

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT THE ANNUAL AND SPECIAL MEETING OF THE SHAREHOLDERS OF COGECO CABLE INC. (THE "CORPORATION") WILL BE HELD AT THE

**MARS CENTRE, SOUTH TOWER, AUDITORIUM BC,
101 COLLEGE STREET, TORONTO (ONTARIO)
ON TUESDAY, THE 5TH DAY OF DECEMBER, 2006
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, 2006 AND THE REPORT OF THE AUDITORS THEREON;
2. TO CONSIDER AND, IF THOUGHT FIT, TO PASS A RESOLUTION OF THE DISINTERESTED SHAREHOLDERS (IN THE FORM ATTACHED AS SCHEDULE A TO THE ACCOMPANYING INFORMATION CIRCULAR) APPROVING AMENDMENTS TO THE STOCK OPTION PLAN, AS ADOPTED BY THE BOARD OF DIRECTORS ON OCTOBER 13, 2006 (THE AMENDED PLAN BEING ATTACHED AS SCHEDULE B TO THE ACCOMPANYING INFORMATION CIRCULAR);
3. TO ELECT DIRECTORS;
4. TO APPOINT AUDITORS AND TO AUTHORIZE THE DIRECTORS TO FIX THEIR REMUNERATION; AND
5. TO TRANSACT SUCH OTHER BUSINESS AS MAY PROPERLY BE BROUGHT BEFORE THE MEETING.

IF YOU ARE UNABLE TO ATTEND THE ANNUAL AND SPECIAL MEETING IN PERSON, YOU ARE INVITED TO COMPLETE, DATE, SIGN AND RETURN THE ENCLOSED FORM OF PROXY IN THE ENVELOPE PROVIDED FOR THAT PURPOSE IN THE MANNER PRESCRIBED IN THE FORM OF PROXY OR IN THE ACCOMPANYING INFORMATION CIRCULAR.

DATED OCTOBER 27, 2006.
BY ORDER OF THE BOARD,



CHRISTIAN JOLIVET
SECRETARY

Notice of Annual and Special Meeting
of Shareholders

06

5, PLACE VILLE MARIE
BUREAU 915
MONTRÉAL (QUÉBEC)
H3B 2G2

 **COGECO**
COGECO CABLE INC.

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 and Special Meeting of Shareholders of the Corporation (the “Meeting”), and at any adjournment thereof, to be held at the date, 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, in accordance with subsection 148(4) of the *Canada Business Corporations Act*, 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.

Proxies to be used at the meeting must be deposited with the Corporation or Computershare Trust Company of Canada Proxy Department at least 48 hours (excluding Saturdays, Sundays and statutory holidays) preceding the time for which the meeting is called or any adjournment thereof.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote for or withhold from voting, or in the case of the resolution approving amendments to the stock option plan will vote for or against, 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 10, 2006, 24,310,112 subordinate voting shares (the “subordinate shares”) and 15,691,100 multiple voting shares (the “multiple shares”) of the Corporation were 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 26, 2006 (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 10, 2006, 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	3,387,318 ⁽²⁾	13.9%	—	—	1.9%
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 JULY 13, 2006.

(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 8.1 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.

AMENDMENT TO THE STOCK OPTION PLAN

For a description of the proposed amendments to the stock option plan of the Corporation, please see the subheadings “Stock Option Plan” and “Proposed Amendments to Stock Option Plan”.

ELECTION OF DIRECTORS

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

Unless authority to vote on the election of the eleven 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 eleven 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.

All of the nominees, other than Serge Gadbois and Josée Goulet, currently serve as directors of the Corporation.

INFORMATION CONCERNING NOMINEES AS DIRECTORS

NAME, OFFICE WITH CORPORATION AND OTHER INFORMATION	NO. OF SUBORDINATE SHARES BENEFICIALLY OWNED DIRECTLY OR INDIRECTLY, OR CONTROLLED OR DIRECTED BY NOMINEES		OPTIONS HELD ON SUBORDINATE SHARES	
	AT OCTOBER 10, 2006	AT OCTOBER 10, 2005	AT OCTOBER 10, 2006	AT OCTOBER 10, 2005
	6,000	4,000	98,000	80,000



LOUIS AUDET, Eng., M.B.A.
Director, President and Chief Executive Officer
Westmount (Québec)

Age: 55
Director since 1992

Member of Executive
Committee

Mr. Audet has been President and Chief Executive Officer of Cogeco Cable and of COGECO since 1993. He is also a director of CableLabs and *Collège Jean-de-Brébeuf* as well as President of the *Collège Jean-de-Brébeuf* Development Fund. He has served on the boards of *École Polytechnique de Montréal*, *Orchestre Symphonique de Montréal*, Clarica, Canadian Association of Broadcasters, *l'Association Canadienne de la Radio et de la Télévision Française* and Canadian Cable Telecommunications Association.

4,365	3,990	Nil	Nil
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JACQUELINE L. BOUTET
C.M., M.M.¹
Director
Montréal (Québec)

Age: 72
Director since 1993

Member of Corporate
Governance Committee

Mrs. Boutet is President of Jacqueline L. Boutet Inc., a real estate company. She has been actively involved in real estate investment and development since 1971 in the Montreal and Quebec City areas. She has been a director on many company boards, such as those of HSBC Bank Canada, HSBC North America Inc., SNC-Lavalin, Zurich Insurance Canada and Via Rail Canada. She is past Chair of the Foundation of the Institute of Cardiology of Montreal, of Tennis Canada, and of the Quebec Symphony Orchestra. She is a Governor of Laval University and received the Order of Canada in 1995.

¹ M.M.: MASTERS DEGREE FROM IMPM (INTERNATIONAL MASTERS PROGRAM IN PRACTICING MANAGEMENT) OF MCGILL UNIVERSITY; MRS. BOUTET ALSO HOLDS A DIPLOMA FROM CIREM (CENTRE INTERNATIONAL DE RECHERCHE EN MANAGEMENT).

2,735

2,360

Nil

Nil



WILLIAM PRESS COOPER

B.Sc., P.Eng., F.C.S.C.E.²

Director
Oakville (Ontario)

Age: 66

Director since 2003

Member of Audit Committee

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 Income Trust which is a reporting issuer, and serves as a member of its human resource and compensation and governance committees. He is an Honorary Trustee of The Hospital for Sick Children, Toronto and is a Fellow of the Canadian Society of Civil Engineers.

1,000

N/A

Nil

Nil



SERGE GADBOIS

Director
Montréal (Québec)

Age: 61

Mr. Gadbois is a corporate director. He held several positions within Metro Inc. from 1984 until his retirement in February 2006, including Senior Vice President, Finance and Treasurer from 2002 to 2006, Senior Vice President Finance from 1985 to 2002, and corporate controller from 1984 to 1985. Between 1976 and 1984, Mr. Gadbois worked at the *Conseil Scolaire de l'Île de Montréal* as corporate controller and director of financial services. Mr. Gadbois is a director of Industrial Alliance Insurance and Financial Services Inc., which is a reporting issuer, and serves as a member of its audit committee. He is trustee, director and Chairman of the Board of Directors and Trustees of Supremex Income Fund, which is a reporting issuer, and serves as a member of its audit committee. He is a director of Spectra Premium Industries Inc., which is a reporting issuer, and Mecachrome International Inc. He also sits on the boards and committees of various humanitarian organizations and corporations. He is a fellow of the *Ordre des comptables agréés du Québec*.

² MR. COOPER IS A FORMER DIRECTOR OF STELCO INC. WHICH FILED FOR PROTECTION UNDER COMPANIES CREDITORS ARRANGEMENT ACT ("CCAA") ON JANUARY 29, 2004 AND EMERGED FROM SUCH PROCEEDINGS IN MARCH 2006. 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.

4,980

4,480

Nil

Nil



CLAUDE A. GARCIA

B.A., B.Com.

Director

Montréal (Québec)

Age: 65

Director since 2004

Member and Chair of Human Resources Committee and member of Corporate Governance and Strategic Opportunities Committees

Mr. Garcia is a corporate director. From June 1993 to December 2004, he was President, Canadian Operations of The Standard Life Assurance Company. He is a director of Goodfellow inc., which is a reporting issuer, and serves as a member of its Human Resource Committee. He is also a director of the *Caisse de dépôt et placement du Québec* and serves as Chair of its audit committee. In addition, he is the Chairman of the Board of *Agence des partenariats public-privé du Québec* and of the Montréal YMCA Foundation, Vice-Chairman of the Board of International Flora Montréal and a director of *Institut de recherches cliniques de Montréal* and of the Canadian Landmine Foundation.

2,235

860

Nil

Nil



GERMAINE GIBARA

Director

Montréal (Québec)

Age: 62

Director since 2003

Member of Audit, Human Resources and Strategic Opportunities Committees

Mrs. Gibara has been, since 1995, President of Avvio Management Inc., a management consulting firm. She is a director of Sun Life Financial, Agrium Inc. and St. Lawrence Cement Inc., which are reporting issuers. She serves as a member of the audit and conduct review and governance committees of Sun Life Financial; corporate governance and nominating and human and compensation committees of Agrium Inc.; and the audit committee of St-Lawrence Cement Inc. She is also director of Canada Pension Plan Investment Board.

Nil

N/A

Nil

Nil



JOSÉE GOULET

Eng., M.B.A.

