in the case of PSUs on December 15, 2020.

### **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 have to own the equivalent of up to four 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 five years following hiring, promotion or from the moment the employee becomes subject to the share ownership guidelines.

Those guidelines are indicated in the following table.

| <b>Share ownership guidelines</b>            | <b>Multiple of base salary</b> |
|--|--------------------------------|
| President and Chief Executive Officer        | 4                              |
| Chief Financial Officer                      | 2                              |
| President, TC Transcontinental Printing      | 2                              |
| President, TC Transcontinental Packaging     | 2                              |
| Other individual designated by the Committee | Between 0.5 and 1              |

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 compensation payable pursuant to the short-term incentive 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 25, 2020.

| Named Executive Officer   | Number of Class A Shares | Number of vested DSUs | Number of retention based RSUs <sup>(1)</sup> | Total value (\$) <sup>(2)</sup> | Ownership guidelines - Multiple of base salary | % of achievement of the requirement <sup>(3)</sup> |
|---|--------------------------|-----------------------|---|---------------------------------|--|--|
| <b>François Olivier</b><br>President and Chief Executive Officer            | 159,662                  | 224,805               | 271,237                                       | 11,997,037                      | 4  | 277%   |
| <b>Donald LeCavalier</b><br>Chief Financial Officer                         | 16,050                   | 179                   | 28,129  | 802,900                         | 2  | 89%  |
| <b>Thomas Morin</b><br>President, TC Transcontinental Packaging             | 1,816                    | —                     | 53,631  | 919,319                         | 2  | 74%  |
| <b>Brian Reid</b><br>President, TC Transcontinental Printing                | 3,000                    | 22,796                | 66,058  | 1,765,446                       | 2  | 157%   |
| <b>Christine Desaulniers</b><br>Chief Legal Officer and Corporate Secretary | 18,000                   | 32,106                | 21,658  | 1,311,611                       | 1  | 313%   |

(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 23, 2020, being the last business day of the fiscal year.

(3) Even though Mr. Donald LeCavalier and Mr. Thomas Morin have yet to reach their respective requirements, they are still within the prescribed five-year delay.

### 6.1.7 Pension Plans

The pension plans offered to the Named Executive Officers and the retirement savings plan offered to US 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 2020 calendar year was \$1,081,400. The base salary of Mr. François Olivier was increased to \$1,097,600 for the calendar year commencing on January 1, 2021 representing an increase of 1.5% compared to his base salary for the 2020 calendar year. The Committee decided to maintain his short-term variable compensation target.

In 2018, 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 value of PSUs held by the President and Chief Executive Officer at the end of the three-year cycle, if performance objectives are overachieved. The payments related to RSUs and PSUs granted in 2018 will be paid in December 2021 as elected by Mr. François Olivier during this period of uncertainty surrounding the COVID-19 crisis. As outlined in section 6.1.5.3.1, the achievement for the 2018 to 2020 performance period could entitle Mr. François Olivier to a payout corresponding to 120% of the value of his PSUs granted in 2018.

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 25, 2020 was \$1,757,275 (162.5% of the target), compared to \$1,860,455 for the fiscal year ended October 27, 2019.

The table below presents the results achieved for each performance measure.

| Performance measures                                | Objective | Result | Evaluation of performance | Payout <sup>(1)</sup> | Weight |
|---|-----------|--------|---------------------------|-----------------------|--------|
| Short-Term Incentive Compensation                   |           |        |                           |                       | 100%   |
| Adjusted net earnings per share (\$) <sup>(2)</sup> | 2.33      | 2.58   | 1.625                     | 146.25%               | 90%    |
| Health, safety and wellness objectives              | (3)       | (3)    | 100%                      | 8.125%                | 5%     |
| Gender diversity objectives                         | (4)       | (4)    | 100%                      | 8.125%                | 5%     |
| <b>Weighted average</b>                             |           |        |                           | 162.5%                |        |

(1) The payment indicated is established according to payment grids based on the evaluation of the performance with the exception of the adjusted net earnings per share for which discretion was exercised as per note (2) below.

(2) Adjusted net earnings per share are detailed in note 1 of the 2020 objectives table under Section 6.1.5.2. This year, even though the calculated adjusted net earnings per share largely exceeded the objectives that were set at the start of the financial year which would have resulted in a 200% multiplier, the Committee exercised its discretion in capping the multiplier for the adjusted net earnings component to 162.5%.

(3) The health, safety and wellness objectives are detailed in Section 6.1.5.2. These objectives were achieved at 100% for each of the sectors.

(4) The gender diversity objectives are detailed in Section 6.1.5.2. These objectives were achieved at 100% for each of the sectors.

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, 2020, the Corporation granted to Mr. Olivier 102,341 retention based RSUs and 102,341 PSUs. Vesting of these PSUs, which can range from 0% to 200%, is based on the cumulative performance (three-year compounded annual growth rate) of the Corporation's EBITDA and the average result of three annual objectives of return on capital employed for the Corporation.

The amount payable with respect to vested share units granted in 2020 will be determined in January 2023 based on the price of the Class A Shares on the date of payment. 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 date of grant.

In addition, 12,433 RSUs, 12,433 PSUs and 13,342 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 25, 2020.

On January 12, 2021, the Corporation granted to Mr. François Olivier 156,204 share units (RSUs and PSUs).

