

ANNUAL INFORMATION FORM

NOVEMBER 11, 2021

ANNUAL
INFORMATION
FORM

2021

1 PLACE VILLE MARIE
SUITE 3301
MONTRÉAL, QUÉBEC
H3B 3N2



PROFILE

Cogeco Inc. is a holding corporation which operates in the communications and media sectors. Its Cogeco Communications Inc. subsidiary provides residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks, operating in Québec and Ontario, Canada, under the Cogeco Connexion name, and in the United States under the Atlantic Broadband brand in 12 states.

Its Cogeco Media subsidiary owns and operates 23 radio stations with complementary radio formats and extensive coverage serving a wide range of audiences mainly across the province of Québec, as well as Cogeco News, a news agency.

Cogeco's subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CGO). The subordinate voting shares of Cogeco Communications Inc. are also listed on the Toronto Stock Exchange (TSX: CCA).

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Information Form ("AIF") may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "may"; "will"; "should"; "expect"; "plan"; "anticipate"; "believe"; "intend"; "estimate"; "predict"; "potential"; "continue"; "foresee", "ensure" or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding the Corporation's financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, purchase price allocation, tax rates, weighted average cost of capital, performance and business prospects and opportunities, which Cogeco believes are reasonable as of the current date. Refer in particular to the "Corporate objectives and strategies" and "Fiscal 2022 financial guidelines" sections of the Corporation's 2021 annual Management's Discussion and Analysis ("MD&A") for a discussion of certain key economic, market and operational assumptions the Corporation has made in preparing forward-looking statements. While Management considers these assumptions to be reasonable based on information currently available to the Corporation, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties that could cause actual results to differ materially from what Cogeco currently expects. These factors include risks such as competitive risks, business risks (including potential disruption to the Corporation's supply chain), regulatory risks, technology risks (including cybersecurity risk), financial risks (including variations in currency and interest rates), economic conditions, human-caused and natural threats to the Corporation's network, infrastructure and systems, community acceptance risks, ethical behavior risks, ownership risks, litigation risks and public health crisis and emergencies such as the current COVID-19 pandemic, many of which are beyond the Corporation's control. For more exhaustive information on these risks and uncertainties, the reader should refer to the "Uncertainties and main risk factors" section of the Corporation's 2021 annual MD&A. These factors are not intended to represent a complete list of the factors that could affect Cogeco Communications and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this AIF which represent Cogeco's expectations as of the date of this AIF (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, the Corporation is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

In this AIF, the terms "Cogeco" and the "Corporation" refer collectively to Cogeco Inc. and its subsidiaries, unless the context otherwise requires or indicates.

All dollar figures are in Canadian dollars, unless stated otherwise.

The information provided in this AIF is presented as at the last day of the Corporation's most recently completed financial year (i.e. August 31, 2021), except where it is specified in the AIF that the information is presented at another date.

1. CORPORATE STRUCTURE

1.1. NAME, ADDRESS AND INCORPORATION

Cogeco was incorporated under Part I of the *Companies Act* (Québec) on July 24, 1957 and was continued under the authority of Part IA of the same Act by virtue of a certificate of continuance dated November 8, 1984. Certificates of amendment were issued to the Corporation on July 8, 1985, November 7, 1985, December 19, 1988, August 15, 1989, July 11, 1990 and February 15, 1993 to change the composition of its share capital. As a result of these changes, the share capital of the Corporation is comprised of subordinate voting shares (the "Subordinate Shares"), of multiple voting shares (the "Multiple Shares"), of class A preferred shares (the "Class A Shares") and of class B preferred shares (the "Class B Shares"), each of which classes of preferred shares may be issued in series.

The July 8, 1985 amendment created an unlimited number of preferred shares at a par value of \$1 per share and provided for the convertibility of common shares into preferred shares on a share for share basis at the option of the holder of common shares before the close of business on August 31, 1985.

The November 7, 1985 amendment cancelled the preferred shares created on July 8, 1985 and created an unlimited number of Subordinate Shares, an unlimited number of Multiple Shares, an unlimited number of Class A Shares and an unlimited number of Class B Shares, all without par value, and provided for the conversion of all issued and outstanding common shares into Subordinate Shares and Multiple Shares.

The December 19, 1988 amendment created a first series of 800,000 convertible Class A Shares at an issue price of \$25 per share.

The August 15, 1989 amendment created a first series of 7,500,000 convertible Class B Shares at an issue price of \$9 per share.

The July 11, 1990 amendment created a second series of 29,374 convertible Class A Shares at an issue price of \$25 per share.

The February 15, 1993 amendment provided for the mandatory redemption, by the Corporation, of all the outstanding Class B Shares, series 1.

On December 28, 1993, the Corporation redeemed all the outstanding Class A Shares.

On February 14, 2011, Cogeco, as were all other companies structured under Part IA of the existing *Companies Act* (Québec), was automatically continued under the new *Québec Business Corporations Act* which came into force on that same date and which replaced Parts I and IA of the *Companies Act* (Québec).

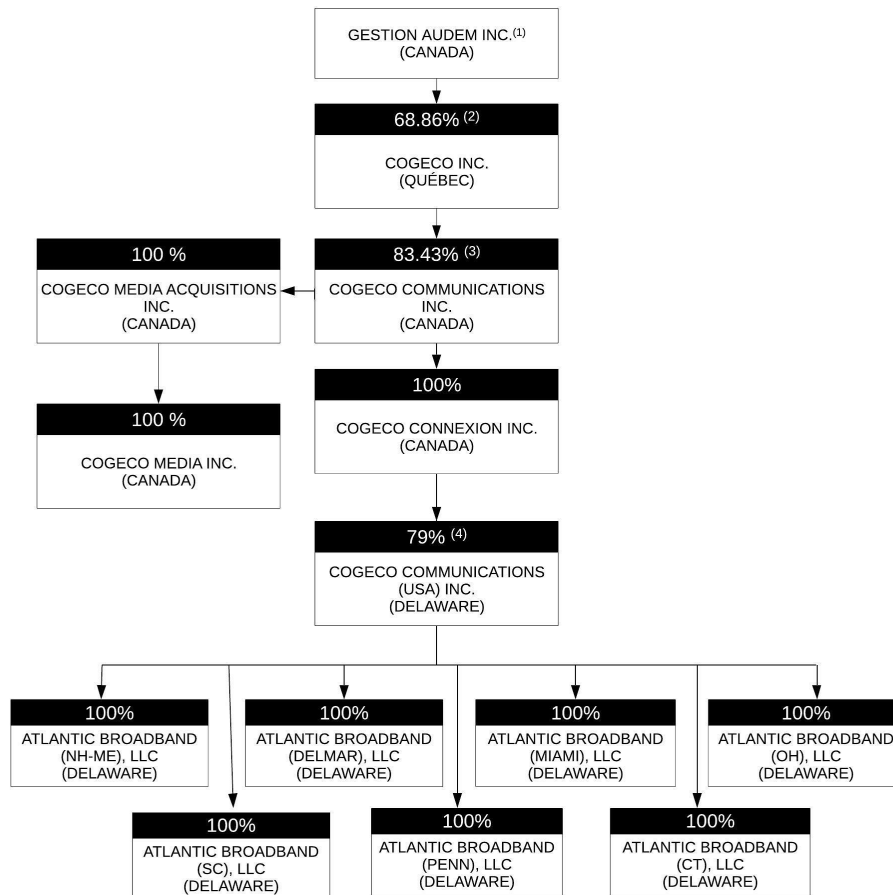
The head office of the Corporation is located at 1 Place Ville Marie, Suite 3301, Montréal, Québec H3B 3N2.

Cogeco' subordinate voting shares are listed on the Toronto Stock Exchange (TSX), under the symbol CGO.

1.2. INTERCORPORATE RELATIONSHIPS

The following organization chart indicates the intercorporate relationships of the Corporation and its material subsidiary entities together with the jurisdiction of incorporation or constitution of each such entity as at September 1, 2021. Certain subsidiaries of the Corporation, each of which represented not more than 10% of the consolidated assets and not more than 10% of the consolidated revenue of the Corporation, and all of which, in the aggregate, represented not more than 20% of the total consolidated assets and the total consolidated revenue of the Corporation as at the date hereof, have been omitted. Ultimate control of Cogeco rests with a privately held Canadian holding company, Gestion Audem Inc., which is controlled by the members of the family of the late Henri Audet and Marie-Jeanne Audet.

SIMPLIFIED CORPORATE CHART
(VOTING PERCENTAGE INTEREST)



- (1) A private company controlled by the members of the family of the late Henri and Marie-Jeanne Audet.
 (2) Remaining 31.14% of voting rights are held under publicly traded subordinate shares.
 (3) Remaining 16.57% of voting rights are held under publicly traded subordinate shares.
 (4) Remaining 21% interest is held by Caisse de Dépôt et Placement du Québec.

2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1. THREE-YEAR HISTORY

Cogeco Communications expanded its activities in the United States in the last three years through its subsidiary Atlantic Broadband, as follows:

- On September 1, 2021, by completing the acquisition of the broadband systems of WideOpenWest, Inc. ("WOW!") located in Ohio ("Ohio broadband systems") for a purchase price of US\$1.125 billion, subject to customary post-closing adjustments. The transaction is described in more details under section 13 "Material Contracts" of this AIF.
- On March 10, 2020, by completing the acquisition of Thames Valley Communications Inc., a broadband services company operating in Southeastern Connecticut, for a net consideration of US\$50 million.
- On October 3, 2018, by completing the acquisition of the south Florida fibre network previously owned by FiberLight, LLC ("FiberLight"). The transaction, combined with the dark fibers acquired from FiberLight in the second quarter of fiscal 2018, added 350 route miles to Atlantic Broadband's south Florida footprint.

Atlantic Broadband is regularly investing to expand its broadband footprint, in order to generate revenue and customer growth. Building on the successful Florida expansion in recent years and capitalizing on demand for high-speed Internet, Atlantic Broadband intends to intensify its network expansion activities in the coming years in adjacent areas with good growth profiles and attractive demographics. Planning and initial construction are underway in some areas of New Hampshire and West Virginia with commercial launches scheduled to start in early calendar year 2022.

Cogeco Communications also expanded its activities in Canada in the last year through its subsidiary Cogeco Connexion Inc. ("Cogeco Connexion"), by completing on December 14, 2020 the acquisition of DERYtelecom, the third largest cable operator in the province of Québec, for a purchase price of \$403 million, subject to customary post-closing adjustments. This acquisition enabled Cogeco Connexion to expand its activities in more than 200 municipalities in Québec and added approximately 100,000 customers to its customer base.

On July 29, 2021, Innovation, Science and Economic Development Canada ("ISED") published the results of the 3500 MHz spectrum auction, which started on June 15, 2021 and ended on July 23, 2021. Cogeco Connexion secured 38 spectrum licences in the 3500 MHz band auction, for a total purchase price of \$295 million, of which \$205 million is to acquire 30 MHz of spectrum in the Greater Toronto area, a region which represents approximately 33% of the Corporation's broadband footprint in Ontario. The balance of the spectrum licences covers several other Ontario regions, as well as the region of Trois-Rivières in Québec. With these new spectrum holdings and previously acquired licences, Cogeco Connexion will hold spectrum covering approximately 91% of its broadband footprint, representing a population of 3.6 million Canadians.

As part of Cogeco Communications' ongoing four-year commitment to invest over \$1 billion in the operation and expansion of its Canadian broadband network, Cogeco Connexion announced investments in several high-speed Internet network expansion projects in Québec and Ontario over the past year. These investments, in collaboration with provincial and federal governments, are in line with Cogeco Connexion's plan to pursue its growth and to extend its regional high-speed Internet coverage across Ontario and Québec, contributing to providing broadband access in underserved and unserved areas.

