

# NOTICE OF ANNUAL MEETING OF SHAREHOLDERS 2009

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

**GRAND BANKING HALL (2<sup>nd</sup> FLOOR),  
1 KING STREET WEST, TORONTO, ONTARIO  
ON THURSDAY, THE 10TH DAY OF DECEMBER, 2009  
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, 2009 AND THE REPORT OF THE AUDITORS THEREON;
2. TO ELECT DIRECTORS;
3. TO APPOINT AUDITORS AND TO AUTHORIZE THE BOARD OF DIRECTORS TO FIX THEIR REMUNERATION; AND
4. TO TRANSACT SUCH OTHER BUSINESS AS MAY PROPERLY BE BROUGHT BEFORE THE MEETING.

**IF YOU ARE UNABLE TO ATTEND THE ANNUAL 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 NOVEMBER 6, 2009.  
BY ORDER OF THE BOARD,



CHRISTIAN JOLIVET  
SECRETARY

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



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# INFORMATION CIRCULAR

## GENERAL INFORMATION

This information circular is furnished by the management of Cogeco Cable Inc. ("Cogeco Cable" or the "Corporation"), which is soliciting proxies for use at the Annual Meeting of Shareholders of the Corporation (the "Meeting"), and at any adjournment thereof, to be held at the date, time and place and for the purposes set forth in the foregoing 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.

The Corporation will provide proxy materials to brokers, custodians, nominees and fiduciaries and will request that such materials be forwarded to each beneficial owner of subordinate voting shares registered in their names.

Unless otherwise stated, the information contained in this Information Circular is given as of October 28, 2009 and all dollar amounts are in Canadian dollars.

For those shareholders who cannot attend the Meeting in person, the Corporation has made arrangements to provide a live webcast of the Meeting. Details on how shareholders may listen to and view the proceedings on the webcast will be found on the Corporation's website at [www.cogeco.ca/investors](http://www.cogeco.ca/investors) and will be provided in a news release prior to the Meeting.

## INFORMATION ON VOTING

### VOTING MATTERS

At the Meeting, shareholders will vote on the election of directors and the appointment of auditors including authorizing the board of directors to fix their remuneration.

### RECORD DATE FOR NOTICE OF MEETING

The Board of Directors of Cogeco Cable (the "Board" or the "Board of Directors") has fixed October 30, 2009 as the record date (the "Record Date") for the purpose of determining shareholders entitled to receive the notice of Meeting.

### VOTING SHARES AND PRINCIPAL SHAREHOLDERS

As at October 28, 2009, 32,867,426 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 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 28, 2009, beneficially own, directly or indirectly, or control or direct voting securities carrying 10% or more of the voting rights attached to any outstanding 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. <sup>(1)</sup>	—	—	15,691,100	100	82.7
JARISLOWSKY, FRASER LIMITED	3,289,808 <sup>(2)</sup>	10.0	—	—	1.7
ROGERS COMMUNICATIONS INC	6,595,675 <sup>(3)</sup>	20.1	—	—	3.5

(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, THE FATHER OF MR. LOUIS AUDET, THE PRESIDENT AND CHIEF EXECUTIVE OFFICER OF THE CORPORATION.

(2) BASED ON THE REPORT FILED ON SEDAR ON MAY 11, 2009.

(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 17.3% of the aggregate voting rights attached to the Corporation’s outstanding shares.

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.

### VOTING BY PROXY

#### REGISTERED OWNERS

Registered shareholders may vote in person at the Meeting or may give another person authority to vote at the Meeting on their behalf by appointing a proxyholder. Please complete, sign, date and return the form in the envelope provided or by facsimile to Computershare’s toll-free line at (866) 249-7775 or at (416) 263-9524 or you can vote by internet by following the instructions on your proxy form, so that it arrives no later than 5:00 p.m. (Eastern Standard Time) on Tuesday, December 8, 2009.

#### BENEFICIAL OWNERS

The information set forth in this section is of significant importance if you do not hold your shares in your own name. Only proxies deposited by shareholders whose names appear on the records of Cogeco Cable as the registered holders of multiple shares or subordinate shares can be recognized and acted upon at the Meeting. If subordinate shares are listed in your account statement provided by your broker, then, in almost all cases, those subordinate shares will not be registered in your name on the records of Cogeco Cable. Such subordinate shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Subordinate shares held by your broker or its nominee can only be voted upon your instructions. Without specific instructions, your broker, its agent or its nominee is prohibited from voting your subordinate shares.

