ANNUAL INFORMATION FORM

OCTOBER 30, 2019

ANNUAL
INFORMATION
FORM

2019

5 PLACE VILLE MARIE
SUITE 1700
MONTRÉAL, QUÉBEC
H3B 0B3

COGECO COMMUNICATIONS

PROFILE

Cogeco Communications Inc. is a communications corporation. It is the 8th largest cable operator in North America, operating in Canada under the Cogeco Connexion name in Québec and Ontario, and along the East Coast of the United States under the Atlantic Broadband brand (in 11 states from Maine to Florida). The Corporation provides residential and business customers with Internet, video and telephony services through its two-way broadband fibre networks.

Cogeco Communications Inc.'s subordinate voting shares are 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 Communications' 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 Communications' 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 Communications believes are reasonable as of the current date. Refer in particular to the "Corporate Objectives and Strategies" and "Fiscal 2020 Financial Guidelines" sections of Cogeco Communications' Annual Report for the year ended August 31, 2019 which is available at www.sedar.com (Cogeco Communications 2019 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 Communications, 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 Communications currently expects. These factors include risks such as competitive risks, business risks, regulatory risks, technology risks, financial risks, 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 Communications 2019 Annual Report. These factors are not intended to represent a complete list of the factors that could affect Cogeco Communications and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this AIF and the forward-looking statements contained in this AIF represent Cogeco Communications' 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 Communications 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 Communications" and the "Corporation" refer collectively to Cogeco Communications 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, 2019), 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 Communications was incorporated under the *Canada Business Corporations Act* by certificate of incorporation dated March 24, 1992. The Corporation's articles were amended by certificates of amendment on April 13, 1992 and on August 25, 1992. On May 6, 1993, they were further amended to, among other things, delete the private corporation restrictions, change its name from 2807246 Canada Inc. to Cogeco Cable Inc., amend its share capital to create two classes of equity shares and the Class B preference shares, convert the sole issued and outstanding common share owned by its parent Cogeco Inc. ("Cogeco") into multiple voting shares and revise restrictions on the issue and transfer of shares. On January 13, 2016 and on January 11, 2019, the Corporation's articles were amended to change its name from Cogeco Cable Inc. to Cogeco Communications Inc. and to provide the Board of Directors with the ability to appoint additional directors between the annual meetings of shareholders, respectively.

The head office of the Corporation is located at 5 Place Ville Marie, Suite 1700, Montréal, Québec H3B 0B3.

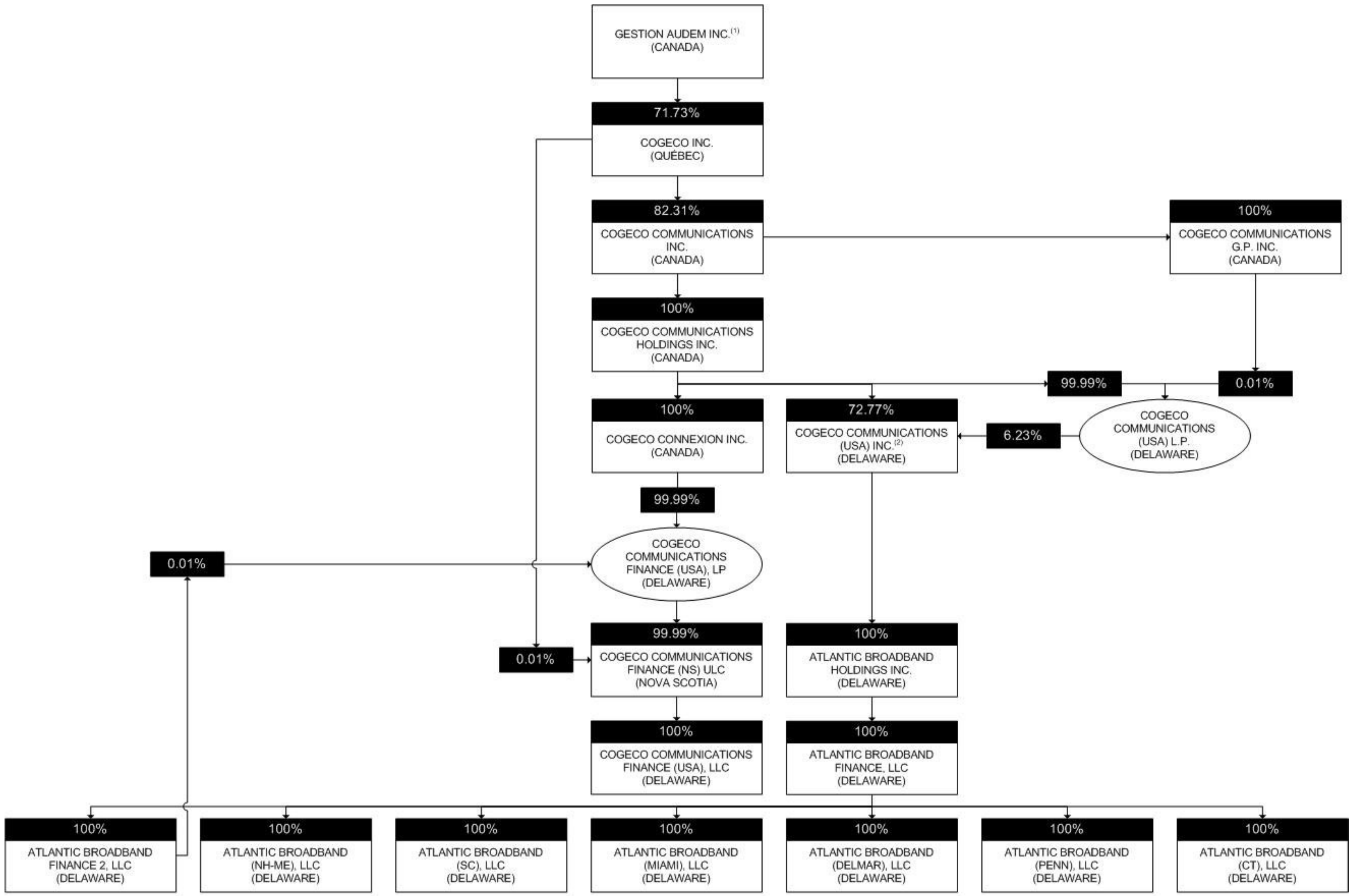
Cogeco Communications' subordinate voting shares are listed on the Toronto Stock Exchange (TSX: CCA).

1.2. INTERCORPORATE RELATIONSHIPS

Cogeco Communications is a subsidiary of Cogeco, a holding corporation with operations in the communication and media sectors. 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.

Cogeco Communications was organized as a subsidiary of Cogeco for the purpose of holding all the broadband assets of the Cogeco group of companies.

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 August 31, 2019. 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.



(1) A PRIVATE COMPANY CONTROLLED BY THE MEMBERS OF THE FAMILY OF THE LATE HENRI AND MARIE-JEANNE AUDET.
(2) REMAINING 21% INTEREST IS HELD BY CAISSE DE DÉPÔT ET PLACEMENT DU QUÉBEC.

AUGUST 31, 2019

2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1. THREE-YEAR HISTORY

On April 30, 2019, Cogeco Communications completed the sale of its subsidiary Cogeco Peer 1 Inc., its Business information and communications technology ("Business ICT") 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. The sale of Cogeco Peer 1 allowed Cogeco Communications to refocus its resources on its Canadian and American broadband services businesses and provides greater flexibility to pursue organic investment and acquisition opportunities.

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

- 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 December 30, 2017, by purchasing several dark fibres throughout south Florida from FiberLight, LLC for a consideration of US$16.8 million and by signing on the same day, an Asset Purchase Agreement with FiberLight, LLC to acquire all of its fibre network and corresponding assets located on the East Coast of south Florida for a consideration of US$34 million. Fiberlight's network provides high-performance metro and long-haul fibre transport services. This transaction was completed on October 3, 2018 and marked the addition of 350 route miles to Atlantic Broadband's existing south Florida footprint.

In June 2018, Cogeco Connexion acquired 10 spectrum licenses of 2500 MHz in non-metropolitan areas of Ontario, from Kian Telecom, for $8 million. In May 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 ("ISED") 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, which provides leadership to the operating companies, has two operating segments that are reportable segments: the Canadian broadband services segment ("Cogeco Connexion") and the American broadband services segment ("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 main offices located in the city of Quincy (neighbouring Boston), Massachusetts.

3.1. CANADIAN BROADBAND SERVICES SEGMENT

3.1.1. 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, 2019:

	August 31, 2019	% of penetration(1)
Primary service units	1,810,366	N/A
Internet service customers	788,243	44.7
Video service customers	649,583	36.8
Telephony service customers	372,540	21.1

(1) As a percentage of homes passed.

3.1.2. SERVICES

3.1.2.1. RESIDENTIAL SERVICES

Cogeco Connexion offers a wide range of video, Internet and telephony services to its residential customers. Cogeco Connexion actively bundles these services into double-play and triple-play offerings at competitive prices to encourage cross-selling within its customer base and to attract new customers.

Video Services

Cogeco Connexion video customers have access to a basic service, various digital tier packages, discretionary services, pay-per-view ("PPV") channels, video on demand ("VOD") services, high definition television ("HD") and ultra HD/4K television. Almost all Cogeco Connexion customers receive digital video service.

Basic Service: Cogeco Connexion offers to its video customers a mandatory, small entry-level basic service comprised of 25 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, United States conventional services and an interactive program guide.

Digital Tier Packages: Digital 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 offering customers the ability to build their own packages of between 10 and 40 programming services or à la carte channel selection. Customers must first subscribe to the basic cable service before they can subscribe to a discretionary service tier.

Discretionary Television Services: Digital video service customers have access to a selection of discretionary services such as *Super Écran*, CRAVE (previously known as *The Movie Network* including HBO Canada) and *Super Channel.*

PPV Channels: Digital video service customers have access to PPV 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.

VOD Services: Digital video service customers have access to free, transactional and subscription VOD services which allow them to choose from a library of hundreds of movies and other programming and to view them at any convenient time.

On-demand On-line Services: Digital video customers have Internet access on their computers or mobile devices to a wide selection of on-line on-demand programming related to their channel subscriptions. A number of mobile applications such as Global Go, CRAVE and SEGO are now available.

