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## **BOARD OF DIRECTORS CHARTER**

### **1 STATEMENT OF POLICY**

The Board of Directors of Cogeco Inc. (the "Corporation") is elected by the Corporation's shareholders to supervise the Management of the Corporation in the context of its global business and affairs.

The prime responsibility of the Board is to the Corporation and is to oversee its Management and to preserve and enhance the Corporation, with due regard for the interests of its shareholders generally and other stakeholders.

### **2 COMPOSITION, QUALIFICATION AND ORGANIZATION OF THE BOARD**

#### **2.1 Selection of Members**

The Corporate Governance Committee of the Board maintains an overview of the desired size and composition of the Board, the need for recruitment and the expected experience of the new candidates. It also advises the Board on the competencies and skills that the Board as a whole, and individual Directors, should possess in the context of the Corporation's global business and affairs and determines the competencies, skills and qualities the Human Resources Committee should seek in candidates as Directors.

Unless determined otherwise by the Board, when a Director is being recruited, an *ad hoc* committee composed of the Board Chair, the President and CEO of the Corporation and other selected members of the Board, as determined by the Board Chair after consultation with the respective Chairs of the Human Resources and the Corporate Governance Committees, initiate the process. The *ad hoc* Committee does so by seeking input and suggestions, including from Directors and outside consultants and, in doing so, takes into account the qualities or experience that a candidate should possess which may include such considerations as educational background, any special training of relevance, business experience in or outside the cable, telecommunication, enterprise services and media sectors, national or international exposure, directorial experience, diversity and other factors. Against that backdrop, the *ad hoc* Committee brings the proposed candidate forward to the Human Resources Committee and the Corporate Governance Committee for assessment, prior to his or her submission to the Board. The Board approves the final choice of candidates for nomination and proposed election by the shareholders.

All new Directors are briefed on the Corporation by the Board Chair and Management on the Corporation's structure, financial situation, regulatory environment and other aspects of its global business and affairs. They are also provided with the Board Charter, Individual Director Mandate, Cogeco Group Code of Ethics, Insider Trading Policy, the Statement of Corporate Governance Practices and other key mandates and policies.

The Corporation recognizes the importance of, and facilitates, ongoing Director education, while recognizing that a Director should take personal responsibility for this process.

## **2.2 Membership Criteria**

Board members must have the requisite qualifications under the law and the by-laws of the Corporation. They must have an appropriate mix of skills, knowledge and experience in business and an understanding of the industry segments in which the Corporation operates or commit to acquire such an understanding. Directors selected should be able to devote the requisite time for all the Board's business. The Directors of the Corporation are required to act with prudence and diligence, honesty and loyalty to the Corporation and with due regard to the interest of its shareholders and other stakeholders.

## **2.3 Independent Directors**

Boards function most effectively when their individual Directors are free from conflicts of interest and can exercise independent judgment when discharging their responsibilities. The Corporation complies with the requirements of any stock exchange on which its securities are listed and the independence requirements of applicable securities laws. A majority of the Board shall be composed of Directors who are independent, in accordance with the foregoing.

Where the Corporation or any of its subsidiaries enters, or proposes to enter, into a business relationship with a corporation or entity with which a Director is affiliated as an officer, partner or significant shareholder, the following guidelines apply:

- a) The Corporation will consider whether the relationship would cause the Director to lose his or her status as an independent Director, whether the relationship would prevent the Director from serving on any particular Board Committee, whether the relationship was already in existence before the Director joined the Board and who initiated the relationship and whether it is beneficial to the Corporation;
- b) Any new relationship must be brought to the attention of the Chairman of the Board, in advance where practicable and, where such relationship is not covered by applicable securities laws, be subject to the determination of the Corporate Governance Committee as to its materiality and the consequent effect on the independence of the Director; and
- c) Any material relationship will be disclosed in the Corporation's public disclosure documents in accordance with applicable securities laws and regulations.

## **2.4 Board Leadership**

The Board shall appoint its Chair and Vice-Chair (if one is to be appointed) from among the Corporation's Directors. The Board Chair will generally be an independent Director. Should the Chair for any reason be a Director who is an executive of the Corporation, the Board shall also appoint a lead Director from among the independent Directors to chair the Board at all meetings where such executive is absent and to assume other appropriate functions.

## **2.5 Retirement Age**

Directors are not required to retire at a mandatory age as this could have the effect of forcing Directors off the Board who have gained a deep knowledge of the Corporation's business and who are making a valuable contribution. At the same time it is recognized that there is value in a measure of turnover of Board membership to provide fresh approaches and new skills and knowledge. The Board, through the Corporate Governance Committee, reviews annually its composition and effectiveness so as to be strongly independent and such as to optimize its mix of skills, background, experience and knowledge and to encourage strong guidance of the Corporation in its ongoing global business operations and long-term strategy.

