ANNUAL INFORMATION FORM

OCTOBER 27, 2020

ANNUAL
INFORMATION
FORM

2020

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

COGECO

PROFILE

Cogeco Inc. is a diversified 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 11 states along the East Coast, from Maine to Florida).

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).

TABLE OF CONTENTS

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 Cogeco'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, 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 2021 Financial Guidelines" sections of Cogeco's Annual Report for the year ended August 31, 2020 which is available at www.sedar.com (Cogeco 2020 Annual Report) for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While Management considers these assumptions to be reasonable based on information currently available to Cogeco, 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 Cogeco's supply chain), regulatory risks, public health crisis and emergencies such as the current COVID-19 pandemic, technology risks, financial risks (including variations in currency and interest rates), economic conditions, human-caused and natural threats to our network, infrastructure and systems, community acceptance risks, ethical behavior risks, ownership risks and litigation risks, 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 Cogeco 2020 Annual Report. These factors are not intended to represent a complete list of the factors that could affect Cogeco 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 and the forward-looking statements contained in this AIF 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, Cogeco 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, 2020), 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.

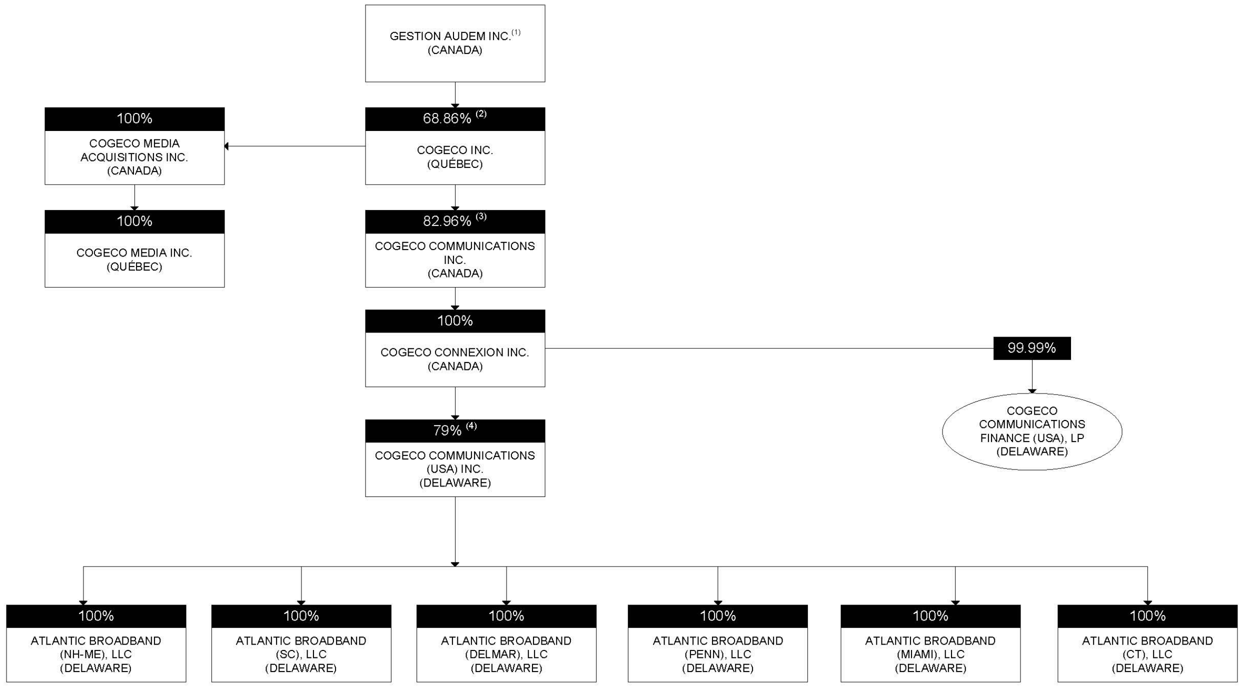
Cogeco' subordinate voting shares are listed on the Toronto Stock Exchange (TSX), under the symbol CGO.

