Silhouettes of workers in hard hats are positioned in the upper left and center of the page. One worker is on a lift, and another is holding a roll of cable.

5 Place Ville Marie
Suite 915
Montréal (Québec)
H3B 2G2



Notice of Annual Meeting of Shareholders

Take notice that the Annual Meeting of the Shareholders of Cogeco Cable Inc. (the “Corporation”) will be held in the TSX Broadcast and Conference Centre of The Exchange Tower, 130 King Street West, Toronto (Ontario)

ON THURSDAY, THE 8TH DAY OF DECEMBER, 2005

at the hour of 4:00 o’clock in the afternoon (Toronto time), for the following purposes:

1. To receive the consolidated financial statements of the Corporation for the year ended August 31, 2005 and the report of the auditors thereon;
2. To elect directors;
3. To appoint auditors and to authorize the directors to fix their remuneration; and
4. To transact such other business as may properly be brought before the meeting.


Dated October 25, 2005.

By order of the Board,

A handwritten signature in blue ink that reads 'C. Jolivet' with a horizontal line underneath.

Christian Jolivet
Secretary

Note: If you are unable to attend the meeting in person, you are requested to complete, date, sign and return the enclosed form of proxy in the envelope provided for that purpose before the time fixed for holding the meeting.

Silhouettes of a group of people, including two standing and several sitting, are located at the bottom left of the page.

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular is furnished by the management of Cogeco Cable Inc. (“Cogeco Cable” or the “Corporation”), which is soliciting proxies for use at the Annual Meeting of Shareholders of the Corporation (the “Meeting”), and at any adjournment thereof, to be held at the time and place and for the purposes set forth in the accompanying notice of Meeting. The solicitation will be primarily by mail. However, proxies may also be solicited personally by regular employees of the Corporation. The cost of such solicitation on behalf of management, which is anticipated to be nominal, will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are directors or senior executive officers of the Corporation.

A shareholder has the right to appoint another person (who need not be a shareholder) to represent him or her at the Meeting either by inserting the name of his or her chosen proxy in the blank space provided in the form of proxy or by completing another proper form of proxy.

A shareholder who has given a proxy may revoke it at any time prior to its use, by instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. In the absence of such direction, such shares will be voted in favour of all the matters identified in the accompanying notice.

The accompanying form of proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the notice of Meeting and with respect to other business which may properly be brought before the Meeting. At the date of this circular, management of the Corporation knows of no such amendments, variations or other business to be brought before the Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

As at October 25, 2005, 24,293,486 subordinate voting shares (the “subordinate shares”) and 15,691,100 multiple voting shares (the “multiple shares”) of the Corporation are outstanding. Such shares are the only shares carrying the right to vote at the Meeting; holders of subordinate shares of record at the close of business on October 31, 2005 (the “Record Date”) will be entitled to one vote per share at the Meeting and holders of multiple shares of record at the Record Date will be entitled to ten votes per share at the Meeting.

Nevertheless, in the event of any transfer of subordinate shares or multiple shares after the Record Date, the right to vote may be exercised by the transferee of those shares if such transferee produces properly endorsed share certificates or otherwise establishes that such transferee owns the shares and demands, not later than ten days before the Meeting, that such transferee’s name be added to the list of shareholders of the Corporation.

To the knowledge of the directors and officers of the Corporation, the only persons or companies which, as at October 25, 2005, beneficially own, directly or indirectly, or control or direct, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation are the following:

| Name | Number of subordinate shares # | Percentage of class % | Number of multiple shares # | Percentage of class % | Percentage of all voting rights % |
|-----------------------------|--------------------------------|-----------------------|-----------------------------|-----------------------|-----------------------------------|
| COGECO Inc. ⁽¹⁾ | — | — | 15,691,100 | 100 | 86.6 |
| Jarislowsky, Fraser Limited | 2,728,500 ⁽²⁾ | 11.2 | — | — | 1.5 |
| Rogers Communications Inc. | 6,595,675 ⁽³⁾ | 27.1 | — | — | 3.6 |

⁽¹⁾ COGECO Inc. is a public company controlled by Gestion Audem Inc., a private company as defined in the *Securities Act* (Québec), which is controlled by Mr. Henri Audet.

⁽²⁾ Based on the report filed on SEDAR on September 13, 2004.

⁽³⁾ Based on the report filed on SEDAR on December 13, 2004.

RESTRICTIONS ON VOTING RIGHTS AND RIGHTS IN THE EVENT OF A TAKEOVER

The authorized share capital of the Corporation is composed of subordinate shares and multiple shares (collectively the “equity shares”). Each subordinate share entitles the holder to one vote. Each multiple share entitles the holder to ten votes. The multiple shares are convertible at any time into subordinate shares on a share-for-share basis. In all other respects, the equity shares have the same rights. A general description of the rights, privileges and restrictions attaching to the subordinate shares and multiple shares can be found in section 5.1 of the Corporation’s annual information form. The subordinate shares represent 13.4% of the aggregate voting rights attached to the Corporation’s outstanding securities.

The issue and transfer of the equity 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 directions or the conditions of the Corporation’s licences granted by the Canadian Radio-television and Telecommunications Commission. These restrictions limit the extent to which equity can be issued or transferred to non-Canadian residents and preclude control by non-Canadian residents.

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 Inc. (“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.

ELECTION OF DIRECTORS

The Board has established ten as the number of directors to be elected at the Meeting. The term of office of each director will expire at the next annual meeting of the Corporation or upon the election of a successor.

Unless authority to vote on the election of the ten directors is withheld in the accompanying form of proxy, it is the intention of the persons named therein to vote the shares represented thereby in favour of the election of the ten nominees of management listed in the following table or, in the event of any vacancies among such nominees, in favour of the remaining nominees and substitute nominees of management.

INFORMATION CONCERNING NOMINEES AS DIRECTORS⁽¹⁾

| Name and Office with Corporation | Principal Occupation | Director Since | Number of Subordinate Shares Beneficially Owned, Directly or Indirectly, Controlled or Directed by Nominees ^{(b)(c)} |
|---|---|----------------|---|
| Henri Audet , Eng., C.M., B.A., B.A.Sc., M.Sc., D.Sc. Director and Chairman Emeritus Montréal (Québec) | Chairman Emeritus | 1992 | 3,590 ⁽²⁾ |
| Louis Audet , Eng., M.B.A. Director, President and Chief Executive Officer Westmount (Québec) | President and Chief Executive Officer of the Corporation | 1992 | 4,000 |
| Jacqueline L. Boutet , C.M. Director Montréal (Québec) | President, Jacqueline L. Boutet Inc. (Real Estate Company) | 1993 | 3,990 |
| William Press Cooper , B.Sc., P.Eng., F.C.S.C.E. ^(d) Director Oakville (Ontario) | President and Chief Executive Officer Cooper Construction Limited (Real Estate Development and Construction Company) | 2003 | 2,360 |
| Claude A. Garcia , B.A., B. Com. Director Montréal (Québec) | Corporate Director | 2004 | 4,480 |
| Germaine Gibara Director Montréal (Québec) | President, Avvio Management Inc. (Management Consulting Firm) | 2003 | 860 |
| Harry A. King , B.A., C.A. Director Vancouver (British Columbia) | President, Harking Investments Ltd. (Holding Company) | 1993 | 4,119 |
| Henri P. Labelle , B. Arch., M.B.A. Director Montréal (Québec) | Architect and Certified Arbitrator | 1993 | 11,190 |
| David McAusland , B.C.L., LL.B. Director Beaconsfield (Québec) | Executive Vice President, Corporate Development and Chief Legal Officer, Alcan Inc. (aluminium and packaging manufacturer) | 1999 | 3,150 |
| Jan Peeters Director and Board Chair Montréal (Québec) | Board Chair, President and Chief Executive Officer Olameter Inc. (Telemetry) | 1998 | 4,500 |

⁽¹⁾ The nominees as directors have supplied the information concerning their principal occupation, the number of subordinate shares of the Corporation beneficially owned or over which control or direction is exercised and the additional information under the heading "Additional Information on the Nominees as Directors".

⁽²⁾ See the heading "Voting Shares and Principal Holders Thereof" for number of multiple shares indirectly controlled by Mr. Henri Audet.

Notes:

- a) The Corporation was established to acquire the cable assets of its parent, COGECO, which is a media and communications company, and to carry on the cable distribution business. In order to increase efficiency of board meetings and improve the supervision of the management of the business and affairs of both companies, Messrs. Henri Audet, Louis Audet, Claude A. Garcia, Henri P. Labelle, David McAusland, Jan Peeters and Jacqueline L. Boutet are also nominees as directors of COGECO.