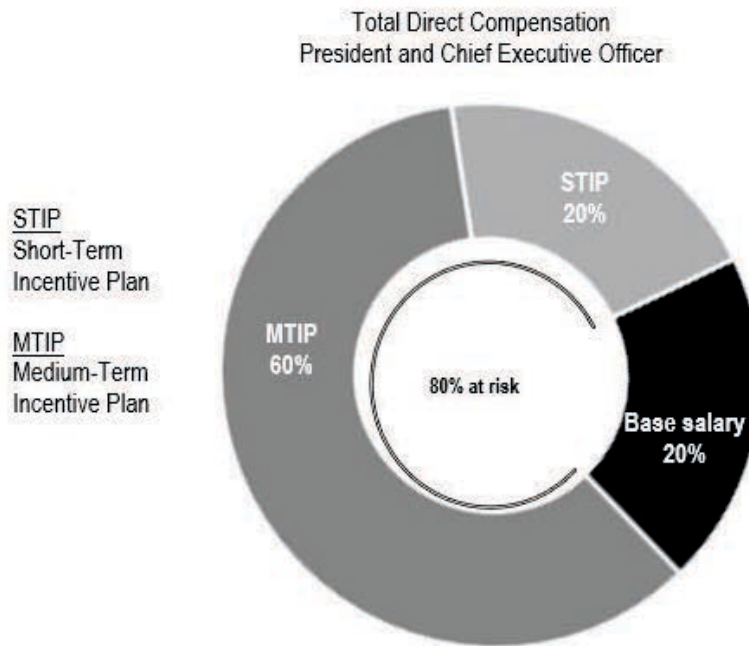
In the event of termination without sufficient cause, the Corporation has agreed to pay to Mr. Olivier an amount equal to two times his base salary and the sum of his short-term incentive compensation for the last two completed years preceding his termination of employment as well as accelerate the vesting of his options and retention based share units. 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 during the last two years preceding his termination of employment. He would also benefit from an acceleration of the vesting of his options and all of his share units. 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 establish a comparison between the target compensation and the total realized compensation of the President and Chief Executive Officer (and realizable later when not yet paid) in the same fiscal year, regardless of the year of the payment.

As indicated in Section 6.1.5 and by the graph below, the vast majority of Mr. François Olivier's compensation is at risk, his realized compensation taking into account, in particular, the level of achievement of the performance criteria and the price of Class A Shares at the time of the payment.



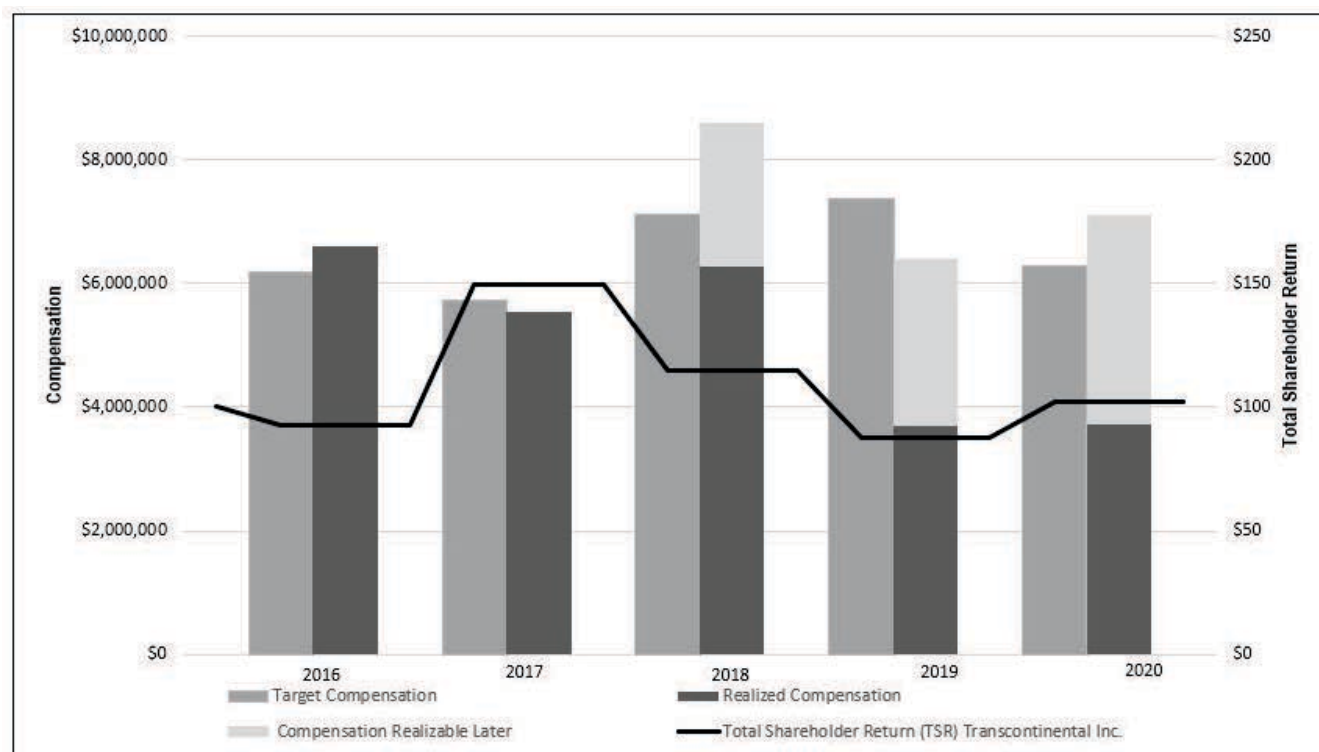
Realized compensation includes base salary, short-term incentive compensation paid, the value of vested share units that have also been paid, the value of the pension benefits and other compensation elements as of October 25, 2020.

Realizable compensation represents all unpaid amounts related to share unit grants, being the value of the share units outstanding as of October 25, 2020. It is understood that these amounts are targets, are based on assumptions and are in no way a guarantee of the actual amounts that could be paid based on the achievement of the objectives and the market price of the Class A Shares at the time of payment.