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, 2020. 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 surbordinate shares.
(3) Remaining 17.04% of voting rights are held under publicly traded subordinates 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 March 10, 2020, by completing the acquisition of Thames Valley Communications, a broadband services company operating in Southeastern Connecticut, for a net consideration of US$50 million.

- On January 4, 2018, by completing the acquisition of all of the assets of Harron Communications, L.P.'s cable systems operating under the MetroCast brand name ("MetroCast"), as more fully described in section 2.2 below "Significant Acquisition".

- 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.

On May 1, 2020, Cogeco Communications' subsidiary, Cogeco Connexion, completed the acquisition of iTéract Inc., a telecommunications service provider operating in southern Québec using a combination of fixed-wireless and fibre-to-the-home technologies, and owner of 15 spectrum licenses, for $16 million.

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

On June 21, 2018, Cogeco Connexion acquired 10 spectrum licenses of 2500 MHz in non-metropolitan areas of Ontario, from Kian Telecom, for $8 million. On May 18, 2018, Cogeco Connexion, was also the successful bidder on 23 spectrum licenses of 2500 MHz and 2300 MHz, primarily in its Ontario and Québec wireline footprints, in the auction for residual Spectrum licenses organized by Innovation, Science and Economic Development Canada for a total price of $24.3 million. The purchase of these licenses provides an option to offer wireless services to complement Cogeco Communications' current service offering to customers within its traditional footprint and grow its share of its customers' telecommunications spending. Cogeco Communications' objective is to offer wireless services in its broadband service areas on the basis that it be a profitable business, investing prudently within its strategic priorities and financial means. Cogeco Communications believes that the model most likely to be achievable while satisfying its profitability requirements will be a hybrid model ("HMNO"), consisting of areas where it would be a facilities-based operator where it owns spectrum (mobile network operator or "MNO") and areas where it would lease wholesale network access to large incumbent mobile operators (mobile virtual network operator or "MVNO").

2.2. SIGNIFICANT ACQUISITION

On January 4, 2018, Cogeco Communications, through its subsidiary Atlantic Broadband, completed the acquisition of substantially all of the assets of Harron Communications, L.P. cable systems operating under the MetroCast brand name, which served about 130,000 Internet, 88,000 video and 33,000 telephony customers for a consideration of US$1.4 billion. This acquisition extended Atlantic Broadband's footprint across 11 states on the East Coast of the United States from Maine to Florida. This acquisition was financed through a combination of US$1.7 billion under a new Senior Secured Term Loan B, whereby US$583 million was used to refinance the existing First Lien Credit Facilities, and US$150 million under a new Senior Secured Revolving Credit facility, combined with a US$315 million equity investment by Caisse de dépôt et placement du Québec ("CDPQ") in Atlantic Broadband's holding company, representing 21% of Atlantic Broadband. The Corporation filed a Business Acquisition Report (Form 51-102F4) with respect to this acquisition on April 4, 2018.

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 11 states: Connecticut, Delaware, Florida, Maine, Maryland, New Hampshire, New York, 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, 2020:

	August 31, 2020	% of penetration(1)
Primary service units		
Cogeco Connexion	1,799,706	N/A
Atlantic Broadband	957,925	N/A
Internet service customers		
Cogeco Connexion	812,016	45.7
Atlantlc Broadband	492,212	53.3
Video service customers		
Cogeco Connexion	619,249	34.9
Atlantic Broadband	317,387	34.4
Telephony service customers		
Cogeco Connexion	368,441	20.7
Atlantic Broadband	148,326	16.1

(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 multiple tiers of Internet services with top download speeds up to 1 Gbps. These various service tiers were developed to appeal to a range of potential customers based on the download speeds required by different customer groups.

Cogeco Connexion and Atlantic Broadband provide Internet services using modems, Wi-Fi gateways and extenders either on a rental basis or as part of the Internet service package, depending on the service areas. Simple and complete security suite and email solutions are available to 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 hotspots in our Canadian and American footprints. Cogeco Connexion and Atlantic Broadband have Wi-Fi hotspots in local municipal buildings, plazas, museums, markets, restaurants, malls and outdoor recreations areas and are continually adding new hotspot locations.