- b) As at October 25, 2005, none of the directors of the Corporation beneficially owns, directly or indirectly, or controls or directs multiple voting shares of COGECO, except for Henri Audet who owns or controls 1,809,660 shares, Louis Audet who owns or controls 3,200 shares and Henri P. Labelle who owns or controls 30,000 shares.
- c) The nominees as directors of the Corporation also beneficially own, directly or indirectly, or control or direct subordinate voting shares of COGECO as follows:

| | | |
|----------------------|---------|--|
| Henri Audet | 949,695 | (including 3,200 by family members other than Louis Audet) |
| Louis Audet | 33,994 | (including 66 by family members other than Henri Audet) |
| Jacqueline L. Boutet | 5,250 | |
| William Press Cooper | — | |
| Claude A. Garcia | 2,065 | |
| Germaine Gibara | — | |
| Harry A. King | 1,000 | |
| Henri P. Labelle | 92,550 | |
| David McAusland | 3,235 | |
| Jan Peeters | 4,640 | |

- d) Mr. Cooper is a director of Stelco Inc. which filed for protection under *Companies Creditors Arrangement Act* (“CCAA”) on January 29, 2004. He is also a former director of Laidlaw Inc. which filed for protection under CCAA and Chapter 11, in June 2001, and emerged from such proceedings in June 2003.

ADDITIONAL INFORMATION ON THE NOMINEES AS DIRECTORS

Henri Audet – Mr. Audet has been, since 1996, Chairman Emeritus of the Corporation and of COGECO. He was President and Chief Executive Officer of the Corporation from 1992 to 1993 and Board Chair of the Corporation from 1992 to 1996. He was also, until 1993, President and Chief Executive Officer of COGECO and Board Chair of COGECO until 1996. During his career, in addition to having created COGECO in 1957, he was awarded several honorary distinctions including, among others, the Order of Canada, a D.Sc. from the *Université du Québec*, a D.Sc. from the *Université de Montréal*, the *Grand Prix de la Diffusion* from the *Association canadienne de la radio et de la télévision de langue française*, he was inducted to the Hall of Fame of the Canadian Association of Broadcasters, and he was appointed to the Honors List of the Canadian Cable Television Association.

Louis Audet – Mr. Audet has been President and Chief Executive Officer of the Corporation and of COGECO since 1993. He is also a director of the Canadian Cable Television Association, CableLabs, *Orchestre Symphonique de Montréal*, the *Corporation de l'École Polytechnique de Montréal* and *Collège Jean-de-Brébeuf*, and a member of The Canadian Unity Council.

Jacqueline L. Boutet – Mrs. Boutet has been involved in real estate investment in the Montréal and Québec areas since 1971. She is a director of St. Justine Hospital Foundation. She is a member of the Order of Canada since 1995.

William Press Cooper – Mr. Cooper has been, since 1980, President and Chief Executive Officer of Cooper Construction Limited, a real estate development and construction company located in Oakville, Ontario. He is also a director of Atlas Cold Storage Holdings Inc. and Stelco Inc., both of which are reporting issuers, and an Honorary Trustee for The Hospital for Sick Children, Toronto. Mr. Cooper is a Fellow of the Canadian Society of Civil Engineers and Campaign Chairman for United Way of Oakville.

Claude A. Garcia – Mr. Garcia is a corporate director. In addition to being a director of COGECO and Cogeco Cable, he is the Chairman of the Board of *Agence des partenariats public-privé du Québec* and director of the *Caisse de dépôt et placement du Québec*. From June 1993 to December 2004, he was President, Canadian Operations of The Standard Life Assurance Company. He is Chairman of the Board of the *Fondation de la Chambre de Commerce de Montréal* and of the Montréal YMCA Foundation. He is Vice-Chairman of the Board of International Flora Montréal and a director of *Institut de recherches cliniques de Montréal*.

Germaine Gibara – Mrs. Gibara has been, since 1995, President of Avvio Management Inc. She is a director of Sun Life Financial, Agrium Inc. and St. Lawrence Cement Inc., which are reporting issuers. She is also director of Canada Pension Plan Investment Board and is a member of Auditing and Assurance Standards Oversight Council (AASOC).

Harry A. King – Mr. King held several positions within Continental Lime Ltd. from 1976 to 1992, including as Vice President, Administration and Corporate Secretary from 1982 to 1992. From 1984 to 1991, he was also a director of Allarcom Pay Television, the then provider of pay television movie services in Western Canada. He is also a director of Churchill Corporation, which is a reporting issuer.

Henri P. Labelle – Mr. Labelle practiced architecture from 1954 to 1998 and he is a certified arbitrator of the ADR Institute of Canada Inc.

David McAusland – Mr. McAusland joined Alcan Inc. in May 1999 where he is presently Executive Vice President, Corporate Development and Chief Legal Officer. Previously, he was managing partner of Byers Casgrain. He is a director of Cascades Inc. (a reporting issuer), of Pointe-à-Callière, Montréal Museum of Archaeology and History and Chairman of the Board of the *Fondation de l'École nationale de cirque*.

Jan Peeters – Mr. Peeters has been Board Chair of the Corporation and COGECO since 2004. He is President and Chief Executive Officer and Board Chair of Olameter Inc. He was President and Chief Executive Officer of fONOROLA from 1990 to 1998. Previously, he worked for thirteen years with SNC-Lavalin Group Inc. Mr. Peeters sits on the Board of Governors of McGill University and is a director of Intersil Corporation (a U.S. listed issuer).

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Corporation participates in directors' and officers' liability insurance of the COGECO Group of companies with a policy limit of \$40,000,000, subject to a maximum deductible of \$250,000 per loss. The Corporation's share of the premiums payable for this coverage is approximately \$88,000 per annum. Under this insurance coverage, the Corporation is reimbursed for payments made under corporate indemnity provisions on behalf of its directors and officers. Protection is provided to directors and officers for acts, errors or omissions done or committed during the course of their duties as such. Excluded from coverage under the policy are illegal acts and those acts which result in personal profit.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Overview

This statement of corporate governance practices is made with reference to National Policy 58-201, Corporate Governance Guidelines and National Instrument 58-101, Disclosure of Corporate Governance Practices (hereinafter collectively the "Corporate Governance Guidelines") which are initiatives of the Canadian Securities Administrators. The corporate governance practices of the Corporation also conform to The Toronto Stock Exchange corporate governance guidelines, which have essentially been supplanted by the recent initiatives of the Canadian Securities Administrators.

The Corporation's corporate governance practices in effect are designed with a view to ensuring that the business and affairs of the Corporation are effectively managed in the interest of the shareholders as a whole.

The Corporation was organized over 12 years ago as a subsidiary of COGECO for the purpose of holding all the cable television assets of the COGECO Group of companies and it has a management agreement in effect with its parent company (the "Management Agreement"), as outlined under the heading "Interest of Management and Directors in Certain Transactions".

The following is the text of the Charter of the Board.

Board of Directors Charter

1. STATEMENT OF POLICY

The Board of Directors of Cogeco Cable is elected by the Corporation's shareholders to supervise the management of the business and affairs of the Corporation pursuant to the powers vested in its articles and by-laws, and in accordance with the obligations under public and private law. The prime stewardship responsibility of the Corporation's Board is to preserve and enhance the viability of the Corporation and to ensure that it is managed in the interest of the shareholders as a whole in conformity with the law and legitimate interests of other parties.

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 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 business and affairs and determines the competencies, skills and qualities the Human Resources Committee should seek in candidates as directors.

When a director is being recruited, the Human Resources Committee initiates the process by seeking input and suggestions, including from directors, outside consultants and the Executive Committee, and, taking into account the competencies, skills and personal qualities recommended by the Corporate Governance Committee, brings the proposed candidate forward to that Committee. The Corporate Governance Committee assesses the proposal for the new Board nominee prior to it being submitted by the Human Resources Committee to the Board. The Board approves the final choice of candidates for nomination and election by the shareholders.

All new directors are briefed on the Corporation's structure, financial situation, regulatory environment and other aspects of its business. Extensive documentation on the Corporation is also provided to them.

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. 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 in the interest of the Corporation and its shareholders.

2.3 Independent Directors

A majority of the Board shall be composed of directors who are independent, as such term is defined according to applicable laws and regulations.

2.4 Board Chair

The Board shall appoint its Chair and Vice-Chair (if one is to be appointed) from among the Corporation's directors. In the event that the Chair is a director who is an executive of the Corporation, the Board shall also appoint a lead director from among the non-management directors to chair the Board at all meetings where Management is absent and to assume other appropriate functions.

2.5 Retirement Age

A director who has attained the age of 72 (or 75 in the case of a director elected prior to October 23, 1998) prior to the Annual Meeting of shareholders shall retire from office at such Meeting, except as decided otherwise by the Board of Directors.

The policy stated above does not apply to Mr. Henri Audet, Chairman Emeritus of the Corporation.

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 conduct specific reviews whenever appropriate.

3.4 Attendance

Directors are expected, subject to scheduling conflicts, to attend all Board meetings (other than conference call meetings) in person to the extent feasible 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.