On March 22, 2021, Cogeco Communications announced that Cogeco Connexion will carry out 13 new high-speed Internet network expansion projects in several regions of Québec, with the financial support of provincial and federal governments. These digital infrastructure investment projects are scheduled to be completed by September 2022. On March 26, 2021, Cogeco Connexion received \$187.5 million of a total estimated amount of \$208 million expected to be received from the Québec and Canadian governments, to be used to fund these expansion projects. The remainder is expected to be received upon completion of the

projects. The amount of subsidies may vary depending on actual construction costs.

Cogeco Connexion will also carry out 9 new high-speed Internet network expansion projects in several communities in Ontario, in collaboration with the Ontario and Canadian governments. These regional infrastructure projects represent a total joint investment of approximately \$53 million, of which Cogeco will invest around \$15 million. Cogeco Connexion is expecting to be awarded further government subsidized projects in Ontario over the next year.

On April 30, 2019, Cogeco Communications completed the sale of its Cogeco Peer 1 Inc., its former Business information and communications technology services subsidiary, for a net cash consideration of \$720 million which resulted in a gain on disposal of \$84.4 million.

2.2. SIGNIFICANT ACQUISITION

No significant acquisition was made in the last three years

3. DESCRIPTION OF THE BUSINESS

The Corporation is a diversified holding corporation with operations in the communications and media sectors. The Corporation has two reportable segments, the Communications segment and the Other segment.

The Communications segment provides, through Cogeco Connexion and Atlantic Broadband, a wide range of Internet, video and telephony services in Canada and the United States, primarily to residential customers, as well as to small and medium sized businesses across its coverage area.

The Other segment is comprised of radio stations held by wholly-owned subsidiaries, Cogeco Media Inc. and Cogeco Media Acquisitions Inc. (collectively "Cogeco Media"), and head office activities, as well as inter-segment eliminations.

The only material asset of Cogeco that requires a separate disclosure is the asset included in the Communications segment. The Communications segment comprises Canadian broadband services ("Cogeco Connexion") and American broadband services ("Atlantic Broadband").

The activities of Cogeco Connexion are carried out in the provinces of Québec and Ontario, Canada. The Cogeco Connexion assets are managed from the head office in Montréal.

The activities of Atlantic Broadband are carried out in the United States in 12 states: Connecticut, Delaware, Florida, Maine, Maryland, New Hampshire, New York, Ohio, Pennsylvania, South Carolina, Virginia and West Virginia. The Atlantic Broadband assets are managed from its main offices located in the city of Quincy (neighbouring Boston), Massachusetts.

The activities of Cogeco Connexion and Atlantic Broadband are similar in nature and have been combined for ease of reference for the reader in this Section 3.

3.1. CUSTOMERS

The following table presents the total number of primary service units, Internet, video and telephony service customers and the penetration rate of each of these services as a percentage of homes passed as at August 31, 2021:

	August 31, 2021	% of penetration ⁽¹⁾
Primary service units		
Cogeco Connexion	2,002,083	N/A
Atlantic Broadband	969,990	N/A
Internet service customers		
Cogeco Connexion	915,684	46.2
Atlantic Broadband	520,517	55.6
Video service customers		
Cogeco Connexion	677,194	34.1
Atlantic Broadband	305,514	32.6
Telephony service customers		
Cogeco Connexion	409,205	20.6
Atlantic Broadband	143,959	15.4

(1) As a percentage of homes passed.

3.2. SERVICES

3.2.1. RESIDENTIAL SERVICES

Cogeco Connexion and Atlantic Broadband offer a wide range of video, Internet and telephony services to their residential customers. Services can be offered on a stand-alone basis or bundled into double-play and triple-play offerings at competitive prices to promote cross-selling within the customer base and to attract new customers.

Internet Service

Cogeco Connexion and Atlantic Broadband offer a wide range of Internet packages with top download speeds of up to 1 Gbps in Canada and the United States. They also offer best-in-class managed Wi-Fi, with new home Wi-Fi solutions launched in fiscal 2021 in both Canada and the United States. These solutions improve the overall customer experience by providing expanded Wi-Fi coverage with enhanced reliability and consistent speed in every area of the home. Both Cogeco Connexion and Atlantic Broadband's home Wi-Fi solutions include self-installation devices which are provided to customers on a rental basis and work with any of the available gateways or modems. Cogeco Connexion and Atlantic Broadband also offer a simple and complete security suite and email solutions to their Internet customers with automatic updates to protect their devices. As an added benefit, Internet customers can connect wirelessly to the Internet at no extra cost from designated Wi-Fi Internet hotspots in Cogeco Connexion's and Atlantic Broadband's Canadian and American footprints.

Video Services

Cogeco Connexion and Atlantic Broadband offer their customers a full array of video services on a subscription basis. Customers have access to a basic video service, various tier packages, pay-per-view channels, video on demand services and advanced video services.

Basic Service: Cogeco Connexion offers to its video customers a mandatory, small entry-level basic service comprised of local, regional, over-the-air, community and educational channels. This package also includes,

as mandated or permitted by the Canadian Radio-television and Telecommunications Commission ("CRTC"), certain discretionary services, such as United States conventional services and an interactive program guide.

Atlantic Broadband's basic digital service customers receive the basic level of service which consists of local broadcast television and local community programming, including government and public access channels. They also receive an interactive electronic programming guide and multiple channels of CD-quality digital music.

Tier Packages: Cogeco Connexion's Video service customers can obtain additional programming services by subscribing to one of the various tier packages, including pre-assembled packages, as well as flexible packages containing between 10 and 40 programming services.

Various digital tier packages which focus on the interests of a particular customer demographic and emphasize, for example, sports, movies, family or ethnic programming are also offered by Atlantic Broadband.

Pay-per-view Channels: Digital video service customers have access in Canada and the United States to an expanded menu of pay-per-view channels which allow customers to pay to view a single showing of a recently released movie or a one-time special sporting event or music concert on a commercial-free basis.

Video on demand Service: The Video on demand service allows customers with digital services to choose from a library of hundreds of movies and other programming and to view them at a convenient time.

Advanced Video Service: In addition to traditional video set-top boxes, Cogeco Connexion and Atlantic Broadband offer advanced video services through TiVo Inc. ("TiVo")'s service platform which provides customers with a user-friendly interface and includes fully-integrated access to additional streaming apps such as Netflix. TiVo allows customers to access content on multiple screens across TVs, smartphones, tablets and more, both in-home and on-the-go.

IPTV service: In fiscal 2021, Cogeco Connexion officially launched its first IPTV service, branded EPICO. This evolution toward IPTV further enhances its video platform offerings by improving its customers experience with highly customizable video content, wireless enabled equipment, voice activated controls and access to applications. An IPTV service will also be launched at the end of the calendar year in the United States with a progressive roll-out next year.

Telephony Services

Cogeco Connexion's home phone service uses Internet protocol ("IP") to transport digitized voice signals over the same private network that brings video and Internet services to customers.

Canadian Residential customers can subscribe to one of the three following telephony services: Basic (unlimited local calling), Select (unlimited calling, two features and 100 minutes long distance within Canada and the United States) and Freedom (unlimited calls within Canada and the United States and five of the most popular telephony features). Customers can also add many calling features to their home phone package. All Cogeco Connexion residential telephony service customers have access to international long distance plans.

Atlantic Broadband's residential telephony service features include: unlimited long-distance calling throughout the United States, Canada and Puerto Rico, the ability to keep the customers' existing telephone number where local number portability is supported, the ability to access enhanced Emergency 911 dialing and the ability to use existing telephones and in-house wiring. The service also includes voicemail and fifteen other popular custom calling features such as calling line ID.

Service Bundles

As of August 31, 2021, 67% and 47% of Cogeco Connexion and Atlantic Broadband customers, respectively, subscribed to "double play" and "triple play" bundle services.

3.2.2. BUSINESS SERVICES

Cogeco Connexion and Atlantic Broadband offer video, Internet and telephony services to businesses across their service areas.

Cogeco Connexion and Atlantic Broadband offers a wide range of general and dedicated broadband Internet packages with speeds up to 10 Gbps on the downstream and up to 1 Gbps on the upstream. These Internet services are often sold in solution packages with business phone lines, long distance, toll free, security and video services.

Cogeco Connexion also provides IP based telephony services and other advanced network connectivity services delivered over fibre optic connection to larger businesses in its footprint. Network connectivity services are offered in point-to-point or point-to-multipoint configurations resulting in highly scalable and secure services. Fibre circuits are used to offer dedicated high speed connectivity (including greater than 1 Gbps symmetrical) and advanced voice services to larger businesses in the form of session initiation protocol ("SIP") or primary rate interface ("PRI") trunks. Services over fibre are ideal for businesses with 50 or more employees and multiple locations requiring private, secure and interconnected networks that support sophisticated data and voice applications and services either on premise or in the cloud.

Atlantic Broadband's commercial telephony service offers commercial customers multiple line capability, and is often bundled with the Internet service. Atlantic Broadband offers a VoIP-based PRI and a hosted PBX service for its commercial customers, as well as 4G LTE HSD Backup Service as a failover solution for its small business Internet customers. Atlantic Broadband has enhanced its Metro-Ethernet service offering with standardized solutions and speeds that scale up to 10 Gbps, including multiprotocol label switching (MPLS), based on customer needs. Atlantic Broadband also opportunistically pursues large business, carrier and corporate customers located within its network footprint requiring wide area networks, point-to-point or point-to-multipoint data services and virtual private networks. These services are offered where Atlantic Broadband has excess fibre capacity on its network and where the contract with the customer provides an adequate return on investment.

3.3. NETWORKS AND INFRASTRUCTURE

Cogeco Connexion and Atlantic Broadband provide residential Internet, video and telephony services and business services through advanced fibre optic and two-way broadband distribution networks. Cogeco Connexion and Atlantic Broadband deliver these services through their own long distance fibre optic systems, advanced hybrid fibre-coaxial ("HFC") broadband distribution networks, point-to-point fibre networks and fibre-to-the-home ("FTTH") network technologies.

Cogeco Connexion's distribution network covers a large territory from Western Ontario to Eastern Québec. Atlantic Broadband's distribution network covers the East Coast of the United States, from the southern part of Maine to southern Virginia, as well as portions of South Carolina and a large footprint in Southern Florida, in addition to the Ohio market, which became part of Atlantic Broadband's footprint as of the closing of the acquisition of the Ohio broadband systems which occurred on September 1, 2021. Each of Cogeco Connexion's and Atlantic Broadband's core transport networks have a broad reach and are designed to easily interconnect, at very high speed, their many local distribution systems to video content providers, other public telephony networks, software application providers and the Internet.

For residential services, Cogeco Connexion and Atlantic Broadband are constantly densifying optical fibres to nodes serving small clusters of homes passed, with multiple fibres per node in most cases, to rapidly increase speed and capacity of the system when necessary. This "just in time" process, known as "node splitting", leads to further improve the quality and reliability while increasing the capacity of two-way services such as Internet, VOD and telephony and optimizing the efficiency of capital investments. The HFC distribution infrastructure is designed with radio frequency ("RF") capacity of up to 1 GHz of bandwidth capacity, depending on the market served and customer needs.

Cogeco Connexion and Atlantic Broadband's telephony service uses VoIP technology which makes it possible to have a telephone conversation over a dedicated Internet IP network instead of dedicated voice transmission lines. IP networks allow the elimination of circuit switching telephony and the associated waste of bandwidth. Instead, packet switching is used, whereby IP packets with voice data are sent over the network only when data needs to be sent, for example when a caller is talking. VoIP's advantages over traditional telephony include lower costs per call, especially for long-distance calls, and lower infrastructure costs as, once the IP infrastructure is installed, little or no additional telephony infrastructure is needed.