_HD_: Digital video customers who rent or purchase an HD-capable set-top box can also receive the HD version of various standard definition ("SD") channels they subscribe to. HD television channels are offered in most of Cogeco Connexion's markets and more of these channels are added on an ongoing basis. In Ontario, Digital video customers who rent HD-capable set-top boxes can typically access up to 193 HD television channels. In Québec, Digital video customers who rent HD-capable set-top boxes can typically access up to 166 HD television channels.

TiVo Advanced Video Service: Cogeco Connexion offers TiVo advanced video services through the T6 service platform of TiVo Inc. ("TiVo"). Through a partnership with Netflix, Cogeco Connexion has enabled its customers to easily find and watch shows and movies from Netflix through the same set-top box used to watch live TV. The Netflix application was fully integrated into the TiVo service and all new and existing customers who subscribe to Netflix are able to access Netflix in addition to live TV, on demand shows, 4K content and other web content through a single device.

_4K TV_: Digital video customers who rent a ultra HD/4K resolution TiVo set-top box can also subscribe to the 4K television service and receive 4K versions of certain sports channels. At this time, only key shows or events are Tivo T6 broadcasted in 4K on these channels by the content provider.

IPTV Service: Cogeco Connexion expects to launch its new Internet protocol television ("IPTV") based platform early calendar 2020. This evolution toward IPTV will further enhance its video platform offerings by enhancing its customers experience with highly customizable video content, wireless enabled equipment, voice activated controls and access to the Google Play store.

Internet Service

Home Internet Service: Cogeco Connexion offers a wide range of Internet packages with download speeds of up to 120 Mbps in essentially all its footprint and 1 Gbps download speeds in approximately 60% of its footprint. A complete and easy to use security suite is available to Internet customers with automatic updates that protect fixed and mobile devices.

Wi-Fi hotspots: Cogeco Connexion offers 1,500 designated Wi-Fi hotspots that are located in various locations throughout Cogeco's serviceable areas, and are available to Cogeco's Internet customers. They are located in restaurants, markets, malls, parks, playgrounds, athletic fields and other public areas.

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. Residential customers can subscribe to one of the three following telephony services: Basic (unlimited local calling), Select (unlimited calling, two features and 100 long distance minutes 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.

Service Bundles

In addition to selling its services separately, Cogeco Connexion is focused on marketing differentiated packages of multiple services and features, or "bundles", for a single price. Customers who subscribe to a bundle receive a recurring discount from the price of buying the services separately as well as the convenience of a single monthly bill. An additional, time limited, promotional discount may also apply to new customers or existing customers adding one or more new services to their bundle. Cogeco Connexion believes that its bundled offerings increase customer satisfaction and retention, and encourage subscription to additional features. As of August 31, 2019, 69% of Cogeco Connexion customers enjoyed "double play" and "triple play" bundle services.

3.1.2.2. BUSINESS SERVICES

Cogeco Connexion offers video, Internet and telephony services to businesses across its served areas.

Cogeco Connexion 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 cater to the small business market (companies with fewer than 50 employees) and are often sold in solution packages with business phone lines, long distance, toll free, security and video services. Small businesses can also subscribe to hosted private branch exchange services ("HPBX"), which provide more sophisticated voice and unified communications capabilities hosted by Cogeco Connexion at competitive rates.

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.

As required by the CRTC, Cogeco Connexion offers a wholesale Internet Access Service to resellers in its territory. This requirement is more fully described in section 3.1.7 "Regulatory Regime".

3.1.3. NETWORKS AND INFRASTRUCTURE

Cogeco Connexion provides residential Internet, video, telephony and business services through its own advanced fibre optic and two-way broadband distribution networks. Cogeco Connexion delivers these services through 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. The broad reach of Cogeco Connexion's core transport network is designed to easily interconnect, at very high speed, its 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 is 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 "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, depending on the market served and customer needs.

In each market, the signals are carried on Cogeco Connexion's coax/fiber network for delivery to its customers. Cogeco Connexion believes that 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 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 uses CableLabs' data over cable service interface specifications ("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. Today, Cogeco Connexion offers top Internet speeds of 120 Mbps in virtually all its footprint and up to 1 Gbps in approximately 60% of its footprint. Cogeco Connexion intends to continue deploying 1 Gbps progressively in the coming years through several technologies depending on the location, with DOCSIS 3.1 being the most cost effective.

Finally, Cogeco Connexion is deploying FTTH technology in new residential developments which meet specific criteria of size, proximity to the existing plant and service penetration rate. Cogeco Connexion uses 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.

The following table shows the percentage of Cogeco Connexion's homes passed where digital video, VOD, Internet and telephony services were available as at August 31, 2019:

Service	Percentage of homes passed where service is available
Digital video	99
VOD	98
Internet	98
Telephony	97

3.1.4. THIRD PARTY SUPPLIERS

The offering of Cogeco Connexion's video service requires the execution of various hardware and software agreements from 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 to its customers TiVo's advanced digital entertainment services across TV and mobile platforms and with MediaKind (previously, Ericsson Media Solutions) to offer Cogeco Connexion's customers the MediaFirst next generation IPTV platform in Canada.

Programming agreements, often referred to as "affiliation agreements", are also in place with various third-party programming suppliers. They are for the most part negotiated with a small number of large integrated broadcasting distribution and programming groups as well as a number of independent programming suppliers. Some affiliation agreements have expired during the last fiscal year and the terms for their renewal have not yet been fully concluded. In the event of a dispute concerning the terms of the agreement between Cogeco Connexion and a programming supplier, the CRTC may set the terms of agreement at either party's request following a dispute resolution process and the services cannot be interrupted by either party while such dispute resolution process is pending.

The offering of Cogeco Connexion's local voice over IP ("VoIP") telephony service requires the execution of agreements with strategic providers. To that end, Cogeco Connexion entered into an agreement with TELUS, which provides telecommunication services for the provision of the Corporation's telephony service.

Cogeco Connexion's daily operations are highly dependent on information technology systems and software, including those provided by certain third party suppliers. Cogeco Connexion implemented in 2018 a new customer management system, under an agreement with Netcracker.

Cogeco Connexion's business requires access to the support structures of hydro electric utilities and telephone companies and to the public rights-of-way primarily managed by municipalities, to deploy its broadband network.

3.1.5. EMPLOYEES

As at August 31, 2019, the number of employees of the Corporation in Canada was 2,485. Collective bargaining agreements are in place for some employees of the Canadian broadband segment, which are renewed from time to time in the normal course of business.

3.1.6. COMPETITIVE CONDITIONS

Cogeco Connexion faces intensifying competition from several large integrated communications service providers and Internet resellers. There are several terrestrial, wireless and satellite transmission technologies available to deliver a wide range of communications services to residential homes and to commercial establishments with varying degrees of flexibility and efficiencies, which compete with Internet, video and telephony services of Cogeco Connexion. Bell, the largest competitor, offers through its various operating entities similar range of competitive voice, Internet and video services to residential as well as business customers in the provinces of Québec and Ontario through a combination of wireline, wireless and satellite platforms throughout its network footprint. TELUS offers through its various operating entities the same range of services to residential as well as to business customers in Eastern Québec.

Cogeco Connexion also competes within its network footprint in Canada with several other telecommunications service providers. Shaw Direct, the direct-to-home satellite service of Shaw, competes for video customers throughout its footprint. Cogeco Connexion also faces competition from over-the-top ("OTT") video content providers.

Cogeco Connexion also faces competition from several resellers who have subscribed to the wholesale third party Internet access ("TPIA service") mandated by the CRTC in order to provide Internet, telephony and to a lesser extent, video services to their customers.

Certain Canadian municipalities also plan to build and operate their own broadband networks through public/ private partnership arrangements in competition with Cogeco Connexion in some of its serving areas.

Cogeco Connexion's business services face competition from a variety of service providers, in addition to cloud, hosting and various applications.

3.1.7. REGULATORY REGIME

Cogeco Connexion's operations are subject to extensive and evolving laws, regulations and policies at the federal, provincial, state and local levels. Cogeco Connexion is primarily regulated respectively under the *Broadcasting Act* (Canada) (the "*Broadcasting Act*") and the *Telecommunications Act* (Canada) (the "*Telecommunications Act*") and regulations thereunder.

In addition, Cogeco Connexion is subject to other laws relating to copyright and intellectual property, data protection, privacy of personal information, as well as spam, e-commerce, direct marketing and digital advertising which have become more prevalent in recent years. The CRTC is responsible under the *Broadcasting Act* and the *Telecommunications Act* to regulate broadcasting and telecommunication services.

3.1.7.1. VIDEO SERVICES

Licensing

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

Cogeco Connexion holds two regional licences to operate its non-exempt BDUs serving Ontario and Québec. These licences have been renewed on August 2, 2018 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.

Terms of Service with Customers

BDUs are subject to the Television Service Provider ("TVSP") Code which includes provisions relating to the content of agreements with customers for video services, service calls including visits to residences for installation and repairs and service outages.

Carriage and Packaging Rules

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

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

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

Access Rules: Discretionary services no longer benefit from guaranteed access to distribution on licensed terrestrial BDUs. Access to distribution was completely eliminated in 2018. BDUs must distribute the national news discretionary services known as CBC News Network, CTV News Channel, Le Canal Nouvelles and Le Réseau de l'information and certain other discretionary services considered of exceptional importance for the broadcasting system, on specific conditions. Licensed BDUs must distribute one minority official language discretionary service for every 10 majority official language services that they distribute.

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

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

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

Over-The-Air Signals

Unlike discretionary services, over-the-air ("OTA") broadcasters are wholly dependent on advertising revenue and do not charge a subscription fee for their signal. Various fee-for-carriage proposals, including a regulatory regime similar to the retransmission consent regime applicable in the United States, as described in Section 3.2.7., have been put before the CRTC a number of times over the years, ending with a judgement rendered by the Supreme Court of Canada on December 13, 2012 ruling that the CRTC does not have the jurisdiction under the *Broadcasting Act* to impose a regime to compensate OTA broadcasters for retransmission of their OTA signals by BDUs in Canada.