3.7 In camera Sessions

The Board meets in camera, to the extent practicable, at each of its regular meetings without any member of Management present to ensure free and open discussion among the non-management directors, unless waived at a particular meeting by 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 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 and that all such officers through their own example, through implementation of the Corporate 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 as well as obtaining reasonable assurance that the Corporation's internal controls and management information systems are adequate;
- d. appointing the President and Chief Executive Officer and senior executives 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) with the recommendations of the Human Resources Committee;
- e. developing, in concert with the President and Chief Executive Officer and the Board Chair, and approve, 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. approving on an annual basis and overseeing the implementation of the overall strategy and business plan of the Corporation, all of which are developed at first by Management;
- g. identifying the principal opportunities and risks of the Corporation's business and overseeing the implementation of appropriate systems and actions to assess such opportunities and to manage these risks;
- h. ensuring that appropriate structures and procedures are in place so that the Board can function independently of Management;
- i. 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;
- j. reviewing and approving key policies developed by Management on various issues such as ethics and public disclosures;
- k. working to ensure that its expectations of Management are understood;
- l. adopting and overseeing the Corporation's disclosure policy and its implementation, including disclosure of material information, investor relations and security holders communications;
- m. considering measures for receiving communication feedback from security holders directly and/or through Management;
- n. adopting a corporate 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;
- o. conducting, through the Corporate Governance Committee, an annual review of Board and Committee effectiveness (including directors' individual contributions);
- p. 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 based on the recommendations of the Human Resources Committee;
- q. evaluating, through the Human Resources Committee, the compensation and performance of senior executives in line with corporate policies in effect and stated budget and other objectives and approving their compensation based on the recommendations of the Human Resources Committee;
- r. selecting nominees for election as directors;
- s. 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 individual directors and gain a general understanding of the Corporation's business;
- t. provide continuing education opportunities for directors to ensure their knowledge of the Corporation's business stays current and to maintain or enhance their directorial skills;

- u. selecting the Board Chair and developing his or her position description;
- v. appointing the officers of the Corporation;
- w. overseeing financial reporting and disclosure of the Corporation to obtain reasonable assurance that:
 - (i) the Corporation complies 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 Canadian generally accepted accounting principles;
 - (iv) that there is an effective system on internal controls; and
 - (v) appropriate information concerning the financial position and performance of the Corporation is disseminated to the public in a timely manner.
- x. evaluating the experience of the various directors with a view to ensuring that all members of the Audit Committee have the qualifications described in the Charter of the Audit Committee;
- y. approving projects requiring a capital investment and other outlays in excess of a certain threshold;
- z. developing, through the Corporate Governance Committee, the Corporation's approach to corporate governance issues including principles and guidelines that are relevant to the Corporation;
- aa. establishing committees to facilitate the carrying out of the Board's mandate and approving their respective charters and material changes thereto; and
- bb. appointing the members of the Committees, designating for each committee one of the members as Chair and developing a position description for each Chair.

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 so as to facilitate the carrying out of its mandate and delegates certain of its duties and responsibilities: the Executive, the Audit, the Corporate Governance and the Human Resources Committees. 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 Committee, Human Resources Committee and the Corporate Governance Committee must be comprised of members who are independent as defined according to applicable 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. Any proposed change to such compensation must be approved by the Board.

6.2 Part of Directors Fees Paid in Shares of the Corporation

In order to ensure alignment of the interests of directors with those of the shareholders, part of directors' fees are paid to directors by the Corporation in Subordinate Voting Shares of the Corporation.

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 Directors' Manual

The Corporation's Secretary prepares a Directors' Manual containing information on Corporation articles, by-laws, principal plans or policies and director responsibilities, which is 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 the authority to retain counsel or other experts, as it deems appropriate, without seeking approval of Management.

Composition of the Board

The Board of Directors is currently composed of eleven directors. Following a detailed review conducted by its Corporate Governance Committee, the Board has determined that eight of the eleven directors, representing a majority of the directors, are independent directors as such term is defined in Multilateral Instrument 52-110 of the Canadian Securities Administrators. The eight directors are Jacqueline L. Boutet, William Press Cooper, Claude A. Garcia, Germaine Gibara, Harry A. King, David McAusland, Jan Peeters and Pierre Robitaille. Messrs. Henri Audet, the indirect controlling shareholder of COGECO and Chairman Emeritus of the Corporation, Louis Audet, his son who is President and Chief Executive Officer of the Corporation, and Mr. Henri P. Labelle who has family ties with Henri and Louis Audet, are not considered as independent directors.

The Corporation therefore complies with the Corporate Governance Guidelines which stipulate that the Board of the Corporation should have a majority of independent directors.

Directors who are currently directors of another issuer that is a reporting issuer in a Canadian or a foreign jurisdiction are identified under the heading "Additional Information on the Nominees as Directors".

Board Chair

The Board Chair is a duly elected member of the Board of Directors and is appointed as Chair of the Board by the Board each year for a one-year term, with such appointment being (except when a vacancy is being filled) at the first meeting of the Board following the annual general meeting of shareholders. The Board Chair is an independent director as such term is defined in Multilateral Instrument 52-110.

The responsibilities of the Board Chair are set out in a detailed position which affirms that the Board Chair is expected to provide leadership to the Board and to set the "tone" for the Board and the Directors to foster effective, ethical and responsible decision-making by them. Among other things, he generally oversees Board direction and administration, ensuring that the Board works as a cohesive team, and builds a strong governance culture. He provides advice and counsel to the President and Chief Executive Officer, Committee Chairs and fellow directors. He works with the President and Chief Executive Officer and senior management to monitor progress on strategic planning and implementation. In addition, he works with and assists the President and Chief Executive Officer and the Vice President, Finance and Chief Financial Officer in representing the Corporation's interests to security holders, the investment community, the media and customers of the business.

Board Operations

The directors are expected, subject to scheduling conflicts, to attend in person, to the extent feasible, meetings of all Board and Committees on which they sit (other than conference call meetings). Directors are asked to notify the Corporation if they are unable to attend, and attendance at meetings is duly recorded.

Attendance at board meetings of the Corporation for the fiscal year ended August 31, 2005 was as follows: all directors attended the eight meetings of the Board of Directors held during the last fiscal year, except for Messrs. Henri Audet, Harry A. King and David McAusland each of whom was unable to attend one meeting.

Financial and other information that is important to the understanding of agenda items is made available to directors several days before scheduled Board meetings to facilitate directors preparation for meetings. Apart from the President and Chief Executive Officer, who is a member of the Board and participates as such, the Board invites members of management to attend parts of Board meetings for reporting and informational purposes.

The Board meets in camera, to the extent practicable, at each of its regular meeting without any member of management present to ensure free and open discussion among the non-management directors, unless waived at a particular meeting by independent directors, and as such met in camera at each of its eight meetings held during the last fiscal year.

Individual Director Mandate

All the directors of the Corporation are required to exercise their duties and responsibilities in the best interest of the Corporation and its shareholders as a whole. The expectations and responsibilities of directors are described in an individual director mandate. In addition to appointment, term and attendance, the mandate sets forth elements of an individual director's duties relating to fiduciary duties, ethics and integrity, governance, contribution, independence, continuing education, disclosure and other matters.

Directors receive shares in the Corporation as partial compensation as indicated under “Compensation of Directors and Executive Officers” below. The directors are required to hold throughout their term at office at least 2,000 subordinate shares of the Corporation. New directors are granted a period of two years to meet such a requirement.

Decisions Requiring Board Approval

All major decisions concerning, among other things, the Corporation’s corporate status, capital expenditures and development projects, debt financing, securities, distributions, investments, acquisitions, divestitures and strategic alliances, are subject to approval by the Board. In particular, each capital and other expenditures of a monetary amount of \$2,500,000 or more is subject to the prior approval of the Board.

Committees

The Board is responsible for the establishment and operation of all Board committees, the appointment of members to serve on such committees, their compensation and their good standing.

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:

| Executive Committee | Audit Committee | Human Resources Committee | Corporate Governance Committee |
|--|--|--|---|
| Henri Audet ⁽¹⁾ Louis Audet Jan Peeters | William Press Cooper Harry A. King ⁽¹⁾ Germaine Gibara Pierre Robitaille | Claude A. Garcia ⁽¹⁾ Germaine Gibara Jan Peeters Pierre Robitaille | Jacqueline L. Boutet Claude A. Garcia David McAusland ⁽¹⁾ Jan Peeters |

⁽¹⁾ Committee Chair

The Board of Directors of the Corporation usually appoints the members of the Committees at the first meeting of the Board following the annual general meeting of shareholders. To see the composition of the Committees after the Meeting, you can visit the Corporation’s website at www.cogeco.ca.

The Board has also developed detailed position descriptions for the chair of each Committee. Each position description outlines the appointment and qualification requirements, the broad responsibilities of the Chair and identifies specific duties in areas such as leadership, integrity, governance, committee management and organizational effectiveness.

The **EXECUTIVE COMMITTEE** is comprised of three directors, two of whom are not independent directors as such term is defined in Multilateral Instrument 52-110. The Executive Committee meets periodically to canvass specific business and managerial issues and prepares such issues for consideration by the Board. The Executive Committee held no formal meeting during the last fiscal year.

The **AUDIT COMMITTEE** has three independent directors as such term is defined in Multilateral Instrument 52-110. The fourth member, Mr. Robitaille is a member of the Board of Directors and the Audit Committee of COGECO, the parent company of the Corporation, and as such, is exempt from the independence requirement. All the members of the Committee are “financially literate” and have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity that can reasonably be expected to be raised by the Corporation’s financial statements.

The Audit Committee meets on a quarterly basis and holds special meetings as circumstances require. The Audit Committee held a special meeting during the last fiscal year on the subjects of the new certification of financial disclosure and internal control requirements established by the Canadian Securities Administrators. All four members attended the five meetings of the Audit Committee held during the last fiscal year. The Audit Committee meets in camera at each regular meeting, without any member of management present.