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 has offered, for the last five years, advanced video services through TiVo Inc. ("TiVo")'s service platform which offers a modern user interface, advanced search functions and the integration of Netflix programming. At the end of fiscal 2020, Cogeco Connexion introduced its IPTV entertainment system, with an expected progressive roll-out through fiscal 2021. This evolution toward IPTV will further enhance its video platform offerings by improving its customers experience with highly customizable video content, wireless enabled equipment, voice activated controls and access to the Google Play store.

Atlantic Broadband also offers TiVo advanced video services and recently rolled out the TiVo's Experience 4 platform and voice remote in all markets. TiVo's latest interface, is more intuitive than its predecessor, provides customers with a more user-friendly interface, and includes fully-integrated access to additional streaming apps such as YouTube, Netflix, HBOGo, and MLBTV. During fiscal 2020, Atlantic Broadband continued to add integrated streaming apps to the lineup, including Amazon Prime Video and HBO Max. TiVo allows customers to access content on multiple screens across TVs, smartphones, tablets and more, both in-home and on-the-go. Customers using the TiVo Experience 4 are provided a voice enabled remote that recognizes spoken commands and searches across live TV, recordings, and streaming services to deliver personalized results to the customer. Additionally, Atlantic Broadband's TiVo customers with a voice assistant device can use voice control functionality to issue hands-free voice commands from anywhere in a room without the need for a remote control.

Telephony Service

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, 2020, 69% and 51% 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 has rolled out a VoIP-based PRI and a hosted PBX service for its commercial customers. On March 10, 2020, Atlantic Broadband launched its 4G LTE Backup Service for its business Internet customers. In the event of an interruption in a customer's Internet service, Atlantic Broadband’s 4G LTE Backup Service solution delivers an automatic, seamless 4G/LTE-based backup internet connection to a customer’s modem. Atlantic Broadband has also enhanced its Metro-Ethernet service offering with standardized solutions and speeds that scale from 10 Mbps 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. 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 world-wide Internet.

For residential services, Cogeco Connexion and Atlantic Broadband are deploying optical fibres to nodes serving small clusters of homes passed, with multiple fibres per node in most cases, to rapidly extend the capacity of the system with smaller clusters when necessary. This "just in time" process, known as "node splitting", leads to further improvement in quality and reliability while increasing the "just in time" 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.

In each market, the signals are carried on their HFC network for delivery to their customers. Cogeco Connexion and Atlantic Broadband believe that the active use of fibre optic technology in combination with coaxial cable plays a major role in expanding capacity and improving the performance of the systems. Fibre optic strands are capable of carrying hundreds of video, data and voice channels over extended distances without signal amplification. Cogeco Connexion and Atlantic Broadband will continue to deploy fibre optic cable as warranted to further reduce amplifier cascades, which improves system reliability and reduces system maintenance cost. This hybrid combination of fibre optic and coaxial cable is the most efficient choice when it comes to delivering high quality networks with judicious capital investments.

Cogeco Connexion and Atlantic Broadband’s telephony service uses VoIP technology which makes 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. Atlantic Broadband offers up to 1 Gbps Internet speeds to approximately 90% of its footprint of serviceable homes and business. 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 use a FTTH technology called radio frequency over glass ("RFoG"). The primary benefit of RFoG is its compatibility backward and forward with existing cable modem termination system ("CMTS") investments and back-office systems.

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 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’ businesses also require the execution of contracts with phone companies and electric utilities in order to obtain access to utility support structures (such as utility poles) 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 administration and billing.

3.5. EMPLOYEES

As at August 31, 2020, Cogeco Connexion and Atlantic Broadband employed 2,412 individuals in Canada and 1,328 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 Annual Report for the year ended August 31, 2020 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, they 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

<u>Licensing</u>

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 have been renewed for a full-term of seven years (from September 1, 2018 to 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.

<u>Carriage and Packaging Rules</u>

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

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

<u>Basic Service</u>: 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.

<u>Access Rules</u>: 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.