Director

Montréal (Québec)

Age: 44

Mme Goulet is President & CEO of the Juvenile Diabetes Research Foundation of Canada since August 2006. Before occupying this position, Mme Goulet spent 20 years in various positions at BCE and Bell Canada; her last functions were as Chief Marketing Services, President of Bell Actimedia (Yellow Pages Group) and President of Bell Quebec. She has served on several boards such as Alimentation Couche-Tard (until 2006), *École Polytechnique*, InnoCentre, the Women's Y of Montreal (until 2005) and the Canadian Air Transport Security Authority.

4,619

4,119

Nil

Nil



HARRY A. KING, B.A., C.A.

Director

Vancouver (British Columbia)

Age: 64

Director since 1993

Mr. King is the President of Harking Investments Ltd., a holding company. He 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, and serves as a member of its audit committee.

Member and Chair of Audit Committee

13,265

11,190

Nil

Nil



HENRI P. LABELLE

B. Arch., M.B.A.

Director

Montréal (Québec)

Age: 77

Director since 1993

Mr. Labelle practiced architecture from 1954 to 1998 and he is a certified arbitrator of the ADR Institute of Canada Inc. He was a member of the Canadian Construction Documents Committee from 1998 until 2003, president of the *Association des architectes en pratique privée du Québec* in 1985, and president of the Order of Architects of Québec in 1966 and 1967. He was a founding member of the Quebec Interprofessional Council.

3,650

3,150

Nil

Nil



DAVID MCAUSLAND
B.C.L., LL.B.
Director
Beaconsfield (Québec)

Age: 52
Director since 1999

Member and Chair of Corporate
Governance Committee and
member of Strategic
Opportunities Committee

Mr. McAusland joined in 1999 Alcan Inc., an aluminium and packaging manufacturer, where he is presently Executive Vice President, Corporate Development and Chief Legal Officer. Previously, he was managing partner of Byers Casgrain, a law firm. He is a director of Cascades Inc., which is a reporting issuer, and serves as a member of its corporate governance committee. He is also director of Pointe-à-Callière, Montréal Museum of Archaeology and History and Chairman of the Board of the *Fondation de l'École nationale de cirque*.

5,500

4,500

Nil

Nil



JAN PEETERS
Director and Board Chair
Montréal (Québec)

Age: 54
Director since 1998

Member and Chair of Strategic
Opportunities Committee and
member of Executive, Human
Resources and Corporate
Governance Committees

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., a telemetry company. He was President and Chief Executive Officer of fONOROLA from 1990 to 1998. Previously, he worked for thirteen years with SNC-Lavalin Group Inc. He is a director of Intersil Corporation (a U.S. listed issuer) and serves as chair of its audit committee. He also sits on the Board of Governors of McGill University.

Notes:

- 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 contained herein.
- ² Cogeco Cable 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. Louis Audet, Serge Gadbois, Claude A. Garcia, Henri P. Labelle, David McAusland, Jan Peeters and Jacqueline L. Boutet are also nominees as directors of COGECO.
- ³ As at October 10, 2006, none of the nominees as directors of the Corporation beneficially owns, directly or indirectly, or controls or directs multiple voting shares of COGECO, except for Louis Audet who owns or controls 3,200 shares and Henri P. Labelle who owns or controls 30,000 shares.
- ⁴ The nominees as directors of the Corporation also beneficially own, directly or indirectly, or control or direct subordinate voting shares of COGECO as follows:

LOUIS AUDET	33,994	(including 66 by family members other than Henri Audet)
JACQUELINE L. BOUTET	5,650	
WILLIAM PRESS COOPER	—	
SERGE GADBOIS	1,000	
CLAUDE A. GARCIA	2,590	
GERMAINE GIBARA	—	
JOSÉE GOULET	—	
HARRY A. KING	1,000	
HENRI P. LABELLE	89,550	
DAVID MCAUSLAND	3,760	
JAN PEETERS	4,640	

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 \$75,000 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 14 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 at each of its 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 approving, the position description for the President and Chief Executive Officer, including delineating management responsibilities, and the corporate goals and objectives for which he is responsible;

- f) 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, are made aware of 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 of 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 and one *ad hoc* committee which are: the Executive, the Audit, the Corporate Governance, the Human Resources and the Strategic Opportunities Committees, and delegates certain of its duties and responsibilities to them. Other Committees or sub-committees may be established on an *ad hoc* basis from time to time by Board resolution to deal with particular matters.

5.2 INDEPENDENT COMMITTEE MEMBERS

Members of the Audit, the Human Resources, the Corporate Governance and the Strategic Opportunities Committees 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 is 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 ten directors. Following a detailed review conducted by its Corporate Governance Committee, the Board has determined that seven of the ten directors, representing a majority of the directors, are independent directors as such term is defined in Multilateral Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators. To assist the Corporate Governance Committee and the Board with their determination, all directors completed a detailed questionnaire about their business relationships and shareholdings. The seven independent directors are Jacqueline L. Boutet, William Press Cooper, Claude A. Garcia, Germaine Gibara, Harry A. King, David McAusland and Jan Peeters. 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.

Mr. Henri Audet, Chairman Emeritus of the Corporation, will retire at the Meeting. Mr. Audet who created COGECO in 1957 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, 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* and 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. Mr. Audet's leadership and foresight were instrumental in the development of COGECO as a media and television company with major cable television interests in Quebec and elsewhere in Canada. He was a pioneer in this business. With the establishment of Cogeco Cable as a separate entity in 1992, he has played a role in overseeing the evolution of Cogeco Cable into the second largest cable company in Ontario and Quebec. The board of directors of the Corporation extends a special thank you to him upon his retirement as a director for his outstanding contribution to the Corporation.

The Board decided to make an exception to the general policy of the Corporation establishing an age limit for candidates for the Board of Directors of the Corporation so that Mr. Henri P. Labelle who has reached the age of 77 in 2006, but is a contributing member of the Board, could again be proposed for election as director at the Meeting of shareholders of the Corporation.

PUBLIC BOARD MEMBERSHIPS

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

INTERLOCKING DIRECTORSHIPS

No director or proposed nominee as director currently serves with any other director of the Corporation on the board of another company outside the COGECO group of companies.

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 the position description below:

BOARD CHAIR POSITION DESCRIPTION

The Board Chair of Cogeco Cable is appointed to office and has the responsibilities and specific duties described below.

APPOINTMENT

The Board Chair will be a duly elected member of the Board of Directors and be 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 meeting of shareholders. The Board Chair will be independent as defined according to applicable laws and regulations. He or she will have such competencies and skills as may be determined by the Board.

RESPONSIBILITIES

The Board Chair provides leadership to the Board. The Board Chair sets the “tone” for the Board and the Directors to foster effective, ethical and responsible decision-making, appropriate oversight of Management and strong corporate governance practices.

SPECIFIC DUTIES

In addition to individual Director’s responsibilities, responsibilities set out in the Board Charter and specific duties assigned by the Board from time to time, the Board Chair will:

Governance

1. Generally oversee Board direction and administration, ensuring that the Board works as a cohesive team and building a strong governance culture.

Ethics

2. Foster ethical decision-making by the Board in accordance with the Corporation’s Corporate Code of Ethics.

Leadership

3. Provide leadership to enhance the effectiveness of the Board.
4. Provide the Board, the Board Committees and individual Directors with leadership to assist them to effectively carry out their duties and responsibilities.
5. Provide advice and counsel to the Chief Executive Officer, Committee Chairs and fellow Directors.
6. Maintain an effective working relationship with the Chief Executive Officer.
7. Ensure that the responsibilities of the Board, as set out in the Board Charter, are well understood by Directors.
8. Work with the Chief Executive Officer and senior Management to monitor progress on strategic planning and implementation.

Board Meetings

9. With the President and Chief Executive Officer, the Corporate Secretary and other members of management, as appropriate, establish the agenda for, call meetings of the Board and chair each Board meeting.
10. Ensure that the Board meets at least five times annually and as many additional times as may be necessary to carry out its duties effectively.
11. Ensure, in concert with Management and the Corporate Secretary, that Directors receive information that is timely, in a useful format and of high quality.
12. Encourage the Committees and Committee Chairs to bring important issues forward to the Board for consideration and resolution.

13. Ensure there is sufficient time during Board meetings to discuss fully the agenda items and facilitate discussion on all business set out in the agendas of Board meetings, seeking to bring matters to resolution, as required.
14. Encourage individual Directors to ask questions and express viewpoints during meetings.
15. Ensure that the Board meets in camera at each of its meetings, unless waived at a particular meeting by independent directors.

Shareholder Meetings

16. Ensure that the shareholders meet at least once annually and as many additional times as required by law.
17. Except as otherwise authorized by the By-Laws, chair all annual general meetings and special meetings of shareholders.
18. Ensure that all business set out in the agenda of each shareholder meeting is discussed and brought to resolution, as required.

Board/Management Relationships

19. Ensure that the boundaries between Board and Management responsibilities are clearly understood and respected and that relationships between the Board and Management are conducted in a professional and constructive manner.
20. Facilitate effective communication between Directors and Management, both inside and outside of Board meetings.
21. Work with and assist the Chief Executive Officer and Chief Financial Officer in representing the Corporation's interests to its external stakeholders such as shareholders and other security holders, the investment community, the media and customers.

Director Recruitment and Retention

22. With the Human Resources Committee, participate in the recruitment and retention of Directors.

Evaluation

23. Conduct an annual evaluation of performance and effectiveness of the Board, Board Committees, all individual Directors and Committee Chairs, other than that of the Board Chair, and review the results with the Corporate Governance Committee.
24. Ensure that an annual performance evaluation of the Board Chair is conducted, soliciting input from all Directors, and that the results are reviewed with the Chair of the Corporate Governance Committee.