The Audit Committee has a formal charter setting out its mandate and responsibilities. The text of the charter and other information relating to the Audit Committee required by Form 52-110F1 on audit committee can be found in section 11 of Corporation’s annual information form.

The Audit Committee is established by the Board for the purpose of overseeing the accounting and financial reporting processes and audits of the financial statements of the Corporation. It fulfills its responsibilities within the context of the following major principles and guidelines:

- the Committee Chair and the other Audit Committee members have direct, open and frank communications throughout the year with management, other committee chairs and Board members, the external auditors, the internal auditor and other key committee advisors as applicable;
- the Committee, in consultation with management and the external auditors, develops annually an Audit Committee Work Plan responsive to the Audit Committee’s responsibilities as set out in its charter;
- the Audit Committee, in consultation with 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 financial presentation and disclosure;

- the Committee communicates its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials and notes, assembled in a binder, will be received from management and the external auditors one week in advance of meeting dates for all the topics on the agenda;
- the External Auditor's ultimate responsibility is to the Board of Directors and the Audit Committee, as representatives of the shareholders. The External Auditors must report directly to the Audit Committee;
- the Committee may, in addition to the external auditors, at the expense of the Corporation and after consultation with management, engage independent counsel or other advisors, which the Committee determines, are necessary to carry out its duties.

The Vice President, Finance and Chief Financial Officer of the Corporation, the internal auditor and representatives of the external auditors usually attend all Audit Committee meetings.

Responsibilities and duties of the Audit Committee are set out in its charter in relation to financial reporting, changes in accounting policies, assessing financial risks and uncertainties, financial controls and deviations, compliance with tax and financial reporting laws, relationships with the external and internal auditors and other matters. These duties and responsibilities of the Audit Committee are consistent with Multilateral Instrument 52-110 and, in many aspects, with the best practices of the industry.

As required in Multilateral Instrument 52-110, the Audit Committee has established whistle-blowing procedures for complaints regarding accounting, internal accounting controls or auditing matters ("Accounting Matters"). Under these procedures, any complaint submitted regarding Accounting Matters will be maintained confidential to the fullest extent possible, consistent with the need to conduct an adequate review. The Chief Legal Officer will assist the Audit Committee in protecting the whistle blowers from reprisal of any kind for making the complaint.

The **HUMAN RESOURCES COMMITTEE** serves in the roles of compensation and human resources committee and of nominating committee. It is comprised of four independent directors, as such term is defined in Multilateral Instrument 52-110. The Human Resources Committee meets at least twice yearly. All members attended the three meetings of the Committee held during the last fiscal year. The members of the Committee meet in camera, to the extent practicable, at each meeting without any member of management present, unless waived at a particular meeting by its members.

The Human Resources Committee has a formal charter setting out its duties and responsibilities. They include, among other things, the following responsibilities:

- to establish the Corporation's general compensation philosophy, in consultation with management and external independent consultants;
- to review and make recommendations to the Board on the general compensation structures of the Corporation and its major subsidiaries;
- to review and make recommendations to the Board on the components of overall compensation of senior executive officers consisting of base salary, short-term incentive plan (annual bonus determined on the basis of performance criteria) and the long-term incentive program (stock option plan and performance unit plan), including special conditions applying to senior executive officers such as the senior management special remuneration plan in the event of a change in control of the Corporation described below under the heading "Senior Management Special Remuneration Plan";
- to review the corporate goals and objectives for which the President and Chief Executive Officer is responsible and that are relevant to his compensation and to review and make recommendations to the Board on the suggested level of and/or changes in his overall compensation taking into consideration performance in light of those corporate goals and objectives and competitive compensation practices;
- to review and make recommendations to the Board on the suggested level of and/or changes in the overall compensation of other senior executive officers, taking into consideration individual performance and competitive compensation practices;
- to make recommendations to the Board on any new incentive plan or on any material change to the Corporation's short-term and long-term incentive plans and to discharge any responsibilities imposed on the Committee by these plans;
- to review periodically trends and developments in the pension area in Canada and make recommendations to the Board on all pension retirement plans of the Corporation and on any material amendments to these plans;
- to review the reports of the Pension Advisory Committee of the Corporation;
- to ensure that the Corporation has in place the proper processes to deal with the succession of senior executives and directors;
- to make recommendations to the Board on appointments of senior executive officers of the Corporation;
- to initiate the process of recruiting directors by seeking input and suggestions, including from directors, outside consultants and the Executive Committee, and, taking into account the competencies, skills and personal qualities recommended by the Corporate Governance Committee, to bring the proposed candidates as directors forward to the Corporate Governance Committee so that it assesses the proposal for each new Board nominee, and to submit the proposed candidates as directors to the Board before they are submitted to shareholders;
- to make recommendations to the Board on the compensation of the directors, the Board Chair and Committee Chairs;
- in the event of an impending vacancy in the office of the Board Chair, to review and to bring the proposed candidate forward to the Board;
- in the event of an impending vacancy in the office of the President and Chief Executive Officer, to review and to bring the proposed candidate forward to the Board;

- to review and approve the annual report on the compensation on senior executives officers included in the Corporation's Information Circular;
- in consultation with Management, to retain, if required, the services of an independent firm to advise on the compensation of senior executives officers, including fixing such firm's fees and terms of retention; and
- to review and reassess annually the adequacy of this charter and to recommend any changes to the Board of Directors.

The **CORPORATE GOVERNANCE COMMITTEE** is comprised of four independent directors as such term is defined in Multilateral Instrument 52-110. All members attended the two meetings of the Committee held during the last fiscal year. The members of the Committee meet in camera at each meeting without any member of management present, unless waived at a particular meeting by its members. The Committee has a formal charter. The responsibilities and duties of the Corporate Governance Committee include, among other things:

- reviewing the corporate governance practices of the Corporation in general;
- examining the adequacy and effectiveness of the Board's corporate governance practices in light of changing regulatory requirements and making suggestions for their improvements;
- overseeing of the size and composition of the Board and its committees and providing advise to the Board in this regard;
- advising the Board on the competencies and skills the Board, as a whole, and individual directors, should possess in the context of the Corporation's business and affairs and determining what competencies, skills and personal qualities the Human Resources Committee should seek in candidates as directors;
- assessing proposals for new Board candidates before they are submitted to the Board by the Human Resources Committee;
- assessing the quality and effectiveness of the Board's relationship with management;
- recommending topics of interest or importance for discussion and/or action by the Board and addressing information requirements of the directors;
- reviewing annually the Board and committee effectiveness including contribution by individual board members, continuing qualification and any potential conflict of interest;
- monitoring compliance with the Corporate Code of Ethics and authorizing, where appropriate, waivers of compliance for the benefit of any directors or executive officers of the Corporation; and
- approving the engagement by a director of an outside legal or other advisor at the expense of the Corporation.

The charters of the Board, Audit Committee, Human Resources Committee and Corporate Governance Committee are available on the Corporation's website at www.cogeco.ca.

Director Recruitment

As indicated in the charter of the Board above, the Corporate Governance Committee advises the Board on the appropriate size of the Board, the competencies and skills that the Board, as a whole, and individual directors, should possess in the context of the Corporation's business and affairs and determines the competencies, skills and qualities the Human Resources Committee should seek in candidates as directors.

When a director is being recruited, the Human Resources Committee initiates the process by seeking input and suggestions, including from outside consultants and the Executive Committee, and, taking into account the competencies, skills and personal qualities recommended by the Corporate Governance Committee, brings the proposed candidate forward to the Corporate Governance Committee for assessment before they are submitted to the Board and to shareholders.

Orientation and Continuing Education

All new directors receive a comprehensive orientation. They are briefed on the role of the Board, its committees and directors and on the Corporation's structure, financial position, regulatory environment and other aspects of its business. Extensive documentation on the Corporation is also provided to them. This is consistent with the Corporate Governance Guidelines and enables a new director to better understand the Corporation and his or her role and responsibilities.

Management periodically gives directors up-to-date analyst studies, industry studies and benchmarking information. At each regular board meeting, the directors are also provided with regulatory updates and short summaries of relevant orders, decisions and policies of the Canadian Radio-television and Telecommunications Commission and other relevant agencies.

Extensive documentation and selected presentations are also provided to directors at each annual strategic planning meeting of the Corporation to ensure that their knowledge and understanding of the Corporation's business remains current.

In addition, directors of the Corporation are given the opportunity to attend programs on corporate governance and directors' responsibilities offered by the Institute of Corporate Directors and other organizations, at the cost of the Corporation to the extent reasonable.

Assessments

The Board Chair conducts an annual formal review of Board and Committee effectiveness (including directors' individual contributions). The Board Chair annually develops a questionnaire which facilitates a written evaluation of the performance and effectiveness of the Board and its Committees as well as self-assessments on the part of individual Board members. The resulting information is analyzed by the Board Chair who then reports to the Corporate Governance Committee which in turn reports to the Board. The Board Chair meets every year with each director individually which facilitates a discussion of the evaluation of his or her contribution and those of other directors.