<u>Carriage of Non-Canadian Programming Services</u>: 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 which 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 (the "standstill rule").

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 our Canadian footprint cannot be secured, Cogeco Connexion may apply to the CRTC to obtain a right of access under the *Telecommunications Act*.

Multiple-Dwelling Units and Inside Wiring

In 1997, the CRTC determined that exclusive contracts between BDUs and the building owners of multiple-dwelling units ("MDUs") for the distribution of broadcasting services would not be in the public interest and would generally constitute the conferring of an undue preference by the BDU onto itself. However, the CRTC specified that a long-term contract, provided that it is not exclusive, would not be deemed to constitute such an undue preference.

The CRTC established a non-interference regime for cable wires inside building rather than transferring inside wire to the customer. This approach ensures that customers receive service from the BDU of their choice, specifically in MDUs.

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.

Basic telecommunications services

Since 2016, broadband internet access is considered a basic telecommunications service in Canada. The CRTC thus created an industry-funded program to support projects aiming to build or upgrade infrastructure for fixed and mobile broadband Internet access services in order to meet specific targets, including the provision of fixed broadband internet access with speeds of 50 Mbps download/10 Mbps upload to 90% of Canadian homes by the end of 2021 and the remaining 10% within 10-15 years. The fund will make available up to $750 million over the first five years to facilitate reaching these speeds. Cogeco Connexion submitted several applications to receive funding in targeted eligible areas in Ontario and Québec. A decision on winning projects is expected sometime in 2021.

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 which 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.

Wireless services

On February 28, 2019, the CRTC initiated a public consultation to review mobile wireless services in Canada. In this proceeding, the CRTC considered the following three areas: (i) competition in the retail wireless market, (ii) the current wholesale mobile wireless service regulatory framework, with a focus on wholesale MVNO access, and (iii) the future of mobile wireless services in Canada, with a focus on reducing barriers to infrastructure deployment. The CRTC is concerned that the mobile wireless market continues to demonstrate a high degree of market concentration. To protect the interest of users and further the policy objectives of the Telecommunications Act, the CRTC has determined as a preliminary view in this Notice of Consultation, that it would be appropriate to mandate the national wireless carriers in Canada (Bell Mobility, Rogers Communications and Telus Communications) to provide wholesale MVNO access as an outcome of the proceeding. A decision is expected before the end of 2020.

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' 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). Several states have passed or proposed legislation that impose open internet requirements. The federal government and the government of certain states have passed or proposed legislation to award funding for the expansion of broadband infrastructure to rural areas.

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 Annual Report for the year ended August 31, 2020 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 has 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

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

In fiscal 2018, several new intermediate entities were set up and others merged to complete the acquisition of the MetroCast systems on January 4, 2018 and to simplify the corporate structure. In August 2019, several new intermediate entities were set up and others merged in the revision of the internal financing structure of the US operations. On August 31, 2020, recently purchased 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 11 states: Connecticut, Delaware, Florida, Maine, Maryland, New Hampshire, New York, 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 44.2% of the consolidated revenue of the Corporation during the fiscal year ended August 31, 2020.

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 Annual Report for the year ended August 31, 2020 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 $0.39 per share in fiscal 2018, to $0.43 per share in fiscal 2019, and to $0.475 per share in fiscal 2020.

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, 2020, 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"). According to this Order, Canadians must own not less than $66^{2}/_{3}$% of all the issued and outstanding shares of the Corporation and not less than $66^{2}/_{3}$% of the votes. The Order also requires that 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 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:

August 31, 2020	S&P	DBRS	Moody's
Cogeco Communications			
Senior Secured Notes and Debentures	BBB-	BBB (low)	NR
Atlantic Broadband			
First Liens Credit Facilities	BB	NR	B1

NR : Not rated

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. Obligations rated in the "BBB" category are considered investment grade and their cost of funding is typically lower relative to the "BB/B" rating category. In addition, obligations with "BBB" ratings generally have greater access to funding than those with "BB/B" ratings.