Orientation/Education

25. Facilitate the orientation of new Directors.
26. Facilitate the continuing education of all Directors.

Other

27. Assist in the annual review of the Board Charter.
28. Carry out such other duties and responsibilities as may be assigned by the Board.

BOARD OPERATIONS

The directors are expected, subject to scheduling conflicts, to attend in person, to the extent feasible, all meetings of the Board and Committees on which they sit (other than conference call meetings). Annual Board and Board committee meeting schedules are provided to directors in advance and are updated on an ongoing basis. Directors are asked to notify the Corporation if they are unable to attend, and attendance at meetings is duly recorded. The attendance of directors at Board and Committee meetings for the last fiscal year is provided below under the heading "Attendance Record".

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 at each of its 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 meetings held during the last fiscal year.

ATTENDANCE RECORD

The following table sets forth the attendance of Directors at Board and Committee meetings held during the last fiscal year.

DIRECTOR	BOARD MEETINGS		COMMITTEE MEETINGS ATTENDED	
	ATTENDED			
H. AUDET	2 OF 10	20%	N/A	N/A
L. AUDET	10 OF 10	100%	N/A	N/A
J. L. BOUTET	10 OF 10	100%	2 OF 2 (CG)	100%
W. P. COOPER	10 OF 10	100%	5 OF 5 (AUD)	100%
C. A. GARCIA	10 OF 10	100%	2 OF 2 (HR) CHAIR	100%
			2 OF 2 (SO)	100%
			2 OF 2 (CG)	100%
G. GIBARA	9 OF 10	90%	5 OF 5 (AUD)	100%
			1 OF 1 (HR) ⁽¹⁾	100%
			2 OF 2 (SO)	100%
H. A. KING	10 OF 10	100%	5 OF 5 (AUD) CHAIR	100%
H. P. LABELLE	10 OF 10	100%	1 OF 1 (HR) ⁽²⁾	100%
D. MCAUSLAND	10 OF 10	100%	2 OF 2 (CG) CHAIR	100%
			1 OF 2 (SO)	50%
J. PEETERS	10 OF 10	100%	2 OF 2 (HR)	100%
			2 OF 2 (CG)	100%
			2 OF 2 (SO) CHAIR	100%

(1) MRS. GIBARA WAS APPOINTED TO THE HUMAN RESOURCES COMMITTEE ON DECEMBER 8, 2005.

(2) MR. LABELLE CEASED TO BE A MEMBER OF THE HUMAN RESOURCES COMMITTEE ON DECEMBER 8, 2005.

COMMITTEES:

(AUD): AUDIT COMMITTEE

(HR): HUMAN RESOURCES COMMITTEE

(CG): CORPORATE GOVERNANCE COMMITTEE

(SO): STRATEGIC OPPORTUNITIES COMMITTEE

INDIVIDUAL DIRECTOR MANDATE

All the directors of the Corporation are required to exercise their duties and responsibilities in the best interests 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.

DIRECTOR SHARE OWNERSHIP

All current directors own subordinate shares of the Corporation. Directors receive shares in the Corporation as partial compensation as indicated under "Compensation of Directors and Executive Officers" below. During the last fiscal year, the Board Chair received approximately \$25,000 in subordinate shares, a Committee Chair approximately \$12,000 and a director who is not a Committee Chair approximately \$9,000. Until recently, the directors were required to hold throughout their term of office at least 2,000 subordinate shares of the Corporation and new directors were granted a period of two years to meet such a requirement. All current directors meet this share ownership requirement of the Corporation.

In order to meet best corporate governance practices, directors are now expected since October 13, 2006, to acquire subordinate shares of the Corporation with a value equivalent to at least three times the basic annual retainer payable to directors, i.e. 3 X \$24,000. The Chairman, whose overall retainer includes recognition of his directorial role, is subject to the same expectation. Directors now have until the later of five years from their respective first election date or five years from the coming into effect of this policy on October 13, 2006 to meet this minimum share ownership expectation. The current practice of the Corporation of paying a portion of the annual fees by way of grant of subordinate shares will assist directors in attaining this expectation. Of the 10 current directors, all eligible directors (except Mrs. Gibara and Mr. Cooper who have not served for five years) meet this minimum share ownership expectation.

The following table sets out each director's equity ownership interest in the Corporation and any change in the ownership interest during the last fiscal year.

DIRECTORS' EQUITY OWNERSHIP INTEREST AND CHANGES THEREIN

DIRECTOR	EQUITY OWNERSHIP AS AT		EQUITY OWNERSHIP AS AT		NET INCREASE IN		DIRECTORS'
	OCTOBER 10, 2006		OCTOBER 10, 2005 ⁽¹⁾		EQUITY OWNERSHIP		"EQUITY AT
	SUBORDINATE	STOCK	SUBORDINATE	STOCK	SUBORDINATE	STOCK	RISK" AMOUNT
	SHARE	OPTIONS	SHARE	OPTIONS	SHARE	OPTIONS	AS AT
							OCTOBER 10,
							2006 ⁽²⁾
							\$
H. AUDET ⁽³⁾	4,090	NIL	3,590	NIL	500	NIL	103,231.60
L. AUDET	6,000	98,000	4,000	80,000	2,000	18,000	504,268.00
J. L. BOUTET	4,365	NIL	3,990	NIL	375	NIL	110,172.60
W. P. COOPER	2,735	NIL	2,360	NIL	375	NIL	69,031.40
C. A. GARCIA	4,980	NIL	4,480	NIL	500	NIL	125,695.20
G. GIBARA	2,235	NIL	860	NIL	1,375	NIL	56,411.40
H. A. KING	4,619	NIL	4,119	NIL	500	NIL	116,583.56
H. P. LABELLE	13,265	NIL	11,190	NIL	2,075	NIL	334,808.60
D. MCAUSLAND	3,650	NIL	3,150	NIL	500	NIL	92,126.00
J. PEETERS	5,500	NIL	4,500	NIL	1,000	NIL	138,820.00
TOTAL	51,439	98,000	42,239	80,000	9,200	18,000	1,651,148.36

(1) AS DISCLOSED IN THE INFORMATION CIRCULAR FOR THE CORPORATION'S ANNUAL MEETING HELD ON DECEMBER 8, 2005.

(2) THE DIRECTORS' "EQUITY AT RISK" IS BASED ON THE CLOSING PRICE OF THE SUBORDINATE SHARES OF THE CORPORATION ON THE TORONTO STOCK EXCHANGE AS AT AUGUST 31, 2006. THE CLOSING PRICE OF THE SUBORDINATE SHARES OF THE CORPORATION WAS, ON AUGUST 31, 2006, \$25.24 PER SHARE. THE VALUE OF THE STOCK OPTIONS OF MR. AUDET IS BASED ON THE VALUE OF EXERCISABLE IN-THE-MONEY OPTIONS AS AT AUGUST 31, 2006. FOR DETAILS, SEE THE HEADING "AGGREGATE NUMBER OF OPTIONS EXERCISED DURING THE LAST FISCAL YEAR AND YEAR-END VALUE OF SUCH OPTIONS".

(3) MR. HENRI AUDET ALSO INDIRECTLY CONTROLS THROUGH GESTION AUDEM INC., 1,809,660 MULTIPLE SHARES OF THE PARENT COMPANY, COGECO.

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 and one *ad hoc* Committee 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	STRATEGIC OPPORTUNITIES COMMITTEE
HENRI AUDET ⁽¹⁾ LOUIS AUDET JAN PEETERS	WILLIAM PRESS COOPER GERMAINE GIBARA HARRY A. KING ⁽¹⁾	CLAUDE A. GARCIA ⁽¹⁾ GERMAINE GIBARA JAN PEETERS	JACQUELINE L. BOUTET CLAUDE A. GARCIA DAVID MCAUSLAND ⁽¹⁾ JAN PEETERS	CLAUDE A. GARCIA GERMAINE GIBARA DAVID MCAUSLAND ⁽¹⁾ JAN PEETERS

(1) COMMITTEE CHAIR

The Board 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** is comprised of three independent directors as such term is defined in Multilateral Instrument 52-110. 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 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 committees can be found in Section 15 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 determine, 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 three independent directors, as such term is defined in Multilateral Instrument 52-110. The Human Resources Committee meets at least twice yearly. 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 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. 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 advice 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 **Strategic Opportunities Committee** is comprised of four independent directors as such term is defined in Multilateral Instrument 52-110. The Committee meets on an *ad hoc* basis at the call of the Chair. The members of the Committee meet in camera at each of its meetings 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 Strategic Opportunities Committee include, among other things:

- to provide a forum in which the Chief Executive Officer, alone or with other members of senior Management, can present preliminary thinking or planning on strategic opportunities or proposed material acquisitions and receive advice and counsel from the Committee in the formative stages of developing recommendations for consideration by the Board;
- on request by Management, to establish tentative parameters and guidelines for pursuing of any such strategic opportunities or proposed material acquisitions;
- to consider and assess on its own initiative strategic opportunities and provide suggestions and inputs to management; and;
- to review and reassess annually the adequacy of its charter and to recommend any changes to the Board of Directors.