Vertical Integration

In order to limit the power of vertically integrated entities to threaten the public's access to diverse and quality programming services, the CRTC adopted in 2015 a Wholesale Code which applies to all BDUs and licensed programming undertakings (with the exception of radio and over-the-air television programming undertakings). The Code prohibits a number of commercially unreasonable practices such as requiring unreasonable rates, requiring the acquisition of a program or service in order to obtain another (tied-selling), imposing unreasonable terms and conditions that restrict a BDU's ability to provide consumer choice, and imposing unreasonable terms and conditions that restrict the ability of a programming service or a BDU from providing 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").

On June 18, 2019, the Federal Court of Appeal (the "FCA") granted to Québecor the right to appeal a decision issued by the CRTC compelling TVA Group Inc. to continue providing its programming service, TVA Sports, to Bell TV customers until they can reach an agreement concerning the carriage and distribution terms of TVA Sports or until the CRTC renders a decision on matters not resolved by agreement. Québecor is arguing that the CRTC does not have the jurisdiction pursuant to the *Broadcasting Act* to interfere in commercial relations and force a party to maintain the distribution of a television signal during a dispute and that the standstill rule conflicts with the *Copyright Act* (Canada) (the "*Copyright Act*"). Should the court confirm Québecor's position, this decision would have negative consequences for the Corporation as it would eliminate negotiation safeguards to ensure that BDUs or Canadian programming service licensees are not threatened with the withdrawal of popular programming services or forced to accept unreasonable terms and conditions while disputes are pending before the CRTC. The Corporation has filed leave to intervene before the FCA on September 26, 2019 and will seek to have the court declare that the standstill rule is within the jurisdiction of the CRTC and does not conflict with the *Copyright Act*. Other motions for intervention have been filed by the Attorney General of Canada and Telus.

Access to Support Structures and Municipal Property

BDUs need access to support structures of telephone companies and hydro electric utilities to deploy their networks. Access to telephone poles and conduits is governed by CRTC tariffs and support structure license agreements. The Supreme Court of Canada rendered a decision in 2003 confirming that the CRTC does not have jurisdiction to establish the terms and conditions of accessing the support structures of hydroelectric companies. Access rates and conditions are therefore established by the provincial utility boards.

BDUs and carriers have a right to construct, maintain and operate their facilities on the public property. However, such right is subject to the consent of the municipality or other public authority. If a BDU/carrier is unable to obtain such consent on acceptable terms, it may ask the CRTC to grant access on specific terms and conditions.

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.

In 2000, the CRTC established a non-interference regime for cable wires inside building rather than transferring inside wire to the customer. This approach was intended to ensure that customers receive service from the BDU of their choice and obtain the full benefits of competition in the distribution of broadcasting services by removing barriers to competitive access caused by cable or telephone company ownership of inside wire, specifically in MDUs. In 2011, the CRTC extended this requirement to commercial and institutional properties.

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* provides for the payment by BDUs of various royalties, including in respect of the retransmission of distant television and radio signals. Distant signal is defined for that purpose in regulations adopted under the authority of the *Copyright Act*. The level and terms of the royalties payable for distant broadcast signal retransmission are the subject of statements filed periodically by rights collecting bodies ("collectives"), which must be approved by the Copyright Board of Canada.

Under the provisions of the *Copyright Act*, BDUs are also jointly and severally liable with certain programming service suppliers for the communication to the public of dramatico-musical or musical works protected by copyright as part of these services. The level and terms of the applicable royalties are the subject of statements filed periodically by music collectives, which must be approved by the Copyright Board of Canada.

On May 15, 2019, the Parliament's Standing Committee on Canadian Heritage released its report on the review of the *Copyright Act*, following its study of remuneration models for artists and creative industries and after conducting hearings with witnesses from various sectors of activities, stakeholders and legal experts. The report contains a set of recommended amendments to the *Copyright Act*.

Privacy and Security Regulation

As a federally-regulated organization, Cogeco Connexion is subject to various privacy laws and regulations and among others, to the *Personal Information Protection and Electronic Documents Act* (PIPEDA Canada) that sets out the rules regarding the collection, use and disclosure of personal information in the course of its business activities and interactions with its customers, and with other parties entrusting personal information to Cogeco Connexion. This information must be treated and protected by security safeguards appropriate to the sensitivity of the information, through different methods of protection, namely physical, organizational and technological. Certain privacy rules are also dictated by the CRTC and other authorities having jurisdiction. PIPEDA Canada was modified by the *Digital Privacy Act* in 2015, and amongst the amendments were new provisions related to breach reporting, which came into force on November 1, 2018. To that end, Cogeco Connexion has developed a Privacy Breach Response Procedure and is in a position to adequately comply with the new notification requirements as well as the with the record-keeping obligations.

From time to time, Cogeco Connexion is required by law enforcement agencies to disclose personal information about third parties, when the request is supported by a judicial order, a valid warrant or as Cogeco Connexion may otherwise be compelled to by applicable law.

3.1.7.2. INTERNET SERVICE

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 until it is demonstrated that a functionally equivalent, practical, and feasible wholesale alternative exists. Several resellers have subscribed to the wholesale TPIA service offered by Cogeco Connexion.

On August 15, 2019, the CRTC issued its costing decision setting final rates for aggregated wholesale Internet services for resellers at provincial interconnection points, lowering the interim rates it had previously fixed in 2016 and applying the new rates on a retroactive basis. The CRTC also abolished in its decision the differential rates applicable by speed tier and implemented a flat rate model for access independently of the speed. The capacity rate remained but was also reduced. On September 13, 2019, Cogeco Communications, along with other telecommunications service providers (Shaw, Rogers, Cogeco, Eastlink and Québecor) (collectively the "Network Operators"), jointly filed an application for leave to appeal the CRTC order to the FCA and to suspend its effect pending the Court decision to hear the matter. Bell Canada filed similar motions to the FCA. On September 20, 2019, after being served motions to appeal, the CRTC ordered the Network Operators to publish the new wholesale rates so they could come into force. The Network Operators and Bell Canada filed an interim stay motion to the FCA to stop the new CRTC order. The FCA granted the interim stay on September 27, 2019, with the result, for the time being, of not having to implement the new rates nor to make the retroactive payments estimated at $25 million for the Corporation as of August 31, 2019, based on the CRTC's final aggregated wholesale services rates being disputed.

In 2009, the CRTC issued several determinations regarding the use of Internet traffic management practices ("ITMP"s) by ISPs. In short, the CRTC noted that the use of economic ITMPs would generally not be considered unjustly discriminatory and would provide greater transparency to users than would technical ITMPs. Further, the CRTC concluded that a technical ITMP resulting in the noticeable degradation of time-sensitive Internet traffic or leading to blocking the delivery of content to an end-user will require prior CRTC approval, but not the use of ITMPs that delay non-time-sensitive traffic. Furthermore, as a condition of providing retail Internet services, the CRTC directed all ISPs to disclose to their retail customers, clearly and prominently on their websites, information related to their ITMPs.

On April 20, 2017, the CRTC established a "Net neutrality code" and set out the evaluation criteria it will apply to determine whether an ISP’s specific differential pricing practice is allowed. The evaluation criteria are the following: i) the degree to which the treatment of data is agnostic (i.e. data is treated equally regardless of its source or nature); ii) whether the offering is exclusive to certain customers or certain content providers; iii) the impact on Internet openness and innovation; and iv) whether there is financial compensation involved.

On December 21, 2016, the CRTC determined that broadband internet access is now considered a basic telecommunications service in Canada and announced the creation of a new fund 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. On September 27, 2018 the CRTC issued a decision setting out the governance, operating and accountability framework, as well as eligibility and assessment criteria, for proposed projects to be provided funding through the broadband fund. On June 3, 2019, the CRTC released an application guide for the broadband fund, while also releasing the first call for applications for funding projects in (i) eligible satellite-dependent communities located in Northern Canada, or (ii) eligible geographic areas in North-West Territories, Nunavut or Yukon. Following an analysis of the published maps outlining the eligible communities and areas for the first call for applications, Cogeco Connexion concluded that these communities and areas are not targeted by its network expansion strategy. The next call for applications is expected to be launched this fall.

On March 31, 2016, the CRTC issued its preliminary report on the results of the first national, independent broadband performance study, called the Broadband Measurement Project and conducted in collaboration with SamKnows, a company specializing in measuring broadband. Participating ISPs included all the main Canadian facilities-based companies, including Cogeco Connexion. The results revealed that the majority of broadband Internet services sold in Canada meet or exceed their advertised download and upload speeds. The report found that services using HFC and FTTH technologies delivered download speeds in excess of the rates advertised by ISPs and that performance was largely consistent across all regions, with the vast majority achieving between 109% and 122% of the advertised download speed. Phase II of the measurement program was launched on May 9, 2019 and is set to begin this Fall. The CRTC is expected to release the results from this phase beginning 2020.

Cogeco Connexion will be subject, effective January 31, 2020, to a mandatory code of conduct for providers of retail fixed internet access services for individual customers. The CRTC indicated that the Internet Code should make it easier for Canadians to understand their Internet service contracts, to prevent bill shock from overage fees and price increases, and to make it easier for Canadians to switch Internet service providers.

Cogeco Connexion also abides by the rules established under the Anti-Spam Legislation ("CASL"), intended to regulate unsolicited commercial emails, spyware, phishing and pharming.

3.1.7.3. TELEPHONY SERVICES

Cogeco Connexion is 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.

In early 2012, the CRTC established a set of principles 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.

3.1.7.4 WIRELESS SERVICES

On February 28, 2019, the CRTC initiated a public consultation to review mobile wireless services in Canada. In this proceeding, the CRTC will consider three areas for review: (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. The CRTC received initial submissions on May 15, 2019, followed by a public hearing that is scheduled for January 13, 2020. A decision is expected in mid-2020.

3.1.8. TRADEMARKS

The Corporation has registered or applied for registration of several trademarks that are used in its business activities, which the Corporation regards as having significant value or as being important factors in the marketing of its services.

3.1.9. CYCLES

The operating results of the Canadian broadband services segment 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.

3.2. AMERICAN BROADBAND SERVICES SEGMENT

3.2.1. 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, 2019:

	August 31, 2019	% of penetration(1)
Primary service units	901,446	N/A
Internet service customers	446,137	50.8
Video service customers	312,555	35.6
Telephony service customers	142,754	16.2

(1) As a percentage of homes passed.