Disclosure Policy

The fundamental objective of the Corporation's disclosure policy is to ensure timely dissemination of information with all shareholders respecting the business, affairs and performance of the Corporation, subject to and in accordance with the requirements of securities legislation in effect and other statutory and contractual obligations limiting the disclosure of such information. At the same time, the policy sets the rules for protection of confidential information of all types and its appropriate disclosure. It extends to directors, officers and employees of the Corporation. The policy identifies material information relating to the business and affairs of the Corporation disclosure of which would result in or would reasonably be expected to result in a significant change in the market price or value of any of the listed securities of the Corporation. Disclosure is approved by the Disclosure Committee which is comprised of the President and Chief Executive Officer, the Vice President, Finance and Chief Financial Officer and the Vice President, Corporate Affairs. The Disclosure Committee's reports are received by the Audit Committee. The disclosure policy of the Corporation is consistent with National Policy 51-201, Disclosure Standards, and other applicable requirements.

In order to facilitate the effective and timely dissemination of information to all shareholders, the Corporation releases its disclosed information through newswire services, the general media, the Internet, telephone conferences with investment analysts and mailings to shareholders. Disclosed information is available in both official languages.

Shareholder Feedback

The Board encourages communications feedback from shareholders directly or through management. Individual queries, comments or suggestions can be made orally or in writing directly to the head office or through any of the Corporation's business offices in Ontario or Québec. Shareholders' comments, observations from analysts, the press or the public or comments received at the offices of the Corporation are considered and, where appropriate, brought to the attention of and included in the deliberations of the Board.

Board's Expectations of Chief Executive Officer and Management

The Board has developed, in concert with the President and Chief Executive Officer and the Board Chair, and approved, a detailed position description for the President and Chief Executive Officer and the corporate goals and objectives for which the President and Chief Executive Officer is responsible. The position description, in addition to setting forth details of appointment and qualification, describes the broad responsibilities of the Chief Executive Officer. He is expected to provide leadership and vision for the Corporation, to direct its business with the objective of growing shareholder value and return on capital in a sustainable manner and to establish current and longer term objectives and plans subject to the guidance and the supervision of the Board. He sets the "tone" for management to foster effective, ethical and responsible decision-making as well as strong corporate governance practices. A few of the duties set out in the position description include:

- with the advice of members of senior management, develop the basic objectives and plans of the business of the Corporation and submit them, as appropriate, to the Board for approval;
- provide general supervision and management of the day-to-day affairs of the Corporation within the supervision of and guidelines established by the Board;
- plan, direct and lead all investigations and negotiations pertaining to matters such as mergers, joint ventures, the acquisition of businesses or the sale of major assets, subject to necessary board approvals and appropriate prior consultations; and
- represent the Corporation as appropriate in the lead in its relationships with its external stakeholders such as shareholders and other security holders, the investment community, the media, government agencies including the Canadian Radio-television and Communications Commission, major customers, suppliers and competitors.

More generally, the Board expects, among other things, management of the Corporation to meet the following basic objectives:

- report in a comprehensive, accurate and timely fashion on the business and affairs of the Corporation and on any specific matters that it considers of material consequence for the Corporation and its shareholders;
- take timely action and make appropriate decisions required by the Corporation's activities in accordance with applicable requirements or obligations and within the framework of the corporate policies in effect, with a view to enhancing shareholder value;

- conduct a comprehensive annual budgeting process and monitor closely the Corporation's financial performance in conjunction with the annual budget presented to the Board; and
- review on an ongoing basis the Corporation's strategies and their implementation in all key areas of the Corporation's activities in light of evolving technology, government regulation and market conditions.

Corporate Code of Ethics

COGECO adopted in 2003 a Corporate Code of Ethics which sets out the principles which should guide the behaviour of all persons who are part of the COGECO Group or who contribute to its operations, image and reputation. The Corporate Code of Ethics deals with such matters as respect for individuals, customers, society, the environment, business standards, corporate policies and the law. It addresses the issues prescribed by the Corporate Governance Guidelines such as conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality of corporate information, compliance with laws and regulations, reporting of illegal or unethical behaviour and fair dealing with the Corporation's security holders, customers, suppliers and employees. The Code applies to all directors, officers, employees, representatives and agents of the Corporation and its subsidiaries as well as to consultants, suppliers and subcontractors of the Corporation and its subsidiaries, particularly in their contractual relationship with the Corporation or its subsidiaries.

The Corporate Governance Committee annually reviews with management compliance with the Code and makes a report to the Board which monitors such compliance with the Code. The Board directly, or by delegation to the Corporate Governance Committee, can grant waivers of compliance for the benefit of directors or executive officers in appropriate circumstances. No such waiver has been granted since the adoption of the Code and consequently, the Corporation filed no material change report during the last fiscal year pertaining to any conduct of a director or executive officer that constitutes a departure from the Code.

A director or officer of the Corporation must disclose to it in writing, or by requesting to have it entered in the minutes of meetings of directors or of Board committees, the nature and extent of any interest he or she has in an actual or proposed material contract or material transaction. The obligation applies whether or not the contract or transaction would ordinarily require the approval of the directors or shareholders of the Corporation and disclosure must be made, in effect, under the provisions of the *Canada Business Corporations Act* as soon as he or she becomes aware of the contract or transaction.

The Corporate Code of Ethics is available on the Corporation's website at www.cogeco.ca and on the SEDAR website at www.sedar.com. It may also be obtained upon request to the Secretary of the Corporation at its head office: 5 Place Ville Marie, Suite 915, Montréal (Québec) H3B 2G2, telephone (514) 874-2600. The Corporation may require the payment of a reasonable charge if the request is made by a person or a corporation who is not a shareholder of the Corporation.

The foregoing descriptions of the Board, committees, directors, disclosure policy and other matters reflect the Corporation's compliance with the Corporate Governance Guidelines in these areas.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation of Directors

Nine directors, who are neither senior executive officers nor employees of COGECO, the Corporation or their subsidiaries, received in the aggregate \$381,597 for their services in their capacity as directors during the year ending August 31, 2005.

As at August 31, 2005, the compensation package for the directors included the following fees:

| Annual Cash Retainer Fees | | | | Annual Fees by Way of Grant of subordinate shares ⁽¹⁾ | | | Attendance Fees per meeting ⁽²⁾ | | |
|---------------------------|----------|-----------------------|--------------------------------------|--|----------|-----------------|--|-----------------|------------------|
| Board Chair | Director | Audit Committee Chair | Other Committee Chair ⁽³⁾ | Board Chair | Director | Committee Chair | Board | Audit Committee | Other Committees |
| \$50,000 | \$15,000 | \$4,500 | \$3,000 | \$25,000 | \$9,000 | \$3,000 | \$1,000 | \$1,500 | \$1,000 |

⁽¹⁾ Subordinate shares of the Corporation are awarded at the beginning of each calendar year.

⁽²⁾ No attendance fee is paid to the Board Chair.

⁽³⁾ No additional retainer is paid to the Board Chair for acting as Committee chair.

The Corporation pays travel expenses incurred by the directors to attend meetings of the Board of Directors or committees.

The Corporation also allocates the additional sum of \$1,000 to a Board member for each return trip to attend one or more meetings of the Corporation if he or she is not a resident of the Province of Québec or the Province of Ontario.

Compensation of Senior Executive Officers

The following table sets forth, for the above-mentioned periods, the compensation of the President and Chief Executive Officer, Vice President, Finance and Chief Financial Officer and the five other most highly compensated senior executive officers of the Corporation (the “named senior executives”):

| Name and Principal Position | Year | Annual Compensation | | | Long-Term Compensation | | | All other Compensation |
|--|------|---------------------|------------------|--|---|--|-----------------------------------|------------------------|
| | | Salary | Bonus | Other Annual Compensation ^(a) | Awards | | Payouts | |
| | | | | | Securities Under Options Granted ^(b) | Shares or Units Subject to Resale Restrictions | Long-Term Incentive Plans Payouts | |
| \$ | \$ | \$ | # | \$ | \$ | \$ | | |
| Louis Audet | 2005 | — ^(d) | — ^(d) | — | 21,500 | — | — | — |
| President and Chief Executive Officer ^(c) | 2004 | — ^(d) | — ^(d) | — | 26,500 | — | — | — |
| | 2003 | — ^(d) | — ^(d) | — | 20,000 | — | — | — |
| Pierre Gagné | 2005 | — ^(d) | — ^(d) | — | 7,000 | — | — | — |
| Vice President, Finance and Chief Financial Officer | 2004 | — ^(d) | — ^(d) | — | 10,000 | — | — | — |
| | 2003 | — ^(d) | — ^(d) | — | 8,000 | — | — | — |
| Gaston Germain | 2005 | 278,200 | 152,549 | — | 13,000 | — | — | — |
| Vice President, Ontario | 2004 | 267,850 | 167,000 | — | 16,000 | — | — | — |
| | 2003 | 237,500 | 101,150 | — | 20,000 | — | — | — |
| Denis Bélanger | 2005 | 247,200 | 132,098 | — | 12,000 | — | — | — |
| Vice President, Engineering and Development | 2004 | 238,850 | 146,700 | — | 14,300 | — | — | — |
| | 2003 | 232,680 | 84,348 | — | 12,000 | — | — | — |
| Ron A. Perrotta | 2005 | 246,200 | 131,496 | — | 12,000 | — | — | — |
| Vice President, Marketing | 2004 | 234,850 | 143,900 | — | 14,300 | — | — | — |
| | 2003 | 208,500 | 87,448 | — | 12,000 | — | — | — |
| Jules Grenier | 2005 | 231,700 | 122,762 | — | 12,000 | — | — | — |
| Vice President, Québec | 2004 | 222,850 | 135,500 | — | 14,300 | — | — | — |
| | 2003 | 208,500 | 87,448 | — | 12,000 | — | — | — |
| Louise St-Pierre | 2005 | 229,700 | 121,563 | — | 12,000 | — | — | — |
| Vice President and Chief Information Officer | 2004 | 222,850 | 135,500 | — | 14,300 | — | — | — |
| | 2003 | 216,440 | 77,771 | — | 12,000 | — | — | — |

^(a) Benefits not exceeding the lesser of \$50,000 or 10% of the total salary and bonus are not disclosed.