The charters of the Board, Audit Committee, Human Resources Committee, Corporate Governance Committee and Strategic Opportunities 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 Corporate Governance Committee first assesses the competencies and skills of current board members and identifies the competencies, skills and personal qualities the Human Resources Committee should seek in candidates as directors. The Human Resources Committee then initiates the recruitment 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 candidates 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. Before agreeing to be nominated for the Board, they are advised as to the anticipated workload and time commitment required. 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. New directors are provided with a Director's Manual which contains among other things the structure of the Board and its committees, the current list of directors and officers, the charters of the Board and committees, corporate policies, by-laws, the COGECO Corporate Code of Ethics, which also applies to the directors, the Corporation's insider trading policy, the individual director mandate setting out the expectations and responsibilities of directors and the Corporation's most recent disclosure documents. 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 each of the Board Committees as well as self-assessments on the part of individual Board members. The questionnaire covers such matters as the operation of the Board and its Committees, the adequacy and timeliness of the information provided to directors, agenda planning for Board meetings and contributions of Board and Committee 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 and identifies improvement opportunities. 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.

Members of the Board are also asked in the questionnaire to assess and comment on the performance of the Board Chair. Individual responses are received by the Chair of the Corporate Governance Committee who reviews the results with the other members of the Corporate Governance Committee with the Board Chair withdrawing from the meeting, and then provides a summary to the Chair and the Board.

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

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.

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 of the President and Chief Executive Officer is set out below:

CHIEF EXECUTIVE OFFICER POSITION DESCRIPTION

The Chief Executive Officer (the "CEO") of Cogeco Cable has the responsibilities and specific duties described below.

APPOINTMENT AND QUALIFICATION

The CEO will be appointed by the Board as CEO of the Corporation 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 meeting of shareholders. The CEO will have such competencies and skills as may be determined by the Board.

RESPONSIBILITIES

The CEO provides effective 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 establish current and longer term objectives and plans subject to the guidance and supervision of the Board. The CEO sets the "tone" for Management to foster effective, ethical and responsible decision-making as well as strong corporate governance practices.

SPECIFIC DUTIES

In addition to individual Director's responsibilities, the CEO will:

Leadership

1. Provide leadership and vision to manage the Corporation in the best interests of its shareholders.
2. With the advice of the members of senior Management, develop the basic objectives and plans of the business of the Corporation and submit these, as appropriate, to the Board for its approval.
3. Plan, direct and lead all investigations and negotiations pertaining to mergers, joint ventures, the acquisition of businesses or the sale of major assets, subject to necessary board approval and appropriate advanced consultations.
4. Represent the Corporation as appropriate as the lead in its relationships with its external stakeholders such as share holders and other security holders, the investment community, the media, government agencies, including the Canadian Radio-television and Telecommunications Commission, major customers, suppliers and competitors.

Ethics

5. Foster ethical decision-making by Management in accordance with the Corporation's Code of Ethics.
6. Set the ethical tone for the Corporation and its Management, including (i) overseeing the administration and implementation of, and compliance with, the Corporation's policies; (ii) satisfying the Board as to the integrity of the Corporation's senior executive officers; and, (iii) demonstrating to the Board that the CEO and other senior officers create a culture of integrity throughout the organization.

Governance

7. Communicate in a timely fashion with the Board Chair and the Board on material matters affecting the Corporation.
8. Provide input in developing the Board, Board Committee and individual Director Charters and Mandates.
9. Provide input in developing the agendas for the Board and Committee meetings.
10. Assist the Board Chair in developing an orientation program for new Directors and a continuing education program for Directors.

Disclosure

11. With the Disclosure Committee and other members of Management, as needed, ensure appropriate and timely disclosure of material information.

Strategic Planning

12. Develop, with input from the Board, a Strategic Plan for the Corporation to maximize shareholder value, recommend it to the Board for review and, in the Board's discretion, approval.
13. Ensure the implementation of the Strategic Plan and report to the Board in a timely manner on significant deviations from the Strategic Plan or within any parameters established by the Board.

Business Management

14. Provide general supervision and management of the day-to-day affairs of the Corporation within the supervision and guidelines established by the Board, consistent with decisions requiring prior approval of the Board and the Board's expectations of Management.
15. Analyze operating results of the Corporation and its subsidiaries relative to established objectives and ensure that appropriate steps are taken to correct unsatisfactory conditions.
16. Ensure the adequacy and soundness of the Corporation's financial structure, review projections of working capital requirements and supervise the obtaining of any outside financing that may be indicated.
17. Present proposed annual operating and capital expenditure budgets for review and approval by the Board.

18. Approve capital expenditures and other commitments within the limits of delegated approval authorities.
19. Take necessary actions to protect and enhance the Corporation's investments in subsidiaries.

Risk Management

20. Ensure, in concert with the Chief Financial Officer, that the Corporation has complied with all regulatory requirements regarding financial reporting and internal controls over financial reporting.
21. Provide, in concert with the Chief Financial Officer, required regulatory certifications of financial statements regarding the Corporation and its activities.

Organizational Effectiveness/Succession

22. Develop a strong organization with the right people in the right positions.
23. With the Human Resources Committee and the Board, ensure that the Corporation has an effective senior Management team below the level of the CEO, that the Board has regular exposure to senior Management team members and that, as and when appropriate, there exists an effective plan of succession and development for the CEO and senior Management.
24. Review and approve the appointment, employment, transfer or termination of all key executives.
25. Monitor performance of senior Management and provide feedback and training as appropriate.
26. Plan for the development of personnel resources within the Corporation and maintain programs which will encourage successful future management of the business.
27. Prescribe the specific limitations of the authority of subordinates regarding policies, contractual commitments, expenditures, and personnel actions.
28. Ensure that corporate policies are uniformly understood and properly interpreted and administered by subordinates.
29. Cause to be established and maintained an effective system of communications throughout the Corporation.
30. Ensure the adequacy and proper utilization of the services provided by the corporate staff heads and resolve any conflicts arising between operating groups and staff heads under immediate supervision.

CEO Performance

31. With the Board Chair and the Board, participate in developing CEO annual goals and objectives for which the CEO is responsible.

Other

32. Carry out any other appropriate duties and responsibilities assigned by the Board.

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

Director compensation is set by the Board on the recommendation of the Human Resources Committee.

Level of Director Compensation

The following table sets out the annual retainer and meeting attendance fees payable to directors of Cogeco Cable as at August 31, 2006.

ANNUAL CASH RETAINER FEES				ANNUAL FEES BY WAY OF GRANT OF SUBORDINATE SHARES ⁽¹⁾			ATTENDANCE FEES PER MEETING ⁽²⁾		
BOARD CHAIR	AUDIT COMMITTEE CHAIR	OTHER COMMITTEE CHAIR	DIRECTOR	BOARD CHAIR	COMMITTEE CHAIR	DIRECTOR	BOARD	AUDIT COMMITTEE	OTHER COMMITTEES
\$50,000	\$19,500	\$18,000	\$15,000	\$25,000	\$12,000	\$9,000	\$1,000	\$1,500	\$1,000

(1) SUBORDINATE SHARES OF THE CORPORATION ARE AWARDED AT THE BEGINNING OF EACH CALENDAR YEAR.

(2) THE ATTENDANCE FEE FOR A JOINT MEETING OF THE CORPORATION AND COGECO IS EQUALLY DIVIDED BETWEEN BOTH COMPANIES.

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 Ontario.

The Corporation does not award stock options to directors as part of their remuneration.

Total director compensation for the last fiscal year

Eight directors, who are neither senior executive officers nor employees of COGECO, the Corporation or their subsidiaries, received in the aggregate \$368,855 for their services in their capacity as directors during the year ending August 31, 2006.

Individual director compensation for the last fiscal year

The following table summarizes fees paid to individual directors for fiscal year 2006.

	TOTAL BOARD AND COMMITTEE ANNUAL RETAINER FEES \$	TOTAL BOARD AND COMMITTEE ATTENDANCE FEES ⁽¹⁾ \$	TOTAL FEES PAID \$	TOTAL FEES PAID IN CASH \$	TOTAL FEES APPLIED TO SUBORDINATE SHARES
HENRI AUDET	30,560	2,000	32,560	20,000	12,560
LOUIS AUDET ⁽²⁾	—	—	—	—	—
JACQUELINE L. BOUTET	24,420	10,000	34,420	25,000	9,420
WILLIAM PRESS COOPER	24,420	17,500	41,920	32,500	9,420
CLAUDE A. GARCIA	30,560	13,000	43,560	31,000	12,560
GERMAINE GIBARA	24,420	19,500	43,920	34,500	9,420
HARRY A. KING	32,060	17,500	49,560	37,000	12,560
HENRI P. LABELLE	24,420	9,500	33,920	24,500	9,420
DAVID MCAUSLAND	30,560	11,000	41,560	29,000	12,560
JAN PEETERS	75,120 ⁽³⁾	— ⁽⁴⁾	75,120	50,000	25,120

(1) THE ATTENDANCE FEE FOR A JOINT MEETING OF THE CORPORATION AND COGECO IS EQUALLY DIVIDED BETWEEN BOTH COMPANIES.

(2) LOUIS AUDET IS PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION AND DOES NOT RECEIVE ANY DIRECTOR FEES.

(3) NO ADDITIONAL RETAINER IS PAID TO THE BOARD CHAIR FOR ACTING AS COMMITTEE CHAIR.

(4) NO ATTENDANCE FEE IS PAID TO THE BOARD CHAIR.