The realized value of unvested share units is calculated based on the closing price of the Class A Shares on October 23, 2020 (\$16.58), 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.

During the last five fiscal years, the aggregate realized and realizable later compensation of Mr. François Olivier is equivalent to 100% of the target compensation, while the value for shareholders of a \$100 investment is equivalent to 102.5% of its value as of November 1, 2015.



| Fiscal year         | Target compensation for the fiscal year (\$) <sup>(1)</sup> | Realized compensation for the fiscal year (\$) <sup>(2)</sup> | Value of compensation realizable later as of October 25, 2020 for fiscal years 2018, 2019 and 2020 (\$) <sup>(3)</sup> | Value to shareholders at the end of fiscal year of a \$100 investment as of November 1, 2015 (\$) <sup>(4)</sup> |
|---------------------|---|---|--|--|
| 2016                | 6,178,819   | 6,609,612   | —  | 93   |
| 2017                | 5,718,116   | 5,653,444   | —  | 150  |
| 2018 <sup>(5)</sup> | 7,121,597   | 4,161,926   | 2,320,275  | 115  |
| 2019 <sup>(5)</sup> | 7,362,985   | 3,687,426   | 2,712,024  | 87   |
| 2020                | 6,286,827   | 3,720,943   | 3,393,628  | 102  |

- (1) Includes base salary, target short-term incentive compensation, target compensation received pursuant to the special incentive compensation program for 2016, 2017, 2018 and 2019 (the program terminated in 2019), 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, 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 at the end of the three-year cycle. 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 2016, 2017, 2018 and 2019 (the program terminated in 2019), 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 2016 and 2017, the value of pension benefits and the value of other compensation elements.
- (3) Includes the estimated value of the unvested share units granted in 2018, 2019 and 2020 (which will vest in 2021, 2022 and 2023) at the end of the fiscal year 2020, using the closing price of the Corporation's Class A Shares on the Toronto Stock Exchange of \$16.58 as of October 23, 2020, being the last business day of the fiscal year. For PSUs granted in 2018, a multiplier of 120% was applied representative of the performance achieved during the cycle that finished in 2020.
- (4) Value of a \$100 investment in Class A Shares invested on November 1, 2015 and evaluated at the end of each fiscal year mentioned in the table.
- (5) The compensation disclosed for 2018 and 2019 is higher, given that both the special incentive compensation paid (\$1,496,736 for 2018 and \$1,278,480 for 2019) and the increase in the target value of the medium-term incentive program grant for 2018 and 2019 (unvested and that will be paid in 2021 and 2022) are included (\$3,118,211 for 2018 and \$3,196,197 for 2019). The special incentive compensation program ended on October 28, 2019.



The table below shows the total vested and unvested equity of the Corporation owned by Mr. François Olivier as of October 25, 2020. His total ownership value at risk is \$15,368,682.

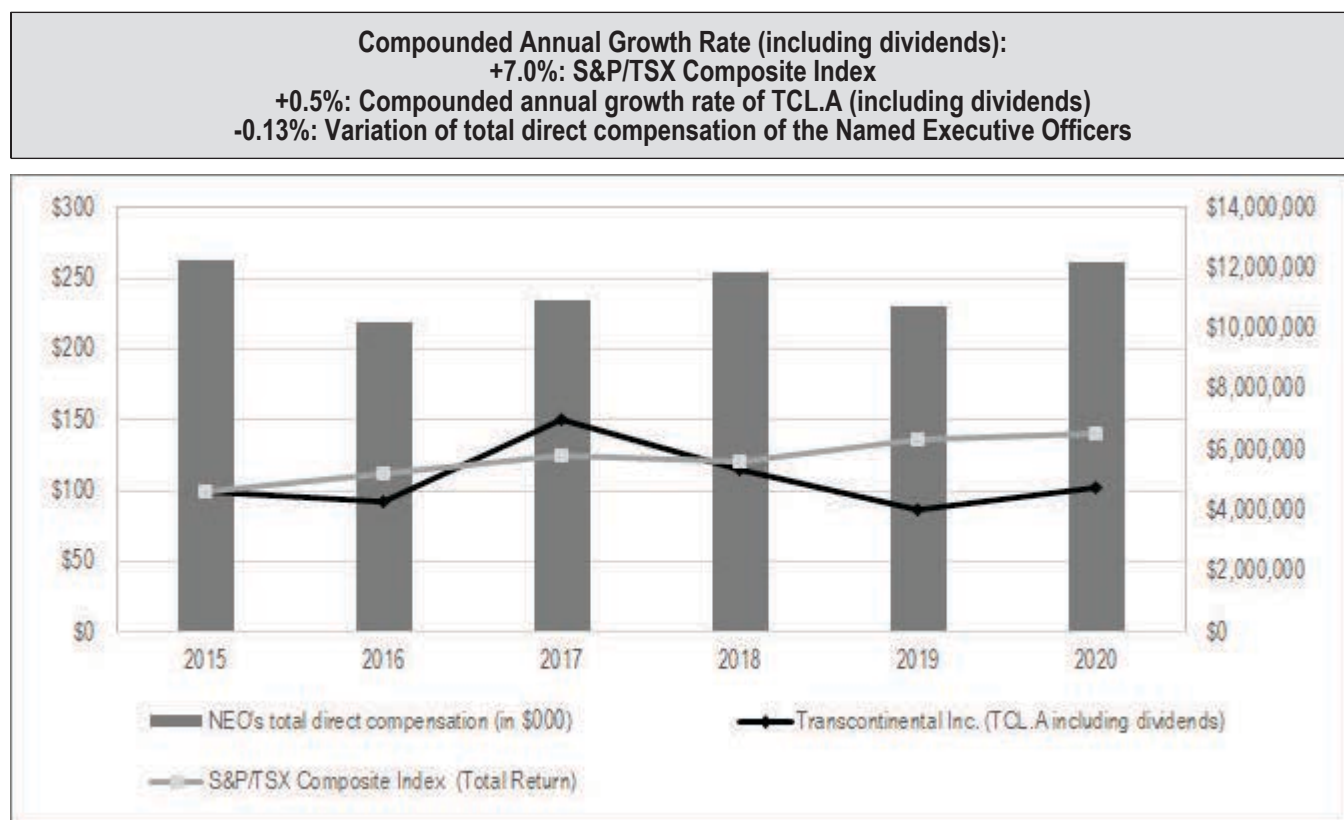
| Holdings             | Shares      | DSUs        | Vested options <sup>(1)</sup> | Total vested | PSUs        | RSUs        | Unvested options <sup>(1)</sup> | Total unvested | Total ownership and value at risk |
|----------------------|-------------|-------------|-------------------------------|--------------|-------------|-------------|---------------------------------|----------------|-----------------------------------|
| Number               | 159,662     | 224,805     | —                             | 384,467      | 271,237     | 271,237     | —                               | 542,474        | \$15,368,682                      |
| Value <sup>(2)</sup> | \$2,647,196 | \$3,727,268 | —                             | \$6,374,464  | \$4,497,109 | \$4,497,109 | —                               | \$8,994,218    |                                   |