Cogeco Connexion and Atlantic Broadband use CableLabs' DOCSIS technology to deliver Internet and business services over HFC networks. DOCSIS has numerous advanced features to ensure a continuous

transmission and high quality of service delivery. In addition, this technology provides a flexible and expandable platform to further increase IP transmission speeds and to provide other products such as symmetrical services, which are particularly well suited for commercial customer applications. Cogeco Connexion offers Internet speeds of up to 1 Gbps in approximately 72% of its footprint and 120 Mbps in virtually all of its footprint. As of August 31, 2021, Atlantic Broadband offered up to 1 Gbps Internet speeds to approximately 94% of its footprint of serviceable homes and businesses, and with the recent acquisition of the Ohio broadband systems, to approximately 97%. Cogeco Connexion and Atlantic Broadband intend to continue deploying 1 Gbps speeds in the coming years through several technologies depending on the location, with DOCSIS 3.1 being the most cost effective.

Cogeco Connexion and Atlantic Broadband are deploying FTTH technology in all new residential developments which meet specific criteria of size, proximity to the existing plant and service penetration rate. Cogeco Connexion and Atlantic Broadband's current FTTH deployment utilizes Passive Optical Networking ("PON") technology, as it is a robust solution offering customers symmetrical speeds.

3.4. THIRD-PARTY SUPPLIERS

The offering of video service requires the execution of various hardware and software agreements with various third-party suppliers that are renewed from time to time in the normal course of business.

Agreements are in place with TiVo to provide advanced TV services to Cogeco Connexion and Atlantic Broadband's customers and with MediaKind to offer Cogeco Connexion's customers the MediaFirst IPTV platform in Canada.

The offering of telephony service, which is voice over IP ("VoIP") service, relies on the support of strategic providers. To that end, Cogeco Connexion and Atlantic Broadband have agreements in place with Telus and Net2Phone Cable Telephony, LLC (now a division of IDT), respectively whereby they assist with provisioning capabilities and provide them with switching and termination of traffic to the public switched telephone network, delivery of enhanced Emergency 911 service, local number portability and operator and directory services.

Programming agreements are also in place with various third-party programming suppliers. They are for the most part negotiated in Canada with a small number of large integrated broadcasting distribution and programming groups as well as with a number of independent programming suppliers. In the United States, Atlantic Broadband obtains the majority of its programming from the National Cable Television Cooperative ("NCTC"), a national cooperative of cable television service operators that collectively negotiates and administers master affiliation agreements with cable television programming networks on behalf of its member companies. Atlantic Broadband also obtains some programming directly from a number of third-party suppliers.

Cogeco Connexion and Atlantic Broadband's businesses also require the execution of contracts with support structure owners, such as phone and electric companies in order to obtain access to their support structures (such as poles, conduits, etc.) and with municipalities to obtain access to the public rights-of-ways, as further described in section 3.7 "Regulatory Regime".

The daily operations are highly dependent on information technology systems and software, including those provided by certain third-party suppliers. Cogeco Connexion and Atlantic Broadband have agreements in place, respectively with Netcracker and CSG Systems, Inc. for the provision of products and services related to customer management and billing.

3.5. EMPLOYEES

As at August 31, 2021, Cogeco Connexion and Atlantic Broadband employed, respectively, 2,524 individuals in Canada and 1,320 in the United States. Collective bargaining agreements are in place for some employees in Canada and the United States, which are renewed from time to time in the normal course of business.

3.6. COMPETITIVE CONDITIONS

The industries in which the Corporation operates are very competitive, and the Corporation expects competition to intensify in the future. This competitive environment facing Cogeco Connexion and Atlantic Broadband is disclosed in the "Uncertainties and Main Risk Factors" section of the Corporation's 2021

Annual MD&A for the year ended August 31, 2021 which is incorporated herein by reference, as supplemented by the "Uncertainties and Main Risk Factors" section of the Corporation's quarterly reports to shareholders.

3.7. REGULATORY REGIME

The Canadian and American broadband operations are subject to extensive and evolving laws, regulations and policies at the federal, provincial, state and local levels. Cogeco Connexion is primarily regulated under the *Broadcasting Act* (Canada) (the "Broadcasting Act") and the *Telecommunications Act* (Canada) (the "Telecommunications Act") and regulations thereunder while Atlantic Broadband is regulated primarily by the *Communications Act of 1934* (United States) (the "Communications Act"). In addition, Cogeco Connexion and Atlantic Broadband are both subject to other laws relating to copyright and intellectual property, data protection, privacy of personal information, spam, e-commerce, direct marketing and digital advertising which have become more prevalent in recent years.

3.7.1. CANADA

Video Services

Licensing

In order to provide broadcasting distribution services, broadcasting distribution undertakings ("BDUs") must hold broadcasting licences issued by the CRTC (or operate under an exemption order). Broadcasting licences are issued by the CRTC for a maximum term of seven years and are generally renewed in the normal course of business upon application by the licensee, except in cases of serious breach. The CRTC has never revoked or failed to renew a licence for an active cable system owned by Cogeco Connexion.

Cogeco Connexion holds two regional licences to operate its non-exempt BDUs serving Ontario and Québec. These licences were renewed for a seven-year term starting on September 1, 2018 and ending on August 31, 2025.

BDUs serving fewer than 20,000 customers are exempted from the requirement to hold a licence. The terms and conditions for exempt BDUs are set out in the exemption order for terrestrial broadcasting distribution undertakings serving fewer than 20,000 customers.

Licences issued by the CRTC may not be transferred or assigned. In addition, the prior approval of the CRTC is required for any transaction that results in a change to the effective control of a licensee or that results in the acquisition of 30% or more of the voting shares of a licensed broadcasting undertaking, or of a person having effective control of a licensed broadcasting undertaking.

Carriage and Packaging Rules

BDUs are subject to specific conditions of licence as well as to the general obligations set out in the various applicable regulations (the "Regulations").

Preponderance: BDUs must ensure that the majority (over 50%) of all programming services that they offer to customers are Canadian.

Basic Service: Customers must purchase the basic service of a BDU before subscribing to any digital tiers packages (other than video on demand and pay-per-view). Licensed BDUs are required to offer a mandatory, small entry-level basic service for a price not to exceed \$25 comprised only of local and regional television stations, the mandatory services under subsection 9(1)(h) of the *Broadcasting Act*, as well as the relevant provincial educational services, the community channel and the provincial legislature service in the area served by the BDU. This mandatory small basic service may also include only one set of United States 4 + 1 services (ABC, CBS, Fox, NBC and PBS), local AM and FM stations and educational channels of another province or territory in each official language where there is no designated educational service. Where less than 10 local and regional stations are available, terrestrial BDUs are authorized to include other, non-local or regional Canadian stations. The small basic service may not include any additional services beyond those described above.

Access Rules: BDUs must distribute the national news discretionary services known as CBC News Network, CTV News Channel, Le Canal Nouvelles and Le Réseau de l'information and certain other discretionary services considered of exceptional importance for the broadcasting system, on specific conditions. Licensed BDUs must distribute one minority official language discretionary service for every 10 majority official language services that they distribute.

Carriage of Non-Canadian Programming Services: Other than U.S. stations received over the air at the head end, BDUs can only distribute non-Canadian programming services if they are approved for distribution by the CRTC and placed on the CRTC's *Revised list of non-Canadian programming services authorized for distribution*.

Packaging Rules: The Regulations require BDUs to offer all discretionary and non-Canadian services in packages of up to 10 programming services. Additionally, all discretionary and non-Canadian services must also be offered on a stand-alone basis.

Accessibility of Set-Top Boxes and Remote Control: The Regulations require BDUs to make available to customers equipment that allows individuals who are blind, visually impaired or have fine motor skill disabilities to have access to programming services if that equipment is available for purchase by the BDU and is compatible with its distribution system.

Over-The-Air Signals

Unlike discretionary services, over-the-air ("OTA") broadcasters are wholly dependent on advertising revenue and copyright royalties and do not charge a subscription fee for their signal.

Vertical Integration

In order to limit the power of vertically integrated entities on the public's access to diverse and quality programming services, the CRTC adopted a Wholesale Code that applies to all BDUs and licensed programming undertakings. The Code prohibits a number of commercially unreasonable practices such as requiring the acquisition of a programming service in order to obtain another (tied-selling) or imposing unreasonable terms that restrict a BDU's ability to provide consumer choice or to offer programming on multiple distribution platforms. A dispute resolution mechanism is provided for the renewal of affiliation agreements in situations where both the BDU and the programming undertaking intend to renew the agreement but are unable to agree on terms. The services cannot be interrupted by either party while such dispute resolution is pending.

Access to Support Structures and Municipal Property

BDUs need access to support structures of telephone companies and hydro electric utilities and to the public rights-of-ways of municipalities to deploy their networks. Access to telephone poles and conduits owned by telecommunications providers is governed by CRTC tariffs and support structure license agreements. Access to support structures of provincial and municipal electric utilities is subject to provincial and municipal requirements, and the terms for access to these structures may need to be obtained through provincial and municipal authorities. Where access to municipal rights of ways in Cogeco Connexion's Canadian footprint cannot be secured, Cogeco Connexion may apply to the CRTC to obtain a right of access under the *Telecommunications Act*.

Contributions to Canadian Programming and Local Expression

All licensed BDUs are required to allocate 5% of their gross annual revenues derived from broadcasting as follows: 0.3% to the Independent Local News Fund, a further 3.2% to Canadian programming and a maximum of 1.5% to community channels. Exempt BDUs can contribute the full 5% to community channels.

Copyright Licensing

Cable systems are subject to the federal copyright licensing regime covering carriage of television and radio signals. The *Copyright Act* (Canada) provides for the payment by BDUs of various royalties, notably for the retransmission of distant television and radio signals, and for the communication to the public of dramatico-musical or musical works.

Internet services

The provision of Internet services to retail customers by cable companies is not regulated by the CRTC. The CRTC however requires larger cable companies to provide wholesale third party Internet access service ("TPIA service") to Internet resellers under regulated rates that can be modified from time to time. Several resellers have subscribed to the wholesale TPIA service offered by Cogeco Connexion.

Network capacity and net neutrality

Cogeco Connexion continuously invests in additional network facilities and more network capacity in order to avoid congestion, to the benefit of all its retail and wholesale customers. Additionally, to abide by the requirements of subsection 27(2) of the *Telecommunications Act*, Cogeco Connexion treats all traffic generated on its network in the same way whether coming from end-users, application providers or third-party Internet service providers.

Voice services

VoIP service

Cogeco Connexion is considered to be a competitive local exchange carrier ("CLEC") and, like all CLECs, is required to fulfill CLEC obligations such as those related to the provision of local number portability, enhanced Emergency 911 capabilities, privacy safeguards, message relay services, directory listings and equal access to interexchange carriers.

Measures established by the CRTC are in place to facilitate IP voice network interconnections between network operators while allowing market forces to shape the details of the arrangements. Specifically, in areas where a carrier provides IP voice interconnection to an affiliate, a division of its operations, or an unrelated service provider, the carrier must negotiate a similar arrangement with any other carrier that requests such an arrangement.

Implementation of CRTC's MVNO Framework for Mobile Wireless Services

On April 15, 2021, the CRTC issued Telecom Regulatory Policy 2021-130, *Review of mobile wireless services*, which aims to provide Canadians with greater wireless choice, better services and affordable prices. Telecom Regulatory Policy 2021-130 mandates the provision of wholesale mobile virtual network operator ("MVNO") access, including seamless roaming, by national wireless carriers (Bell, TELUS, Rogers) and Sasktel, in Saskatchewan, to regional carriers that invest in infrastructure and spectrum. Terms and conditions for the MVNO service are to be approved by the CRTC, while rates are to be commercially negotiated between parties, with final offer arbitration by the CRTC as a last resort.