**Therefore, beneficial shareholders should ensure that instructions respecting the voting of their subordinate shares are communicated to the appropriate person.**

Applicable regulatory policy requires your broker to seek voting instructions from you well in advance of a shareholder meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your subordinate shares are voted at the Meeting. Often, the form of proxy supplied by your broker is similar to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions ("Broadridge"). Broadridge mails a voting instruction form in lieu of the form of proxy provided by Cogeco Cable. The voting instruction form will name the same persons as the proxy to represent the holder of subordinate shares at the Meeting. A holder of subordinate shares has the right to appoint a person (who need not be a shareholder of Cogeco Cable) other than the persons designated in the voting instruction form, to represent the shareholder at the Meeting. To exercise this right, the holder of subordinate shares should insert the name of the desired representative in the blank space provided in the voting instruction form. You are asked to complete and return the voting instruction form to Broadridge by mail or facsimile. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of subordinate shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, it cannot be used as a proxy to vote subordinate shares directly at the Meeting as the voting instructions form must be returned to Broadridge well in advance of the Meeting in order to have the subordinate shares voted or to appoint an alternative representative to attend the Meeting in person to vote such subordinate shares.**

**If you are a beneficial shareholder and wish to vote in person at the Meeting, you should insert your own name in the space provided on the voting instruction form provided to you by your nominee and return the completed form to Broadridge.**

#### **APPOINTING A PROXYHOLDER**

A proxyholder is the person you appoint to act on your behalf at the Meeting and to vote your shares in your name. You may choose anyone to be your proxyholder – the person you choose does not have to be a shareholder of Cogeco Cable. Simply insert the person's name in the blank space provided on the proxy form (registered shareholders) or the voting instruction form (beneficial shareholders). You should be sure that this person is attending the Meeting and is aware that he or she has been appointed to vote your shares. If you do not insert a name in the blank space, then the persons named on the form, being Jan Peeters, Louis Audet, or Christian Jolivet, each of whom is a director or senior officer of Cogeco Cable, will be appointed to act as your proxyholder.

Your appointed proxyholder is authorized to vote and act for you at the Meeting, including any continuation after an adjournment of the Meeting. On the form you should indicate how you want your proxyholder to vote your shares. You may vote FOR or WITHHOLD your vote on each proposed nominee for election as a director and on the appointment of the auditors including authorizing the Board of Directors to fix their remuneration. Alternatively, you can let your proxyholder decide for you.

All multiple shares or subordinate shares represented by properly executed and deposited forms of proxy will be voted or withheld from voting on the matters identified in the notice of Meeting in accordance with the instructions of such respective shareholders.

#### **VOTING DISCRETION OF PROXYHOLDER**

If you give directions on how to vote your shares, your proxyholder must vote your shares according to your instructions. If your proxy form or voting instruction form does not specify how to vote on a particular issue, then your proxyholder can vote your shares as he or she sees fit. If your proxyholder does not attend the Meeting and vote in person, your shares will not be voted.

**If you have appointed a person designated by Cogeco Cable as proxyholder as provided in the enclosed form of proxy and you do not provide any instructions concerning a matter identified in the Notice of Meeting, the subordinate shares represented by such proxy will be voted as follows:**

**FOR the election of each person nominated for election as a director; and**

**FOR the appointment of Deloitte & Touche LLP, Chartered Accountants, as auditors and the authorization of the Board of Directors to set their remuneration.**

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 Information Circular, management of the Corporation knows of no such amendments, variations or other business to be brought before the Meeting.

#### **REVOKING YOUR 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. Such instrument should be delivered to the Corporate Secretary at the registered office of Cogeco Cable, 5, Place Ville Marie, Suite 1700, Montreal, Quebec, H3B 0B3 at any time up to and including the close of business on the last business day preceding the day of the Meeting or any adjournment thereof or depositing it with the Chair of the Meeting on the day of the Meeting, being December 10, 2009 or any adjournment thereof, or in any other manner permitted by law.

#### **BUSINESS TO BE TRANSACTED AT THE MEETING**

This Information Circular contains information relating to the receipt of Cogeco Cable's audited consolidated financial statements, the election of directors and the appointment of auditors and authorizing the Board of Directors to fix their remuneration.

#### **FINANCIAL STATEMENTS**

The audited consolidated financial statements of Cogeco Cable for the year ended August 31, 2009 and the report of the auditors thereon will be placed before the Meeting. These audited consolidated financial statements form part of the 2009 Annual Report of Cogeco Cable. Copies of the 2009 Annual Report, in English or French, may be obtained from the Corporate Secretary of Cogeco Cable upon request and will be available at the Meeting. The full text of the 2009 Annual Report is available on Cogeco Cable's website at [www.cogeco.ca](http://www.cogeco.ca).

#### **ELECTION OF DIRECTORS**

The Board has established nine 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 one or more of the nine directors is withheld in the accompanying form of proxy, it is the intention of the persons named therein to vote the shares represented thereby FOR the election of each of the nominees of management listed in the following table or, in the event of any vacancies among such nominees, FOR the remaining nominees and substitute nominees of management.



