

## SUMMARY TERM SHEET

July 8, 2014

*(Amounts in Canadian dollars unless otherwise noted)*

*This term sheet is for discussion purposes only, does not include all of the material business and legal terms necessary to conclude the transactions described further below, and does not constitute a legally binding agreement. The transactions contemplated by this term sheet are subject to negotiation and execution of definitive agreements. This term sheet does not constitute an offer to sell or an offer to purchase securities. Notwithstanding the foregoing, the sections below entitled "Expenses", "Exclusivity", "Confidentiality/Public Announcements" and "Governing Law" shall be binding on the parties hereto from and after the date of execution of this term sheet by both parties.*

Transaction Overview:	<p>Funds advised by West Face Capital Inc. ("WFC") and Quebecor Media Inc. ("QBR") will work on an exclusive basis to acquire the shares of Globalive Wireless Management Corp. ("GWMC") from Globalive Investment Holdings Corp. ("Vendor") on a debt-free basis through a newly established acquisition company ("Newco") (the "Transaction").</p> <p>The consideration for the acquisition of GWMC will be based on an enterprise value of \$311.0 million.</p> <ul style="list-style-type: none"><li>• Approximately \$160.0 million of the consideration will be employed to retire existing vendor debt at its outstanding principal amount plus accrued and unpaid interest to the date of Closing.</li><li>• Approximately \$1.2 million will be employed to retire (or will be reserved against) the retirement of existing capital lease obligations.</li><li>• The remaining proceeds of approximately \$149.8 million will be paid to GWMC to be used for the repayment of shareholder debt to VimpelCom Amsterdam B.V., and all other shareholder loans to GWMC would be forgiven or eliminated for no further consideration in accordance with the pre-closing reorganization steps set forth in <u>Schedule A</u>.</li><li>• The shares of GWMC will be acquired from the Vendor for nominal consideration (\$1.00).</li></ul> <p>Any additional, agreed capital contributions made by the Vendor or its affiliates between execution of the SPA (defined below) and Closing will be added to the final purchase price on Closing (see Budget, below). The purchase price will also be subject to a post-closing working capital adjustment.</p> <p>Shareholders and senior management of GWMC will waive change of control payments otherwise due on Closing.</p> <p>QBR and WFC will agree on the terms, conditions and duration for licensing the use of the "WIND" brand name from the Vendor for exclusive use in the Canadian market post-Closing.</p> <p>Additional terms of the Transaction are set forth in the draft SPA dated July 1, 2014.</p>
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<p>Timeline and Process:</p>	<p>WFC and QBR will cause Newco to negotiate and execute a definitive Share Purchase Agreement ("SPA") with Vendor and Global Telecom Holding S.A.E. on or prior to July 25, 2014.</p> <p>QBR acknowledges that WFC will continue to lead the negotiations with the Vendor, provided that WFC will consult with QBR and give reasonable consideration to QBR's comments on: (i) the material terms and conditions of the transaction or any changes thereto; (ii) the proposed approach to Industry Canada and other regulatory authorities; (iii) the waiver of any closing conditions; (iv) the acceptability of any conditions or restrictions proposed to be imposed by any regulatory authorities; and (v) any other material decision or action in respect of the formation, organization and capitalization of Newco or the conduct of the Transaction.</p> <p>Closing will be contingent on the receipt of required regulatory approvals but would be expected to occur no later than [November 30, 2014].</p>						
<p>Funding on Closing:</p>	<p>On Closing, the following parties (collectively the "Investors") will make capital contributions to Newco:</p> <table data-bbox="651 877 1161 1031"> <tr> <td>QBR (40%)</td> <td>\$124.40 million</td> </tr> <tr> <td>WFC (35%)</td> <td>\$108.85 million</td> </tr> <tr> <td>Other Investors (25%)</td> <td>\$77.75 million</td> </tr> </table> <p>QBR and WFC will each provide commitment letters, guarantees or other evidence of funding as negotiated with the Vendor in connection with the SPA.</p> <p>The Other Investors will be parties mutually acceptable to QBR and WFC. At the election of WFC, the Other Investors will fund their commitments into an escrow account upon signing of the SPA, with the release of funds contingent only upon receipt of required regulatory approvals for the Transaction and satisfaction or waiver of the other conditions to closing under the SPA.</p> <p>A sources and uses of funds table for the Closing of the Transaction is set forth in <u>Schedule B</u>.</p>	QBR (40%)	\$124.40 million	WFC (35%)	\$108.85 million	Other Investors (25%)	\$77.75 million
QBR (40%)	\$124.40 million						
WFC (35%)	\$108.85 million						
Other Investors (25%)	\$77.75 million						
<p>Form of Investment; Shareholders' Agreement:</p>	<p>On Closing, all Investors will subscribe for two classes of shares of Newco: (i) voting shares with no participation rights, and (ii) non-voting shares with full participation rights. For WFC's investment, the voting shares will be held by West Face Capital Inc. or a wholly-owned subsidiary thereof, and the participating shares will be held by funds advised by West Face Capital Inc.</p> <p>All Investors will enter into a shareholders' agreement in respect of Newco, the principal terms of which are set forth in <u>Schedule C</u>.</p>						
<p>Revolving Credit Facility:</p>	<p>WFC and QBR will work together to secure a revolving credit facility for Newco with a mutually acceptable third party lender in</p>						