3.2.2. SERVICES

3.2.2.1. RESIDENTIAL SERVICES

Atlantic Broadband offers a wide range of video, Internet and telephony services to its residential customers. Atlantic Broadband actively bundles these services into double-play and triple-play offerings at competitive prices to encourage cross-selling within its customer base and to attract new customers.

Video Services

Atlantic Broadband's video services are offered, on a subscription basis, in analogue form and in digital form. Almost all Atlantic Broadband customers receive digital video service.

Analogue Service

Basic Service: Basic analogue customers receive the basic level of service which consists of local broadcast television and local community programming, including government and public access channels, and may also include a limited number of satellite-delivered channels.

Expanded Basic Service: This expanded level of service includes a group of satellite-delivered or non-broadcast channels such as ESPN, CNN, Discovery Channel, Lifetime, TNT, A&E and Bravo.

Digital Video Service

Basic Service: Basic digital service customers generally receive the same services as basic analogue customers. They also receive an interactive electronic programming guide and multiple channels of CD-quality digital music.

Digital Tier Packages: Digital video customers have more flexibility to design their own programming packages. Various digital tier packages are offered which focus on the interests of a particular customer demographic and emphasize, for example, sports, movies, family or ethnic programming. Atlantic Broadband continues to add tier packages for both SD and HD services to meet customers' needs.

Premium Channels: Digital service customers have access to a larger selection of premium channels of their choice with "multiplexes". Multiplexes give customers access to several different versions of the same premium channel which are varied as to time of broadcast (such as East and West coast time slots) or programming content theme.

PPV Channels: Digital video customers have access to an expanded menu of PPV channels.

VOD Service: The VOD service allows customers with digital services to choose from a library of hundreds of movies and other programming and to view them at any convenient time. In conjunction with the launch of TiVo Experience 4 described below, Atlantic Broadband introduced a new, IP-based Video On Demand platform. The migration from a QAM-based to Internet-based platform has substantially increased the number of on-demand choices, while quickly and efficiently delivering the content to customers on the viewing device of their choice.

HD: HDTV provides Atlantic Broadband customers who lease HD converters or who have digital sets with built-in HD tuners, with television services at a higher resolution than that of standard television. Digital video service customers who rent HD-capable set-top boxes can typically access between 60-120 HD television channels.

TiVo Advanced Video Service: Atlantic Broadband was the first cable service provider in the United States to offer advanced video services through TiVo's T6 service platform. Through a partnership with Netflix, Atlantic Broadband has enabled its customers to easily find and watch shows and movies from Netflix through the same set-top box used to watch live TV. The Netflix application was fully integrated into the TiVo service and all new and existing customers who subscribe to Netflix are able to access Netflix in addition to live TV, on demand shows and other web content through a single device. As of August 31, 2019 Atlantic Broadband has rolled out the TiVo's Experience 4 platform and voice remote in nearly all markets, with the platform available in 98% of homes passed. Experience 4, 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 like YouTube, Netflix, HBOGo, and MLBTV. TiVo Experience 4 also allows customers to access content on multiple screens-across TVs, smartphones, tablets and more, both in-home and on-the-go. Voice remote, only available to those customer's using the Experience 4 platform, is a voice enabled remote that recognizes spoken commands and searches across live TV, recordings, and streaming services to deliver personalized results to the customer. In March 2019, Atlantic Broadband launched Amazon Alexa voice control functionality through its TiVo-powered video platform. This functionality allows Atlantic Broadband TiVocustomers with an Amazon Alexa voice assistant device to issue hands-free voice commands from anywhere in a room without the need for a remote control

Internet Service

Home Internet Service: Atlantic Broadband offers multiple tiers of Internet service with download speeds up to 1 Gbps in over 90% of Atlantic Broadband's footprint. Service tiers were developed to appeal to a range of potential customers based on the addressable download speeds required by different customer groups. Atlantic Broadband's Internet service offers superior speeds compared to direct subscriber line ("DSL") and appeals to more sophisticated Internet services users.

Atlantic Broadband also offers a home networking equipment and support service that provides further value to the customers seeking to connect multiple computers and devices to Atlantic Broadband's Internet offering.

Enhanced Home Wi-Fi: Atlantic Broadband offers an enhanced home Wi-Fi solution for customers looking for ubiquitous wireless coverage. Using Mesh Wi-Fi technology, Atlantic Broadband is able to provide customers with seamless and consistent wireless coverage throughout their homes.

Wi-Fi Hotspot : Atlantic Broadband Wi-Fi hotpots are located in various locations throughout Atlantic Broadband's serviceable areas, and are available to Atlantic Broadband Internet customers. Atlantic Broadband, while continually adding new hotspot locations, already has Wi-Fi hotspots in local municipal buildings, plazas, museums, markets, malls, restaurants, as well as outdoor recreations areas.

Telephony Service

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.

Atlantic Broadband 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 like calling line ID.

Service Bundles

In addition to selling its services separately, Atlantic Broadband is focused on marketing differentiated packages of multiple services and features (such as video and telephony), or "bundles", for a single price. Customers who subscribe to a bundle receive a recurring discount from the price of buying the services separately as well as the convenience of a single monthly bill. An additional, time limited, promotional discount may also apply to new customers or existing customers adding one or more new services to their bundle. Atlantic Broadband believes that its bundled offerings increase customer satisfaction and retention, and encourage subscription to additional features. As of August 31, 2019, 52% of Atlantic Broadband customers enjoyed "double play" or "triple play" bundle services.

3.2.2.2. BUSINESS SERVICES

Atlantic Broadband's target market in the commercial sector is small to medium-sized businesses having 5 to 100 employees. Atlantic Broadband currently provides "tiered" Internet service to the business community based on data throughput speeds. Commercial customers choose from those tiered services to best meet their requirements and budgets. Atlantic Broadband 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. 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-mutlipoint data services and virtual private networks. These services are offered where Atlantic Broadband has excess fibre or capacity on its network and where the contract with the customer provides an adequate return on investment.

3.2.3. NETWORKS AND INFRASTRUCTURE

Atlantic Broadband provides residential Internet, video, telephony and business telecommunications services through its own advanced fibre optic and two-way broadband distribution networks. Atlantic Broadband delivers these services through long distance fibre optic systems, HFC broadband distribution networks, point to point fibre networks and FTTH network technologies.

Atlantic Broadband's distribution network spans the Eastern Seaboard 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 Southeast Florida. The broad reach of Atlantic Broadband's core transport network is designed to easily interconnect, at very high speed, its many local distribution systems to video content providers, public telephony networks, software application providers and to the world-wide Internet.

For residential services, Atlantic Broadband is 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 while optimizing investments. The HFC distribution infrastructure is designed with 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 Atlantic Broadband's coax/fiber network for delivery to its customers. Atlantic Broadband believes that 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. 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 cables is the most efficient choice when it comes to delivering high quality networks with judicious capital investments.

Atlantic Broadband uses the 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. Atlantic Broadband has upgraded to 1 Gbps Internet speeds to more than 90% of its footprint. Atlantic Broadband intends to continue deploying 1 Gbps in the coming years.

Finally, Atlantic Broadband is deploying FTTH technology in all new residential developments which meet specific criteria of size, proximity to the existing plant and service penetration rate. Atlantic Broadband uses a FTTH technology called RFoG. The primary benefit of RFoG is its compatibility backward and forward with existing CMTS investments and back-office systems. RFoG offers increased reliability, lower maintenance costs and is an excellent platform for the delivery of enhanced video services and higher speed internet services in the future.

The following table shows the percentage of Atlantic Broadband's homes passed where digital video, VOD, Internet and telephony services were available as at August 31, 2019:

Service	Percentage of homes passed where service is available
Digital video	100
VOD	99
Internet	99
Telephony	99

3.2.4. THIRD PARTY SUPPLIERS

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

An agreement is in place with TiVo to provide to its customers TiVo's advanced digital entertainment services across TV and mobile platforms.

Programming agreements, often referred to as "affiliation agreements", are also in place into with various third-party programming suppliers. Atlantic Broadband obtains the majority of its expanded basic, digital tier and premium 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. Through joint purchasing and negotiation, the NCTC is able to take advantage of volume discounts offered by programming networks for the purchase of these services. Atlantic Broadband also obtains basic and premium programming directly from a number of third-party suppliers. Some affiliation agreements have expired during the last fiscal year and the terms for their renewal have not yet been fully concluded. Cable operators have the right to file a complaint with the Federal Communications Commission ("FCC"), if they feel they have been discriminated against or unfairly denied access to programming content.

Atlantic Broadband's telephony service, which is a VoIP service, relies on the support of strategic providers. To that end, Atlantic Broadband has in agreement in place with Net2Phone Cable Telephony, LLC, now a division of IDT ("Net2Phone") whereby Net2Phone assists with provisioning capabilities and provides it 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.

Atlantic Broadband's daily operations are highly dependent on information technology systems and software, including those provided by certain third party suppliers. Atlantic Broadband has an agreement in place with CSG Systems, Inc. ("CSG") for the provision of products and services related to customer administration and billing. A new online shopping cart was launched in September 2019 utilizing CSG's Order Services Gateway. This allows customers to select new services, modify existing services, place their order and schedule an installation appointment without the need for agent assistance. The system allows customers to view account information, make bill payments, report an outage, trouble-shoot equipment and more, without the need for a phone call or agent assistance.

Atlantic Broadband's business also requires the execution of contracts with utilities in order to obtain cost-effective and timely access to utility support structures (such as utility poles) and rights-of-way. These contracts are also renewed from time to time in the normal course of business.

3.2.5. EMPLOYEES

As at August 31, 2019, the number of employees of Atlantic Broadband was 1,369. Collective bargaining agreements are in place for some employees of the American Broadband Services segment, which are renewed from time to time in the normal course of business.

