

June 27, 2014

To: Jean Francois Pruneau
From: West Face Capital Inc.
Re: Wind Canada

Jean-Francois,

We appreciated the opportunity to meet with you earlier this week to discuss our mutual interest in Wind Canada. The following is intended to provide a proposed construct for jointly moving forward on this opportunity which we hope you will find constructive in advancing our discussions:

West Face Capital Proposal

1. West Face Capital (WFC) would like to enter into an exclusive working relationship with Quebecor Inc. (QBR) to pursue the acquisition of Wind Canada from VimpelCom
2. Upon execution of an NDA, we would propose to begin the exchange of diligence materials and associated financial forecasts on an immediate basis
3. We believe that we have a period of approximately two weeks to negotiate an SPA with the vendors and WFC and its legal advisor, Davies Ward, have been in the process of exchanging drafts of the agreement – we would like to have QBR involved in that process and position ourselves to close as co-purchasers along with agreed sources of third party capital
4. We believe that identified funding sources of approximately \$360 million would be required to close the transaction, comprised of roughly \$310 million in purchase consideration (with the first \$160 million used to retire principal and accrued interest on existing third party vendor debt) and up to \$50 million to fund working capital requirements of the business
5. We would propose targeting an ownership split on closing of roughly 40% QBR, 30% WFC and 30% minority investors
6. Board representation and governance rights would be proportional to our respective investments provided that representatives put forward by the minority investors would need to be mutually acceptable to QBR and WFC
7. We would propose that the investment capital committed by QBR and WFC be in the form of convertible debentures or convertible preferred shares whereas third party capital would be raised as subordinate, common equity

- [NTD – should we consider the possibility of asking that the WFC money be senior, and that each of QBR and third party capital be common in return for allowing QBR to get credit for the spectrum they are vending into Newco]
8. QBR's ownership position would be acquired through a combination of cash plus an agreed contributed value for its 5x5 AWS spectrum in Toronto
 9. The ownership positions of each of WFC and the minority investors would be acquired for cash
 10. Each of QBR and WFC would assume responsibility for funding no less than their pro-rata equity contributions on a go-forward basis – minority investors would have the option (but not the obligation) of participating in future capital contributions on terms agreed between QBR and WFC
 11. Employing a \$311 million purchase price for the business, and \$30 million of assigned value to the AWS spectrum contributed by QBR, the transaction value on closing would be \$341 million (see attached table)
 12. Working capital draws would be funded through access to a third party \$50 million revolving credit facility but we may also ask that QBR consider temporarily bridging this facility post closing [NTD – to be discussed]
 13. Over a three year investment period from closing, we anticipate that the business will require incremental equity investment of between \$200-\$300 million – this assumes access to vendor financing necessary to complete the roll-out of LTE and high yield financing of no less than \$200 million, which is likely conservative
 14. Our models do not contemplate capital outlays for the acquisition of additional AWS spectrum as our stand-alone business case assumes future access to either of AWS-3 from Industry Canada on favourable terms and/or the acquisition of Mobilicity and their associated spectrum for equity consideration
 15. We believe that a broad networking sharing agreement with Rogers may be attainable – this has also not been factored into our forecasts
 16. We are both in agreement that changes would be made to senior management of Wind post closing and we would work with QBR to arrive at suitable candidates to assume those roles, including the appointment of a new CEO
 17. QBR has expressed an interest in ultimately owning and controlling 100% of newco; similarly, WFC requires a future path to liquidity on its investment. Our investment horizon would likely target a 5-year end point in the absence of other options such as in initial public offering or sale of the business. We would be willing to explore various alternatives to meet our mutual

objectives including a put/call arrangement with pre-determined return hurdles.

18. In order to move forward, you and the board of QBR would need to be prepared to move expeditiously on reaching a definitive SPA with us and the vendor
19. As part of this SPA, we would need to agree on an interim funding arrangement with the vendor between the time the SPA is executed and the time at which we receive regulatory approval and close
20. Assuming satisfactory resolution of the SPA, we would also need to put in place a suitable Shareholders Agreement as well as any agreements governing the operating relationship or services relationship as between QBR and the newco

Pro-Forma Capitalization

	Acquisition Funding	Spectrum Credit	Pro-Forma Valuation	Ownership
	\$ mm	\$ mm	\$ mm	%
Quebecor	106.4	30.0	136.4	40.0
West Face	102.3		102.3	30.0
Minority	102.3		102.3	30.0
Total	311.0	30.0	341.0	100.0

Revolving credit facility of \$50.0 million to be available on closing