	<p>a maximum amount of \$50.0 million prior to Closing (alternatively, QBR may serve as lender on the revolving credit facility on market terms, subject to the approval of WFC).</p>
Additional QBR Contributions:	<p>Subject to obtaining all required regulatory approvals, QBR will contribute its 5x5 AWS spectrum in the Toronto market and its existing mobile subscribers in the Ottawa market to Newco. In return for this contribution, WFC will grant QBR a Right of First Offer with respect to its equity investment in Newco.</p>
Budget:	<p>WFC will agree with the Vendor on a 6-month budget covering H2-2014 in connection with the execution of the SPA.</p> <p>QBR and WFC to agree on an Initial Budget covering an 18-month period from signing of the SPA. The Initial Budget will include bid parameters for the AWS-3 spectrum auction.</p> <p>Subsequent budgets will be subject to board approval in accordance with the Newco shareholders' agreement.</p>
Expenses:	<p>Legal and business due diligence expenses of QBR and WFC in connection with the Transaction to be reimbursed by Newco on Closing.</p> <p>In the event that the parties do not consummate the Transaction, QBR and WFC agree to share equally the out-of-pocket expenses they have incurred to date and incur hereafter in pursuing the Transaction. The parties agree that such sharing of expenses shall include those of the advisors set out in <u>Schedule D</u>. Any other expenses incurred by either party shall be shared as aforesaid only to the extent that the other party has provided written consent before they are incurred. Notwithstanding anything to the contrary herein, out-of-pocket expenses incurred by each party in pursuing the Transaction on and after the date of delivery of the Drop Out Notice (as defined below) shall be borne by such Party individually.</p>
Exclusivity:	<p>Each of QBR and WFC agrees that for a period of six months following the date hereof (subject to extension or earlier termination as set forth in this Section, the "Exclusivity Period"), it will not, and will use its best efforts to cause its representatives not to, directly or indirectly, (i) initiate, solicit, encourage, facilitate, discuss, negotiate or accept any inquiries, proposals or offers (whether initiated by them or otherwise) from any other person or entity with respect to a potential investment in, or acquisition of, or business combination with, all or any material portion of GWMC, its subsidiaries or any interests therein (other than the acquisition of assets in the ordinary course of business), or make an equity investment with or become affiliated with any other person or entity, in relation to any transaction involving GWMC or any other transaction that could reasonably be expected to be competitive to, or interfere with the negotiation and consummation of, the Transaction (each a "Potential Transaction") or (ii) provide information to any other person or entity, or review information of any other person or entity, in relation to any Potential Transaction;</p>

	<p>provided in each case that WFC shall be permitted to sell-down its interest in the Transaction to investors in its funds or with which it has a relationship (including managed accounts) or its other capital sources and further provided that the foregoing shall not apply to any discussions between WFC and the Other Investors or potential Other Investors.</p> <p>Notwithstanding the foregoing, the Exclusivity Period may be terminated and/or extended in the following circumstances:</p> <ul style="list-style-type: none"><li>• If the parties fail to agree on any of the material terms of the Transaction, WFC may in its sole discretion terminate the Exclusivity Period by notice in writing to QBR. In such event, both parties shall be entitled to pursue a transaction involving GWMC that does not involve the other party, and the parties shall no longer be subject to the exclusivity obligations set forth herein.</li><li>• If a party reasonably determines that it no longer intends to pursue the Transaction (the "Drop Out Party"), the Drop Out Party shall promptly deliver to the other party (the "Stay In Party") written notice of such intent (such notice, the "Drop Out Notice"). In such event, (x) the Drop Out Party shall remain subject to the exclusivity obligations set forth herein for a period equal to six months from the date of delivery of the Drop Out Notice and (y) the Stay In Party shall be entitled to pursue a transaction involving GWMC and shall no longer be subject to the exclusivity obligations set forth herein.</li></ul>
<p>Confidentiality/Public Announcements:</p>	<p>Each of QBR and WFC agrees that the terms of the non-disclosure agreement dated [ ], 2014 between QBR and WFC (the "NDA") continue to be in full force and effect and apply to the matters described herein; provided that the terms set forth under the heading "Exclusivity" shall supersede the terms of the NDA to the extent of any conflict.</p> <p>Except as required by law or the rules of any stock exchange, neither QBR and WFC shall issue any press release or make any other public announcement or disclosure with respect to the Transaction, the identity of the other party hereto, the fact that discussions between the parties are taking place or any other matters contemplated by this term sheet without the consent of the other party. If a party reasonably determines that any such disclosure is required by law or the rules of any stock exchange, it will use commercially reasonable efforts to give the other party an opportunity to review and comment on the proposed disclosure before it is made and will give reasonable consideration to any comments provided by the other party. For the avoidance of doubt, the foregoing restrictions shall not apply to discussions between WFC and the Other Investors or potential Other Investors.</p>
<p>Governing Law:</p>	<p>The transactions and agreements contemplated by this term sheet will be governed by, and construed in accordance with, the laws of the Province of Ontario.</p>