On January 28, 2020, S&P raised the credit rating of Atlantic Broadband's First Lien Credit Facilities from BB- to BB on the basis that its strategic importance to the Corporation has increased over time.

9. MARKET FOR SECURITIES

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 2019	100,43	92,77	236,101
October 2019	102,50	93,04	328,479
November 2019	107,88	97,87	408,251
December 2019	106,77	100,67	308,102
January 2020	105,29	91,99	925,293
February 2020	98,06	90,50	721,500
March 2020	95,49	70,95	839,358
April 2020	91,34	79,89	785,469
May 2020	89,49	80,88	419,249
June 2020	88,73	79,49	347,358
July 2020	88,31	79,74	358,092
August 2020	84,82	78,21	326,311

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, 2020. 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	Executive Chair of Cogeco and Cogeco Communications
Arun Bajaj, BCL, LLB Québec, Canada	2019	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	Lead Director of Cogeco and Cogeco Communications
Patricia Curadeau-Grou, B.Com, Finance, ICD.D Québec, Canada	2020	Corporate Director
Samih Elhage, MASc, BSSc, BASc Beirut, Lebanon	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. 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 is Executive Chair of the Boards of Cogeco and Cogeco Communications since September 1, 2018. 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 Chief Human Resources Officer at Gildan since October 2019, where he leads the global human resources function and is a member of the senior management team. Having worked in human resources management for 16 years, Mr. Bajaj has extensive experience, most recently with the Renault-Nissan-Mitsubishi Alliance where he held the position of Senior Vice President, Chief Human Resources Officer, based in Yokohama, Japan and Paris, France. Previously Mr. Bajaj held several positions in Canada, the US and Asia with the Nissan Motor Corporation. During his career at Nissan, Mr. Bajaj worked in HR leadership roles of increasing responsibility with an emphasis on global talent management. Prior to shifting his focus to 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.

- James C. Cherry has been a corporate director since 2016. See heading 15.3 "Education and Experience of Audit Committee Members" for more details on his past occupations.

- Patricia Curadeau-Grou has been a corporate director since 2015. See heading 15.3 "Education and

Experience of Audit Committee Members" for more details on her past occupations.

- 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 is President and Chief Executive Officer of Cogeco and of 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 is 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	Mary-Ann Bell(1)	Patricia Curadeau-Grou
Patricia Curadeau-Grou	Mary-Ann Bell	Normand Legault	Samih Elhage
Samih Elhage	Patricia Curadeau-Grou	David McAusland	Joanne Ferstman(3)
Normand Legault	David McAusland(1)		Philippe Jetté
	James C. Cherry		Normand Legault(1)
			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 Executive 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, 2020:

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
Louis Audet, Eng., MBA, C.M.	Québec, Canada	Executive Chair
Philippe Bonin, CPA, CA, MBA	Québec, Canada	Vice President, Finance
Nathalie Dorval, LLB, M. Sc.	Québec, Canada	Vice President, Regulatory Affairs and Copyright
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
Michel Lorrain	Québec, Canada	President, Cogeco Média
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
Andrée Pinard, CPA, CA, MBA	Québec, Canada	Vice President and Treasurer
Elina Tea, CFA	Québec, Canada	Vice President, Corporate Development

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.

- Louis Audet has been Executive Chair of the Boards of Cogeco and Cogeco Communications since September 1, 2018. See heading 10.1 for more details on his past occupations.

- Philippe Bonin has been, since November 13, 2019, Vice President, Finance of Cogeco and Cogeco Communications. Prior to that, he was Vice President, Corporate Development of Cogeco and Cogeco Communications from March 7, 2016 to November 12, 2019. Prior to joining the Corporation, he spent 10 years at TC Transcontinental, first as Senior Director of Mergers/Acquisitions and Business Integration and more recently as Corporate Treasurer from September 2010 to March 2016. Prior to that, he acquired expertise in the telecommunication and media sectors while working at Telesystem International Wireless and at the CDPQ, where he was part of the team in charge of private equity investments in these sectors.

- 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.