In August, TELUS was granted leave to appeal the legality of CRTC's seamless roaming mandate, a key component of the MVNO framework, before the Federal Court of Appeal. Cogeco, along with Vidéotron, Eastlink and Xplornet, is opposing the challenge. An adverse decision by the Court could impact the implementation of the CRTC's MVNO framework and the Corporation's plans to launch mobile wireless services more challenging.

3.7.2. UNITED STATES

In the United States, the operation of a cable system is extensively regulated by the *Federal Communications Commission* ("FCC"), some state governments and most local governments.

Video Services

Franchising

Atlantic Broadband is required to obtain a non-exclusive franchise from states where franchises are regulated at the state level or local municipalities in order to use the public rights-of-way and provide cable services. Franchises are granted for a fixed period of time, and federal law prohibits franchise authorities from unreasonably denying renewals. Such franchises may involve the payment of franchise fees, the provision of public, educational and governmental access channels, the provision of institutional networks and free

services to municipal buildings, schools and libraries. Franchises also generally require consent of the franchise authority to transfer the franchise in the event of a sale of the cable system. Federal law caps franchise fees at 5% of the gross revenues derived by operators from the provision of cable service within the franchise area. In August 2019, the FCC issued an order requiring that the costs of certain franchise-imposed "in-kind" contributions be included in the 5% franchise fee cap.

Rate Regulation

Currently, Atlantic Broadband's products and services are not subject to rate regulation. Federal law allows local franchise authorities to regulate rates for the entry level of video programming services, referred to as "basic service", and related equipment, if franchise authorities can show that there is no "effective competition" for video services in the community. Given the competitive landscape in Atlantic Broadband's markets, none of Atlantic Broadband's franchise authorities are certified to regulate Atlantic Broadband's basic service rates.

Carriage of Broadcast Signals: Must Carry/Retransmission Consent

Federal law prohibits cable operators from carrying local broadcast stations without consent. Under federal "must-carry" regulations, local broadcast stations may require cable operators to carry such stations without compensation. Alternatively, local broadcast stations may require cable operators to engage in "retransmission consent" negotiations, pursuant to which broadcast stations require significant payments and other concessions, in exchange for the right to carry such stations.

Access to Support Structures and Municipal Property

The *Communications Act* requires telephone and utility companies (other than those owned by municipalities or cooperatives) to provide cable systems with non-discriminatory access to any pole or right-of-way controlled by the utility. The rates that utilities may charge, together with certain terms and conditions for such access are regulated by the FCC, or, alternatively, by states that certify to the FCC that they regulate pole attachments.

Copyright Licensing

Cable operators are subject to a federal compulsory copyright license covering carriage of television and radio broadcast signals, pursuant to which the company files semi-annual statements of account and pays royalty fees. The Copyright Office is currently considering modifications to such royalty payments and reporting obligations.

Internet services

In 2017, the FCC classified broadband internet access service as an information service, rather than a telecommunications service under Title II of the Communications Act (which would subject such service to more onerous regulations). The FCC is expected to reclassify broadband services as telecommunications services under Title II of the *Communications Act*. Several states have passed or proposed legislation that impose open internet requirements.

Voice service

Traditional voice service is subject to many federal and state regulations that are not applicable to the VoIP service provided by the company. Certain of those regulations, however, do apply to VoIP service, such as Universal Service Fund contribution obligations, local number portability, E911 emergency services, outage reporting, disability access, customer equipment back-up power obligations, rural call completion, Customer Proprietary Network Information (CPNI) privacy rules and the Communications Assistance for Law Enforcement Act (CALEA).

3.8 RECENT DEVELOPMENTS

Some of the recent and on-going legislative, judicial and regulatory developments in Canada and the United States are disclosed in the "Uncertainties and Main Risk Factors" section of the Corporation's 2021 Annual MD&A for the year ended August 31, 2021 which is incorporated herein by reference, as supplemented by the "Uncertainties and Main Risk Factors" section of the Corporation's quarterly reports to shareholders.

3.9 TRADEMARKS

Cogeco Connexion and Atlantic Broadband have registered or applied for registration of several trademarks that are used in their business activities, which they regard as having significant value or as being important factors in the marketing of their services.

3.10 CYCLES

The operating results of Cogeco Connexion and Atlantic Broadband are not generally subject to material seasonal fluctuations except as follows. The number of Internet and video services customers are generally lower in the second half of the fiscal year as a result of a decrease in economic activity due to the beginning of the vacation period, the end of the television season, and students leaving their campuses at the end of the school year. Cogeco Connexion and Atlantic Broadband offer their services in several towns with educational institutions. In the American broadband services segment, certain areas are also subject to seasonal fluctuations due to the winter and summer seasons.

4. REORGANIZATIONS

The DERYtelecom acquisition on December 14, 2020 by Cogeco Connexion included the purchase of the shares of 9429-4600 Quebec Inc. which was merged with Cogeco Connexion on August 31, 2021.

On August 30, 2020, Cogeco Communications Holding Inc. was amalgamated with its wholly owned subsidiary Cogeco Connexion, keeping the latter's name and continuing to operate the Canadian broadband services segment. On August 31, 2020, iTéract Inc., which was recently purchased, was merged with Cogeco Connexion.

In August 2021, several new intermediate entities were set up in preparation for the acquisition of the Ohio broadband systems in the United States on September 1, 2021.

In August 2019, several new intermediate entities were set up and others merged as part of the internal financing structure of the US operations. On August 31, 2020, Thames Valley Communications Inc. was merged with Atlantic Broadband (CT), LLC.

5. FOREIGN OPERATIONS

The American Broadband services activities are carried out by Atlantic Broadband in 12 states: Connecticut, Delaware, Florida, Maine, Maryland, New Hampshire, New York, Ohio, Pennsylvania, South Carolina, Virginia and West Virginia, as well as in Massachusetts, where it has its head office.

The revenue of the Corporation in the United States represented 42.9% of the consolidated revenue of the Corporation during the fiscal year ended August 31, 2021.

6. RISK FACTORS

The business as conducted by the Corporation involves numerous risks and uncertainties. The main risk factors and uncertainties facing the Corporation are disclosed in the "Uncertainties and Main Risk Factors" section of the Corporation's 2021 Annual MD&A for the year ended August 31, 2021 which is incorporated herein by reference, as supplemented by the "Uncertainties and Main Risk Factors" section of the Corporation's quarterly reports to shareholders. These risks and uncertainties should be considered in conjunction with the other information included in this AIF.

7. DIVIDENDS

The Corporation's quarterly eligible dividends on the Multiple Shares and Subordinate Shares have been increasing over the last three fiscal years, from \$0.43 per share in fiscal 2019, to \$0.475 per share in fiscal 2020, and to \$0.545 per share in fiscal 2021.

In accordance with the terms under the Term Revolving Facility of Cogeco Communications, Cogeco is subject to certain restrictions which may restrict its distributions to shareholders including dividends and share repurchases should it fail to achieve certain financial ratios and would not be able to pay dividends or repurchase shares if an event of default has occurred and is continuing.

The declaration, amount and date of any future dividend will continue to be considered and approved by the Board of Directors of the Corporation based upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors, at its sole discretion, deems relevant. There is therefore no assurance that dividends will be declared, and if declared, their amount and timing may vary.

8. CAPITAL STRUCTURE

The authorized share capital of the Corporation consists of an unlimited number of Subordinate Shares, Multiple Shares, Class A shares and Class B shares. As at August 31, 2021, 1,602,217 Multiple Shares and 14,399,638 Subordinate Shares were issued and outstanding. No Class A Shares or Class B Shares are presently issued and outstanding. The following is a summary of the material characteristics attached to the authorized classes of shares of the capital stock of the Corporation.

8.1. GENERAL DESCRIPTION OF CAPITAL STRUCTURE

8.1.1. SUBORDINATE SHARES AND MULTIPLE SHARES

Except for voting rights, Subordinate Shares and Multiple Shares carry and are subject to the same rights, privileges, restrictions and conditions.

Voting Rights

The Subordinate Shares are entitled to one vote per share and the Multiple Shares are entitled to twenty votes per share.

Dividends

Subject to the prior rights of the holders of the Class A shares and Class B shares, the holders of Subordinate Shares and Multiple Shares shall be entitled equally, on a share-for-share basis, to any dividend which, in the discretion of the Board of Directors, may be declared, paid or set aside for payment during any fiscal year with respect to such shares.

Dissolution

The holders of Subordinate Shares and Multiple Shares shall be entitled to share equally in any distribution of the assets of Cogeco upon its liquidation, dissolution or winding-up or other distribution of its assets. Such participation is subject to the rights, privileges, restrictions and conditions attached to any issued and outstanding Class A shares and Class B shares.

Conversion Rights

Each Multiple Share is convertible at any time at the holder's option into one fully paid and non-assessable Subordinate Share.

Rights in the Event of a Take-Over

If a takeover bid (as defined in the Articles of the Corporation) is made for the Multiple Shares and subject to certain conditions, including the acceptance of such takeover bid by the majority holder, each Subordinate

Shares shall become, upon such takeover bid, convertible into one Multiple Share, at the option of the holder, in order to allow such holder to participate in the takeover bid and accept it, and for these purposes only, provided that the takeover bid is completed by the offeror.

8.1.2. CLASS A SHARES

Series

Class A shares may be issued from time to time in one or more series. The Board of Directors of the Corporation shall be entitled, by resolution, but subject to the provisions of the *Québec Business Corporations Act*, the provisions in the Articles of the Corporation and the provisions attaching to any series of Class A shares outstanding, to determine, from time to time, prior to issue, the number of shares of each series of Class A shares and the consideration per share, as well as their designation and the rights, privileges, conditions and restrictions attaching thereto.

Voting Rights

The Class A shares are not entitled to any voting rights, unless the meeting is called to consider any matter in respect of which the holders of the Class A shares would be entitled to vote separately as a class or series.

Dividends

The holders of Class A shares are entitled to receive, in priority to the Class B shares, the Subordinate Shares and the Multiple Shares, a dividend, which dividend may or may not be cumulative and payable in cash or by way of stock dividends or in any other manner not prohibited by the *Québec Business Corporations Act*.

Dissolution

The holders of the Class A shares shall be entitled to receive, in priority to the Class B shares, the Subordinate Shares and the Multiple Shares, to the extent provided with respect to each series: (i) an amount equal to the price at which the said shares were issued, (ii) the premium, if any, provided for with respect to the shares of such series, and (iii) in the case of cumulative Class A shares, all unpaid cumulative dividends, and, in the case of non-cumulative Class A shares, all non-cumulative dividends declared but unpaid, before any amount shall be paid or any assets of the Corporation distributed to the holders of the Subordinate Shares and the Multiple Shares.

8.1.3. CLASS B SHARES

Series

Class B shares may be issued from time to time in one or more series. The Board of Directors of the Corporation shall be entitled, by resolution, but subject to the provisions of the *Québec Business Corporations Act*, the provisions in the Articles of the Corporation and the provisions attaching to any series of Class B shares outstanding, to determine, prior to issue, the number of shares of each series of Class B shares and the consideration per share, as well as their designation and the rights, privileges, conditions and restrictions attaching thereto.

Voting Rights

The Class B shares are not entitled to any voting rights, unless the meeting is called to consider any matter in respect of which the holders of the Class B shares would be entitled to vote separately as a class or series.