3.2.6. COMPETITIVE CONDITIONS

The principal competitors of Atlantic Broadband in the United States for video services are direct broadcast satellite ("DBS") providers, DirecTV, Inc. (owned by AT&T) and Dish Network. Atlantic Broadband also faces increasing competition for its video services from phone companies with fiber networks, such as AT&T U-verse, Verizon FiOs, Frontier Communications Corporation and FairPoint Communications, as well as other cable companies, such as Comcast. Atlantic Broadband is facing intensified competition from overbuild strategies in its Florida, Connecticut and New Hampshire markets. Atlantic Broadband is also facing competition from OTT video content providers.

Atlantic Broadband’s competitors for its Internet services primarily offer DSL, and, to a lower extent FTTH. Atlantic Broadband also faces limited competition from wireless Internet service providers, except for AT&T, which is promoting its DirecTV service with its wireless products.

Atlantic Broadband’s telephony services face competition from the incumbent local exchange carriers ("ILEC"), as well as other providers such as cellular and VoIP providers.

Atlantic Broadband’s business services face competition from a variety of service providers, in addition to cloud, hosting and various applications.

3.2.7. REGULATORY REGIME

Atlantic Broadband's operations are subject to extensive and evolving laws, regulations and policies at the federal, provincial, state and local levels. Atlantic Broadband is regulated mainly by the *Communications Act of 1934* (the "*Communications Act*"). In addition, Atlantic Broadband is 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.

3.2.7.1. VIDEO SERVICES

In the United States, the operation of a cable system is extensively regulated by the FCC, some state governments and most local governments. The FCC has the authority to enforce its regulations through the imposition of substantial fines, the issuance of cease-and-desist orders and/or the imposition of other administrative sanctions, such as the revocation of FCC licenses needed to operate certain transmission facilities used in connection with cable operations.

Franchising

Cable systems are generally operated pursuant to non-exclusive franchises granted by a municipality (or other local government entity) or a state. Such franchises grant to Atlantic Broadband the right to access the public rights-of-way within each municipality covered by the franchises. Federal law prohibits local franchising authorities from granting exclusive franchises or from unreasonably refusing to award additional franchises. Cable franchises generally are granted for fixed terms and in many cases include monetary penalties for non-compliance and may be terminable if the franchisee fails to comply with material provisions.

The specific terms and conditions of franchises vary materially between jurisdictions. Each franchise generally contains provisions governing cable operations, franchise fees, system construction and maintenance obligations, system channel capacity, design and technical performance, customer service standards, and indemnification protections. Federal law also permits franchising authorities to require public, educational and governmental access ("PEG") programming, and many of Atlantic Broadband’s franchises require Atlantic Broadband to provide channel capacity and financial support for PEG programming. Although local franchising authorities have considerable discretion in establishing franchise terms, there are certain federal limitations. For example, local franchising authorities cannot insist on franchise fees exceeding 5% of the system’s gross cable-related revenues, cannot dictate the particular technology to be used by the system, and cannot specify television programming other than identifying broad categories of programming. Certain states, such as Florida, impose broadly applied telecommunications taxes.

Prior to the scheduled expiration of most franchises, Atlantic Broadband will initiate renewal proceedings with the granting authorities. When the cable operator requests renewal in accordance with the *Cable Communications Policy Act of 1984* the granting authorities may not unreasonably withhold a renewal. In connection with the franchise renewal process, many governmental authorities require the cable operator to make certain commitments. Currently 5% of Atlantic Broadband’s existing franchises have expired. Atlantic Broadband continues to operate the franchises under the terms of the expired agreement during the renewal negotiations.

Historically, it has been able to renew franchises without incurring significant costs, although there is a risk that any particular franchise may not be renewed on the same commercial terms.

Similarly, if a local franchising authority's consent is required for the purchase or sale of a cable system or franchise, the local franchising authority may attempt to impose more burdensome or onerous franchise requirements as a condition for providing its consent. Historically, most consents have been granted to cable operators that have provided satisfactory services and have complied with the terms of their franchise.

There has been considerable state and federal legislative and administrative activity aimed at easing entry and franchise burdens for new cable competitors, including the ILECs. In December 2006, the FCC adopted an order to ease the local franchising process for new competitive entrants by, among other things, limiting the range of financial, construction and other commitments that franchising authorities can request of new entrants, requiring franchising authorities to act on franchise applications by new entrants within 90 days and preempting certain local "level playing field" requirements. The FCC has also adopted an order providing lesser franchising relief for existing cable operators.

A number of states, including Connecticut, South Carolina and Florida, have enacted state-wide franchising laws. These laws, while easing entry for potential competitors, also significantly reduce the franchise obligations of the incumbent cable operator and place the regulatory authority for the franchises with the State rather than with the local franchising authority at the time of renewal.

In addition to the 37 franchises renewed in the 2019 fiscal year, Atlantic Broadband was recently awarded a 15-year franchise to provide services in King William County, VA, whereby Atlantic Broadband will construct a FTTH network. This expansion will include the construction of a fibre backbone interconnection to Atlantic Broadband's facilities in Bowling Green, Caroline County, expanding service offerings in the area.

Rate Regulation

The *Cable Television Consumer Protection and Competition Act of 1992* (the "Cable Act"), allowed franchising authorities to regulate operators' rates for the basic service tier and associated equipment, unless operators filed a petition with the FCC and produced evidence showing that they were subject to "effective competition", in accordance with criteria set forth under FCC rules. The FCC revised its rules to create a presumption that operators are subject to effective competition, and therefore, not subject to rate regulation, unless a franchising authority petitions the FCC and shows that the operator is not subject to effective competition. Accordingly, as of December 2015, Atlantic Broadband was no longer subject to rate regulation, unless any of its franchising authorities provides to the FCC evidence showing that Atlantic Broadband is not subject to effective competition, which will be a difficult showing to make, given the prevalence of DBS in Atlantic Broadband's markets.

Carriage of Broadcast Signals: Must Carry/Retransmission Consent

The Cable Act requires local commercial television broadcast stations to elect once every three years between "must carry" status and "retransmission consent" status. Cable operators are required to carry, without compensation, the programming of local commercial television stations that elect "must carry", which includes any station that fails to make a timely election. By contrast, cable operators may not carry stations that elect "retransmission consent" without a written agreement allowing them to do so. Stations that elect retransmission consent may demand cash payments or other significant consideration (such as the carriage of and payment for other programming networks affiliated with the broadcaster) for granting permission to the cable operator to retransmit the station's local broadcast signal. Atlantic Broadband's retransmission consent agreements generally require payment of a flat fee per customer. In some cases these agreements involve the exchange of other types of consideration such as limited grants of advertising time or, when applicable, limited VOD launch fees. The value ascribed to any exchange of non-monetary services in the limited number of cases in which such an exchange may exist is not material, with only cash compensation recorded as revenue and expense in these instances.

Television stations and cable operators alike must negotiate retransmission consent agreements in "good faith". The FCC has set forth a series of actions that would constitute *per se* bad faith, such as refusing to negotiate at all, or refusing to appoint an agent with sufficient authority. The FCC initiated a proposed rulemaking to review the totality of the circumstances test contained in the good faith negotiation requirement, but ultimately decided not to amend the existing rules. As such, the FCC will review complaints of bad faith negotiations on a case-by-case basis.

In March 2014, the FCC released an order and proposed rulemaking making it unlawful for two of the top four stations (NBC, ABC, CBS and Fox) in the same market to negotiate jointly for retransmission consent, unless the stations are commonly owned under the FCC's ownership rules. The FCC has indicated that it will review these rules and could eliminate this restriction.

Access to Programming

To spur the development of independent cable programmers and competition to incumbent cable operators, the Cable Act imposed restrictions on the dealings between cable operators and cable programmers. Of special significance from a competitive business position, the Cable Act restricts television programmers affiliated with cable companies from discriminating in prices, terms and conditions as between multichannel television programming distributors. The Cable Act also initially limited the ability of vertically integrated cable programmers to enter into certain exclusive programming arrangements with cable companies. On October 5, 2012, however, the FCC allowed these program access rules to expire. Competitors are now required to file a complaint with the FCC if they feel that a cable operator is unfairly denying access to its vertically integrated programming services, and the FCC will decide these matters on a case-by-case basis. The rules continue to limit exclusive contracts with respect to cable-affiliated satellite-delivered regional sports networks ("RSNs"), which are subject to a rebuttable presumption that an exclusive contract with such networks violates the program access rules, as is currently the case for terrestrially delivered RSNs.

Leased Access

The *Communications Act* requires a cable operator to make up to 15% of its channel capacity available for commercial leased access by third parties to provide programming that may compete with services offered directly by the cable operator. To date Atlantic Broadband has not been required to devote significant channel capacity to leased access. In 2007, the FCC adopted rules that would significantly reduce the rates that cable operators can charge for leased access channels. Although the lowered rates would not initially apply to infomercial or home shopping programmers, the FCC has issued a further notice to determine if such programming should also have the benefit of the lower rates. These rules have been stayed by a federal court and have also been blocked by the Office of Management and Budget. If ultimately implemented, they could adversely affect Atlantic Broadband's business by significantly increasing the number of cable system channels occupied by leased access users and by significantly increasing the administrative cost associated with complying with such rules.

Access to Support Structures and Municipal Property

The Communications Act requires phone companies and other utilities (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.

MDUs and Inside Wiring

In an order dating back to 1997 and largely upheld in a 2003 reconsideration order, the FCC established rules that require an incumbent cable operator upon expiration of a MDU service contract to sell, abandon or remove "home run" wiring that was installed by the cable operator in an MDU building. These inside wiring rules are expected to assist building owners in their attempts to replace existing cable operators with new programming providers who are willing to pay the building owner a higher fee, where such a fee is permissible. In another proceeding, the FCC has preempted restrictions on the deployment of private antennas on property within the exclusive use of a condominium owner or tenant, such as balconies and patios. These developments may make it more difficult for Atlantic Broadband to provide service in MDUs.

In 2007, the FCC adopted an order prohibiting the enforcement of exclusive television service access agreements between cable operators and MDUs and other private real estate developments. The order also prohibits the execution of new exclusive access agreements. In May 2009, a federal appellate court upheld this order, but in March 2010, the FCC rejected further proposals to expand the scope of the rules to prohibit exclusive marketing and bulk billing agreements.