COMPENSATION OF SENIOR EXECUTIVE OFFICERS

The following table sets forth 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") for the last three fiscal years:

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 PRESIDENT AND CHIEF EXECUTIVE OFFICER ^(C)	2006	— ^(D)	— ^(D)	—	18,000	—	—	—
	2005	— ^(D)	— ^(D)	—	21,500	—	—	—
	2004	— ^(D)	— ^(D)	—	26,500	—	—	—
PIERRE GAGNÉ VICE-PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER	2006	— ^(D)	— ^(D)	—	6,000	—	—	—
	2005	— ^(D)	— ^(D)	—	7,000	—	—	—
	2004	— ^(D)	— ^(D)	—	10,000	—	—	—
GASTON GERMAIN VICE-PRESIDENT, ONTARIO	2006	282,600	94,932	—	10,000	—	—	—
	2005	278,200	152,549	—	13,000	—	—	—
	2004	267,850	167,000	—	16,000	—	—	—
DENIS BÉLANGER VICE-PRESIDENT, ENGINEERING AND DEVELOPMENT	2006	256,600	85,559	—	10,000	—	—	—
	2005	247,200	132,098	—	12,000	—	—	—
	2004	238,850	146,700	—	14,300	—	—	—
RON A. PERROTTA VICE-PRESIDENT, MARKETING	2006	254,600	84,838	—	10,000	—	—	—
	2005	246,200	131,496	—	12,000	—	—	—
	2004	234,850	143,900	—	14,300	—	—	—
JULES GRENIER VICE-PRESIDENT, PORTUGAL	2006	248,600	82,675	—	10,000	—	—	—
	2005	231,700	122,762	—	12,000	—	—	—
	2004	222,850	135,500	—	14,300	—	—	—
LOUISE ST-PIERRE VICE-PRESIDENT AND CHIEF INFORMATION OFFICER	2006	242,600	80,512	—	10,000	—	—	—
	2005	229,700	121,563	—	12,000	—	—	—
	2004	222,850	135,500	—	14,300	—	—	—

(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

The Corporation's compensation programs are designed to meet performance and competitiveness objectives. They aim for an optimal balance between fixed and variable pay to ensure that the most qualified individuals can be attracted, retained, and motivated for the benefit of our shareholders. Our vision is to combine an attractive fixed segment to foster career-long employment of top talent coupled with a more conservatively positioned, but highly leveraged, variable segment to encourage risk-taking and entrepreneurial action for the benefit of shareholders. From a total compensation perspective, the programs are designed to achieve the following pay-for-performance outcomes:

PERFORMANCE	BELOW TARGET	AT TARGET	ABOVE TARGET
FIXED SEGMENT	< MEDIAN	> MEDIAN	> MEDIAN
VARIABLE SEGMENT	< MEDIAN	< MEDIAN	> MEDIAN
TOTAL COMPENSATION	< MEDIAN	= MEDIAN	> MEDIAN ⁽¹⁾

(1) UP TO THE 75TH PERCENTILE

Pay Elements

The following table presents the elements of the total compensation policy and their respective market positioning:

ELEMENTS	MARKET POSITIONING	OBJECTIVES
FIXED SEGMENT		
BASE SALARY	SLIGHTLY ABOVE MARKET MEDIAN (+5%)	<ul style="list-style-type: none"> RETENTION RECOGNITION OF SKILLS, COMPETENCIES AND EXPERIENCE
BENEFITS	ABOVE MARKET MEDIAN	<ul style="list-style-type: none"> ABOVE-MEDIAN RETIREMENT BENEFITS⁽¹⁾ ADEQUATE PROTECTION (DEATH, DISABILITY OR ILLNESS)
PERQUISITES	COMPETITIVE	<ul style="list-style-type: none"> AS NEEDED FOR BUSINESS TAKING INTO ACCOUNT INDIVIDUAL STATUS
VARIABLE SEGMENT		
SHORT-TERM INCENTIVES <ul style="list-style-type: none"> TARGET MAXIMUM 	ANNUAL BONUS <ul style="list-style-type: none"> MARKET MEDIAN 2X TARGET 	<ul style="list-style-type: none"> MEETING OR EXCEEDING ANNUAL BUSINESS OBJECTIVES
LONG-TERM INCENTIVES <ul style="list-style-type: none"> TARGET MAXIMUM 	STOCK PURCHASE OPTION AND/OR PERFORMANCE UNITS <ul style="list-style-type: none"> GRANT REQUIRED TO BRING TOTAL COMPENSATION AT THE MARKET MEDIAN GRANT REQUIRED TO BRING TOTAL COMPENSATION AT THE MARKET 75TH PERCENTILE 	<ul style="list-style-type: none"> SHAREHOLDERS VALUE CREATION RETENTION INDIVIDUAL PERFORMANCE RECOGNITION PROMOTION OF OWNERSHIP
TOTAL COMPENSATION		
<ul style="list-style-type: none"> TARGET MAXIMUM 	<ul style="list-style-type: none"> MARKET MEDIAN MARKET 75TH PERCENTILE 	<ul style="list-style-type: none"> COMPETITIVE FOR TARGET PERFORMANCE SUPERIOR FOR TOP INDIVIDUAL PERFORMERS

(1) DESIGNATED SENIOR EXECUTIVES, WHO JOINED THE CORPORATION AFTER SEPTEMBER 1, 2002, PARTICIPATE IN A PROGRAM THAT IS MORE CLOSELY ALIGNED WITH THE MARKET MEDIAN. SEE "POST-RETIREMENT ADDITIONAL ALLOCATION PROGRAM FOR DESIGNATED SENIOR EXECUTIVES".

Reference Group

The Corporation's reference market for the purpose of benchmarking executive compensation includes 16 publicly-traded Canadian corporations operating in the fields of communications and telecommunications. This sample reflects a market where the Corporation competes for both clientele and executive talent. The median scope of these corporations, in terms of annual revenues and number of employees, is similar to that of the Corporation.

Performance

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.

This provides ample opportunities to link executive pay to individual and corporate performance, as the following table illustrates:

COMPENSATION ELEMENT	PERFORMANCE CRITERIA	PERFORMANCE OUTCOME	PERFORMANCE PERIOD	IMPACT ON PAY
BASE SALARY	INDIVIDUAL CONTRIBUTION AND COMPETENCIES	SALARY INCREASE AND POSITION WITHIN THE SALARY STRUCTURE	1 YEAR	CAREER-LONG
BENEFITS	INDIVIDUAL CONTRIBUTION AND COMPETENCIES	SOME BENEFITS INCREASE IN PROPORTION TO SALARY	1 YEAR	CAREER-LONG
SHORT-TERM INCENTIVES	CORPORATE PERFORMANCE	CASH PAYMENT SIGNIFICANT	1 YEAR	ANNUAL ⁽¹⁾
	INDIVIDUAL CONTRIBUTION	CASH PAYMENT LESS SIGNIFICANT	1 YEAR	ANNUAL ⁽¹⁾
LONG-TERM INCENTIVES	CORPORATE PERFORMANCE	ULTIMATE PAYOUT FROM GRANT	MULTI-YEAR	MULTI-YEAR
	INDIVIDUAL CONTRIBUTION	SIZE OF ANNUAL GRANT OF OPTIONS AND/OR UNITS	1 YEAR	MULTI-YEAR

(1) THE IMPACT ON PAY CAN BE OVER ONE YEAR AS THE SHORT-TERM INCENTIVE PAYMENTS ENTER IN THE DEFINITION OF "SALARY" FOR THE PURPOSE OF DETERMINING THE ANNUAL PENSION PAYABLE FOR A DESIGNATED SENIOR EXECUTIVE WHO JOINED THE CORPORATION BEFORE SEPTEMBER 1, 2002.

Individual contribution is assessed by the Human Resources Committee. At the end of the year, the CEO reports to the Human Resources Committee to present his assessment of individual contribution of senior executive officers. The Chair of the Committee then reports at the next regular board meeting and reviews the results of the assessments. The Board deliberates and finalizes its assessment of the individual contribution of each executive to corporate success. The assessment may lead to salary changes, grants of short-term incentives and the determination of the size of the next long-term incentive grant. In fiscal year 2006, the stock options and performance units granted by the Board have positioned the total compensation of senior executives between the 50th and the 75th percentile of the reference market in accordance with the Corporation's compensation policy.

Corporate performance is assessed by the Board. For the purpose of the short-term incentive plan, performance is determined on the basis of 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 2006, 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 2006 was an achievement of 103%. For fiscal year 2007, the Board of Directors of the Corporation has set a creation objective of 15%.

For the purpose of the long-term incentive plan, the corporate performance measure is the market performance of the Corporation's shares. The value that executives accumulate with stock options and performance units is tied to stock price performance following the grants.

Ownership Guidelines

The Corporation expects executives who participate in the long-term incentive plan to accumulate and retain Corporation shares steadily over the course of their career. The guidelines do not take the form of a fixed dollar value of stock, but rather a fixed retention ratio. Executives are expected to retain in subordinate shares of the Corporation, until they leave the Corporation, at least 20% of their after-tax net gains resulting from the exercise of stock options granted from October 17, 2003.

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 and special meeting to be held on December 12, 2006. 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".