## **2.6 Term of Directors**

The Directors are elected by the shareholders at every annual meeting except where the Board appoints a Director to fill a vacancy until the next annual meeting. The term of office of each Director shall expire at the next annual meeting of the Corporation, or upon the election of a successor.

## **2.7 Meeting Records**

Minutes shall be kept of meetings of the Board and its Committees and shall be available to all Directors.

# **3 MEETINGS OF THE BOARD**

## **3.1 Board Agenda**

The Board Chair, in consultation with the appropriate members of Management, develops the agenda for Board meetings.

## **3.2 Board Material Distribution**

Financial and other information that is important to the understanding of agenda items are distributed to Directors in advance of the Board meeting to facilitate Directors' preparation for meetings.

## **3.3 Board Meeting Frequency and Schedule**

In order to carry out its mandate, the Board holds regular meetings on a quarterly basis and additional meetings to consider particular issues or strategic planning or to conduct specific reviews whenever appropriate.

## **3.4 Attendance**

Directors are expected, subject to scheduling conflicts, to attend all Board meetings in person, to the extent feasible (other than conference call meetings) and a record of attendance is kept.

## **3.5 Responsibilities and Duties**

Directors are expected to carry out their oversight responsibilities and specific duties in accordance with the Individual Director Mandate.

## **3.6 Management at Meetings**

The Board of Directors invites members of Management to attend part of Board meetings to make presentations to allow Directors to gain additional understanding and insight into the Corporation's businesses and to enhance the Directors' familiarity with such members.

## **3.7 *In camera* Sessions**

Unless waived at a particular meeting by the independent Directors, the Board meets *in camera* at each of its meetings without any member of Management present to ensure free and open discussion among the independent Directors.

#### **4 DUTIES AND RESPONSIBILITIES OF THE BOARD**

In addition to its statutory responsibilities, the Board has the following duties and responsibilities:

- (a) ensuring that the Corporation, including its subsidiaries, is operated so as to preserve its financial integrity and in accordance with policies approved by the Board;
- (b) in general, seeking to gain satisfaction as to the integrity of the President and Chief Executive Officer and other senior executive officers, including those of its subsidiaries, and that all such officers through their own example, through implementation of the Code of Ethics and otherwise, create a culture of integrity throughout the Corporation;
- (c) reviewing with the Audit Committee the financial performance, financial reporting and disclosure of the Corporation and its subsidiaries as well as obtaining reasonable assurance that their internal controls and management information systems are adequate;
- (d) appointing the President and Chief Executive Officer and senior executive officers of the Corporation, ensuring that they are of the caliber and have the personal and other qualities required for their roles and planning their succession (including how senior executives are to be trained and their performance monitored) and taking into account the recommendations of the Human Resources Committee;
- (e) developing, in concert with the President and Chief Executive Officer and the Board Chair, and approving, the position description for the President and Chief Executive Officer, including delineating management responsibilities and the corporate goals and objectives for which he is responsible;
- (f) reviewing annually and overseeing the implementation of the overall strategic plan and direction of the Corporation which takes into account, among other things, the opportunities and risks of its global business and affairs identified by Management;
- (g) reviewing, through the Audit Committee, the principal business risks facing the Corporation and its subsidiaries, (the "Principal Business Risks") and the implementation by Management of appropriate measures to manage these risks;
- (h) approving the Risk Management Policy and any material changes made thereto;
- (i) ensuring that appropriate structures and procedures are in place so that the Board can function independently of Management;
- (j) providing a source of advice and counsel to the President and Chief Executive Officer and senior executives on various issues of importance for the Corporation;
- (k) reviewing and approving key policies developed by Management and continuous disclosure documents;
- (l) working to ensure that its expectations of Management are understood;
- (m) adopting and overseeing the Corporation's disclosure policy and its implementation, including disclosure of material information, investor relations and security holders communications;
- (n) adopting the Corporation's insider trading policy and any material change thereto;