Copyright Licensing

Cable television systems are subject to a federal "statutory copyright license" covering carriage of television and radio broadcast signals. In exchange for filing certain reports and contributing a percentage of their revenues to a federal copyright royalty pool that varies depending on the size of the system, the number of distant broadcast television signals carried, and the location of the cable system, cable operators can obtain blanket permission to retransmit copyrighted material included in broadcast signals. The possible modification or elimination of this compulsory copyright license is the subject of continuing legislative and administrative review and could adversely affect Atlantic Broadband's ability to obtain desired broadcast programming and/or substantially increase its costs.

In response to a 2014 FCC decision eliminating the FCC's "sports blackout rules", pursuant to which sports teams could require cable operators to black out sports events not available on local broadcast stations, certain sports leagues petitioned the Copyright Royalty Board to impose a copyright surcharge to compensate sports teams for the loss of programming exclusivity. As a result, the Copyright Royalty Review Board recently published a Notice of Settlement and Proposed Rule, which would adjust the cable television copyright royalty fees for certain live non-network sports programming. On July 20, 2018, in response to a joint motion of the participating parties to suspend procedural schedule and to adopt modified settlement filed by the joint sports claimants (comprised of Office of the Commissioner of Basketball, the National Football League, the National Basketball Association, the Women's National Basketball Association, the National Hockey League and the National Collegiate Athletic Association), the Internet and Television Association and the American Cable Association, the Copyright Royalty judges issued an order suspending the procedural schedule, pending their review of the moving parties' agreement and publication of the modified proposed rule for public comment. As of August 31, 2019, a timeline for approval is still pending.

Cable operators distribute locally originated programming and advertising that use music controlled by music performing rights organizations. The cable industry has had a long series of negotiations and adjudications with such organizations. Although Atlantic Broadband cannot predict the ultimate outcome of these industry proceedings or the amount of any license fees it may be required to pay for past and future use of association-controlled music, Atlantic Broadband does not believe such license fees will be significant to its business and operations.

Privacy and Security Regulation

In addition to privacy protections of the Communications Act relating to the protection of cable customer privacy and customer proprietary network information, Atlantic Broadband is also subject to state and federal laws regarding information security. Such rules generally restrict the collection and disclosure to third parties of customers' personally identifiable information, without the customers' consent, except as necessary to render service, conduct legitimate business activities and as required by applicable law. Such laws also impose security breach notification obligations.

The Federal Trade Commission ("FTC") also imposes privacy protections applicable to the business. The FTC has initiated several enforcement actions against parties that do not provide sufficient security protection against the loss or unauthorized disclosure of personally identifiable information. Atlantic Broadband is also subject to federal and state laws that regulate telemarketing, including unsolicited telephone calls, emails and automated telemarketing calls. The FTC and states have increased efforts to impose transparency requirements around the collection and use of consumer information.

There are pending legislative proposals that could impose new cybersecurity requirements on businesses like Atlantic Broadband's and the FCC is also considering the imposition of cybersecurity requirements.

3.2.7.2. TELEPHONY SERVICES

Atlantic Broadband offers telephony services to customers using interconnected VoIP technology. The FCC has imposed additional regulatory requirements on interconnected VoIP services, including enhanced Emergency 911 capabilities and customer disclosure, *Communications Assistance for Law Enforcement Act* ("CALEA") obligations, disability access, Customer Proprietary Network Information ("CPNI") requirements, local number portability duties and benefits, Universal Service payment obligations, and the obligation to seek FCC approval prior to discontinuing services. FCC rules also require VoIP service providers to certify compliance and maintain records that their products and services are accessible to people with disabilities, if such access is readily achievable. The FCC has also reaffirmed the obligation of other telecommunications carriers, such as ILECs, to interconnect with those local exchange carriers that are providing interconnection services to interconnected VoIP providers, although smaller rural local exchange carriers at times continue to resist such interconnection obligations. The FCC has also undertaken comprehensive intercarrier compensation reform including the establishment of appropriate compensation applicable to VoIP interconnection on a going forward basis. Certain states preclude the state public utility commissions from regulating the rates, terms and conditions or requiring the certification of interconnected VoIP services. Until the FCC or the courts expressly reassert preemption for fixed interconnected VoIP services, or the state legislatures in those states enact legislation precluding the state public utility commission from exercising jurisdiction over fixed interconnected VoIP, it is possible that those state public utility commissions or their state legislatures may do so.

The federal Universal Service program requires telecommunications providers to pay a fee based on revenues from such services into a fund used to subsidize the provision of telecommunications services in high-cost areas and to low-income consumers and the provision of Internet and telecommunications services to schools, libraries and certain health care providers. Some states have adopted similar programs. In October 2011, the FCC announced comprehensive reforms to the Universal Service Fund ("USF") to expand access to Internet and voice services nationwide and benefit consumers by accelerating the deployment of modern communications networks. The overhaul transforms universal service and intercarrier compensations systems into a new Connect America Fund ("CAF"), with the stated goal to connect all Americans to broadband. The CAF, with an annual budget up to US$4.5 billion, is expected to help connect seven million Americans to Internet and voice in rural America over the next few years.

3.2.7.3. INTERNET SERVICES

In March 2002, the FCC ruled that cable modem service (that is, the provision of Internet access over cable system infrastructure) is an interstate information service, rather than a cable or telecommunications service. The United States Supreme Court affirmed this ruling in June 2005. This classification left cable modem service exempt from many of the burdens associated with traditional cable and telecommunications regulation for many years. In February 2015, however, the FCC reclassified broadband service as a telecommunications service, thereby making it subject to regulation under Title II of the Communications Act. Under the rules, broadband providers are prohibited from: 1) blocking access to lawful content; 2) throttling, impairing or degrading lawful Internet traffic on the basis of content; 3) engaging in paid prioritization, which favors some traffic over other traffic in exchange for consideration; and 4) unreasonably interfering with or disadvantaging the ability of consumers to access content and the ability of edge providers to make content available, subject to reasonable network management practices. Although the FCC exercised forbearance from several of the more onerous provisions of Title II, the FCC has the ability to review broadband service providers' conduct on a case-by-case basis, including their rates, terms and conditions. The FCC is currently reconsidering this reclassification.

3.2.8. TRADEMARKS

Atlantic Broadband has registered or applied for registration of several trademarks that are used in its business activities, which Atlantic Broadband regards as having significant value or as being important factors in the marketing of its services.

3.2.9. CYCLES

Atlantic Broadband's operating results 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 programming season, and students leaving their campuses at the end of the school year. Certain areas are also subject to seasonal fluctuations due to the winter and summer seasons.

4. REORGANIZATIONS

4.1. COGECO CONNEXION

On September 1, 2016, the partnership structure previously put in place for the Canadian Broadband services segment was dissolved. The assets and liabilities of the Canadian partnerships (Cogeco Cable Canada Limited Partnership and Cogeco Cable Québec General Partnership) were transferred and assumed by their sole partner Cogeco Cable Canada GP Inc., which changed its name on that same date to Cogeco Connexion Inc.

4.2. ATLANTIC BROADBAND

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.

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 represents 44.5% of the consolidated revenue of the Corporation.

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, 2019 which is incorporated herein by reference, as supplemented in 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 voting shares (the "Multiple Shares") and subordinate voting shares (the "Subordinate Shares") have been increasing over the last three fiscal years, from $0.43 per share in fiscal 2017, to $0.475 per share in fiscal 2018, and to $0.525 per share in fiscal 2019.

In accordance with the terms under the Term Revolving Facility of the Corporation, Cogeco Communications 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 preference shares (the "Class A shares") and Class B preference shares (the "Class B shares"). As at August 31, 2019, 15,691,100 Multiple Shares and 33,717,668 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 ten votes per share.

Dividends

Subject to the prior rights of the holders of the Class A shares, Class B shares and any other class of shares of the Corporation ranking senior to the Subordinate Shares and Multiple Shares, the holders of Subordinate Shares and Multiple Shares shall be entitled, 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, without preference or distinction between the Subordinate Shares and the Multiple Shares.

Dissolution

The holders of Subordinate Shares and Multiple Shares shall be entitled to share equally in any distribution of the assets of Cogeco Communications 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

While, under applicable law, an offer to purchase Multiple Shares would not necessarily result in an offer to purchase Subordinate Shares, the principal shareholder of the Corporation, Cogeco, has entered into a trust agreement for the benefit of the holders of Subordinate Shares under which Cogeco has agreed, among other things, not to sell its Multiple Shares, except in certain circumstances, unless an offer on at least equivalent terms is made to the holders of Subordinate Shares.

8.1.2. CLASS A SHARES

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.

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 cumulative cash dividend at the rate of 11% of the Redemption Amount (as defined in the Articles of the Corporation) per share, per annum payable annually on a date to be determined by the Board of Directors.

Dissolution

The holders of the Class A shares shall be entitled to receive from the assets of the Corporation a sum equivalent to the aggregate Redemption Amount (as defined in the Articles of the Corporation) of all the Class A shares held by them respectively before any amount shall be paid or any assets of the Corporation distributed to the holders of the Class B shares, 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 *Canada 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 *Canada 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 174 of the *Canada Business Corporations Act*, 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

The table below shows Cogeco Communications' and Atlantic Broadband's credit ratings:

August 31, 2019	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.