Minimum Share Ownership for the President and Chief Executive Officer

In order to meet best corporate governance practices, the President and Chief Executive Officer is expected to achieve a holding of shares and/or vested performance units equal to at least three times his annual salary (the "minimum share ownership"). The President and Chief Executive Officer has five years from the coming into effect of this policy on October 13, 2006 to meet this expectation. The minimum share ownership to be held by the President and Chief Executive Officer, who is an officer of both COGECO and Cogeco Cable, may be comprised of multiple voting shares, subordinate shares and/or vested performance units of COGECO and/or Cogeco Cable and he is encouraged to own shares of both entities. The Human Resources Committee will annually in September review the extent to which the President and Chief Executive officer is meeting this minimum share ownership expectation.

Independent Consultant

Towers Perrin were engaged last year, and in recent years, by the Corporation to report to the Human Resources Committee as outside compensation experts to advise on compensation policies, including assessing developments in the employment market for senior executives and providing information on comparative levels of compensation for senior executives and directors. Towers Perrin's fees for the fiscal year 2006 regarding such services were \$35,674. All other fees paid to Towers Perrin during the fiscal year 2006 totaled \$7,791 for various non-executive compensation services.

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

Claude A. Garcia, Chair
Germaine Gibara
Jan Peeters

SHAREHOLDER RETURN

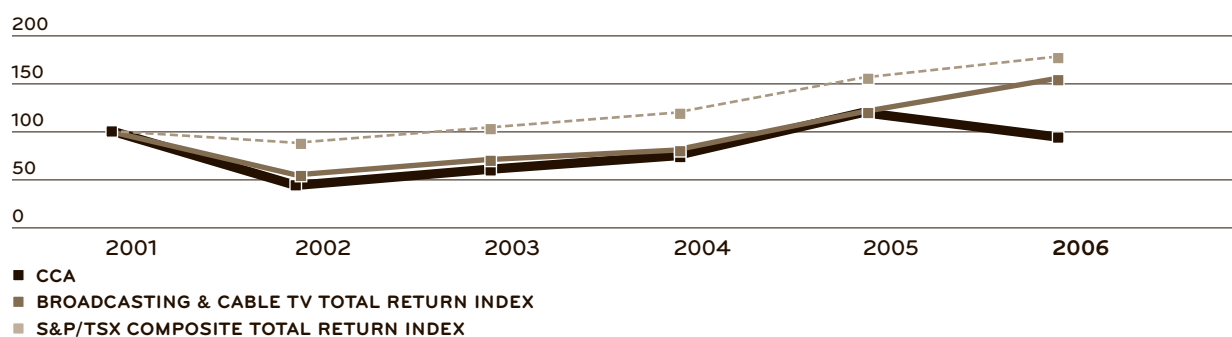
The following graph compares the cumulative total shareholder return on the subordinate shares of the Corporation with the cumulative total return of the S&P/TSX Composite Index and the Broadcasting & Cable TV sub industry Index of The Toronto Stock Exchange for the five-year period ended August 31, 2006.*

CUMULATIVE TOTAL RETURN FOR FIVE YEARS

YEARS ENDED AUGUST 31

INVESTMENT ON AUGUST 31, 2001

2001 = \$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, 2001. VALUES INCLUDE DIVIDENDS PAID BUT EXCLUDE BROKERAGE FEES AND ALL INCOME TAXES.

	2001	2002	2003	2004	2005	2006
	\$	\$	\$	\$	\$	\$
CCA	100	43	61	76	121	95
BROADCASTING & CABLE TV TOTAL RETURN	100	55	72	82	122	146
S&P/TSX COMPOSITE TOTAL RETURN INDEX	100	91	105	120	155	179

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 hereunder.

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 current Stock Option Plan of the Corporation (the "Option Plan") was adopted in 1993 and was amended in 2000, 2001 and 2003. The Option Plan entitles the Board of Directors of the Corporation to grant to key full time employees, officers and directors of the Corporation and of its subsidiaries up to 2,000,000 subordinate shares representing 8.23% of the outstanding subordinate shares of the Corporation. As at October 10, 2006 there were a total of 715,569 subordinate shares issuable pursuant to granted options, representing 2.9% of the outstanding subordinate shares, and a further 852,642 subordinate shares were issuable, representing 3.5% of the outstanding subordinate shares.

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.

The options generally become vested for the holder in successive equal blocks over a period of up to four 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 up to 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, must 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 their term, which shall be no longer than ten years following their date of grant. Any options granted to an employee who is terminated for cause shall terminate immediately and no portion of the terminated options will be exercisable. If an employee is terminated for any other reason than for cause, any vested options granted to the employee may be exercised for a period of 30 days following the date of termination, or within an additional 150 days at the discretion of the President and Chief Executive Officer of the Corporation. Upon retirement, an employee may exercise options, to the extent that the employee was entitled to do so at the time of retirement, at any time within 3 months following retirement. Upon the death of an employee, options may be exercised, to the extent that the employee was entitled to do so at the time of death, by his or her personal representatives at any time within 12 months following the death of the employee. The options are not assignable. No single person may hold options covering more than 5% of the subordinate shares then issued and outstanding.

The Board of Directors may amend the Option Plan at any time. However, such amendment shall not affect the rights of any option holder who holds an option at the time of such amendment, unless the option holder agrees to it.

Proposed Amendments to Stock Option Plan

The amendments to the Option Plan for which approval is being sought at the Meeting include an automatic disposition mechanism which will allow an option holder to elect to authorize a third party, during the last six months of the exercise period for his or her options, in the sole discretion of such third party to exercise any of his or her options that remained unexercised, to sell, subject to section 3.3 of the Plan, all of the subordinate shares purchased upon such exercise and to remit to the option holder the proceeds of sale less the amount paid to effect such exercise and any related brokerage fees. This mechanism is meant to allow an option holder, who might be constrained during the last six months by blackout periods for trading or a lengthy period pending disclosure of material information by the Corporation from having options expire unexercised.

The amendments also remove directors as individuals who are entitled to the grant of options, which is consistent with current good governance recommendations, although in fact the practice of the Corporation has been not to make such grants to directors in such capacity. The provisions relating to the Quebec Stock Saving Plan are deleted as they no longer have any relevance. Also, based upon requirements and recommendations of The Toronto Stock Exchange the amendments also clearly set out how the Option Plan can be amended and, specifically, identify those amendments which can be made by directors and those which require shareholder approval. The amendment will allow the Board of Directors to amend the Option Plan at any time, provided that no such amendment may (i) be made without obtaining any required regulatory or shareholder approvals; or (ii) adversely affect the right of any option holder who holds an option at the time of any such amendment without the consent of the option holder. The amendment allows the Board of Directors to make the following amendment without shareholder approval:

- (i) an amendment to the purchase price, unless the amendment is a reduction in the purchase price of an option held by an insider;
- (ii) an amendment to the date upon which an option may expire, unless the amendment extends the expiry of an option held by an insider;
- (iii) an addition to, deletion from or alteration of the Option Plan or an option that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange;
- (iv) an amendment to correct or rectify any ambiguity, defective provision, error or omission in the Option Plan or an option; and
- (v) any other amendment that does not require shareholder approval under paragraph 5.3 of the Option Plan.

The amendment requires shareholder approval for the following amendments:

- (i) any increase in the number of subordinate shares reserved for issuance under the Option Plan;
- (ii) any reduction in the purchase price or the extension of the expiry of an option held by an insider; and
- (iii) the addition of a deferred or restricted share unit or other provision which results in an option holder being issued subordinate shares by the Corporation while no cash consideration is received by the Corporation.

All other amendments are of a general housekeeping nature.

The full text of the resolution approving the amendments is attached to this information circular as Schedule A. The Option Plan, underlined to show the areas of proposed changes, is attached to this information circular as Schedule B.

To be effective, the approval of the amendments must be given by resolution of the disinterested shareholders at the Meeting and as such must be passed by the majority of the votes cast in person or by proxy by all disinterested shareholders at the Meeting. The shares of any key full-time employees and officers eligible to receive options under the plan shall be excluded from the vote, being a total of 18,181 shares as at October 10, 2006. **Unless instructed to vote against in the accompanying form of proxy, it is the intention of the persons named therein to vote the shares represented thereby in favour of approval of the amendments to the Option Plan.**

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, 2006 to the named senior executives:

NAME	SECURITIES	% OF TOTAL	EXERCISE OR	MARKET VALUE	EXPIRATION DATE	PERCENTAGE OF
	UNDER OPTIONS	OPTIONS		OF SECURITIES		
	GRANTED ^(A)	GRANTED TO	BASE PRICE ^(C)	UNDERLYING		OUTSTANDING
	#	EMPLOYEES IN	\$/SECURITY	OPTIONS ON THE		SUBORDINATE
		FINANCIAL YEAR ^(B)		DATE OF GRANT		SHARES
		%				%
LOUIS AUDET	18,000	13.23	29.05	29.05	OCTOBER 21, 2015	0.07%
PIERRE GAGNÉ	6,000	4.41	29.05	29.05	OCTOBER 21, 2015	0.02%
GASTON GERMAIN	10,000	7.35	29.05	29.05	OCTOBER 21, 2015	0.04%
DENIS BÉLANGER	10,000	7.35	29.05	29.05	OCTOBER 21, 2015	0.04%
RON A. PERROTTA	10,000	7.35	29.05	29.05	OCTOBER 21, 2015	0.04%
JULES GRENIER	10,000	7.35	29.05	29.05	OCTOBER 21, 2015	0.04%
LOUISE ST-PIERRE	10,000	7.35	29.05	29.05	OCTOBER 21, 2015	0.04%

(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, 2006, the gain realized upon exercise and the aggregate number of unexercised options, if any, held as at August 31, 2006, 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	AGGREGATED	UNEXERCISED OPTIONS	VALUE OF UNEXERCISED
	ACQUIRED		AT FISCAL YEAR-END	IN-THE-MONEY OPTIONS
	ON EXERCISE ^(A)	VALUE REALIZED ^(B)	EXERCISABLE/ UNEXERCISED	AT FISCAL YEAR-END ^(C)
	#	\$	#	EXERCISABLE/ UNEXERCISABLE
				%
LOUIS AUDET	—	—	56,100/41,900	352,828/213,902
PIERRE GAGNÉ	—	—	24,400/14,600	194,224/80,156
GASTON GERMAIN	—	—	13,600/30,200	77,028/231,084
DENIS BÉLANGER	—	—	53,980/23,320	325,159/121,413
RON A. PERROTTA	—	—	37,780/23,320	190,191/120,973
JULES GRENIER	—	—	57,780/23,320	174,451/121,413
LOUISE ST-PIERRE	4,600	82,750	53,380/23,320	184,195/121,413

(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, 2006. THE CLOSING PRICE OF THE SUBORDINATE SHARES OF THE CORPORATION WAS, ON AUGUST 31, 2006, \$25.24 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. Performance units granted under the Unit Plan have a value at the time of grant 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 and are valued at any subsequent time at the closing price on the preceding trading day.