All of the nominees, other than Ms. Carole Salomon, currently serve as directors of the Corporation.



#### **MAJORITY VOTING FOR DIRECTORS**



Effective October 29, 2009, the Board adopted a policy which requires that any nominee for Director who receives a greater number of votes "withheld" than "for" his or her selection shall tender his or her resignation to the Board Chair promptly following the meeting at which he or she is elected. The Corporate Governance Committee will consider the resignation offer and will make a recommendation to the Board whether to accept it. The Board of Directors will disclose its decision, via press release, within 90 days of the applicable meeting. A Director who tenders a resignation pursuant to this policy will not participate in any meeting of the Corporate Governance Committee or the Board of Directors at which the resignation is considered. This policy applies only to uncontested elections, meaning elections where the number of nominees for Directors is equal to the number of Directors to be elected upon such election as determined by the Board. This policy is in effect in time for this year's Annual Meeting. A copy of this policy can be found on Cogeco Cable's website at [www.cogeco.ca/ccagovernance](http://www.cogeco.ca/ccagovernance).


**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		DEFERRED SHARE UNITS	
	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008
 <p><b>LOUIS AUDET, ENG., MBA</b>            Director, President and Chief Executive Officer            Westmount, Québec            Age: 58            Director since 1993            Member of Strategic Opportunities Committee</p>	24,700	24,700	N/A	N/A
 <p><b>WILLIAM PRESS COOPER, P.ENG., B.SC., F.C.S.C.E</b>            Director            Oakville, Ontario            Age: 69            Director since 2003            Member of Audit and Human Resources Committees</p>	3,015	3,015	1,087	427

NAME, OFFICE WITH CORPORATION AND OTHER INFORMATION	NO. OF SUBORDINATE SHARES BENEFICIALLY OWNED DIRECTLY OR INDIRECTLY, OR CONTROLLED OR DIRECTED BY NOMINEES		DEFERRED SHARE UNITS	
	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008
 <p><b>L. G. SERGE GADBOIS, FCA., MBA</b>  Director  Boucherville, Québec  Age: 64  Director since 2006  Member and Chair of Audit Committee</p>	3,465	2,500	NIL	NIL
 <p><b>CLAUDE A. GARCIA, B.A., B.COM.</b>  Director  Montréal, Québec  Age: 68  Director since 2004  Member and Chair of  Human Resources Committee and member of Strategic Opportunities Committee</p>	5,350	5,350	1,544	607

NAME, OFFICE WITH CORPORATION AND OTHER INFORMATION	NO. OF SUBORDINATE SHARES BENEFICIALLY OWNED DIRECTLY OR INDIRECTLY, OR CONTROLLED OR DIRECTED BY NOMINEES		DEFERRED SHARE UNITS	
	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008
 <p><b>GERMAINE GIBARA, MA, CFA</b>  Director  Montréal, Québec  Age: 65  Director since 2003  Member of Human Resources and Strategic Opportunities Committees</p>	2,515	2,515	825	NIL
 <p><b>HARRY A. KING, B.A., C.A.</b>  Director  Vancouver, British Columbia  Age: 67  Director since 1993  Member of Audit and Corporate Governance Committees</p>	4,989	4,989	2,172	853

NAME, OFFICE WITH CORPORATION AND OTHER INFORMATION	NO. OF SUBORDINATE SHARES BENEFICIALLY OWNED DIRECTLY OR INDIRECTLY, OR CONTROLLED OR DIRECTED BY NOMINEES		DEFERRED SHARE UNITS	
	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008
 <p><b>DAVID MCAUSLAND, B.C.L., LL.B.</b>  Director  Beaconsfield, Québec  Age: 55  Director since 1999  Member and Chair of Corporate Governance Committee and member of Strategic Opportunities Committee</p>	<b>4,020</b>	4,020	<b>1,127</b>	424
 <p><b>JAN PEETERS</b>  Director and Board Chair  Montréal, Québec  Age: 57  Director since 1998  Member and Chair of Strategic Opportunities Committee and member of Audit, Human Resources and Corporate Governance Committees</p>	<b>6,260</b>	6,260	<b>1,072</b>	421

NAME, OFFICE WITH CORPORATION AND OTHER INFORMATION	NO. OF SUBORDINATE SHARES BENEFICIALLY OWNED DIRECTLY OR INDIRECTLY, OR CONTROLLED OR DIRECTED BY NOMINEES		DEFERRED SHARE UNITS	
	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008	AT OCTOBER 28, 2009	AT OCTOBER 24, 2008
 <p><b>CAROLE SALOMON. B.A., MBA</b> Director Toronto, Ontario Age: 63</p>	0	0	N/A	N/A
<p>Mrs. Salomon has been President and CEO of Cardavan Corporation, a management consultancy, since 2001. Prior to establishing Cardavan, she held various leadership roles including President, North America, Trader.com; President, Residential Services, AT&amp;T Canada; Vice-President Marketing, Purolator Courier and Vice-President Marketing, Nabisco Brands. She has served on the boards of Laurier Life, W.H. Smith Canada, Perigee Investment Management, Household Finance and Cineplex.</p>				