(1) Mr. François Olivier's last options were exercised in 2020.

(2) Calculated using the closing price of the Corporation's Class A Shares on the Toronto Stock Exchange of \$16.58 as of October 23, 2020, 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, 2015 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.



| As at:   | October 31, 2015 | October 31, 2016 | October 29, 2017 | October 28, 2018 | October 28, 2019 | October 25, 2020 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| TCL.A  | \$20.15          | \$17.94          | \$28.12          | \$20.85          | \$15.05          | \$16.58          |
| Total direct compensation of the Named Executive Officers (in \$000) | \$12,287         | \$10,242         | \$10,931         | \$11,891         | \$10,754         | \$12,206         |
| S&P/TSX Composite Index (Total Return)                               | \$42,271.89      | \$47,645.50      | \$52,847.06      | \$50,799.62      | \$57,793.26      | \$59,369.55      |

On December 10, 2020, the date on which our financial results were disclosed for 2020, the compounded annual total return rate for shareholders (TCL.A) since December 10, 2015 would have been 6.9%.

### **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 and share based awards) went from \$12,286,519 in 2015 to \$12,206,469 in 2020, an annualized decrease of 0,13 %. During the same period, the price of Class A Shares went from \$20.15 on October 31, 2015 to \$16.58 on October 23, 2020 (the last business day of the fiscal year). The compound annual growth rate, including dividends, of the Class A Shares is 0,49%.

It should be noted that the Named Executive Officers in 2020 were not all the same as those on October 31, 2015 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 these 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. From 2014 to 2019, 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 resulted from the success of the Corporation's transition. This program ended on October 27, 2019. In 2018, the value of the RSU and PSU grants increased to improve the compensation's competitiveness for the President and Chief Executive Officer, and the President, TC Transcontinental Printing. In 2019, the value of the RSU and PSU grants increased for the Chief Financial Officer. Finally, in 2020 the value of the RSU and PSU grants increased for the Chief Financial Officer and the President, TC Transcontinental Packaging, but it was reduced for the President, TC Transcontinental Printing. 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. Besides, these effects were exacerbated in 2020 due to the COVID-19 crisis.

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 per year were considered in the above analysis.

### **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 12, 2021

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 25, 2020, October 27, 2019 and October 28, 2018 for the individuals who held the roles of President and Chief Executive Officer, Chief Financial Officer 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 25, 2020 (the "Named Executive Officers").

The 2020 summary compensation table includes unvested and target RSU and PSU values at the date of grant (January 2020, June 2019, January 2019 and January 2018) corresponding to new SUP targets, as well as the value of the amount paid pursuant to the special incentive compensation program paid in connection with the 2018 and 2019 fiscal years.

Consequently, the total compensation disclosed for 2018 and 2019 is higher than the compensation actually paid for the 2018 and 2019 fiscal years, given that both the special incentive compensation (paid) and the increase in the target value of the medium-term incentive program (unvested) grant for 2018 and 2019 are included.