Dividends

The holders of Class B shares are entitled to receive, after the holders of Class A shares but before the holders of Subordinate Shares and Multiple Shares, a dividend, which dividend may or may not be cumulative

and payable in cash or by way of stock dividends or in any other manner not prohibited by the *Québec Business Corporations Act*.

Dissolution

Subject however to the prior rights of the holders of the Class A shares, the holders of the Class B shares shall be entitled to receive, to the extent provided with respect to each series: (i) an amount equal to the price at which the said shares were issued, (ii) the premium, if any, provided for with respect to the shares of such series, and (iii) in the case of cumulative Class B shares, all unpaid cumulative dividends, and, in the case of non-cumulative Class B shares, all non-cumulative dividends declared but unpaid, before any amount shall be paid or any assets of the Corporation distributed to the holders of the Subordinate Shares and the Multiple Shares.

8.2. CONSTRAINTS ON ISSUE AND TRANSFER OF SHARES

To maintain the eligibility of certain of its subsidiaries that hold licences of the CRTC to operate broadcasting distribution undertakings under the *Broadcasting Act*, the Corporation must comply with restrictions on ownership of voting shares by non-Canadians that are embodied in a statutory order from the Governor in Council (i.e., the federal Cabinet) to the CRTC under the *Broadcasting Act* (the “Order”). The Order limits foreign ownership of the Corporation in the aggregate to 33 1/3% of the issued and outstanding voting shares and 33 1/3% of the votes attaching to the voting shares. The Order also requires that the chief executive officer of the Corporation and 80% of the members of the Board of Directors be Canadian. The CRTC retains the discretion under the Order to make a determination that a licensee is not controlled in fact by Canadians.

The *Telecommunications Act* and its regulations as well as the Radiocommunication Regulations established similar restrictions on ownership of voting shares of telecommunications common carriers and radiocommunication carriers by non-Canadians. These foreign ownership restrictions do not apply however to carriers having less than a 10% share of the total Canadian telecommunications market

The issue and transfer of the shares of the Corporation are constrained by its Articles in accordance with section 82 of the *Business Corporations Act* (Québec), in order to ensure that the Corporation and its subsidiaries comply with the Order. These restrictions limit the extent to which equity shares can be issued or transferred to non-Canadian residents and preclude control by non-Canadian residents as well as prohibit the voting of equity shares in circumstances in which there is a contravention of the Order, the Broadcasting Act or any conditions of licenses.

The Corporation monitors, through its transfer agent Computershare, the level of non-Canadian ownership with regards to the number of all its issued and outstanding shares and the votes attaching to these shares and annually provides reports to the CRTC. Each subscriber or transferee of any shares of the Corporation is required to supply to Computershare a declaration stating certain facts with respect to citizenship and ownership and control over the shares to enable the Corporation to determine whether the non-Canadian share restrictions are being complied with.

8.3. CREDIT RATINGS OF MAJOR SUBSIDIARIES

The table below shows Cogeco Communications’ and Atlantic Broadband’s credit ratings by Standard & Poor’s, a division of The McGraw Hill Companies, Inc. (“S&P”), DBRS Limited (“DBRS”) and Moody’s Investors Services, Inc. (“Moody’s”):

At August 31, 2021	S&P	DBRS	Moody's
Cogeco Communications			
Senior Secured Notes and Debentures	BBB-	BBB (low)	NR
Corporate credit issuer default rating	BB+	BB (high)	NR
Atlantic Broadband			
First Lien Credit Facilities	BB	NR	B1
Corporate credit issuer default rating	BB	NR	B1

NR : Not rated

There is no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by either rating agency if, in its judgment, circumstances so warrant. The rating of any debt securities is not a recommendation to buy, sell or hold such securities, inasmuch as such ratings do not comment as to market price or suitability for a particular investor.

Cogeco Communications' and Atlantic Broadband's ability to access debt capital markets and bank credit markets and the cost and amount of funding available partly depends on the quality of the credit ratings. Credit ratings are subject to change, based on a number of factors including, but not limited to, Cogeco Communications' and Atlantic Broadband's financial strength, competitive position, liquidity and other factors that are not completely within their control, including conditions affecting the telecommunications industry generally, and the wider state of the economy. Any ratings downgrade could result in adverse consequences for Cogeco Communications' funding capacity and access to sources of liquidity and capital. In addition, real or anticipated changes in the rating assigned to a security will generally affect the market value of that security.

Ratings for long-term debt instruments range from AAA (S&P and DBRS) or Aaa (Moody's), representing the highest quality of securities rated, to D (S&P and DBRS) and C (Moody's) for the lowest quality of securities rated. Investment-grade credit ratings are generally considered to range from BBB- (S&P and DBRS) or Baa3 (Moody's) to AAA (S&P and DBRS) or Aaa (Moody's) and their cost of funding is typically lower relative to ratings below investment grade.

The DBRS long-term debt rating scale provides an opinion on the risk of default; that is, the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. Ratings are based on quantitative and qualitative considerations relevant to the issuer and the relative ranking of claims. A rating of BBB by DBRS is the fourth highest of ten categories and is assigned to debt securities considered to be of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable, but the entity may be vulnerable to future events. The assignment of a "high" or "low" modifier within certain rating categories indicates relative standing within such category. The absence of either a "high" or "low" designation indicates the rating is in the middle of the category.

Moody's long-term debt ratings are assigned to issuers or obligations with an original maturity of one year or more and reflect both on the likelihood of a default or impairment on contractual financial obligations and the expected financial loss suffered in the event of default or impairment. A rating of B by Moody's is the sixth highest of nine categories and denotes obligations considered to be speculative and subject to high credit risk. The addition of a 1, 2 or 3 modifier after a rating indicates the relative standing within a particular rating category. The modifier 1 indicates that the issue ranks in the higher end of its generic rating category, the modifier 2 indicates a mid-range ranking and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

S&P's long-term debt credit rating scale provides a forward-looking opinion of the creditworthiness of a company in meeting a specific financial obligation, a specific class of financial obligations or a specific financial program. It takes into consideration the likelihood of payment; that is, the capacity and willingness of the company to meet its financial commitment on an obligation according to the terms of the obligation, among other factors. A rating of BBB by S&P is the fourth highest of ten major categories. According to the S&P rating system, the obligor has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitments. A rating of BB by S&P is the fifth highest of ten major categories. According to the S&P rating system, the obligor is considered less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions. The addition of a plus (+) or minus (-) designation after a rating indicates the relative standing within a particular rating category.

In the past two years, Cogeco Communications has paid fees to rating agencies to obtain and maintain ratings and expects to pay similar fees in the future pursuant to service agreements entered into with such rating agencies. In the past two years, Cogeco Communications also paid fees to a credit rating organization for an information service other than a credit rating service.

9. MARKET FOR SECURITIES

9.1 TRADING PRICE AND VOLUME

The Subordinate Shares of Cogeco are listed on the TSX under the symbol CGO.

The table below shows the price ranges and trading volume of the Subordinate Shares for each month of the last fiscal year:

PRICE RANGES AND TRADING VOLUME OF THE SUBORDINATE SHARES

Month	High \$	Low \$	Volume #
September 2020	105,99	78,59	877,252
October 2020	91,24	77,87	788,633
November 2020	81,75	77,01	1,255,815
December 2020	84,99	79,00	803,141
January 2021	93,95	78,60	889,630
February 2021	98,15	91,12	494,240
March 2021	100,89	92,42	323,789
April 2021	101,24	95,40	327,756
May 2021	98,46	92,19	182,757
June 2021	96,62	90,05	122,711
July 2021	98,00	91,84	134,853
August 2021	95,97	89,50	129,708

9.2 PRIOR SALES AND OUTSTANDING DEBT SECURITIES OF MAJOR SUBSIDIARIES

On September 1, 2021, in connection with the financing of the Ohio acquisition, a US\$900 million Senior Secured Term B Loan maturing on September 1, 2031 was entered into under one of Cogeco Communications' US subsidiary and such loan was issued under the existing First Lien Credit Facilities. The interest rate on this Term B Loan is based on LIBOR plus an applicable credit spread. The First Lien Credit Facilities are non-recourse to Cogeco Communications and most of its Canadian subsidiaries, and are indirectly secured by a first priority fixed and floating charge on substantially all present and future real and personal property and undertaking of every nature and kind of Atlantic Broadband and its subsidiaries.

On September 20, 2021, Cogeco Communications completed, pursuant to a private placement, the issuance of \$500 million senior secured notes, bearing interest at 2.991% and maturing on September 22, 2031 (the "2031 Notes"). Cogeco Communications used the net proceeds of the offering to repay existing indebtedness and intends to use the balance to fund its investment in the 3500 MHz spectrum and for other general corporate purposes. The 2031 Notes are direct and unsubordinated secured debt obligations of Cogeco Communications and rank equally and pari passu with all other secured senior indebtedness of Cogeco Communications, effectively senior to all unsecured senior indebtedness, to the extent of the value of the collateral securing the 2031 Notes and the related guarantees, and in priority to all indebtedness that is expressly subordinated in right of payment to the 2031 Notes and the related guarantees.

All of the obligations of Cogeco Communications under the 2031 Notes, its primary operating credit facility and its other outstanding series of debt securities are guaranteed by Cogeco Communications' wholly-owned Canadian subsidiaries, and indirectly secured by a first priority charge and security interest, subject to permitted liens, on substantially all present and future real and personal property and undertakings of every nature and kind of Cogeco Communications and the guarantors.

A copy of the Trust Indenture and of the First Supplemental Trust Indenture governing the 2031 Notes, each dated September 20, 2021, are available under the Corporation's profile on SEDAR at www.sedar.com.

Additional information about the terms and conditions of Cogeco Communications' outstanding debt securities as at August 31, 2021 and details of past debt offerings, as well as details on the Corporation's primary operating credit facility and the principal amounts outstanding thereunder, can be found in Note 18, Long-term debt of the 2021 consolidated financial statements of Cogeco Communications' 2021 Annual Report under the Corporation's profile on SEDAR at www.sedar.com, which note is hereby incorporated by reference.

All debt securities have been issued in series and certain series are redeemable at Cogeco Communications' option prior to maturity at the prices, times and conditions specified for each series. In addition, Cogeco Communications is required, under certain conditions, to make (or arrange for a third party to make) an offer to repurchase certain series of its debt securities upon the occurrence of both a "Change of Control" and a "Ratings Event" or "Rating Decline" relating to the relevant series of debt securities (as each such term is defined in the terms and conditions of the relevant series of debt securities), at a price equal to 101% of the outstanding principal amount thereof (or in certain cases, 100% of the outstanding principal amount plus the applicable make-whole amount), plus accrued and unpaid interest, if any, to the date of purchase.