Agreed as of this \_\_\_\_ day of July, 2014.

**QUEBECOR MEDIA INC.**

by \_\_\_\_\_

by \_\_\_\_\_

**WEST FACE CAPITAL INC.**

by \_\_\_\_\_

## Schedule A

### Pre-Closing Reorganization Steps

1. GTH Telecom Finance (B.C.) Limited ("GTH (B.C.)"), Global Telecom Holding S.A.E. and VimpelCom Amsterdam B.V. ("VimpelCom B.V.") waive the accrued interest owing under the indebtedness owing to them by GWMC (the "Shareholder Loans").
2. GWMC and GTH (B.C.) agree to settle the principal amounts outstanding under the Operating Loan and the Spectrum Loan in exchange for two new promissory notes, bearing interest at 1% per annum (the "New Notes"). The principal amount of one of the New Notes will be equal to GTH (B.C.)'s adjusted cost base in the Operating Loan, and the principal amount of the other New Note will be equal to GTH (B.C.)'s adjusted cost base in the Spectrum Loan.
3. VimpelCom B.V. waives its entitlement to the principal amount owing under the VimpelCom Loan that exceeds the amount that is to remain outstanding pursuant to Section 2.2(a) of the SPA.
4. Globalive Communications Corp. forgives the amounts owing by GWMC to it.
5. The unanimous shareholders agreement for Globalive Investment Holdings Corp. is terminated.
6. GWMC incorporates New Debtco under the *Canada Business Corporations Act* and acquires 100 common shares for \$1 per share.
7. New Debtco acquires the New Notes from GTH (B.C.) for \$100.
8. New Debtco is wound-up into GWMC and GWMC will make an election under subsection 80.01(4) of the *Income Tax Act* (Canada).
9. Newco subscribes for indebtedness of GWMC in accordance with Section 2.2(b)(i) of the Share Purchase Agreement, and acquires the shares of GWMC from Seller in accordance with Section 2.1 of the Share Purchase Agreement.
10. GWMC pays the balance of GWMC's third party debt and the VimpelCom Loan with the cash received from Newco in Step 9.

**Schedule B**

**Sources and Uses of Funds**

(in millions of Canadian dollars)

<b>Sources</b>		<b>Uses</b>	
QBR	124.40	Vendor Debt	160.00
WFC	108.85	Capital Leases	1.20
Other Investors	77.75	VimpelCom Loan	149.80
Revolving Credit Facility	50.00	Interim Period Advances	[20.00]
		Transaction Expenses	■
		Buffer for Working Capital Adjustment	■
		Additional availability under revolving credit facility	■
<b>Total</b>	<b>[361]</b>	<b>Total</b>	<b>■</b>