| Name and principal position  | Year | Salary (\$) | Share-based awards (\$) <sup>(1)</sup> | Option-based award (\$) | Non-equity incentive plan (\$)        |                           | Pension value (\$) | All other compensation (\$) <sup>(3)</sup> | Total compensation (\$) |
|--|------|-------------|--|-------------------------|---------------------------------------|---------------------------|--------------------|--|-------------------------|
|  |      |             |  |                         | Annual incentive plans <sup>(2)</sup> | Long-term incentive plans |                    |  |                         |
| François Olivier<br>President and Chief Executive Officer                        | 2020 | 1,078,508   | 3,244,210                              | —                       | 1,757,275                             | —                         | 183,917            | 701,243                                    | 6,965,153               |
|  | 2019 | 1,060,800   | 3,196,197                              | —                       | 1,860,455                             | —                         | 190,627            | 575,545                                    | 6,883,624               |
|  | 2018 | 1,035,869   | 3,118,211                              | —                       | 2,441,940                             | —                         | 182,044            | 502,074                                    | 7,280,137               |
| Donald LeCavalier<br>Chief Financial Officer                                     | 2020 | 445,481     | 450,013                                | —                       | 438,750                               | —                         | 57,787             | 90,434                                     | 1,482,465               |
|  | 2019 | 425,000     | 366,570                                | —                       | 133,875                               | —                         | 84,250             | 72,623                                     | 1,082,318               |
|  | 2018 | 313,019     | 120,687                                | —                       | 241,360                               | —                         | 32,239             | 59,732                                     | 767,037                 |
| Thomas Morin <sup>(4)(5)</sup><br>President,<br>TC Transcontinental<br>Packaging | 2020 | 628,833     | 772,402                                | —                       | 682,819                               | —                         | 15,359             | 232,381                                    | 2,331,794               |
|  | 2019 | 191,828     | 737,061                                | —                       | 112,502                               | —                         | 1,631              | 320,618                                    | 1,363,640               |
|  | 2018 | —           | —                                      | —                       | —                                     | —                         | —                  | —  | —                       |
| Brian Reid<br>President,<br>TC Transcontinental<br>Printing                      | 2020 | 562,400     | 704,881                                | —                       | 500,067                               | —                         | 84,312             | 171,341                                    | 2,023,001               |
|  | 2019 | 553,194     | 833,381                                | —                       | 516,291                               | —                         | 82,901             | 144,628                                    | 2,130,395               |
|  | 2018 | 540,165     | 812,997                                | —                       | 625,604                               | —                         | 80,964             | 133,034                                    | 2,192,764               |
| Christine Desaulniers<br>Chief Legal Officer and<br>Corporate Secretary          | 2020 | 417,318     | 251,286                                | —                       | 272,220                               | —                         | 58,380             | 105,558                                    | 1,104,762               |
|  | 2019 | 408,831     | 271,372                                | —                       | 86,226                                | —                         | 57,182             | 99,012                                     | 922,623                 |
|  | 2018 | 399,458     | 240,345                                | —                       | 204,632                               | —                         | 55,882             | 93,828                                     | 994,145                 |

- (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 \$24.51, \$19.54, \$14.38 and \$15.85 for grants made on January 9, 2018, January 10, 2019, June 6, 2019 and January 9, 2020, respectively. It should be noted that the actual value received, if any, will be different as it will depend on the portion of the share units that will effectively vest at the expiry of the three-year cycle and the price of the Class A Shares at the time of vesting. Please refer to Section 6.1.8 for a detailed analysis of Mr. François Olivier's realized and realizable later compensation over the last five fiscal years. Vesting of a portion of the share units granted is contingent upon the achievement of performance objectives. The distribution of the values according the type of share units for 2020 is as follows (the targets under the Share Unit Plan for Mr. Donald LeCavalier were increased in 2019 and 2020. They have also been increased in 2020 for Mr. Morin and lowered in 2020 for Mr. Reid. See Section 6.1.10):

| Name and principal position  | RSU         | PSU         | DPSU      |
|--|-------------|-------------|-----------|
| François Olivier<br>President and Chief Executive Officer            | \$1,622,105 | \$1,622,105 | —         |
| Donald LeCavalier<br>Chief Financial Officer                         | \$225,007   | 102,812     | \$122,109 |
| Thomas Morin<br>President, TC Transcontinental Packaging             | \$386,201   | —           | \$386,201 |
| Brian Reid<br>President, TC Transcontinental Printing                | \$352,441   | \$352,441   | —         |
| Christine Desaulniers<br>Chief Legal Officer and Corporate Secretary | \$125,643   | \$125,643   | —         |

- (2) Including the short-term incentive compensation paid and the amount paid pursuant to the special incentive compensation program for Messrs. François Olivier and Brian Reid in 2018 and 2019. 2019 was the last year of this transitory program.
- (3) Including, in 2020, cost of indirect benefits, group insurance, and the value of credited dividends on share units. The value of credited dividends in 2020 is \$617,044 for Mr. François Olivier, \$42,493 for Mr. Donald LeCavalier, \$81,896 for Mr. Thomas Morin, \$123,897 for Mr. Brian Reid and \$61,579 for Ms. Christine Desaulniers. For the President and Chief Executive Officer, the amount includes the sum of \$35,000 relating to a discretionary allowance. For the Chief Financial Officer, the Chief Legal Officer and Corporate Secretary and the President, TC Transcontinental Printing, the amount included the sum of \$17,880 as a car allowance. For the President, TC Transcontinental Packaging, the amount included an amount of \$76,142 as a relocation allowance.
- (4) Mr. Thomas Morin's employment with the Corporation started on July 1, 2019.
- (5) Mr. Thomas Morin is compensated in US dollars. His compensation was converted to Canadian dollars using an exchange rate of 1.32355 for 2019 and 1.3475 for 2020, the average monthly exchange rates, except for the value of the stock-based award which is based on the rate at the time of the grant.

## 6.3 Incentive Plan Awards

### 6.3.1 Outstanding Share-Based Awards and Option-Based Awards - Value at the End of the Fiscal Year Ended October 25, 2020

| Name  | Option-based awards <sup>(1)</sup>                  |                            |                        |  | Share-based awards  |   |   |
|---|---|----------------------------|------------------------|--|---|---|---|
|   | Number of securities underlying unexercised options | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) | Number of shares or units of shares that have not vested <sup>(2)</sup> | Market or payout value of share-based awards that have not vested (\$) <sup>(3)</sup> | Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(4)</sup> |
| <b>François Olivier</b><br>President and Chief Executive Officer            | N/A   | N/A                        | N/A                    | N/A  | 542,474   | 8,735,504   | 3,727,267   |
| <b>Donald LeCavalier</b><br>Chief Financial Officer                         | N/A   | N/A                        | N/A                    | N/A  | 56,259  | 869,709   | 2,968   |
| <b>Thomas Morin</b><br>President, TC Transcontinental Packaging             | N/A   | N/A                        | N/A                    | N/A  | 107,263   | 1,681,884   | —   |
| <b>Brian Reid</b><br>President, TC Transcontinental Printing                | N/A   | N/A                        | N/A                    | N/A  | 132,115   | 2,131,357   | 377,958   |
| <b>Christine Desaulniers</b><br>Chief Legal Officer and Corporate Secretary | N/A   | N/A                        | N/A                    | N/A  | 43,315  | 654,444   | 532,317   |

(1) The Company stopped granting stock options in fiscal year 2014.