^(b) Underlying security: subordinate shares of the Corporation.

^(c) See the heading “Compensation of the President and Chief Executive Officer”.

^(d) Remuneration payable by COGECO, which provides their services to the Corporation under the Management Agreement. See the heading “Interest of Management and Directors in Certain Transactions”.

REPORT ON EXECUTIVE COMPENSATION

Compensation Policy

The compensation policy for the senior executives of the Corporation has the objective of providing a competitive compensation package in order to attract and retain the most qualified individuals to conduct the operations of the Corporation in a changing industry. The policy also aims at encouraging senior executives to meet the business objectives of the Corporation and to create added value for the shareholders.

The Corporation policy, as developed through the Human Resources Committee, is to maintain the salary structure of senior executives slightly above the median of the reference market while preserving a certain flexibility to raise the total compensation of senior executives between the median and the 75st percentile of the reference market to reward performance that exceeds expectations, through higher stock options or performance unit grants.

The Human Resources Committee reviews from time to time the Corporation's current compensation policy in light of the objectives of the business and the changes affecting the labour market in its fields of operation and recommends changes to the Board.

In this regard, Towers Perrin were engaged last year, and in recent years, by the Corporation as outside experts on compensation to assess developments in the employment market for senior executives and provide information on comparative levels of compensation for senior executives and directors. During the last fiscal year, Towers Perrin also provided advice to the Corporation on compensation policies for other employees of the Corporation.

Components of Overall Compensation

The overall compensation of senior executives is composed of the following components:

- a base salary generally competitive with those prevailing in the comparative market used by the Corporation;
- a short-term incentive plan intended mainly to reward the achievement of annual operating profitability objectives of the Corporation;
- a long-term incentive plan in the form of stock purchase options and/or of performance units designed to create added value for shareholders;
- a benefits program providing senior executives and members of their family with adequate protection in the event of retirement, death, incapacity or illness;
- various perquisites competitive with market practice.

The Human Resources Committee has the responsibility of reviewing and making recommendations to the Board on the suggested level of and/or changes in the compensation of senior executives in regard to all elements of their compensation, taking into consideration individual performance and competitive compensation practices. Any proposed change to the compensation of senior executives is approved by the Board.

- a) **Base Salary:** Base salaries are administered in accordance with a salary structure developed from market comparison studies conducted by Towers Perrin. The reference market in the consultant's study includes Canadian corporations operating in the fields of communications and telecommunications.

The salaries of senior executives increase within the salary structure on the basis of their individual contribution to the results of the Corporation for the year and the acquisition and development of expertise relevant to their position. In order to ensure that the salary structure remains competitive, such structure is reviewed every year in accordance with salary increases granted in the industry.

- b) **Short-Term Incentive Plan:** Designated senior executives are eligible for an annual bonus determined on the basis of two performance criteria:
- (i) the achievement of the Corporation's financial objective from a shareholder value creation formula. First, this formula calculates, for a specific year, the enterprise value based on the consolidated operating income before interest, taxes, depreciation and amortization of the Corporation. Second, to determine the shareholder value, the enterprise value previously calculated is reduced by the consolidated indebtedness of the Corporation. Finally, to determine the shareholder value creation, the shareholder value achieved for a year is compared with that for the prior year to determine the change in value. This achieved shareholder value creation is compared with the objective approved by the Board of Directors. For fiscal year 2005, the Board of Directors of the Corporation set an objective of shareholder value creation of 13% in order to achieve 100% of the Corporation's financial objective. On a scale from 100% for meeting the objective of shareholder value creation to a maximum of 200% for exceptional results, the actual result for fiscal year 2005 was an achievement of 172%. For fiscal year 2006, the Board of Directors of the Corporation has again set a creation objective of 13%.
 - (ii) the performance of the executive based on qualitative management standards. For fiscal year 2005, the senior executives received on average the target bonus for that criterion.
- c) **Long-Term Incentive Plans:** Senior executives of the Corporation and its subsidiaries are eligible to participate in a Stock Option Plan and/or a Performance Unit Plan pursuant to which a portion of their compensation is linked to the creation of value for shareholders. The principal terms and conditions of these two plans are described respectively under "Stock Option Plan" and "Performance Unit Plan" below.

In fiscal year 2005, the stock options and performance units granted by the Board have positioned the total compensation of senior executives around the 75th percentile of the reference market to recognize superior performance of the Corporation and its senior executives.

Compensation of the President and Chief Executive Officer

The President and Chief Executive Officer, Mr. Louis Audet, received no direct compensation from the Corporation. He received stock options of the Corporation as outlined under the heading "Stock Option Plan". COGECO provides to the Corporation the services of Mr. Louis Audet under the Management Agreement and grants him a compensation that is fully described in COGECO's information circular for its annual meeting to be held on December 15, 2005. The terms and conditions of the Management Agreement do not allocate the management fees among the services of the President and Chief Executive Officer and the various other services provided as a whole to the Corporation. The Management Agreement is more fully described under "Interest of Management and Directors in Certain Transactions".

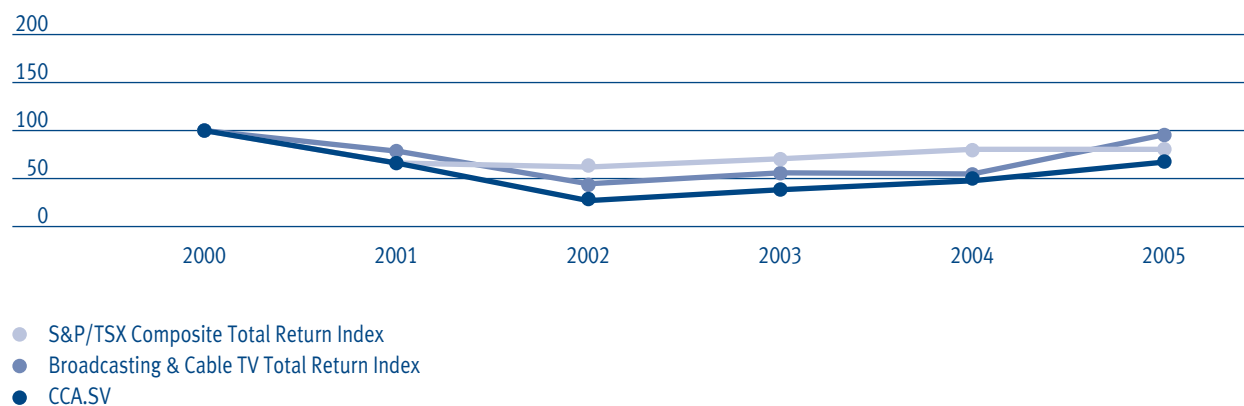
The foregoing report on compensation is submitted by the Human Resources Committee.

Shareholder Return

The following graph compares the cumulative total shareholder return on the subordinate shares of the Corporation with the cumulative total return of the S&P/TSX Composite Index and the Broadcasting & Cable TV sub industry Index of The Toronto Stock Exchange for the five-year period ended August 31, 2005.*

Cumulative total return for five years

Years ended August 31
Investment on August 31, 2000
2000 = \$100



* Assuming that the initial value of the investment in subordinate shares of the Corporation on The Toronto Stock Exchange was \$100 on August 31, 2000. Values include dividends paid but exclude brokerage fees and all income taxes.

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 |
|--|------|------|------|------|------|------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| CCA.SV | 100 | 64 | 28 | 39 | 49 | 77 |
| Broadcasting & Cable TV Total Return Index | 100 | 79 | 44 | 57 | 65 | 97 |
| S&P/TSX Composite Total Return Index | 100 | 67 | 61 | 70 | 80 | 103 |

Employment Agreements

Five of the named senior executives, Mrs. St-Pierre and Messrs. Bélanger, Germain, Grenier and Perrotta, have entered into employment contracts for no fixed term with the Corporation. Pursuant to these contracts, each of these individuals, in addition to basic salary, is eligible for an annual bonus determined on the basis of performance criteria described above. Each may receive stock options or performance units pursuant to the long-term incentive plans described above.

The employment contracts provide, in the event of involuntary termination of employment, for the payment of up to twelve months of basic salary. Each individual is also eligible for the Senior Management Special Remuneration Plan described hereunder in the event of a change of control in the Corporation.