10. DIRECTORS AND EXECUTIVE OFFICERS

10.1 DIRECTORS

The table below lists Cogeco's directors, their province or state and country of residence and their current principal occupation as at September 1, 2021. Each director is elected at the annual meeting of shareholders to serve until the next annual meeting or until a successor is elected or appointed. The Board of Directors can also appoint a certain number of additional directors between the annual meetings of shareholders:

Name and province or state and country of residence	Cogeco Director since	Current principal occupation
Louis Audet, Eng., MBA, C.M. Québec, Canada	1984	Board Chair of Cogeco and Cogeco Communications
Arun Bajaj, BCL, LLB Québec, Canada	2019	Executive Vice President, Chief Human Resources officer of Gildan Activewear Inc. (clothing company)
Mary-Ann Bell, Eng., M.Sc., ASC Québec, Canada	2016	Corporate Director
James C. Cherry, B.Com, FCPA, FCA Ontario, Canada	2016	Corporate Director
Patricia Curadeau-Grou, B.Com, Finance, ICD.D Québec, Canada	2020	Corporate Director
Samih Elhage, MSc, BSSc, BASc Munich/Germany	2019	Corporate Director
Philippe Jetté, Eng. Québec, Canada	2019	President and Chief Executive Officer of Cogeco and Cogeco Communications
Normand Legault, B.B.A. Québec, Canada	2012	Corporate Director
David McAusland, B.C.L., LL.B., Ad.E., F.ICD Québec, Canada	1998	Counsel, McCarthy Tétrault (Law firm)

PAST OCCUPATIONS

Cogeco's directors have held the respective positions listed in the table above with the same corporation during the past five years or more, except for:

- Louis Audet has been Board Chair of Cogeco and Cogeco Communications since September 1, 2021. He was Executive Chair of both Corporations from 2018 to 2021. Mr. Audet joined Cogeco in 1981 and held the position of President and Chief Executive Officer of Cogeco from 1984 to 2018. Under his leadership, Cogeco has become a leading Canadian communications company, operating internationally and generating revenues of over \$2.4 billion annually.
- Arun Bajaj has been Executive Vice President, Chief Human Resources Officer and Legal Affairs at Gildan Activewear Inc. since March 1, 2021. He previously was Chief Human Resources Officer from October 2019 to February 2021. Prior to joining Gildan, he held the position of Senior Vice-President, Chief Human Resources Officer at Renault-Nissan Mitsubishi Alliance. He also held several positions in Canada, the US, and Asia with the Nissan Motor Corporation. Prior to working in human resources at Nissan, he held the role of General Counsel, Nissan Canada, following eight years in legal roles at the Ford Motor Company, based in Oakville, Ontario.
- Samih Elhage has been a corporate director since 2017. See heading 15.3 "Education and Experience of Audit Committee Members" for more details on his past occupations.
- Philippe Jetté has been President and Chief Executive Officer of Cogeco and Cogeco Communications since September 1, 2018. Mr. Jetté was President of Cogeco Peer 1 from 2015 to 2018. Previously, Mr.

Jetté held several positions within Cogeco, including Senior Vice President, Chief Technology and Strategy Officer of Cogeco and Cogeco Communications between 2013 and 2015 and Vice President, Chief Technology Officer from 2011 to 2013. With more than 30 years of experience in the telecommunications industry, Mr. Jetté combines practical technological know-how, mastery of complex network engineering, years of strategic planning, and global experience in marketing and sales with an extensive knowledge of the telecommunications market. Prior to joining Cogeco, Mr. Jetté was President of PJCS Inc. (strategic ITC technology and marketing services) between 2008 and 2011. Before that, he held several technology, sales and marketing leadership positions with Bell Canada, Bell Mobility and Rogers Communications (Cantel).

- David McAusland has been counsel of McCarthy Tétrault LLP, a major law firm in Canada, since January 2020. He previously was a partner of McCarthy Tétrault LLP, from June 2009 to December 2019. From 1999 to February 2008, he was a senior officer (latterly, Executive Vice President, Corporate Development and Chief Legal Officer) of Alcan Inc., a large multinational industrial company

COMMITTEES OF THE BOARD

The Board has established four standing Committees to facilitate the carrying out of its duties and responsibilities and meet applicable statutory and policy requirements. The Committees are currently comprised of the following directors:

Audit Committee	Human Resources Committee	Corporate Governance Committee	Strategic Opportunities Committee⁽²⁾
James C. Cherry ⁽¹⁾	Arun Bajaj	Arun Bajaj	Patricia Curadeau-Grou
Patricia Curadeau-Grou	Mary-Ann Bell	Mary-Ann Bell ⁽¹⁾	Samih Elhage
Samih Elhage	Patricia Curadeau-Grou	Normand Legault	Joanne Ferstman ⁽³⁾
Normand Legault	David McAusland ⁽¹⁾	David McAusland	Philippe Jetté
	James C. Cherry		Normand Legault ⁽¹⁾
			Bernard Lord ⁽³⁾
			David McAusland

(1) Committee Chair

(2) The Strategic Opportunities Committee is a joint Cogeco Communications and Cogeco Committee

(3) Director of Cogeco Communications

Messrs. Louis Audet and James C. Cherry, respectively Board Chair and Lead Director, are entitled to attend as observers and to participate in meetings of the Audit, Human Resources, Corporate Governance and Strategic Opportunities Committees.

10.2 EXECUTIVE OFFICERS

The table below lists Cogeco's executive officers, their province or state and country of residence and the position that they held on September 1, 2021:

Name	Province or state and country of residence	Position occupied
Elizabeth Alves, CPA, CA, CIA, CFE	Québec, Canada	Vice President, Enterprise Strategy and Social Responsibility
Paul Beaudry, LLB	Québec, Canada	Vice President, Regulatory Affairs
France De Blois, CPA, CA	Québec, Canada	Vice President, Finance
Martin Grenier, MBA	Québec, Canada	Vice President, Procurement
Philippe Jetté, Eng.	Québec, Canada	President and Chief Executive Officer
Christian Jolivet, LLB, LLM	Québec, Canada	Senior Vice President, Corporate Affairs, Chief Legal Officer and Secretary
Marie-Hélène Labrie, M. Sc.	Québec, Canada	Senior Vice President and Chief Public Affairs, Communications and Strategy Officer
Zouheir Mansourati, M.Sc., Ph.D.	Québec, Canada	Senior Vice President and Chief Technology Officer
Diane Nyisztor, CPA, CA, HRCCC	Québec, Canada	Senior Vice President and Chief Human Resources Officer
Patrice Ouimet, CPA, CA	Québec, Canada	Senior Vice President and Chief Financial Officer
Caroline Paquet	Québec, Canada	President, Cogeco Média
Andrée Pinard, CPA, CA, MBA	Québec, Canada	Vice President, Investor Relations and Treasurer

PAST OCCUPATIONS

All the executive officers of Cogeco have held their present position during the past five years or more, except as follows:

- Elizabeth Alves has been Vice President, Enterprise Strategy and Social Responsibility of Cogeco and Cogeco Communications since June 2019. Ms. Alves joined the Corporation as Senior Director, Internal Audit, in 2008. She has also held the positions of Vice President, Internal Audit and Vice President, Internal Audit and Risk Management of Cogeco and Cogeco Communications from March 2014 to June 2019.
- Paul Beaudry has been Vice President, Regulatory Affairs of Cogeco and Cogeco Communications since November 2020. Prior to joining Cogeco, Mr. Beaudry served as Director of Regulatory Affairs at TELUS from 2018 to 2020. Previously, he practiced competition and foreign investment law at Stikeman Elliott LLP and Ogilvy Renault LLP (now Norton Rose Fulbright) from 2010 to 2016 and 2008 to 2010, respectively. He is a former senior policy advisor to Canada's Minister of Industry, from 2006 to 2007.
- France De Blois has been Vice President, Finance of Cogeco and Cogeco Communications since July 2021. Prior to joining Cogeco, she was Vice President, Accounting and Control and Director, Finance and Control at Harnois Énergies from 2018 to 2021 and from 2017 to 2018, respectively. Previously, she was Vice President, Finance at Ovivo Inc. from 2013 to 2016.
- Martin Grenier has been, since January 22, 2018, Vice President, Procurement of Cogeco and Cogeco Communications. Prior to joining the Corporation, he was successively Regional Director, Procurement

Canada & Europe from 2010 to 2017 and Director, Procurement Strategic Programs from 2017 to 2018, at Rio Tinto.

- Philippe Jetté has been President and Chief Executive Officer of Cogeco and of Cogeco Communications since September 1, 2018. See heading 10.1 for more details on his past occupations
- Marie-Hélène Labrie has been, since August 31, 2019, Senior Vice President and Chief Public Affairs, Communications and Strategy Officer of Cogeco and Cogeco Communications. Prior to that, she was Senior Vice President, Public Affairs and Communications of Cogeco and Cogeco Communications from November 2018 to August 2019. Prior to joining the Corporation, she was at Enerkem starting in 2008, most recently as Senior Vice President, Government Affairs and Communications.
- Zouheir Mansourati has been Senior Vice President and Chief Technology Officer of Cogeco and Cogeco Communications since November 2020. He previously worked at Vitruvi as Chief Customer Officer and Chief Growth Officer from June 2019 to November 2020. He was Vice President at TELUS from 2006 to March 2019, serving as VP of National Broadband Network Implementation in the final six years.
- Caroline Paquet has been President of Cogeco Media since July 2021. Prior to joining Cogeco Media, Caroline held the positions of Vice President, Marketing and Content and Senior Director, Relational Marketing and Content at Videotron, from 2017 to 2021 and 2014 to 2017, respectively.

As at August 31, 2021, the directors and executive officers of the Corporation named above, as a group, beneficially owned, directly or indirectly, controlled or directed:

- 3,200 Multiple Shares of the Corporation representing 0.2% of the outstanding shares of such class; and
- 163,388 Subordinate Shares of the Corporation, representing 1.135% of the outstanding shares of such class.

11. LEGAL PROCEEDINGS

The Corporation is involved in various claims and litigation in the ordinary course of its business. Management believes that the resolution of these claims and litigation (which in certain cases are, subject to applicable deductibles, covered by insurance) will not have a material adverse effect on its financial position or results of operations.

12. TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Corporation is Computershare Trust Company of Canada at its principal offices in Montréal and in Toronto.

13. MATERIAL CONTRACTS

On June 20, 2021, Cogeco Communications through its subsidiary Atlantic Broadband, entered into an agreement with WideOpenWest, Inc. (WOW) to purchase all of its Ohio broadband systems, for US\$1.125 billion, subject to customary post-closing adjustments (the “Transaction”). The Transaction, which was executed through an asset purchase agreement, was completed on September 1, 2021. With the closing of this Transaction, Atlantic Broadband is expanding its activities in Ohio and significantly growing its customer base. The acquired Ohio broadband systems passed approximately 688,000 homes and businesses in Cleveland and Columbus and served approximately 196,000 Internet, 61,000 video and 35,000 telephony customers, as of March 31, 2021. The acquisition represents a strong strategic fit for the Corporation as it is complementary to Atlantic Broadband's existing footprint and capitalizes on its existing platform. Atlantic Broadband has entered into a Transition Service Agreement to ensure a smooth transition period and allow Atlantic Broadband to further upgrade the network and launch its products and services, including a state-of-the-art IPTV platform. In the short term, the acquired operations will continue to operate under the WOW! name and trademark and be rebranded following the integration period.

14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Cogeco holds 33.5% of Cogeco Communications' equity shares, representing 83.4% of the Cogeco Communications' voting shares.

Cogeco provides executive, administrative, financial, strategic planning and additional services to Cogeco Communications under a Management Services Agreement (the "Agreement"). The methodology used to establish the management fees is based on the costs incurred by Cogeco plus a reasonable mark-up. Provision is made for future adjustments upon the request of either Cogeco Communications or the Corporation from time to time during the term of the Agreement. For the year ended August 31, 2021, management fees paid to Cogeco amounted to \$23.5 million compared to \$24.1 million for fiscal 2020.

No direct remuneration is payable to Cogeco's executive officers by Cogeco Communications. However, during fiscal years 2021 and 2020, Cogeco Communications granted stock options and performance share units ("PSUs") to these executive officers, as executive officers of Cogeco Communications, as follows: 74,275 (110,875 in 2020) stock options, and 10,375 (14,375 in 2020) PSUs. During fiscal 2021, Cogeco Communications charged Cogeco \$1,242,000 (\$1,205,000 in 2020), \$6,000 (\$39,000 in 2020) and \$632,000 (\$1,386,000 in 2020), respectively, with regards to Cogeco Communications' stock options, incentive share units and PSUs granted to these executive officers.

There were no other material related party transactions during the periods covered.