9. MARKET FOR SECURITIES

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

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 2018	65.97	62.81	1,322,432
October 2018	69.51	63.80	1,731,964
November 2018	66.50	61.68	1,840,773
December 2018	67.96	62.78	1,422,750
January 2019	75.70	65.21	1,969,975
February 2019	82.82	74.14	1,705,332
March 2019	86.59	82.29	1,849,557
April 2019	92.33	85.22	1,802,581
May 2019	93.63	88.18	1,544,644
June 2019	95.76	90.84	1,405,179
July 2019	107.22	93.34	3,125,084
August 2019	107.34	103.73	1,917,865

10. DIRECTORS AND EXECUTIVE OFFICERS

10.1. DIRECTORS

The table below lists Cogeco Communications' directors, their municipality of residence and their current principal occupation as at August 31, 2019. 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. Since January 11, 2019, the Board of Directors can also appoint additional directors between the annual meetings of shareholders:

Name and municipality of residence	Cogeco Communications Director since	Current principal occupation
Colleen Abdoulah, M.B.A., APR Denver, Colorado	2019	Corporate Director
Louis Audet, Eng., MBA, C.M. Westmount, Québec	1992	Executive Chair of Cogeco Communications and Cogeco
James C. Cherry, B.Com, FCPA, FCA Elizabethtown, Ontario	2019	Lead Director of Cogeco Communications and Cogeco
Patricia Curadeau-Grou, B.Com, Finance, ICD.D Montréal, Québec	2012	Corporate Director
Pippa Dunn, LLB London, UK	2019	Founder and Director of Broody (incubator for startups and accelerator to more established businesses)
Joanne Ferstman, CPA, CA Toronto, Ontario	2016	Corporate Director
Lib Gibson, M.Sc., B.Sc., ICD.D Toronto, Ontario	2015	Corporate Director
Philippe Jetté, Eng. Dollard-des-Ormeaux, Québec	2019	President and Chief Executive Officer of Cogeco Communications and Cogeco
David McAusland, B.C.L., LL.B. Baie-D'urfé, Québec	1999	Partner, McCarthy Tétrault (Law firm)
Carole J. Salomon, B.A., MBA Toronto, Ontario	2009	President and Chief Executive Officer Cardavan Corporation (management consultancy)

PAST OCCUPATIONS

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

- Colleen Abdoulah has been a corporate director since 2019. See heading 15.3 "Education and Experience of Audit Committeee Members" for more details on her past occupations.
- Louis Audet is Executive Chair of the Boards of Cogeco Communications and Cogeco since September 1, 2018. Mr. Audet joined Cogeco in 1981 and held the position of President and Chief Executive Officer of Cogeco Communications from 1993 to 2018. Under his leadership, Cogeco has become a leading Canadian communications company, operating internationally and generating revenues of over $2.4 billion annually. As Executive Chair, Louis Audet plays an active executive role focusing on major business transactions and strategies while working closely with the President and Chief Executive Officer, Philippe Jetté.
- James C. Cherry has been a corporate director since 2016. 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.

- Patricia Curadeau-Grou has been a corporate director since 2015. See heading 15.3 "Education and Experience of Audit Committeee Members" for more details on her past occupations.

- Pippa Dunn is the founder and director of Broody (an incubator for startups and accelerator to more established businesses) in a joint venture with British advertising agency Mother, since 2017. In this role, she is working with entrepreneurs to turn ideas and products into successful businesses. She originally qualified as a lawyer before switching careers and has almost thirty years of progressive experience in the marketing industry, including at Coca-Cola, NTL (now Virgin Media) and Orange which merged with T-Mobile in 2010 to create EE Limited (UK's largest cellular company). She was appointed Chief Marketing Officer with profit and loss (P&L) responsibility for the Consumer arm of EE Limited in 2012 and led that organization until the successful sale of EE Limited to British Telecom in 2016.

- Philippe Jetté is President and Chief Executive Officer of Cogeco Communications and of Cogeco 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 Communications and Cogeco 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).

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)
Colleen Abdoulah	Colleen Abdoulah	Pippa Dunn	Patricia Curadeau-Grou
Patricia Curadeau-Grou	Patricia Curadeau-Grou	Lib Gibson	Samih Elhage(3)
Joanne Ferstman(1)	David McAusland(1)	David McAusland	Joanne Ferstman
Lib Gibson	Carole J. Salomon	Carole J. Salomon(1)	Philippe Jetté
			Normand Legault(1)(3)
			David McAusland

(1) Committee Chair
(2) The Strategic Opportunities Committee is a joint Cogeco Communications and Cogeco Committee
(3) Director of Cogeco

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 Communications' executive officers, their municipality of residence and the position that they held on August 31, 2019:

Name	Municipality of residence	Position occupied
Elizabeth Alves, CPA, CA, CIA, CFE	Ste-Julie, Québec	Vice President, Enterprise Strategy and Social Responsibility
Louis Audet, Eng., MBA, C.M.	Westmount, Québec	Executive Chair
Philippe Bonin, CPA, CA, MBA	Montréal, Québec	Vice President, Corporate Development
Patrick Bratton	North Reading, Massachusetts	Interim President & Chief Financial Officer, Atlantic Broadband
Nathalie Dorval, LLB, M. Sc.	Montréal, Québec	Vice President, Regulatory Affairs and Copyright
Chantal Frappier, CPA, CA, CIA	Brossard, Québec	Vice President, Internal Audit
Martin Grenier, MBA	Montréal, Québec	Vice President, Procurement
Philippe Jetté, Eng.	Dollard-des-Ormeaux, Québec	President and Chief Executive Officer
Christian Jolivet, LLB, LLM	Montréal, Québec	Senior Vice President, Corporate Affairs, Chief Legal Officer and Secretary
Marie-Hélène Labrie, M. Sc.	Montréal, Québec	Senior Vice President and Chief Public Affairs and Communications Officer
Stéphane Lacombe, MBA	Montréal, Québec	Vice President, Information Technology
Marie Ginette Lepage, MBA	Longueuil, Québec	Vice President, Wireless Solutions and Innovation
Pierre Maheux, CPA, CGA	Boucherville, Québec	Vice President, Corporate Controller
Luc Noiseux, M.Sc., EMBA	Montréal, Québec	Senior Vice President and Chief Technology and Strategy Officer
Diane Nyisztor, CPA, CA, HRCCC	Saint-Lambert, Québec	Senior Vice President and Chief Human Resources Officer
Patrice Ouimet, CPA, CA	Saint-Lambert, Québec	Senior Vice President and Chief Financial Officer
Andrée Pinard, CPA, CA, MBA	Town of Mount-Royal, Québec	Vice President and Treasurer
Jérôme Prat, M. Sc.	Saint-Lambert, Québec	Vice President, Total Compensation and HR Systems
Ken Smithard, MBA	Stoney Creek, Ontario	President, Cogeco Connexion
Liette Vigneault, CRHA, MBA	Montréal, Québec	Vice President, Talent and Employee Experience

PAST OCCUPATIONS

All the executive officers of Cogeco Communications 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 Communications and Cogeco 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 Communications and Cogeco from March 2014 to June 2019.

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

- Philippe Bonin has been, since March 7, 2016, Vice President, Corporate Development of Cogeco Communications and Cogeco. 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 Caisse de dépôt et placement du Québec, where he was part of the team in charge of private equity investments in these sectors.

- Patrick Bratton has assumed the position of Interim President & Chief Financial Officer of Atlantic Broadband following the departure of the previous President & Chief Executive Officer, Rich Shea on April 25, 2019. He has been Chief Financial Officer of Atlantic Broadband since 2003.

- Chantal Frappier has been Vice President, Internal Audit of Cogeco Communications and Cogeco since June 2019. Ms. Frappier joined the Corporation as Director, Internal Audit, in 2009 and held the position of Senior Director, Internal Audit, from 2015 to 2019.

- Martin Grenier has been, since January 22, 2018, Vice President, Procurement of Cogeco Communications and Cogeco. 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 Communications and of Cogeco 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, Chief Public Affairs and Communications Officer of Cogeco Communications and Cogeco. Prior to that, she was Senior Vice President, Public Affairs and Communications of Cogeco Communications and Cogeco 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.

- Stéphane Lacombe has been Vice President, Information Technology of Cogeco Communications and Cogeco since May 2019. Before joining the Corporation, he spent more than 15 years in a variety of positions in IT and Corporate Performance and Marketing at Yellow Pages Group, most recently as Vice President, IT. He also worked as a consultant at Deloitte and at Anderson Consulting/Accenture.

- Marie Ginette Lepage has been Vice President, Wireless Solutions and Innovation of Cogeco Communications since June 2019. Previously, Ms. Lepage was Senior Vice President, Global Sales and Mobile Solutions, at Stingray. She previously worked for more than a decade at Videotron, where she held several executive roles, including General Manager, Wireless Marketing and Product Development from 2006 to 2012, Vice President, Product Development, from 2012 to 2014, and most recently, Vice President, Broadcasting and Content, from 2014 to 2017. She also worked 10 years for BCE group between 1993 an 2006 in a variety of positions, in Human Resources, Communications and Marketing.

- Luc Noiseux has been, since August 22, 2016, Senior Vice President and Chief Technology and Strategy Officer of Cogeco Communications and Cogeco. Prior to joining the Corporation, he was Vice President R&D and head of the CTO office at Accedian Networks from October 2014 to July 2016. Previously, he held several senior research and development roles at Alcatel-Lucent, including Senior Director Wireless Systems from 2008 to 2014.

- Diane Nyisztor has been, since August 31, 2019, Senior Vice President and Chief Human Resources Officer of Cogeco Communications and Cogeco. Prior to that, she was Senior Vice President, Corporate Human Resources of Cogeco Communications and Cogeco from October 2015 to August 2019 and Vice President, Corporate Human Resources of Cogeco Communications and Cogeco from October 2014 to October 2015. Prior to joining the Corporation, she worked at KPMG as Partner, International Executive Services from September 2013 to September 2014. Prior to that, she worked at SNC Lavalin Group Inc. as Senior Vice President, Compensation and Benefits from January 2011 to May 2013 and as Senior Vice President, Global Human Resources from September 2004 to December 2010.

- Patrice Ouimet has been, since November 17, 2014, Senior Vice President and Chief Financial Officer of Cogeco Communications and Cogeco. Prior to joining the Corporation, he was Senior Vice President and Chief Financial Officer at Enerkem Inc. from February 2010 to 2014. Previously, he served as Vice President, Corporate Development and Enterprise Risk Management at Gildan Activewear Inc. He also worked for the previous ten years in the investment banking sector, serving as Director, Investment Banking at Lazard Limited and Vice President, Investment Banking at CIBC World Markets Inc.

- Jérôme Prat has been Vice President, Total Compensation and Human Resources Systems of Cogeco Communications and Cogeco since July 2019. He joined the Corporation in 2015 as Senior Director, Total Compensation. Prior to joining the Corporation, he served in managerial positions in total compensation in several companies in the manufacturing, consulting engineering and telecommunications industries. He began his career as a compensation advisor with an international consultancy.