LONG TERM INCENTIVE PLANS

Stock Option Plan

The Stock Option Plan of the Corporation (the "Option Plan") adopted in 1993 has been amended in 2000, 2001 and 2003. The Option Plan entitles the Board of Directors of the Corporation to grant to officers of the Corporation and of its subsidiaries as may be designated by the Board of Directors up to 2,000,000 subordinate shares representing almost 8.23% of the outstanding subordinate shares of the Corporation. The exercise price of any option granted under the Option Plan is determined by the Board of Directors on the date of grant and must not be less than the closing price of the subordinate shares of the Corporation on The Toronto Stock Exchange on the trading day preceding the date of grant of the option. As at August 31, 2005, options on an aggregate of 590,723 subordinate shares were unexercised.

The options become vested for the holder in successive equal blocks over a period of five years after they are granted. The Board of Directors of the Corporation may, at its discretion, accelerate the vesting of options issued from time to time under the Option Plan in the event of any sale of the Corporation's assets, merger, amalgamation or absorption into another entity, distribution of assets or takeover bid for shares of the Corporation or of COGECO.

According to the Option Plan, the options may be exercised by the holder over a ten-year period following their grant. Under an amendment to the Option Plan made on October 17, 2003, senior executive officers as defined in the Option Plan, will have to retain, with respect to options granted from this date, 20% of the net income after related tax resulting from the exercise of such options in the form of subordinate shares of the Corporation for the term of their employment with the Corporation. The options must be exercised within a limited time set out in the Option Plan if the holder ceases to be in the employment of the Corporation or in case of his or her death or retirement.

Options granted during the last fiscal year

The following table shows the options granted under the Option Plan during the fiscal year ended August 31, 2005 to the named senior executives:

| Name | Securities under Options Granted ^(a) # | % of Total Options Granted to Employees in Financial Year ^(b) % | Exercise or Base Price ^(c) \$/security | Market Value of Securities Underlying Options on the Date of Grant \$/security | Expiration Date |
|------------------|--|---|--|---|------------------|
| Louis Audet | 21,500 | 15.27 | 21.50 | 21.50 | October 15, 2014 |
| Pierre Gagné | 7,000 | 4.97 | 21.50 | 21.50 | October 15, 2014 |
| Gaston Germain | 13,000 | 9.24 | 21.50 | 21.50 | October 15, 2014 |
| Denis Bélanger | 12,000 | 8.52 | 21.50 | 21.50 | October 15, 2014 |
| Ron A. Perrotta | 12,000 | 8.52 | 21.50 | 21.50 | October 15, 2014 |
| Jules Grenier | 12,000 | 8.52 | 21.50 | 21.50 | October 15, 2014 |
| Louise St-Pierre | 12,000 | 8.52 | 21.50 | 21.50 | October 15, 2014 |

^(a) Underlying security: subordinate shares of the Corporation.

^(b) Based on the total number of options granted during the financial year under the Option Plan of the Corporation.

^(c) Based on the closing price on The Toronto Stock Exchange on the trading day preceding the date of grant of the options.

Aggregate number of options exercised during the last fiscal year and year-end value of such options

The following table shows, for each named senior executive, the number of options, if any, exercised during the fiscal year ended August 31, 2005, the gain realized upon exercise and the aggregate number of unexercised options, if any, held as at August 31, 2005, as well as the unrealized gain on unexercised options, the market value of which at year-end exceeds the value upon the granting of the option:

| Name | Securities Acquired on Exercise ^(a) # | Aggregated Value Realized ^(b) \$ | Unexercised Options at Fiscal Year-End Exercisable/ Unexercisable # | Value of Unexercised in-the-Money Options at Fiscal Year-End ^(c) Exercisable/ Unexercisable \$ |
|------------------|---|--|--|--|
| Louis Audet | 2,000 4,000 | 29,900 67,240 | 34,900/45,100 | 462,007/681,523 |
| Pierre Gagné | — | — | 16,600/16,400 | 259,034/253,276 |
| Gaston Germain | 4,000 3,200 | 58,600 15,680 | 5,800/28,000 | 80,926/470,884 |
| Denis Bélanger | 4,640 10,400 | 48,720 85,280 | 41,920/25,380 | 487,140/386,985 |
| Ron A. Perrotta | 2,400 | 37,080 | 24,120/26,980 | 275,670/403,925 |
| Jules Grenier | 2,400 | 43,080 | 44,120/26,980 | 407,350/401,145 |
| Louise St-Pierre | 5,000 | 77,250 | 45,920/25,380 | 458,690/386,985 |

^(a) Underlying security: subordinate shares of the Corporation.

^(b) The gain realized upon exercise is the difference between the closing price of the underlying security on The Toronto Stock Exchange on the date of exercise and the exercise price of the option.

^(c) The unrealized gain on an unexercised option at year-end is the difference between the exercise price of the option and the closing price of the underlying security on The Toronto Stock Exchange on August 31, 2005. The closing price of the subordinate shares of the Corporation was, on August 31, 2005, \$32.45 per share.

Performance Unit Plan

The Corporation adopted in 1997 for its key employees a performance unit plan (the "Unit Plan") which has been amended in 2004. The Unit Plan is administered by the Human Resources Committee of the Corporation. The value of a performance unit granted under the Unit Plan is equal to the closing price of the subordinate shares of the Corporation on The Toronto Stock Exchange on the trading day preceding the date of grant of the unit.

The units credited to a participant's account become vested to the participant on the third anniversary of the date of grant of the performance units. The performance units may not be assigned. The units granted before October 17, 2003 can only be redeemed at the termination of the participant's employment or in case of retirement or death of the participant. Under an amendment to the Unit Plan made on June 30, 2004, senior executives, as defined in the Unit Plan, are allowed to cash after three years units granted on or after October 17, 2003 provided that they reinvest 20% of the net income after related tax arising from such realization in subordinate shares of the Corporation, to be held until their retirement or the termination of their employment with the Corporation.

The participants are entitled to receive a Dividend Equivalent (as defined in the Unit Plan) for each unit credited to their account. The amount of the Dividend Equivalent is equal to the amount of the dividend per share paid on the subordinate shares of the Corporation. The amount of the Dividend Equivalent is, however, converted into additional units, the number of which is determined according to the Unit Plan.

The participants shall not, by holding units, be considered as shareholders of the Corporation nor have any right to become a shareholder as a result.

The Corporation has not granted any performance units to its employees since October 2000.

Aggregate number of performance units as of August 31, 2005

The following table shows the aggregate number of performance units credited under the Unit Plan of the Corporation to some named senior executives and the number of vested/non-vested units as of August 31, 2005:

| Name | Total of performance units credited as of August 31, 2005 # | Vested/Non-Vested Units # |
|------------------|---|------------------------------|
| Denis Bélanger | 6,430 | 6,430/— |
| Louise St-Pierre | 4,141 | 4,141/— |

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table summarizes, as of August 31, 2005, the equity compensation plans pursuant to which equity securities of the Corporation may be issued.

| Plan Category | Number of Securities to be Issued upon Exercise of Outstanding Options Warrants and Rights (a) # | Weighted-average Price of Outstanding Options, Warrants and Rights (b) \$ | Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding Securities Reflected in Column (a)) (c) # |
|--|--|---|--|
| Option Plan approved by security holders | 590,723 | 18.98 | 984,602 |
| Total | 590,723 | 18.98 | 984,602 |

The Option Plan of the Corporation is the only compensation plan pursuant to which equity securities (i.e.: subordinate shares) of the Corporation may be issued. It is described under the heading "Stock Option Plan".

RETIREMENT AGREEMENTS

Basic Plan

The Corporation provides to its senior executives a contributory defined-benefit pension plan. Based upon the compensation level of the senior executives, the normal pension upon retirement shall be equal to the maximum pension fixed by the *Income Tax Act*. The pension so computed is payable at the normal retirement age, i.e. 62 years, or earlier at the option of the senior executive, but reduced by 0.5% for each month where the actual retirement date precedes his or her normal retirement date.

The pension may be deferred but not beyond the age of 69 years, in which case the pension is revalued to take into account the delay in its payment in relation to the normal retirement age.

Senior executives contribute to the plan a maximum amount of \$3,500 per year. Messrs. Denis Bélanger, Gaston Germain, Jules Grenier and Ron A. Perrotta and Mrs. Louise St-Pierre are members of this pension plan. The following table shows the annual pension benefits which will be payable at the normal retirement age, i.e. 62 years:

Annual Pension Payable

| Remuneration | Years of Service | | | | | | |
|------------------|------------------|--------|--------|--------|--------|--------|--------|
| | 5 | 10 | 15 | 20 | 25 | 30 | 35 |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 101,350 and over | 10,000 | 20,000 | 30,000 | 40,000 | 50,000 | 60,000 | 70,000 |

The pension amounts shown above represent the amount payable without any reduction as of the age of 62 years. Based upon the compensation level of the senior executives, the normal pension upon retirement shall be equal to the maximum pension fixed by the *Income Tax Act*. Pensions are paid in the form of annuities, are not coordinated with public plans and are guaranteed for a period of 10 years.

For the purposes of this plan, as at August 31, 2005, Mr. Bélanger had accrued 9 years, Mr. Germain, 2.79 years, Mr. Grenier, 4.24 years, Mr. Perrotta, 3.48 years and Mrs. St-Pierre, 6.25 years.