## Schedule C

### Newco Shareholders' Agreement

Newco Management:	QBR and WFC to agree on the composition of the senior management group of Newco prior to Closing, including the appointment of a mutually acceptable Chief Executive Officer.
Board of Directors:	<p>The Board of Directors of Newco will initially have seven (7) members as follows:</p> <p>The Chief Executive Officer of Newco;</p> <p>Three (3) members designated by QBR;</p> <p>Two (2) members designated by WFC; and</p> <p>One (1) member designated by the Other Investors and mutually acceptable to QBR and WFC.</p> <p>The shareholders' agreement will include veto and/or supermajority approval rights for shareholders over certain governance matters and transactions.</p> <p>At least 80% of the directors of Newco must be Canadian citizens or permanent residents.</p>
Management Incentive Plan:	Newco/GWMC will establish a Management Incentive Plan for the benefit of key management personnel and employees.
Subsequent Funding:	<p>Each of WFC and QBR will commit to fund its pro-rata share of subsequent equity contributions to Newco; subject in the case of WFC only to a maximum investment amount of \$200 million which will be inclusive of the amount funded on Closing.</p> <p>WFC will have the option to sell down or transfer its right to participate in Newco financings to investors in its funds or with which it has a relationship (including managed accounts) or its other capital sources.</p>
Preemptive Rights:	<p>All Investors will be afforded the right to participate in subsequent treasury offerings of shares or securities convertible into shares on a pro-rata basis, subject to customary carve-outs. If any Investor elects not to participate to the extent of their pro-rata entitlement, then the other Investors will have the right to take up the unsubscribed portion of the offering on a pro-rata basis.</p> <p>Investors who do not participate in any such offerings would have their interest in Newco diluted at book value of all shareholder financing [i.e., <math>\text{post-financing interest} = \text{pre-financing interest} \times (1 - \text{New Capital} / (\text{New Capital} + \text{Prior Funding}))</math>].</p>
Information Rights:	Newco will deliver monthly, quarterly and annual financial statements to the Investors and an annual budget no later than 30



	days prior to the start of the fiscal year.
Transfer Restrictions:	No Investor may sell, transfer, encumber or otherwise dispose of securities of Newco except (i) to affiliated entities, (ii) in accordance with the liquidity rights discussed below, or (iii) with the consent of a majority of the directors of Newco (excluding directors nominated by the transferring party). Notwithstanding the foregoing, no party may transfer securities of Newco: (x) to Bell Canada, Rogers, Telus or any of their affiliates without the unanimous consent of the Board of Directors of Newco, (y) if such transfer would cause Newco or GWMC to be in breach of the <i>Telecommunications Act</i> (Canada) or the <i>Radiocommunication Act</i> (Canada), the regulations and policies thereunder or the terms of any of its spectrum licences or radio licences, or (z) without first obtaining all required regulatory approvals.
Registration Rights:	Beginning on the [second/third] anniversary of Closing, and subject to the QBR Right of First Offer described below, WFC will be entitled to customary demand registration rights. The Other Investors will be entitled to customary pro rata piggyback registration rights.
Drag Along Rights:	If Investors holding more than 50% of the then outstanding equity interests in Newco propose to (i) transfer all but not less than all of their equity interests in Newco to, (ii) sell all or substantially all of Newco's assets to, or (iii) cause Newco to enter into an amalgamation, arrangement, merger or other change of control transaction with, a bona fide third party purchaser, then, subject to the QBR Right of First Offer described below, such Investors will be entitled to require all other Investors to either transfer all securities owned by each Investor or vote such Investor's securities in favour of the transaction and waive their dissent rights.
Tag Along Rights:	The Investors will have the right to participate on a pro rata basis, at the same price and on equivalent terms and conditions, in any transfer or series of related transfers by an Investor of in excess of 5% of the outstanding equity of Newco (individually or in combination with other Investors).
Forced Sale Right:	Commencing five years after the Closing, and subject to the QBR Right of First Offer described below, WFC shall have the right to (i) force a sale of all but not less than all of the shares of Newco or all or substantially all of its assets to, or (ii) cause Newco to enter into an amalgamation, arrangement, merger or other change of control transaction with, a bona fide third party purchaser at a price not less than that offered to QBR under the QBR Right of First Offer.
QBR Right of First Offer:	WFC shall grant QBR a Right of First Offer over any sale of its equity interest in Newco (except for transfers to affiliated entities), provided that QBR has contributed its 5x5 AWS spectrum in the Toronto market and its existing mobile subscribers in the Ottawa market to Newco.

Commercial Arrangements between Newco and QBR:	Post-closing, Newco and QBR may negotiate various commercial agreements, subject to approval rights of the Investors other than QBR. The overriding principle of any such arrangements is for all synergies to be shared as equally as possible between Newco and QBR, and the parties shall negotiate in good faith to achieve that result.
Governing Law:	Ontario
Regulatory Compliance:	The terms of the shareholders' agreement shall be in compliance with the <i>Telecommunications Act</i> (Canada) and the <i>Radiocommunication Act</i> (Canada) and any regulations or policies thereunder.

## Schedule D

### Advisors

#### WFC

- Davies Ward Phillips & Vineberg LLP (legal)
- Deloitte LLP (tax)
- Altman Vilandrie & Company (operations)
- Peter Rhaney (operations)

#### QBR

- Norton Rose Fulbright Canada LLP (legal)
- **[Quebecor to add any others]**