- Michel Lorrain was appointed President of Cogeco Media in September 2018. After working at Cogeco for nearly 11 years, Mr. Lorrain was named Executive Vice President of Cogeco Media in July 2017, where he was in charge of the programming and operations of the company's network of 13 talk and music radio stations. He had previously held several roles at Cogeco Media including Director of Programming at FM93 in Québec City, General Manager of 98,5 in Montréal and Vice President of the talk radio network. He was also responsible for the successful launch of the Radio Circulation station and the Cogeco Nouvelles news agency in 2011.

- Elina Tea has been Vice President, Corporate Development, of Cogeco and Cogeco Communications since January 24, 2020. Prior to joining Cogeco, she worked for SNC Lavalin from 2015 to 2019, where she held several leadership roles including Mergers & Acquisitions, Strategy and Business Development - Infrastructure, and ultimately, Business Transformation in the Office of the President.

As at September 1, 2020, 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

- 146,010 Subordinate Shares of the Corporation, representing 1.01% 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

Other than those contracts entered into in the ordinary course of business or that would not be considered material to the Corporation, there were no material contracts entered into by the Corporation during the fiscal year ended August 31, 2020 or prior to the fiscal year ended August 31, 2020 that are still in effect.

14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Cogeco holds 32.7% of Cogeco Communications' equity shares, representing 83.0% 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 adjustment 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, 2020, management fees paid to Cogeco reached $24.1 million compared to $19.9 million for fiscal 2019.

No direct remuneration is payable to Cogeco's executive officers by Cogeco Communications. However, during fiscal years 2020 and 2019, Cogeco Communications granted stock options and performance share units ("PSUs") to these executive officers, as executive officers of Cogeco Communications, as follows: 110,875 (97,725 in 2019) stock options, and 14,375 (14,625 in 2019) PSUs. During fiscal 2020, Cogeco Communications charged Cogeco $1,205,000 ($1,046,000 in 2019), $39,000 ($61,000 in 2019) and $1,386,000 ($981,000 in 2019), 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 breath 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 responsive to 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 for review of 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, in addition to the External Auditors, at the expense of the Corporation and after consultation with senior Management, engage independent counsel or other advisors, which the Committee determines are necessary to carry out its duties.

(h) At each regular scheduled meeting of the Committee, the Committee members meet in private sessions among themselves only; 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.

The Committee shall meet "in camera" at each of its meetings, including special meetings, without any member of Management, to ensure free and open discussions among the members.

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, Committee Chair, 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 35 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 Cogeco Communications Inc. (a reporting issuer, subsidiary of Cogeco). He is also Chair of the Board of Logistec Inc. (a reporting issuer with activities in marine and environmental services) and a director and member of the Human Resources 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 Human Resources Committee. Mr. Cherry is a director of the McGill University Hospital Centre and of Centraide United Way Canada. 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 NationalBank 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 and Governance Committees and on the Board of Pomerleau Inc. where she is Chair of the Human Resources Committees. She also sits on the Board of Fairstone Financial (previously City Financial), where she is Chair of the Board and member of the Audit and Risk Committees. She was formerly a director of Cogeco Communications Inc. (a reporting issuer, subsidiary of Cogeco Inc.) from 2012 to 2019, la CDPQ 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 29 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 2017. Mr. Elhage was formerly a director of Alcatel-Lucent France (a telecommunications services company). He also served on private 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 entreprises 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 or valuation services, fairness opinions or contribution-in-kind reports;
- Actuarial services;
- Internal audit outsourcing services;
- Management functions;
- Human resources;
- Broker-dealer, investment adviser or investment banking services;
- Legal services;
- Expert services related to the audit, except for tax services.

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 2020 and 2019:

CATEGORY OF FEES

	2020	2019
	$	$
Audit fees[(1)]	**2,389,243**	2,203,147
Audit-related fees[(2)]	**235,084**	316,012
Tax fees[(3)]	**850,985**	830,401
Other fees[(4)]	**4,584**	12,588
TOTAL	**3,479,896**	3,362,148

(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 2020 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, 2020. This and other information relating to the Corporation is available on Internet at www.sedar.com or corpo.cogeco.com.