The units granted to a participant become vested 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 also entitled to receive a Dividend Equivalent (as defined in the Unit Plan) for each unit that they have been granted. 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, 2006

The following table shows the aggregate number of performance units granted under the Unit Plan of the Corporation to some named senior executives and the number of vested/non-vested units as of August 31, 2006:

NAME	TOTAL OF PERFORMANCE UNITS	
	GRANTED AS OF AUGUST 31, 2006	VESTED/NON-VESTED UNITS
	#	#
DENIS BÉLANGER	6,468	6,468/—
LOUISE ST-PIERRE	4,165	4,165/—

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes, as of August 31, 2006, 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	WEIGHTED-AVERAGE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (A))
OPTION PLAN APPROVED BY SECURITY HOLDERS	715,571	\$20.88	852,642
TOTAL	715,571	\$20.88	852,642

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 subheadings "Stock Option Plan" and "Proposed Amendments to 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, 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
\$	\$	\$	\$	\$	\$	\$	\$
106,906 AND OVER	10,556	21,111	31,667	42,222	52,778	63,333	73,889

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, 2006, Mr. Bélanger had accrued 10 years, Mr. Germain, 3.79 years, Mr. Grenier, 5.24 years, Mr. Perrotta, 4.48 years and Mrs. St-Pierre, 7.25 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	4,444	8,889	13,333	17,778	22,222	26,667	31,111
200,000	9,444	18,889	28,333	37,778	47,222	56,667	66,111
250,000	14,444	28,889	43,333	57,778	72,222	86,667	101,111
300,000	19,444	38,889	58,333	77,778	97,222	116,667	136,111
350,000	24,444	48,889	73,333	97,778	122,222	146,667	171,111
400,000	29,444	58,889	88,333	117,778	147,222	176,667	206,111
450,000	34,444	68,889	103,333	137,778	172,222	206,667	241,111
500,000	39,444	78,889	118,333	157,778	197,222	236,667	276,111
550,000	44,444	88,889	133,333	177,778	222,222	266,667	311,111
600,000	49,444	98,889	148,333	197,778	247,222	296,667	346,111
650,000	54,444	108,889	163,333	217,778	272,222	326,667	381,111
700,000	59,444	118,889	178,333	237,778	297,222	356,667	416,111
750,000	64,444	128,889	193,333	257,778	322,222	386,667	451,111
800,000	69,444	138,889	208,333	277,778	347,222	416,667	486,111
850,000	74,444	148,889	223,333	297,778	372,222	446,667	521,111
900,000	79,444	158,889	238,333	317,778	397,222	476,667	556,111
950,000	84,444	168,889	253,333	337,778	422,222	506,667	591,111
1,000,000	89,444	178,889	268,333	357,778	447,222	536,667	626,111

The pension amounts shown above represent the amount payable without any reduction as of the age of 62 years. The program is 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, 2006, Mr. Bélanger had accrued 14.99 years, Mr. Germain, 3.79 years, Mr. Grenier, 5.24 years, Mr. Perrotta, 4.48 years and Mrs. St-Pierre, 7.25 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 an employee share purchase plan for the benefit of its employees. As at October 10, 2006, 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 \$19,652.

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 31,743 stock options to its officers who are also officers of COGECO during the 2006 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, 2006, the maximum amount of \$8,392,000 was paid to COGECO which represents about 1.4% 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.

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, as recommended by the Audit Committee, 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 has 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 2006 and 2005:

	2006	2005
	\$	\$
AUDIT FEES	631,442	185,400
AUDIT-RELATED FEES	234,516	584,814
TAX FEES	862,389	80,400
OTHER FEES	4,754	46,212
TOTAL	1,733,101	896,826

“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. “Other Fees” include principally translation services.

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, 2006. 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 27th day of October, 2006.



Christian Jolivet
Secretary

SCHEDULE A

RESOLUTION OF DISINTERESTED SHAREHOLDERS

BE IT RESOLVED THAT:

1. The amendments to the Stock Option Plan as proposed at the Meeting (and as set forth in Schedule B to its accompanying information circular) are hereby approved, subject to the approval of the Toronto Stock Exchange.
2. Any officer of the Corporation be and is hereby authorized to effect all such filings and to do all such other acts as may be necessary or appropriate to give effect to the amendments.

SCHEDULE B

COGECO CABLE INC.

STOCK OPTION PLAN

1. Purpose
 - 1.1 The Board of Directors of Cogeco Cable Inc. (the "CompanyCorporation") may from time to time grant to key full-time employees and officers of the CompanyCorporation and of its subsidiaries as may be designated by the Board of Directors, the right to purchase subordinate voting shares without par value of the share capital of the Company Corporation (the "Subordinate Shares") to the extent of 2,000,000 Subordinate Shares.
 - 1.2 The Board of Directors of the CompanyCorporation may delegate to a committee composed of at least three (3) independent directors appointed for this purpose (the "Committee") all matters pertaining to the implementation and management of this Plan (the "Plan").
 - 1.3 The key employees, ~~directors~~ and officers to whom options shall be granted and the number of Subordinate Shares subject to these options shall be determined on the basis of the position, salary, number of years of employment, and present and future contributions to the success of the CompanyCorporation of the respective key employees, ~~directors~~ and officers, as well as other factors which may be deemed appropriate.
2. Purchase price of shares
 - 2.1 The purchase price of the Subordinate Shares subject to options granted under the Plan to key employees, ~~directors~~ and officers of the CompanyCorporation and of its subsidiaries shall not be less than the closing price per Subordinate Share on the trading day preceding the granting of such options, as compiled by the Toronto Stock Exchange (the "TSX"). If no Subordinate Share sale is ~~compiled~~completed at that date, the purchase price shall then be based upon the closing price compiled by ~~such Exchange~~the TSX on the last trading day on which a sale has been ~~compiled~~completed prior to the granting of such options. Subject to the foregoing restriction, the said purchase price may vary between the various options granted under the Plan.
3. Granting, exercise and expiry of options
 - 3.1 The Subordinate Shares which are subject to options granted under the Plan (the "Optioned Shares") may be purchased at the time and in the manner determined in each case by the Board of Directors or by the committee, on the advice of the Board of Directors, and the options shall contain the provisions which may be determined, as specified above, in each case, and these terms and conditions may vary between the various options thus granted. No single person may hold options covering more than five percent (5%) of the Subordinate Shares then issued and outstanding.
 - 3.2 Any such option shall expire at the date provided for therein, which shall be no later than ten (10) years following the date of granting of the option. In the event of expiry or any other termination of an option, the Optioned Shares with respect to which the option has not been exercised may be reallocated under the Plan.