- (o) considering measures for receiving communication feedback from security holders directly and/or through management;
- (p) adopting a Code of Ethics that is applicable to Directors, officers and employees of the Corporation that is designed to promote and foster integrity and deter inappropriate action or wrongdoing, monitoring compliance with such Code and directly, or through delegation to the Corporate Governance Committee, granting waivers of compliance for Directors or executive officers in appropriate circumstances;
- (q) adopting the Corporation's corporate social responsibility policy and any material change made thereto;
- (r) conducting, through the Corporate Governance Committee, an annual review of Board and Committee effectiveness (including Directors' individual contributions);
- (s) establishing a diversity policy for the election or appointment of Directors;
- (t) reviewing, through the Human Resources Committee, the general compensation structures of the Corporation and its subsidiaries including, without limitation, the short and long-term incentive programs and pension plans;
- (u) reviewing with the Human Resources Committee the adequacy and form of the compensation of Directors, the Board Chair and Committee Chairs to ensure their compensation adequately reflects the responsibilities and risks involved in holding such office and approving their compensation after giving consideration to the recommendations of the Human Resources Committee;
- (v) evaluating, through the Human Resources Committee, the compensation of senior executive officers of the Corporation, including those of its subsidiaries, in line with corporate policies in effect and stated budget and other objectives;
- (w) reviewing the performance of and approving the compensation of the senior executive officers of the Corporation and the Chief Executive Officers of its subsidiaries, after giving consideration to the recommendations of the Human Resources Committee;
- (x) approving nominees for election as Directors;
- (y) working to ensure that new Directors are provided with adequate education and orientation opportunities, understand the role of the Board and its Committees, the expectations of time and contribution from an individual Director and gain a general understanding of the Corporation's business;
- (z) provide or encourage continuing education opportunities for Directors to ensure their knowledge of the Corporation's business stays current and to maintain or enhance their Directorial skills;
- (aa) selecting the Board Chair and developing his or her position description;
- (bb) appointing the officers of the Corporation;
- (cc) overseeing financial reporting and disclosure of the Corporation
- (dd) obtaining reasonable assurance, through its Audit Committee, that:

- (i) 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;
  - (ii) the accounting policies and practices, significant judgments and disclosures which underlie or are incorporated in the Corporation's financial statements are the most appropriate in the prevailing circumstances;
  - (iii) the Corporation's quarterly and annual financial statements are accurate and present fairly the Corporation's financial position and financial performance in accordance with International Financial Reporting Standards ("IFRS");
  - (iv) there is an effective system of internal controls; and
  - (v) appropriate information including Management's Discussion and Analysis, concerning the financial position and performance of the Corporation is disseminated to the public in a timely manner.
- (ee) evaluating the experience of the various Directors with a view to selecting as members of the Audit Committee Directors that are independent and have the qualifications described in the Charter of the Audit Committee;
  - (ff) approving the Authorization Policy of the Corporation;
  - (gg) approving projects requiring a capital investment and other outlays in excess of a certain threshold;
  - (hh) developing, through the Corporate Governance Committee, the Corporation's approach to corporate governance issues including principles and guidelines that are relevant to the Corporation;
  - (ii) establishing Committees to facilitate the carrying out of the Board's mandate and approving their respective charters and material changes thereto; and
  - (jj) appointing the members of the Committees, designating for each Committee one of the members as Chair and developing a position description for each Chair of a standing committee.

## **5 BOARD COMMITTEES**

### **5.1 Number, Structure and Jurisdiction of Committees**

The Board is responsible for the establishment of all Board Committees, the appointment of members on such Committees, their qualification, compensation and their good standing. The Board has established four standing Committees which are: the Audit, the Corporate Governance, the Human Resources and the Strategic Opportunities Committees, and delegates certain of its duties and responsibilities to them. Other Committees or sub Committees may be established on an *ad hoc* basis from time to time by Board resolution to deal with particular matters.

### **5.2 Independent Committee Members**

Members of the Audit, the Human Resources and the Corporate Governance Committees must be comprised of members who are independent as defined according to applicable securities laws and regulations.

### **5.3 Committees Report to Board**

Each Committee generally reports to the Board after each Committee meeting.

## **6 ADMINISTRATIVE MATTERS**

### **6.1 Compensation**

The Human Resources Committee of the Board regularly reviews and makes recommendations on senior executive compensation as well as that for the Directors, Board Chair and Committee Chairs and oversees stock options, incentive share units, performance share units and deferred share units and other compensation plans. Any proposed change to such compensation must be approved by the Board.

### **6.2 Part of Directors Fees Paid in Deferred Share Units**

In order to encourage alignment of the interests of Directors with those of the shareholders, Directors have the opportunity to receive all or a portion of their retainer in the form of deferred share units.

### **6.3 Board Confidentiality**

Directors will maintain the absolute confidentiality of the deliberations and decisions of the Board of Directors and information received at meetings, except as may be specified by the Board Chair or if the information is publicly disclosed by the Corporation.

### **6.4 Reference materials**

Reference materials that include, among other things, the Corporation's articles, by-laws, annual reports, annual information forms and other disclosure documents, principal plans or policies, mandates and Code of Ethics are posted on the electronic portal of the Corporation and updated as necessary.

## **7 RESOURCES AND AUTHORITY OF THE BOARD**

The Board shall have the resources and authority appropriate to discharge its duties and responsibilities, including access to Management and the authority to retain counsel or other experts, as it deems appropriate, without seeking approval of Management.

Approved by the Board of Directors as revised on November 2, 2016