15. AUDIT COMMITTEE DISCLOSURE

15.1 CHARTER

PURPOSE

Financial reporting and disclosure by Cogeco Inc. represents a major aspect of the management of the Corporation's global business and affairs.

The Board is responsible to oversee financial reporting and disclosure of the Corporation.

To assist the Board of Directors in its monitoring of the Corporation's consolidated financial reporting and disclosure, the Board of Directors has established a committee of the Board of Directors known as the Audit Committee for the purpose of overseeing the accounting and financial reporting processes and audits of the consolidated financial statements of the Corporation.

The purpose of the Board of Directors' oversight of the Corporation's financial reporting and disclosure is to gain reasonable assurance, through the Audit Committee, that the following objectives are being met:

- (a) that the Corporation and its subsidiaries comply with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
- (b) that the accounting policies and practices, significant judgments and disclosures which underlie or are incorporated in the Corporation's consolidated financial statements are the most appropriate in the prevailing circumstances;
- (c) that the Corporation's quarterly and annual consolidated financial statements present fairly the Corporation's financial position and performance in accordance with International Financial Reporting Standards ("IFRS");
- (d) that there is an effective system of internal controls and that the evaluation and testing of the internal controls are appropriate to cover significant risks and are comprehensive, coordinated and cost effective; and

- (e) that financial information in public disclosure documents has been reviewed and that appropriate information concerning the financial position and performance of the Corporation is disseminated to the public in a timely manner.

Although the Audit Committee has the powers and responsibilities set forth in this Charter, the role of the Audit Committee is oversight. The members of the Audit Committee are not full-time employees of the Corporation and may or may not be accountants or auditors by profession and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Corporation's consolidated financial statements and disclosures are complete and accurate, and in accordance with IFRS and applicable rules and regulations. These are the responsibilities of senior Management, the External Auditors and other specialists retained by the Corporation.

COMPOSITION AND QUALIFICATION

The Audit Committee is appointed annually by the Board of Directors and consists of a minimum of three Directors from among the Directors of the Corporation. Every Audit Committee member must be independent, as defined in, and in compliance with, *National Instrument 52-110* ("NI 52-110") and subject to the independence exemptions provided for therein.

The members of the Audit Committee are appointed at the first meeting after the annual meeting of the shareholders, or at any other meeting if a vacancy arises. The Board of Directors appoints one of the members of the Audit Committee each year as its Chair.

Subject to the exemptions provided for in NI 52-110, all members of the Audit Committee should be "financially literate" and, as such, able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's consolidated financial statements.

In contributing to the Audit Committee's discharging of its duties under this mandate, each member of the Audit Committee shall be entitled to rely in good faith upon:

- (a) Consolidated financial statements of the Corporation represented to him or her by the President and Chief Executive Officer ("President and CEO") or Senior Vice President and Chief Financial Officer ("CFO") of the Corporation or in a written report of the External Auditors to present fairly the consolidated financial position of the Corporation in accordance with IFRS; and
- (b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

In contributing to the Audit Committee's discharging of its duties under this mandate, each member of the Audit Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board of Directors are subject. The essence of the Audit Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the fundamental accounting and reporting activities are being conducted effectively, that the financial reporting and disclosure objectives are being met and that a proper system of internal controls is in place, so as to report accordingly to the Board of Directors. These duties extend to evaluating and, where appropriate, recommending replacement of the External Auditors.

OPERATING PRINCIPLES AND GUIDELINES

The Audit Committee fulfills its responsibilities within the context of the following principles and guidelines:

- (a) The Committee Chair and the other Audit Committee members have direct, open and frank communications throughout the year with senior Management, other committee chairs and Board members, the External Auditors, the Vice President, Internal Audit and other key committee advisors as applicable.

- (b) The Committee, in consultation with senior Management and the External Auditors, develops annually an Audit Committee Work Plan reflecting the Audit Committee's responsibilities as set out in this Charter.
- (c) The Audit Committee, in consultation with senior Management and the External Auditors, participates in a process to review important financial topics and emerging standards that have the potential to impact the Corporation's consolidated financial reporting and disclosure.
- (d) The Audit Committee meeting agendas are the responsibility of the Committee Chair in consultation with Committee members, senior Management, the Vice President, Internal Audit and the External Auditors, as appropriate.
- (e) The Committee communicates its expectations to senior Management, the Vice President, Internal Audit and the External Auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from senior Management, the Vice President, Internal Audit and the External Auditors and posted on the electronic portal of the Corporation one week in advance of meeting dates for all the topics on the agenda.
- (f) The External Auditor's ultimate responsibility is to the Board of Directors through the Audit Committee, as representatives of the shareholders. The External Auditors must report directly to the Audit Committee.
- (g) The Committee may engage independent counsel or other advisors in addition to the External Auditors, which the Committee determines are necessary to carry out its duties, at the expense of the Corporation and after consultation with senior Management.
- (h) At each regular scheduled meeting of the Committee, the Committee members meet in private sessions among themselves only to ensure free and open discussion; with the External Auditors only; with the Vice President, Internal Audit only; and with representatives of senior Management only.
- (i) The Committee, through its Chair, reports after each Committee meeting to the Board of Directors at its next regular meeting or earlier if required.
- (j) The Audit Committee meets at least four times per year on a quarterly basis and holds special meetings as circumstances require. The timing of the meetings, and calling of and procedure at meetings, are determined by the Committee, provided that:
 - (i) at all Audit Committee meetings a majority of the members shall constitute a quorum; and
 - (ii) the acts of the Audit Committee at a duly constituted meeting require no more than the vote of a majority of the members present and that, in any circumstances, a resolution or other instrument in writing signed by all members of the Audit Committee shall avail as the act of the Audit Committee.

The CFO of the Corporation, the Vice President, Internal Audit of the Corporation, the Vice President, Finance of the Corporation and the External Auditors usually attend all Audit Committee meetings.

The minutes of meetings of the Audit Committee are approved by the Committee and delivered to the Board of Directors for its information.

The Secretary or Assistant Secretary of the Corporation acts as the secretary of the Audit Committee.

RESPONSIBILITIES AND DUTIES

The Committee is responsible for the following:

FINANCIAL REPORTING

- Review, before they are released, the annual consolidated financial statements included in the annual report to shareholders and the External Auditors' report thereon, the Management's Discussion and Analysis ("MD&A") and related news releases and recommend their approval to the Board of Directors.

- Review, before they are released, the interim consolidated financial statements, the MD&A and related news releases and recommend their approval to the Board of Directors.
- Review, before they are released, public disclosure documents, such as a prospectus, annual information form or any other public documents containing consolidated financial statements of the Corporation, and recommend their approval to the Board of Directors.
- Review, before they are released, the guidance provided to financial markets and financial institutions.
- Review the reports of the Disclosure Committee of the Corporation.
- Discuss with senior Management any significant variances between comparative reporting periods and across comparable business units.

CHANGES IN ACCOUNTING POLICIES

- Review, with senior Management and the External Auditors, any proposed changes in securities laws, policies or regulations and/or major accounting policies, and key estimates and judgments that may be material to financial reporting of the Corporation and probe whether the underlying accounting policies, disclosures and key estimates and judgments are considered to be the most appropriate in the circumstances.
- Report to the Board in a timely fashion on any proposed changes in securities policies or regulations and/or major accounting policies and key estimates and judgments that may be material to financial reporting and entail significant actual or potential liabilities, contingent or otherwise.
- Discuss with senior Management and the External Auditors the clarity and completeness of the Corporation's consolidated financial disclosures.
- Review, whenever there are significant changes in accounting policies and disclosure requirements, benchmarks submitted by Management of the Corporation's accounting policies and disclosure to those followed in its industry.

RISKS AND UNCERTAINTIES

- Review the principal business risks facing the Corporation and its subsidiaries identified by senior Management, in the context of its global business and affairs (the "Principal Business Risks") and the implementation by senior Management of appropriate mitigation measures to manage these risks.
- Develop reasonable assurance that the Principal Business Risks are effectively being mitigated and controlled by:
 - (i) reviewing with senior Management an updated list of such risks as well as ongoing or special actions undertaken to manage each one of these identified risks;
 - (ii) discussing with senior Management its assessment of the residual exposure to the Corporation if any, ensuing from their management of such risks; and
 - (iii) enquiring of senior Management whether existing policies, processes and programs are appropriate to identify, manage and control such risks.
- Oversee on a quarterly basis the Enterprise Risk Management ("ERM") activities of the Corporation with the Vice President Enterprise Strategy & Social responsibility.
- Oversee on a quarterly basis the operational and financial risks associated with significant programs and projects of the Corporation above \$10 million.
- Review and recommend to the Board the approval of the Enterprise Risk Management Policy and any material change to it.

- Review and recommend to the Board the approval, on an annual basis, the risk appetite framework of the Corporation guiding strategic decision making.
- Review, at least annually, and approve the appropriateness of foreign currency, interest rate and other financial risk mitigation practices such as the use of derivative financial instruments.
- Review and approve the Treasury Policy of the Corporation and any material change made to it.
- Review and approve the Information and Cyber-Security Policy of the Corporation and any material change to it.
- Review, at least annually, the appropriateness of insurance coverage maintained by the Corporation and its subsidiaries.
- Review quarterly updates of the Corporation's and its subsidiaries' outstanding contingencies, including legal claims, tax assessments and others, that could have a material effect upon the financial results and condition of the Corporation and the manner in which these matters are being disclosed in the consolidated financial statements.
- Review, at least annually, the list of guarantees provided by the Corporation and its subsidiaries.

FINANCIAL CONTROLS AND DEVIATIONS

- Review annually the plans of the Vice President, Internal Audit and of the External Auditors to gain reasonable assurance that the proposed combined evaluation and testing of internal controls are appropriate to cover significant risks, comprehensive, coordinated and cost effective.
- Review with senior Management of the Corporation any significant changes to the internal control environment and measures implemented, if any, to address identified control deviations.
- Review procedures for public disclosure of financial information extracted from the Corporation's consolidated financial statements, other than the public disclosure referred to under Financial Reporting above and periodically assess the adequacy of these procedures.
- Establish procedures for (a) the receipt, retention and treatment of complaints received by the Corporation and its subsidiaries regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation and its subsidiaries of concerns regarding questionable accounting or auditing matters.
- Receive quarterly reports from the Vice President, Internal Audit on all complaints and anonymous submissions of concern by employees regarding accounting, internal accounting controls or auditing matters, results of any inquiry carried to that effect, and how such matters have or will be corrected.
- Review and understand the processes that support the President and CEO and the CFO's certification and be satisfied that they constitute a reasonable approach and are diligently performed.
- Review all design and operational effectiveness weaknesses in internal control over Financial Reporting and disclosure controls and procedures that, individually and/or in combination could have a material impact on the financial reporting, understand the assessment of these weaknesses and the decision process supporting whether identified weaknesses should be disclosed or not in the MD&A and review the completeness and accuracy of the disclosures provided in the MD&A.
- Review, approve and monitor the remediation plan, if any, proposed by the President and CEO and the CFO.

COMPLIANCE WITH TAX AND FINANCIAL REPORTING LAWS

- Review regular reports from Management concerning the Corporation's and its subsidiaries' compliance with tax and financial reporting laws and regulations including those necessitating withholdings requirements which can have a material impact on financial statements.