- 3.3 The aggregate purchase price of the Optioned Shares shall be paid in full upon exercise of the option. A senior executive officer of the Company Corporation (meaning for such purpose any person exercising the functions of a president, vice president, secretary, treasurer, controller or general manager of the Company Corporation) who exercises stock options granted from October 17, 2003 shall (i) retain in Subordinate Shares of the Company Corporation an amount equal to 20% of the net income after related tax resulting from any such ~~realisation~~realization; and (ii) hold such shares until the termination of his or her employment or his or her retirement.
- 3.4 Each option shall be non-negotiable and non-transferable, except in accordance with the legislation governing testamentary or ~~abintestate~~intestate successions pursuant to paragraph ~~3-83.9~~ hereof, and shall only be exercised during its term by the holder thereof. The options shall not be pledged or otherwise encumbered.
- 3.5 No optionee shall have any rights as a shareholder with respect to any Optioned Shares until such shares have been paid in full and issued.
- 3.6 If the employment of an optionee is terminated for cause, any option granted to such optionee under the Plan shall terminate immediately and, consequently, such holder is no longer entitled to exercise any portion of the option thus terminated. If the employment of an optionee is terminated for any other reason than for cause by the Company Corporation, any vested option granted to such optionee under the Plan may be exercised within a period of thirty (30) days following the date on which his or her employment has ended. Any vested option granted to such optionee under the Plan may also be exercised, in the discretion of the President and Chief Executive Officer of the Corporation, within an additional period of one hundred and fifty (150) days following the expiration of the said period of thirty (30) days.
- 3.7 Notwithstanding the provisions of paragraph ~~3-53.6~~ above, if the employment of an optionee terminates following retirement, the option may be exercised to the extent that the optionee was entitled to do so at the time of retirement, at any time within three (3) months following retirement, but under no circumstances following the expiry of the option.
- 3.8 Nothing contained in the provisions of the Plan or the options shall entitle an optionee to continue his or her employment with the Company Corporation or one of its subsidiaries, or affect in any way whatsoever the right of the Company Corporation or of any of its subsidiaries to terminate his or her employment at any time.
- 3.9 If an optionee dies during employment, any option held by such optionee may be exercised, to the extent that such option could have been exercised by such optionee at the time of death, by his or her personal representatives at any time within twelve (12) months following such death, but under no circumstances following the expiry of the option.
- 3.10 Any option granted under the Plan may provide that each person exercising such option shall consent to the Optioned Shares being purchased for investment purposes only, and not for distribution or resale.
- 3.11 If the Subordinate Shares of the Company Corporation are consolidated, subdivided or reclassified, or if any dividend is payable in Subordinate Shares of the Company Corporation, or if any other similar action affecting the number of Subordinate Shares of the Company Corporation is taken, the number of Subordinate Shares with respect to which options may be granted under the Plan and the number of Subordinate Shares to be issued upon exercise of any option previously granted shall then be adjusted accordingly, without any change, in the latter case, as to the aggregate price applicable to the unexercised part of the option, but with an appropriate adjustment as to the price of each Subordinate Share under option.
- 3.12 If the Company Corporation or Cogeco inc. ("COGECO") shall sell all or substantially all their assets and undertaking or shall be merged, amalgamated or absorbed by or into any other corporation under any circumstances which involve or may involve or require the liquidation of the Company Corporation or of COGECO, a distribution of their assets among their shareholders or the termination of their corporate existence, the right of the optionees to exercise their options may, at the discretion of the Board of Directors of the Company Corporation, be accelerated so that such options may be exercised with respect to all Subordinate Shares optioned to them (including those for which their options are not yet exercisable) at any time during the fifteen (15) days prior to the date upon which the agreement or arrangement for such sale, merger, amalgamation or absorption shall become effective.
- 3.13 If a take-over bid is made for outstanding shares of the Company Corporation or of COGECO or if any person or combination of persons sells or exchanges a number of shares of the Company Corporation or of COGECO which, in either event, in the opinion of the Board of Directors of the Company Corporation affects materially the control of the Company Corporation or of COGECO, the right of the optionees to exercise their options may, at the discretion of the Board of Directors of the Company Corporation, be accelerated so that such options may be exercised with respect to all Subordinate Shares optioned to them (including those for which their options are not yet exercisable) at any time prior to the expiration of the take-over bid or, as the case may be, during the thirty (30) days after the date upon which the Board of Directors of the Company Corporation becomes aware of such sale or exchange. Any take-over bid for, or

sale of, outstanding shares of the Company Corporation or of COGECO carrying more than 50% of the voting rights attaching to all outstanding shares shall be deemed to affect materially the control of the Company Corporation or of COGECO, as the case may be.

4. Québec Stock Saving Plan Automatic Exercise of Options and Sale of Optioned Shares

~~4.1 The Subordinate Shares subscribed for and issued pursuant to the Plan to key employees, directors and officers of the Company and of its subsidiaries residing in Québec on the last day of a taxation year may be included in a Québec Stock Savings Plan ("QSSP") under the *Taxation Act* (Québec) (the "Act").~~

~~4.2 The inclusion of Subordinate Shares purchased by an optionee pursuant to the Plan in a QSSP allows the optionee residing in Québec on the last day of a taxation year during which such shares are purchased, to deduct, in computing his/her taxable income for the said taxation year for the purposes of the Act, provided that certain conditions stipulated in the Act are fulfilled, seventy-five percent (75%) of the cost of acquisition of such Subordinate Shares purchased during the taxation year and included in a QSSP no later than January 31 of the following year.~~

~~4.3 The Subordinate Shares which are subscribed for and issued to key employees, directors and officers of the Company and of its subsidiaries, who are not resident in Québec on the last day of a taxation year, may not be included in a QSSP.~~

~~4.4 Under current legislation, an optionee may not, during a taxation year, claim a deduction in excess of ten percent (10%) of his total income in connection with a QSSP.~~

~~4.5 An optionee residing in Québec on the last day of a taxation year, who withdraws a Subordinate Share from the QSSP of which he/she is the beneficiary during the year, but prior to the third taxation year following the year of acquisition, may have to make an inclusion in computing his/her income for the year of the withdrawal for Québec income tax purposes.~~

~~4.6 It is recommended that key employees, directors and officers of the Company and of its subsidiaries intending to take advantage of a QSSP consult their tax advisors with respect to the tax implications.~~

4.1 Within twelve (12) months of the date of grant of an option, or on or before January 31, 2007 in the case of options currently outstanding under the Plan, the optionee may elect by notice in writing to the Secretary of the Corporation to participate in the Corporation's automatic option exercise mechanism. Participants in the mechanism will, by giving this notice, irrevocably direct the broker trustee selected by the Human Resources Committee from time to time (the "Broker Trustee") to (i) exercise any options of the optionee that remain unexercised during the last six months prior to the date at which such options are to expire (the "Final Exercise Period"), (ii) subject to section 3.3 of the Plan, sell all of the Optioned Shares purchased upon such exercise and (iii) remit to the optionee the proceeds of sale less the amount paid to effect such exercise and any related brokerage fees.

4.2 The Broker Trustee shall provide the optionee with a written plan document confirming the trading parameters and other instructions received from the optionee regarding the exercise of the options and the sale of Optioned Shares during the Final Exercise Period.

4.3 The Broker Trustee shall not be permitted to consult with the optionee regarding any exercise of the options or any sale of Optioned Shares under the Plan and the optionee shall not disclose to the Broker Trustee any information concerning the Corporation that might influence the exercise of the options or the sale of Subordinate Shares during the Final Exercise Period.

5. Termination and amendment of the Plan

5.1 The Board of Directors may amend, suspend or terminate the Plan at any time. However, provided that no such amendment, suspension or termination shall not may:

(i) be made without obtaining any required regulatory or shareholder approvals; or

(ii) adversely affect the rights of the any optionee who holds an option at the time of any such termination, unless the optionee agrees to it amendment, without the consent of the optionee.

5.2 The Board of Directors may from time to time, by resolution and without shareholder approval, make the following amendments to the Plan or any option granted under the Plan:

(i) an amendment to the purchase price, unless the amendment is a reduction in the purchase price of an option held by an Insider, as defined below;

- (ii) an amendment to the date upon which an option may expire, unless the amendment extends the expiry of an option held by an Insider;
- (iii) an addition to, deletion from or alteration of the Plan or an option that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange;
- (iv) an amendment to correct or rectify any ambiguity, defective provision, error or omission in the Plan or an option; and
- (v) any other amendment that does not require shareholder approval under paragraph 5.3

5.3 Shareholder approval will be required for the following amendments to the Plan:

- (i) any increase in the number of Subordinate Shares reserved for issuance under the Plan;
- (ii) any reduction in the purchase price or the extension of the expiry of an option held by an Insider; and
- (iii) the addition of a deferred or restricted share unit or other provision which results in an optionee being issued Subordinate Shares by the Corporation while no cash consideration is received by the Corporation.

5.4 "Insider" means any insider of the Corporation (as such term is defined in subsection 1(1) of the Securities Act (Ontario) as amended from time to time), other than a person who falls within that definition solely by virtue of being a director or officer of a subsidiary of the Corporation, and includes any "associate" of any Insider (as such term is defined in the said subsection as amended from time to time).

5.2 In addition, the Board of Directors may amend the Plan at any time. However, such amendment shall not affect the rights of the optionee who holds an option at the time of any such amendment, unless the optionee agrees to it.

6. Management of the Plan

6.1 Within the scope of the foregoing restrictions, the Board of Directors may determine the terms and conditions of any option, which shall be included therein. The decision of the Board of Directors, or of the committee if authorized by the Board of Directors, regarding any matter under this Plan, shall bind the Company Corporation and all individuals eligible to participate in the Plan from time to time, and shall be conclusive.

7. Use of proceeds

7.1 The proceeds of the issuance of Subordinate Shares will ~~be affected to the needs~~ form part of the working capital of the Company Corporation.

8. Attributes of the Subordinate Shares

8.1 The holders of Subordinate Shares are entitled to one (1) vote per share and the holders of the multiple voting shares of the Company Corporation (the "Multiple Shares") are entitled to ten (10) votes per share. Save as regards voting and conversion rights (the Multiple Shares are convertible at any time into Subordinate Shares on a one for one basis), the Subordinate Shares and the Multiple Shares are identical in all respects.

8.2 The Principal Shareholder of the Company Corporation, COGECO, ~~will enter~~ has entered into a trust agreement for the benefit of the holders of Subordinate Shares, pursuant to which it will agree 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.

9. Governing Laws

9.1 This Plan shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

10. Effective date of Amendment

10.1 The amendments to this Plan shall be effective as and from the 13th day of October, 2006, subject to the approval of the shareholders of the Corporation to be given by a resolution of the disinterested shareholders passed at a general meeting of the shareholders and to acceptance by The Toronto Stock Exchange. The grant of any options prior to such approval and acceptance shall, on to matters covered by such amendments, be conditional on such approval and acceptance being given.