(2) Including unvested retention based share units and performance based share units, as at October 25, 2020, inclusive of dividend equivalents linked to the share units.

(3) The market value of all share units is based on the closing price of the Class A Shares on the Toronto Stock Exchange on October 23, 2020, being the last business day of the fiscal year, which closing price was \$16.58 per share. The market value of the performance based share units is calculated based on the target payment which could be made, being 120% for Mr. François Olivier and Mr. Brian Reid and 72% for Mr. Donald LeCavalier and Mrs. Christine Desaulniers for performance share units awarded in 2018 and 100% for all named executive officers for 2019 and 2020 share unit grants. The value was also calculated using the October 23, 2020 closing price of the Class A Shares on the Toronto Stock Exchange.

(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 23, 2020, being the last business day of the fiscal year, which closing price was \$16.58 per share.

On January 12, 2021, the Corporation granted a total of 235,373 retention-based share units, 214,026 performance-based share units and 8,303 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 25, 2020

| Name   | Option-based awards - value vested during the year (\$) <sup>(1)</sup> | Share-based awards - value vested during the year (\$) <sup>(2)</sup> | Non-equity incentive plan compensation - value earned during the year (\$) |
|--|--|---|--|
| <b>François Olivier</b><br>President and Chief Executive Officer | —  | 1,387,394   | 1,757,275  |
| <b>Donald LeCavalier</b><br>Chief Financial Officer              | —  | 80,560  | 438,750  |
| <b>Thomas Morin</b><br>President, TC Transcontinental Packaging  | —  | —   | 682,819  |
| <b>Brian Reid</b><br>President, TC Transcontinental Printing     | —  | 323,765   | 500,067  |

| Name  | Option-based awards -<br>value vested during the<br>year<br>(\$) <sup>(1)</sup> | Share-based awards -<br>value vested during the<br>year<br>(\$) <sup>(2)</sup> | Non-equity incentive<br>plan compensation -<br>value earned during the<br>year<br>(\$) |
|---|---|--|--|
| <b>Christine Desaulniers</b><br>Chief Legal Officer and Corporate Secretary | —   | 160,410  | 272,220  |

(1) The Corporation ceased to grant options in 2014.

(2) The value of share units which vested during the year ended October 25, 2020 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. The grants pursuant to the medium-term incentive compensation made during the 2017 fiscal year when the price of the Class A Shares was \$22.67 per share unit vested and were paid at a price of \$13.83 per share unit in December 2019.

The following table lists the number and net value of options realized that were exercised during 2020 by each Named Executive Officer:

| Name  | Number of Shares<br>Acquired Upon Exercise | Exercise Price<br>(\$) | Net Value Realized Upon<br>Exercise<br>(\$) <sup>(1)</sup> |
|---|--|------------------------|--|
| <b>François Olivier</b><br>President and Chief Executive Officer            | 117,452                                    | 11.33                  | 293,630  |
| <b>Donald LeCavalier</b><br>Chief Financial Officer                         | —  | —                      | —  |
| <b>Thomas Morin</b><br>President, TC Transcontinental Packaging             | —  | —                      | —  |
| <b>Brian Reid</b><br>President, TC Transcontinental Printing                | —  | —                      | —  |
| <b>Christine Desaulniers</b><br>Chief Legal Officer and Corporate Secretary | 17,788                                     | 11.33                  | 78,445   |

(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.

### 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 25, 2020.

| Type of plan   | Number of securities issuable<br>upon exercise of outstanding<br>options, warrants or rights at<br>October 25, 2020 | Average weighted exercise<br>price of outstanding options,<br>warrants and rights at<br>October 25, 2020 | Number of remaining<br>securities issuable pursuant to<br>equity share based<br>compensation plans at<br>October 25, 2020 |
|--|---|--|---|
| Share based compensation plan<br>approved by security holders <sup>(1)</sup><br>Class A Shares | —   | —  | 3,448,395   |
| Share based compensation plan<br>not approved by security holders                              | —   | —  | —   |

(1) Pursuant to the Stock Option Plan.

On October 25, 2020, 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. As such, the last outstanding options were exercised in 2020. 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) as of October 25, 2020, the total number of Class A Shares issuable following the exercise of any options granted under the SOP (the "Reserved Shares") was 6,078,562, representing 6.98% of the outstanding Class A Shares and 7.92% of the voting rights attached to the Corporation's outstanding shares. Of this number, a balance of 3,448,395 Reserved Shares could 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) 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;
- (vi) 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;
- (vii) 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);
- (viii) the options can in no way be assigned or transferred, except by means of a will or pursuant to applicable laws regarding estates; and
- (ix) 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 24 to the Corporation's audited consolidated financial statements for the fiscal year ended October 25, 2020 which are included in the 2020 Annual Report. These documents can be found on the Internet site of



SEDAR ([www.sedar.com](http://www.sedar.com)) as well as on the Corporation's website ([www.tc.tc](http://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 with the exception of Mr. Thomas Morin, a funded basic plan covering DC contributions up to the tax ceiling and a partially funded supplemental plan and partially funded 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 (\$27,830 in 2020). 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 \$309,222 in 2020 (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 \$309,222. 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 transitory 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.