RELATIONSHIP WITH THE EXTERNAL AUDITORS

- Recommend annually to the Board the nomination of the External Auditors for the purpose of preparing or issuing an auditors' report and conducting quarterly reviews and any other related work for the Corporation. The Committee will only recommend External Auditors who (a) participate in the oversight program of the Canadian Public Accountability Board ("CPAB") and (b) are in good standing with the CPAB.
- Perform an annual assessment of the External Auditors and, at least every five years, a comprehensive review of the External Auditors.
- Recommend annually to the Board the compensation of the External Auditors.
- Receive a report annually from the External Auditors with respect to their independence and objectivity, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services rendered to the Corporation.
- Review and approve the External Auditors' audit service plan, the areas of special emphasis to be addressed in the audit, the extent to which the external audit can be coordinated with internal audit activities and the materiality levels which the External Auditors propose to employ.
- If deemed appropriate, establish annual Audit Quality Indicators in consultation with the External Auditors and senior Management and review at least annually a report from the External Auditors addressing Audit Quality Indicators.
- Establish effective communication processes with senior Management and the Corporation's Internal and External Auditors to assist the Committee in monitoring objectively the quality and effectiveness of the relationship among the External Auditors, management and the Committee.
- Oversee the work of the External Auditors, receive quarterly review reports and reports from the External Auditors on the progress against the approved audit service plan, important findings, Management letter of recommendations for improvement and the External Auditors' final report.
- Resolve disagreements between senior Management and the External Auditors regarding financial reporting.
- Meet regularly with the External Auditors in the absence of Management.
- Establish annually a list of services that may not be provided by the External Auditors as a measure to safeguard their objectivity and independence. Ensure compliance of such list of proscribed services with regulatory requirements.
- Pre-approve all non-audit services to be provided to the Corporation by the External Auditors, subject to the exemptions provided for in NI 52-110 and delegate the administration of the pre-approved non-audit services to the Vice President, Finance. The Vice President, Finance will report quarterly to the Audit Committee the amounts that were incurred for such services.
- Review and approve the Corporation's policy regarding the hiring of professionals from External Auditors.
- Review reports of External Auditors concerning the planned rotation of partners assigned to the Corporation's affairs.
- In the case of resignation or termination of the External Auditors or their replacement, review and approve the change of auditor notice within 30 days after the date of termination, resignation or replacement.
- Receive a quarterly confirmation from the External Auditors that there are no defects in their quality control systems according to the CPAB and/or that they have not been subject to any sanction by the CPAB.

- Review with the External Auditors the inspection findings of the CPAB that are communicated in confidence to the External Auditors when and if the audit file of the Corporation has been subject to a review by the CPAB.

RELATIONSHIP WITH THE VICE PRESIDENT, INTERNAL AUDIT

- Review the appointment and replacement of the Vice President, Internal Audit and report such to the Board.
- Review and approve the Vice President, Internal Audit's annual plan and schedule of audit assignments, Internal Audit Charter and annual budget.
- Review a list of external audit firms from which Internal Audit can outsource employees on a contractual basis for parts or all of its planned assignments.
- Review the reports of the Corporation's Vice President, Internal Audit with respect to control, financial risk and any other matters appropriate to the Committee's duties. Receive Management's responses to these audit observations and recommendations.
- Review and approve the reporting relationship of the Vice President, Internal Audit to ensure that organizational independence is effectively achieved and that the Vice President, Internal Audit has direct reporting and access to the Committee on matters affecting the Committee's duties.
- Encourage the Vice President, Internal Audit to share his or her planning and findings with the External Auditors in order to maximize audit coverage of the Corporation's operations and financial condition, in a cost-effective manner.

OTHER RESPONSIBILITIES

- Review and reassess annually the adequacy of this Charter and recommend any changes to the Board of Directors.
- Review quarterly the list of related party transactions between the Corporation and Cogeco Communications, as per International Accounting Standard ("IAS") 24.
- Review annually the estimated fees to be paid by Cogeco Communications to the Corporation under the Management Services Agreement.
- Review disclosure of the Committee's Charter and of the Committee's activities presented in the Corporation's statement of corporate governance practices.
- After consultation with the CFO and the External Auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Corporation's accounting and financial personnel and other resources.
- Be informed of the appointment of the Corporation's senior financial executives.
- Perform such other functions as may from time to time be assigned to the Committee by the Board.

15.2 COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is currently composed of four directors: Mr. James C. Cherry, the Committee Chair and Ms. Patricia Curadeau-Grou, Mr. Samih Elhage and Mr. Normand Legault, who satisfy the independence requirements as set within NI 52-110 of the Canadian Securities Administrators.

15.3 EDUCATION AND EXPERIENCE OF AUDIT COMMITTEE MEMBERS

The following describes the relevant education and experience of each member of the Audit Committee in order to provide: (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements, (b) the ability to assess the general application of such accounting principles, (c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and

level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the Corporation's financial statements or experience actively supervising one or more persons engaged in such activities and (d) an understanding of internal controls and procedures for financial reporting.

James C. Cherry, B.Com, FCPA, FCA — Mr. Cherry is a corporate director. He was President and Chief Executive Officer of Aéroports de Montréal (ADM) from 2001 to 2016. He has over 40 years of experience in general management and more specifically in project and financial management in the international aerospace, defense and rail sectors. Over this period he has worked in senior executive positions with Bombardier Inc., Oerlikon Aerospace Inc., CAE Inc. and ALSTOM Canada. He is the lead director of the Corporation (and of its subsidiary Cogeco Communications, both reporting issuers), and is the Chair of its Audit Committee and member of the Human Resources Committee. He is also a director and chair of the Human Resources and Governance Committee of Voti Detection Inc. (a reporting issuer with activities in security screening technology). Mr. Cherry also serves as a director of Canada Infrastructure Bank, a Canadian Crown Corporation, engaged in building infrastructure for Canada and is the Chair of its Impact and Risk Committee. He served on the Board of Logistec Inc. (a reporting issuer with activities in marine and environmental services) for 10 years, until May 2021, where he was Chair from 2019 to 2021 and has in the past also chaired the Audit Committee. Mr. Cherry is a director of the McGill University Hospital Centre and of IAS Quebec. He co-Chaired the 2017 campaign for Centraide of Greater Montreal.

Patricia Curadeau-Grou, B.Com, Finance, ICD.D — Ms. Curadeau-Grou is a corporate director. She held several positions within the National Bank of Canada from 1991 until her retirement in October 2015, including Strategic Advisor to the President and Chief Executive Officer from 2012 to 2015 and Chief Financial Officer and Executive Vice President, Finance, Risk and Treasury from 2007 to 2012. Prior to joining the National Bank of Canada, she held a number of key positions at major financial institutions, primarily in business development, risk management and corporate planning. She sits on the Board of National Bank of Canada which is a reporting issuer and where she is a member of the Risk Management, Conduct Review and Corporate Governance and Technology Committees and on the Board of Pomerleau Inc. where she presides the Human Resources Committees. She was formerly a director of Cogeco Communications Inc. (a reporting issuer, subsidiary of Cogeco Inc.) from 2012 to 2019, Fairstone Financial (previously City Financial), la Caisse de dépôt et placement du Québec and Uni Select Inc. Ms. Curadeau-Grou is also a director of a number of not-for-profit corporations. Since 2007, she has been a member of the Women's Executive Network Hall of Fame for Canada's most powerful women.

Samih Elhage, MASc, BSSc, BASc — Mr. Elhage currently serves as a corporate director. He has more than 30 years of senior experience in the telecommunications industry. After several years within Bell Canada, he joined Nortel in 1998 for over 10 years where he held various leadership roles, including Vice President of Corporate Business Operations from June 2007 to July 2008. From 2008 to 2010, he was President of Carrier Voice over IP and Application Solutions. He then worked as Senior Advisor to leading private equity and global management consulting firms from January 2011 to March 2012, including McKinsey, Madison Dearborn Partners and Apollo Global Management. In 2012, he joined Nokia Siemens Networks as COO and member of the Executive Board and then assumed the combined role of CFO and COO and member of the Executive Board in Nokia Siemens Networks, Nokia Solutions Networks and Nokia Networks. In his last role with Nokia, Samih was President of Mobile Networks Business Group and member of the Group Leadership Team up to May 2017. Mr. Elhage was formerly a director of Alcatel-Lucent France (a telecommunications services company). He also served on private boards including Nokia Shanghai Bell (China) and QuickPlay (Canada). Mr. Elhage currently serves on the Advisory Board of Madison Dearborn Partners, a Chicago-based private equity investment firm focused on buyout and growth equity investing. In addition, he serves on the Advisory Board of McKinsey Transformation, part of McKinsey & Company, a global management consulting firm.

Normand Legault, B.B.A. — Normand Legault is a corporate director. He is also President of GPF1 Inc., a consultancy in professional sports, live entertainment and communications. He was Chairman of Groupe Solotech Inc. from 2013 to 2017 and its Chief Executive Officer from 2015 to 2017. He held several positions from 1989 to 2009 within the Grand Prix F1 of Canada, including being President and Chief Executive Officer from 1996 to 2009. As an entrepreneur, he was also involved in launching various enterprises in the graphic design, live events and access control industries. Mr. Legault currently serves on the boards of Global Logic, a digital products engineering company from San Jose (California), and Dorna Sports, a Madrid-based sports management, marketing and media company that manages the Moto GP FIM world championship. He has served as a director with numerous corporations, both private and public,

including, among others, Aéroports de Montréal from 2010 to 2019, where he served as Chairman from 2015 to 2019, as well as GDI Inc. from 2007 to 2011, Société du Parc Jean-Drapeau, Société de la Place des Arts de Montréal and Montréal International, where he served as Chairman, the Board of Trade of Metropolitan Montréal, where he served as President and Chairman, and Société Générale de Financement.

15.4 POLICY REGARDING NON-AUDIT SERVICES RENDERED BY AUDITORS

The Charter of the Audit Committee requires the Audit Committee to pre-approve all non-audit services to be provided by the External Auditors to the Corporation or its subsidiaries other than Cogeco Communications and its subsidiaries. The Audit Committee also establishes annually a list of proscribed services that may not be provided by the External Auditors as a measure to safeguard their objectivity and independence. The list of proscribed services includes the following services:

- Bookkeeping or other services related to the accounting records of financial statements of the Corporation;
- Financial information systems design and implementation;
- Appraisal, fairness opinions or contribution-in-kind reports;
- Actuarial services;
- Internal audit outsourcing staff;
- Management functions;
- Human resources;
- Broker-dealer, investment adviser or investment banking services;
- Legal services;
- Expert services related to the audit, except for tax services;
- Abusive tax transactions;
- Tax services for persons in financial reporting oversight roles.

15.5 REMUNERATION OF AUDITORS

The following table presents, by category, the fees billed by the External Auditors of the Corporation, Deloitte LLP, for the fiscal years 2021 and 2020:

CATEGORY OF FEES

	2021	2020
	\$	\$
Audit fees ⁽¹⁾	2,221,724	2,389,243
Audit-related fees ⁽²⁾	134,610	235,084
Tax fees ⁽³⁾	420,735	850,985
Other fees ⁽⁴⁾	60,881	4,584
TOTAL	2,837,950	3,479,896

(1) "Audit fees" include mainly fees for annual audit and quarterly reviews of the Corporation and some of its subsidiaries, including Cogeco Communications and Atlantic Broadband, as well as translation services.

(2) "Audit-related fees" include mainly fees related to financings, acquisitions, financial information presentation and certification and annual audit fees in respect of the Corporation's pension benefit plans.

(3) "Tax fees" include tax compliance, tax planning related to acquisitions and reorganization and other tax advisory services.

(4) "Other fees" include fees for services not included in the above categories.

16. ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and the securities authorized for issuance under equity compensation plans, if applicable, as well as corporate governance matters, is contained in the Corporation's 2021 information circular. Additional financial information is provided in the Corporation's comparative financial statements and the Management's Discussion and Analysis for the year ended on August 31, 2021. This and other information relating to the Corporation is available on Internet at www.sedar.com or corpo.cogeco.com.