- Ken Smithard has been, since September 1, 2016, President of Cogeco Connexion. Prior to that, he held various positions within Cogeco Connexion, including Vice President, Performance and Organizational Efficiency and Information Technology, from November 2012 to August 2016, Senior Director, Service and Warehouse from October 2011 to October 2012, Senior Director, Installation and Service, from September 2010 to September 2011, Senior Director, Residential Sales from June 2004 to August 2010 and Director, Consumer Sales and Marketing from April 15, 1999 to May 2004.

- Liette Vigneault has been Vice President, Talent and Employee Experience of Cogeco Communications and Cogeco since July 2019, after serving as Vice President, Human Resources and Communications, from 2012 to 2014 and Senior Director, Organizational Development, from 2011 to 2012 with Cogeco Communications' subsidiary Cogeco Connexion.

As at August 31, 2019, the directors and executive officers of the Corporation named above, as a group, beneficially owned, directly or indirectly, controlled or directed 116,722 Subordinate Shares of the Corporation, representing 0.35% of the outstanding shares of such class.

11. LEGAL PROCEEDINGS

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

12. TRANSFER AGENT AND REGISTRAR

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

13. MATERIAL CONTRACTS

On February 27, 2019, Cogeco Communications announced that it had reached an agreement to sell Cogeco Peer 1 Inc., its Business ICT services subsidiary, to affiliates of Digital Colony. The transaction, valued at $720 million, was completed during the third quarter of fiscal 2019. A redacted version of the Share Purchase Agreement was filed on SEDAR on March 7, 2019.

14. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Cogeco Communications is a subsidiary of Cogeco, which holds 31.8% of the Corporation's equity shares, representing 82.3% of the Corporation's voting shares.

Cogeco provides executive, administrative, financial and strategic planning services and additional services to the Corporation under a Management Services Agreement (the "Agreement"). On May 1, 2019, the Corporation and Cogeco agreed to amend the Agreement in order to replace the methodology used to establish the management fees payable by the Corporation to Cogeco, which was based on a percentage of the consolidated revenue of the Corporation, with a new methodology based on the costs incurred by Cogeco plus a reasonable mark-up. This cost-plus methodology was adopted to avoid future variations of the management fee percentage due to the frequent changes of the Corporation's consolidated revenue pursuant to business acquisitions and divestitures. Prior to this change, management fees represented 0.75% of the consolidated revenue from continuing and discontinued operations of the Corporation (0.85% for the period prior to the MetroCast acquisition on January 4, 2018). Provision is made for future adjustment upon the request of either Cogeco or the Corporation from time to time during the term of the Agreement. For the year ended August 31, 2019, management fees paid to Cogeco reached $19.9 million compared to $19.0 million for fiscal 2018.

No direct remuneration is payable to Cogeco's executive officers by the Corporation. However, during fiscal years 2019 and 2018, the Corporation granted stock options and performance share units ("PSUs") to these executive officers, as executive officers of Cogeco Communications, as follows: 97,725 (126,425 in 2018) stock options, and 14,625 (19,025 in 2018) PSUs. During fiscal 2019, Cogeco Communications charged Cogeco $1,046,000 ($915,000 in 2018), $61,000 ($1,000 in 2018) and $981,000 ($990,000 in 2018), 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 Communications 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, develop 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, Corporate Controller of the Corporation and the External Auditors usually attend all Audit Committee meetings.

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

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

RESPONSIBILITIES AND DUTIES

The Committee is responsible for the following:

FINANCIAL REPORTING

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

- Review, before they are released, the interim consolidated financial statements, the MD&A and related news releases and recommend their approval to the Board of Directors.

- Review, before they are released, public disclosure documents, such as a prospectus, annual information form or any other public documents containing consolidated financial statements of the Corporation, and recommend their approval to the Board of Directors.

- Review, before they are released, the guidance provided to financial markets and financial institutions.

- Review the reports of the Disclosure Committee of the Corporation.

- Discuss with senior Management any significant variances between comparative reporting periods and across comparable business units.

CHANGES IN ACCOUNTING POLICIES

- Review, with senior Management and the External Auditors, any proposed changes in securities 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 oversee the implementation by senior Management of appropriate 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.

- Review and approve, on an annual basis, the risk appetite framework of the Corporation.

- 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 appropriateness of foreign currency, interest rate and other financial risk mitigation practices such as the use of derivative financial instruments.

- 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 the 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 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 with the External Auditors and approve the 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, Corporate Controller. The Vice President, Corporate Controller 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 Inc., as per International Accounting Standard ("IAS") 24.

- Review annually the estimated fees to be paid by the Corporation to Cogeco 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: Ms. Joanne Ferstman, the Committee Chair and Mses. Colleen Abdoulah, Patricia Curadeau-Grou and Lib Gibson 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 that provides her with: (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.

Colleen Abdoulah, B.Com, M.B.A., APR — Ms. Abdoulah is a corporate director. She was the only female CEO/ Chair to have led a top-ten publicly traded cable operating company, Wide Open West (doing business as WOW!) in the United-States, which she did for 12 years, from 2002-2014 and was Chair until December 2015. Prior to joining WOW!, Colleen spent much of her career at a former cable company Tele-Communications Inc. ("TCI") in the United-States, where she served in a number of positions including Assistant COO and Executive Vice President of Cable Operations. Her professional career spans over 30 years in the marketing/advertising and telecommunications industries. She currently serves on the board of Rocky Mountain PBS and was an industry advisor for Avista Capital Partners. She is former Chair of the Board of the American Cable Association, a lobbying organization representing the interests of independent cable operators. She also served on the board of C-SPAN (an acronym for Cable-Satellite Public Affairs Network, an American cable and satellite television network), and is a former Vice President of the Executive Board of Women in Cable Telecommunications ("WICT"). In the nonprofit world, she currently serves on the boards of The Women's College of the University of Denver; and is Chair of World Pulse, a global social network dedicated to connecting, uniting and empowering women around the world. She is a former Chair of the Board for the Rocky Mountain Children's Law Center as well as former Chairperson for the WICT Foundation. Ms. Abdoulah is the recipient of numerous honors and awards, including the Colorado Women's Chamber of Commerce Top 25 Most Powerful Women Award; the American Cable Association's PAC Individual Leadership Award; the Lifetime Achievement Award from Mount Royal University in Calgary; and was a Multichannel News Wonder Women honoree and an inductee to the WICT Rocky Mountain Chapter's Walk of Fame.

Patricia Curadeau-Grou, B.Com, Finance, ICD.D — Ms. Curadeau-Grou is a corporate director. She held several positions within the National Bank of Canada from 1991 until her retirement in October 2015, including Strategic Advisor to the President and Chief Executive Officer from 2012 to 2015 and Chief Financial Officer and Executive Vice President, Finance, Risk and Treasury from 2007 to 2012. Prior to joining the National Bank of Canada, she held a number of key positions at major financial institutions, primarily in business development, risk management and corporate planning. She sits on the Board of National Bank of Canada which is a reporting issuer and where she is a member of the Risk Management Committee and on the Board of Pomerleau Inc. where she is a member of the Audit and 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 Committee. She was formerly a director of la Caisse de dépôt et placement du Québec where she served as a member of the Investment and Risk Committee and a director of Uni Select Inc. (a distributor of replacement parts, paint products and body shop accessories) which is a reporting issuer and where she served as member of the Human Resources and Compensation and Audit Committees. Ms. Curadeau-Grou is 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.

Joanne Ferstman, CPA, CA — Ms. Ferstman currently serves as a corporate director. She has over 20 years of progressive experience in the financial industry. Over an 18 year period until her retirement in June 2012, she held several leadership positions with the Dundee group of companies, which operated in wealth management, resources and real estate verticals. She was responsible for financial and regulatory reporting, risk management and involved in mergers and acquisitions and strategic development and held the position of Chief Financial Officer for many years and latterly held the positions of Vice Chair of DundeeWealth Inc. and President and Chief Executive Officer of Dundee Capital Markets Inc. Prior to joining the Dundee group of companies, Ms. Ferstman spent five years at a major international accounting firm. She currently serves as Chair of DREAM Unlimited (a real estate company), on which she also serves as Chair of the Audit Committee and as a member of the Organization, Design and Culture and Leaders and Mentors Committees. She also serves as a director and Chair of the Audit Committee of Osisko Gold Royalties Ltd. (an intermediate mining royalty company) and ATS Automation Tooling Systems Inc. (an advanced automation solutions corporation), each of which is a reporting issuer. She is the Lead director and member of the Human Resources Committee of Osisko Gold Royalties Ltd. and a member of the Audit and Human Resources Committees of ATS Automation Tooling Systems Inc. Ms. Ferstman was formerly a director of DREAM office REIT, Aimia Inc. and of Excellon Resources Inc.

Lib Gibson, M.Sc., B.Sc., ICD.D — Ms. Gibson is a retired corporate executive and a corporate director. From 2003 to 2007, she was an officer and advisor to the Chief Executive Officer of BCE Inc. Prior to that from 1997 to 2003, she was the Chief Executive Officer of Bell Globemedia Interactive (and its predecessor companies), Canada's largest Internet media company. In such capacities, she gained experience in evaluating financial statements of sophisticated companies in the telecommunications and media business as well as in oversight of internal controls. She was a director of, among other companies, Computershare Trust Company of Canada where she sat on the Audit and Risk Committee and the Conduct Review and Corporate Governance Committee, of ING Direct Bank of Canada where she sat on the Audit Committee, the Risk Oversight and Investment Committee, and the Governance and Conduct Review Committee and of West Park Healthcare Centre.

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. 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 2019 and 2018:

CATEGORY OF FEES

	2019	2018
	$	$
Audit fees(1)	**1,994,418**	2,058,127
Audit-related fees(2)	**305,312**	1,171,876
Tax fees(3)	**819,701**	618,183
Other fees(4)	**12,588**	10,393
TOTAL	**3,132,019**	3,858,579

(1) "Audit fees" include mainly fees for annual audit and quarterly reviews of the Corporation and some of its subsidiaries, including Atlantic Broadband and Cogeco Peer 1, as well as translation services. In 2019, the decrease in audit fees is mainly attributable to the sale of Cogeco Peer 1.

(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. In 2018, audit-related fees were mainly related to the MetroCast acquisition.

(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 2019 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, 2019. This and other information relating to the Corporation is available on Internet at www.sedar.com or corpo.cogeco.com.