Being located in the United States, Mr. Thomas Morin participates in the Corporation's 401(k) retirement savings plan. Under such plan, a participant may make the maximum contribution allowed by the United States' Internal Revenue Service (US\$19,500 in 2020) and an additional "catch-up" contribution if he is age 50 or older (US\$6,500 in 2020). In 2020, total contributions by the participant who is age 50 or older may therefore not exceed US\$26,000. The Corporation matches contributions at 50% on the first 6% of salary contributed by the participant, for a maximum contribution of 3% of salary. The employer contribution may not exceed 3% of the maximum allowed salary of US\$285,000 in 2020, namely US\$8,550.

##### **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 2020, the average salary is limited to \$181,896 (increased January 1 of each year according to the eligible tax ceiling) for the basic plan, to \$336,999 (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 (\$27,830 in 2020).
- *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 25, 2020.

| 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 |  |                          |                              |                                     |
| <b>François Olivier</b><br>President and Chief Executive Officer                 | 15.67                            | 124,000                      | 124,000   | 2,327,000                                | (21,000)                 | 165,000                      | 2,471,000                           |
| <b>Donald LeCavalier</b><br>Chief Financial Officer                              | 3.86                             | 22,000                       | 22,000    | 487,000                                  | —                        | 37,000                       | 524,000                             |
| <b>Thomas Morin<sup>(1)</sup></b><br>President,<br>TC Transcontinental Packaging | —                                | —                            | —         | —  | —                        | —                            | —                                   |
| <b>Brian Reid</b><br>President,<br>TC Transcontinental Printing                  | 18.17                            | 68,000                       | 68,000    | 1,307,000                                | —                        | 89,000                       | 1,396,000                           |
| <b>Christine Desaulniers</b><br>Chief Legal Officer and Corporate Secretary      | 4.54                             | 31,000                       | 31,000    | 580,000                                  | —                        | 37,000                       | 617,000                             |

(1) Mr. Thomas Morin does not participate in the DB Components.

#### 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 25, 2020 pursuant to the provisions in effect.

| Name   | Accumulated value at start of year (\$) | Compensatory change (\$) <sup>(1)</sup> | Accumulation value at year end (\$) |
|--|---|---|-------------------------------------|
| <b>François Olivier</b><br>President and Chief Executive Officer               | 2,805,708                               | 204,917                                 | 3,010,625                           |
| <b>Donald LeCavalier</b><br>Chief Financial Officer                            | 600,140                                 | 57,787                                  | 657,927                             |
| <b>Thomas Morin</b> <sup>(2)</sup><br>President, TC Transcontinental Packaging | 8,604                                   | 15,359                                  | 23,963                              |
| <b>Brian Reid</b><br>President, TC Transcontinental Printing                   | 1,211,999                               | 84,312                                  | 1,296,311                           |
| <b>Christine Desaulniers</b><br>Chief Legal Officer and Corporate Secretary    | 885,479                                 | 58,380                                  | 943,859                             |

(1) Represents the employer contributions to the DC Components for the fiscal year ended October 25, 2020.

(2) Mr. Thomas Morin participates in the Corporation's retirement savings plan 401(k) for US employees. To establish their value, the contributions were converted to Canadian dollars using a rate of 1.3475.

## 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 or new hires carried out by the Corporation may contain specific terms and conditions in case of termination of employment, which may provide for the payment of indemnities. As at October 25, 2020, the President and Chief Executive Officer and the President, TC Transcontinental Packaging are the only Named Executive Officers who have 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 contract, 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, if not paid at the date of termination of employment. | Eligible to the incentive compensation earned in the previous fiscal year, if not paid at the date of termination of employment. <sup>(1)</sup> | 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. <sup>(2)</sup>     | 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. <sup>(3)</sup>   | 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. <sup>(3)</sup>     | 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. <sup>(3)</sup>     | Non-vested share units at the date of termination of employment are cancelled. |

| Compensation plan | Resignation   | Involuntary termination   | Retirement   | Death   | Termination following a change of control  | Termination for cause   |
|-------------------|---|---|--|---|--|---|
| 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. <sup>(4)</sup> | 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. <sup>(5)</sup>  | 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             |
| 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. <sup>(6)</sup> | 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 earned during the last two completed years prior to the termination of employment.
- (2) Mr. François Olivier is also eligible to the sum of the short-term incentive compensation earned during the last two completed years prior to the termination of employment.
- (3) Mr. François Olivier is eligible to the acceleration of the vesting of all non-vested share units.
- (4) 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.
- (5) 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.
- (6) There is no provision related to any age restriction for Mr. François Olivier .