Post-Retirement Additional Allocation Program for Designated Senior Executives

In addition to the retirement plan in force, the Corporation currently maintains a post-retirement additional allocation program for designated senior executives of the Corporation, which is intended to supplement a certain percentage of the pre-retirement income exceeding the amount payable under the basic plan and the terms and condition of which program vary depending on whether the designated senior executive joined the Corporation before or after September 1, 2002. The total pension payable for a designated senior executive is equal to 2% of his or her average salary for each service year credited.

Pensions payable under this allocation program only are detailed as follows:

Annual Pension Payable

| Remuneration | Years of Service | | | | | | |
|--------------|------------------|---------|---------|---------|---------|---------|---------|
| | 5 | 10 | 15 | 20 | 25 | 30 | 35 |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 150,000 | 5,000 | 10,000 | 15,000 | 20,000 | 25,000 | 30,000 | 35,000 |
| 200,000 | 10,000 | 20,000 | 30,000 | 40,000 | 50,000 | 60,000 | 70,000 |
| 250,000 | 15,000 | 30,000 | 45,000 | 60,000 | 75,000 | 90,000 | 105,000 |
| 300,000 | 20,000 | 40,000 | 60,000 | 80,000 | 100,000 | 120,000 | 140,000 |
| 350,000 | 25,000 | 50,000 | 75,000 | 100,000 | 125,000 | 150,000 | 175,000 |
| 400,000 | 30,000 | 60,000 | 90,000 | 120,000 | 150,000 | 180,000 | 210,000 |
| 450,000 | 35,000 | 70,000 | 105,000 | 140,000 | 175,000 | 210,000 | 245,000 |
| 500,000 | 40,000 | 80,000 | 120,000 | 160,000 | 200,000 | 240,000 | 280,000 |
| 550,000 | 45,000 | 90,000 | 135,000 | 180,000 | 225,000 | 270,000 | 315,000 |
| 600,000 | 50,000 | 100,000 | 150,000 | 200,000 | 250,000 | 300,000 | 350,000 |
| 650,000 | 55,000 | 110,000 | 165,000 | 220,000 | 275,000 | 330,000 | 385,000 |
| 700,000 | 60,000 | 120,000 | 180,000 | 240,000 | 300,000 | 360,000 | 420,000 |
| 750,000 | 65,000 | 130,000 | 195,000 | 260,000 | 325,000 | 390,000 | 455,000 |
| 800,000 | 70,000 | 140,000 | 210,000 | 280,000 | 350,000 | 420,000 | 490,000 |
| 850,000 | 75,000 | 150,000 | 225,000 | 300,000 | 375,000 | 450,000 | 525,000 |
| 900,000 | 80,000 | 160,000 | 240,000 | 320,000 | 400,000 | 480,000 | 560,000 |
| 950,000 | 85,000 | 170,000 | 255,000 | 340,000 | 425,000 | 510,000 | 595,000 |
| 1,000,000 | 90,000 | 180,000 | 270,000 | 360,000 | 450,000 | 540,000 | 630,000 |

The pension amounts shown above represent the amount payable without any reduction as of the age of 62 years. They are based on an average of the five highest annual salaries earned by the designated senior executives. For a designated senior executive who joined the Corporation before September 1, 2002, "salary" is defined as the base salary as well as all bonuses and commissions and the taxable portion of any car allowance paid during the relevant fiscal year and for a designated senior executive who joined the Corporation after September 1, 2002, is defined only as base salary for the relevant fiscal year. Pensions are paid in the form of annuities, are not coordinated with public plans and are guaranteed for a period of 10 years.

For the purposes of this plan, as at August 31, 2005, Mr. Bélanger had accrued 13.99 years, Mr. Germain, 2.79 years, Mr. Grenier, 4.24 years, Mr. Perrotta, 3.48 years and Mrs. St-Pierre, 6.25 years.

Senior Management Special Remuneration Plan

In 2000, the Board of Directors of the Corporation established a Special Remuneration Plan for Senior Management (the “Special Plan”). The Special Plan is intended to provide indemnity to the senior management by way of severance allowance, continuity of benefits, acceleration of rights to exercise options and performance units and related protections in the event of a change in control of the Corporation which could imperil their employment. For such purpose, a “change in control” would arise, for example, if the Audet Family should cease to have the right to cast the majority of votes attaching to the voting shares of COGECO or if COGECO should cease to have the right to cast a majority of the votes attaching to the voting shares of the Corporation. The protections under the Special Plan apply, in terms of eligibility, to the senior management of the Corporation, including the named senior executives. In particular, the indemnity by way of severance (including salary and bonus) provided for under the Special Plan amounts to 36 months in the case of the President and Chief Executive Officer and 24 months in the case of the other members of senior management of the Corporation.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

It is the policy of the Corporation not to give any loan to its directors, officers, employees or their associates, other than where such is routine indebtedness within the meaning of Canadian securities regulations, and no such loan was made during the last fiscal year.

The Corporation maintains a share purchase plan for the benefit of its employees. As at October 25, 2005, the total amount outstanding under the interest-bearing loans granted to all employees of the Corporation and of its subsidiaries under its Employee Share Purchase Plan was \$14,877.

INTEREST OF MANAGEMENT AND DIRECTORS IN CERTAIN TRANSACTIONS

COGECO and the Corporation executed, as of September 1, 1992, a Management Agreement under which COGECO agreed to provide certain executive, administrative, financial and strategic planning, legal, regulatory and various additional services to the Corporation and its subsidiaries. These services are provided by COGECO’s officers, including the President and Chief Executive Officer, the Vice President, Finance and Chief Financial Officer and the Vice President, Corporate Affairs. No direct remuneration is payable to such officers by the Corporation. The Corporation granted 38,397 stock options to its officers who are also officers of COGECO during the 2005 fiscal year.

Under the Management Agreement, the Corporation pays monthly fees equal to 2% of its total revenue to COGECO for the above mentioned services. In 1997, the management fee was capped at \$7,000,000 per year, subject to annual upward adjustments based on increases in the Consumer Price Index in Canada. Accordingly, for the year ended August 31, 2005, the maximum amount of \$8,179,000 was paid to COGECO which represents about 1.5% of the Corporation’s total revenue. The Audit Committee of the Corporation can increase the cap under certain circumstances upon request to that effect by COGECO. In addition, the Corporation reimburses COGECO’s out-of-pocket expenses incurred in respect of services provided to the Corporation under the Management Agreement.

In conjunction with its initial public offering of shares, the Corporation and COGECO also entered into, on June 17, 1993, an agreement pursuant to which COGECO, on behalf of itself and certain Related Persons (as defined therein), undertook not to purchase and/or operate any cable television systems otherwise than through the Corporation and to ensure that all inter-company transactions between the Corporation and its subsidiaries, on one hand, and COGECO and its Related Persons, on the other hand, shall be effected on an arm’s length basis.

APPOINTMENT OF AUDITORS

At the Meeting, the shareholders will be called upon to appoint auditors to hold office until the next annual meeting of shareholders and to authorize the Board of Directors to fix their remuneration.

It is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby for the appointment as auditors of the Corporation of the firm Deloitte & Touche LLP at a remuneration to be fixed by the Board of Directors, unless authority to vote on the appointment of auditors is withheld.

Deloitte & Touche LLP have been the Corporation’s auditor since 1993. In addition to performing the audit of the Corporation’s consolidated financial statements, Deloitte & Touche LLP provided other services to the Corporation and its subsidiaries.

The following table presents, by category, the fees billed by the external auditors of the Corporation, Deloitte & Touche, for the fiscal years 2005 and 2004:

| | 2005 \$ | 2004 \$ |
|--------------------|----------------|----------------|
| Audit Fees | 185,400 | 180,000 |
| Audit-Related Fees | 584,814 | 213,758 |
| Tax Fees | 80,400 | 109,745 |
| All Other Fees | 46,212 | 42,750 |
| Total | 896,826 | 546,253 |

“Audit-Related Fees” include fees for financial information presentation and certification, fees for preliminary diligence on possible acquisitions and annual audit fees in respect of the Corporation’s pension benefit plans. “Tax Fees” include tax compliance services and tax advisory and planning services. “All Other Fees” include principally translation services and consultation and research services related to piracy of satellite services in Canada.

OTHER BUSINESS

Management knows of no matters which will come before the Meeting other than the matters referred to in the notice of Meeting. If, however, other matters should properly come before the Meeting, the persons named in the enclosed form of proxy will vote on these matters in accordance with their best judgment.

ADDITIONAL INFORMATION

The Corporation’s financial information is included in its audited consolidated financial statements and Management’s Discussion and Analysis for the fiscal year ended August 31, 2005. Copies of these documents and additional information concerning the Corporation can be found on the SEDAR Website at www.sedar.com and may also be obtained upon request to the Secretary of the Corporation at its head office: 5 Place Ville Marie, Suite 915, Montréal (Québec) H3B 2G2, telephone (514) 874-2600. The Corporation may require the payment of a reasonable charge if the request is made by a person or a corporation who is not a shareholder of the Corporation.

APPROVAL OF INFORMATION CIRCULAR

The contents and the sending of this Information Circular have been approved by the Board of Directors of the Corporation.
Dated as at the 25th day of October, 2005.



Christian Jolivet
Secretary