### 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 reason of the termination, there is no provision 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 25, 2020.

| <b>François Olivier</b><br>President and Chief<br>Executive Officer | <b>Resignation</b><br><b>(\$)</b> | <b>Involuntary</b><br><b>termination</b><br><b>(\$)</b> | <b>Retirement</b><br><b>(\$)</b> | <b>Death</b><br><b>(\$)</b> | <b>Termination of</b><br><b>employment</b><br><b>following a</b><br><b>change of</b><br><b>control</b><br><b>(\$)</b> | <b>Termination for</b><br><b>cause</b><br><b>(\$)</b> |
|---|-----------------------------------|---|----------------------------------|-----------------------------|---|---|
| Severance   | —                                 | 2,162,800   | —                                | —                           | 2,162,800   | —   |
| Short-term incentive<br>compensation <sup>(1)</sup>                 | —                                 | 1,860,455   | —                                | —                           | 3,617,730   | —   |
| Special incentive<br>compensation                                   | —                                 | —   | —                                | —                           | —   | —   |
| Vested share units <sup>(2)</sup>                                   | —                                 | —   | —                                | —                           | —   | —   |
| Unvested share units <sup>(2)</sup>                                 | —                                 | 4,497,109   | —                                | —                           | 8,994,218   | —   |
| Stock options <sup>(2)</sup>  | —                                 | —   | —                                | —                           | —   | —   |
| Value of accrued pension<br>obligation                              | —                                 | —   | —                                | —                           | —   | —   |
| <b>Total</b>  | <b>—</b>                          | <b>8,520,364</b>  | <b>—</b>                         | <b>—</b>                    | <b>14,774,748</b>   | <b>—</b>  |

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

(2) The value is calculated based on the closing price of the Class A Shares on October 23, 2020 being the last business day of the fiscal year, of \$16.58.

### 6.5.2 Other Named Executive Officers

Regardless of the reason of termination, there are no contractual provisions 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 not determined. 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 25, 2020.

|  | <b>Donald LeCavalier</b><br>Chief Financial Officer<br><b>(\$)</b> | <b>Brian Reid</b><br>President,<br>TC Transcontinental<br>Printing<br><b>(\$)</b> | <b>Thomas Morin</b><br>President,<br>TC Transcontinental<br>Packaging<br><b>(\$)</b> | <b>Christine Desaulniers</b><br>Chief Legal Officer and<br>Corporate Secretary<br><b>(\$)</b> |
|--|--|---|--|---|
| Severance                              | —  | —   | —  | —   |
| Short-term incentive<br>compensation   | —  | —   | —  | —   |
| Special incentive compensation         | —  | —   | —  | —   |
| Vested share units <sup>(1)</sup>      | —  | —   | —  | —   |
| Unvested share units <sup>(1)</sup>    | —  | —   | —  | —   |
| Stock options <sup>(1)</sup>           | —  | —   | —  | —   |
| Value of accrued pension<br>obligation | —  | —   | —  | —   |
| <b>Total</b>                           | <b>—</b>   | <b>—</b>  | <b>—</b>   | <b>—</b>  |

(1) The value is calculated based on the closing price of the Class A Shares on October 23, 2020, being the last business day of the fiscal year, of \$16.58.

## **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 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.

### **7.3 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 25, 2020. Copies of these documents and additional information concerning the Corporation can be found on the Internet site of SEDAR ([www.sedar.com](http://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](http://www.tc.tc)).

### **7.4 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 14, 2021.

### **7.5 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 12<sup>th</sup> day of January, 2021.



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, these responsibilities falling 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 year term, subject to re-election by shareholders at the following annual meeting. The Board can, during the year, fill any vacancy or appoint a director, to the extent permitted by law.
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/her responsibilities.

Before accepting a seat on the board of a private or public company, a director must inform the Chair of the Board and request her approval. The Chair of the Board will review such request with the chair of the Governance and Social Responsibility Committee to ensure there are no actual or potential conflicts and decide whether such director should continue to sit on the Board if such director accepts to sit on the other board .

A director experiencing a material change in his/her principal occupation shall discuss such change with the Chair of the Board. The Chair of the Board and the chair of the Governance and Social Responsibility Committee will then review the circumstances of such change and actual or potential conflicts, if any, and decide whether such director should continue to sit on the Board or offer his/her resignation.

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 from participating in the discussions on any matter relating to the actual or potential conflict of interest situation or vote thereon.
5. **Training.** Each director has access to information relevant to the affairs of the Corporation, including the mandates of the Board and its committees, the descriptions of the role and responsibilities of each committee chair, the Chair of the Board, the Lead Director and the President and Chief Executive Officer, the 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. **Ownership guidelines.** Each director (other than a director who is also an officer 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 an annual 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, respecting the values of the Corporation;
- (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 the principal acquisitions and divestitures and material transactions outside the normal course of operations of the Corporation or other transactions in accordance with the policy on delegation of authority approved by the Board from time to time;
- (viii) Approve, prior to their disclosure, the interim and annual financial statements of the Corporation, including the accompanying notes, the management's discussion and analysis and press releases relating to the interim and annual financial results;
- (ix) Examine the results of the Corporation based on its strategic plan, its business plans, its budget and other objectives; and
- (x) 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, review his compensation and ensure that a succession plan is implemented;
- (ii) Review the organizational structure, succession planning and training plans for senior executives and the performance of senior executives; and
- (iii) Review regularly the statistics and the 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 Governance and Social Responsibility 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 senior management;
- (v) Evaluate the efficiency of the Board and its committees and ensure that the Chair of the Board is evaluated and that directors conduct a self-evaluation;
- (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) Examine that the independence of directors from senior management;
- (viii) Provide an orientation and training program for Board members and ensure that all new directors have access to a full training program. Provide all 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 of 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' compensation 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 of its committees; 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 to 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; and
- (ii) Review reports and initiatives of the Corporation regarding sustainability; and
- (iii) Review reports relating to policies and practices linked to corporate 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 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, by electronic means or in such other manner which allows participants to communicate with all others adequately. 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 Governance and Social Responsibility Committee, all of which have the responsibilities set out in their mandate 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 or her 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 or she has received and has read the Code of Conduct and that they he or she agrees to comply with it.



**Transcontinental Inc.**

1 Place Ville Marie, Suite 3240  
Montréal, Québec, Canada H3B 0G1  
[www.tc.tc](http://www.tc.tc)