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 HOLDING 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, CLAUDE A. GARCIA, DAVID MCAUSLAND, JAN PEETERS AND MS. GERMAINE GIBARA ARE ALSO NOMINEES AS DIRECTORS OF COGECO.
- (3) AS AT OCTOBER 28, 2009, THE NOMINEES AS DIRECTORS OF THE CORPORATION ALSO BENEFICIALLY OWN, DIRECTLY OR INDIRECTLY, OR CONTROL OR DIRECT SUBORDINATE SHARES, MULTIPLE SHARES AND DEFERRED SHARE UNITS OF COGECO AS FOLLOWS:

NAME	SUBORDINATE VOTING SHARES	MULTIPLE VOTING SHARES	DEFERRED SHARE UNITS
LOUIS AUDET	56,994 <sup>(1)</sup>	3,200	—
WILLIAM PRESS COOPER	—	—	—
L.G. SERGE GADBOIS	—	—	—
CLAUDE A. GARCIA	3,000	—	2,198
GERMAINE GIBARA	—	—	1,954
HARRY A. KING	1,000	—	—
DAVID MCAUSLAND	4,170	—	1,610
JAN PEETERS	6,555	—	1,527
CAROLE SALOMON	—	—	—

- (1) (INCLUDING 66 BY FAMILY MEMBERS OTHER THAN HENRI AUDET)
- (4) AS AT OCTOBER 28, 2009, M. AUDET ALSO OWNS 162,200 OPTIONS ON SUBORDINATE SHARES OF COGECO CABLE AND 45,400 OPTIONS ON SUBORDINATE VOTING SHARES OF COGECO. SEE THE HEADING "INCENTIVE PLAN AWARDS".
- (5) AS AT OCTOBER 28, 2009, MR. GADBOIS ALSO OWNS, DIRECTLY OR INDIRECTLY, \$71,000 PRINCIPAL AMOUNT OF 5.95% SENIOR DEBENTURES SERIES "1" DUE 2014.
- (6) MR. COOPER IS A FORMER DIRECTOR OF STELCO INC. WHICH FILED FOR PROTECTION UNDER THE 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. MR. AUDET IS A FORMER DIRECTOR OF TQS INC. WHICH FILED FOR PROTECTION UNDER THE CCAA ON DECEMBER 18, 2007 AND THE SHARES OF TQS INC. WERE SOLD WITH COURT APPROVAL IN AUGUST 2008.

## 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 2009 and 2008:

	2009	2008
	\$	\$
AUDIT FEES	716,602	789,534
AUDIT-RELATED FEES <sup>(1)</sup>	289,089	83,570
TAX FEES <sup>(1)</sup>	901,102	338,047
OTHER FEES <sup>(1)</sup>	65,878	66,764
TOTAL	1,972,671	1,277,915

(1) "AUDIT-RELATED FEES" INCLUDE FEES FOR FINANCIAL INFORMATION PRESENTATION AND CERTIFICATION, FEES RELATED TO 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 (INCLUDING FEES FOR CORPORATE REORGANIZATION IN 2009). "OTHER FEES" INCLUDE PRINCIPALLY TRANSLATION SERVICES.

## STATEMENT OF CORPORATE GOVERNANCE PRACTICES

### 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 generally initiates the process by seeking input and suggestions, including from directors and outside consultants 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 securities 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 independent 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.

## **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 independent 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 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) adopting the Corporation's insider trading policy and any material change thereto;
- (n) considering measures for receiving communication feedback from security holders directly and/or through management;
- (o) adopting a code of ethics that is applicable to directors, officers and employees of the Corporation that is designed to promote and foster integrity and deter inappropriate action or wrongdoing, monitoring compliance with such code and directly, or through delegation to the Corporate Governance Committee granting waivers of compliance for directors or executive officers in appropriate circumstances;
- (p) conducting, through the Corporate Governance Committee, an annual review of Board and Committee effectiveness (including directors' individual contributions);
- (q) 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;
- (r) 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;
- (s) selecting nominees for election as directors;
- (t) working to ensure that new directors are provided with adequate education and orientation opportunities, understand the role of the Board and its Committees, the expectations of time and contribution from an individual director and gain a general understanding of the Corporation's business;
- (u) 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;
- (v) selecting the Board Chair and developing his or her position description;
- (w) appointing the officers of the Corporation;
- (x) 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) 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.
- (y) 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;
- (z) approving projects requiring a capital investment and other outlays in excess of a certain threshold;

- (aa) developing, through the Corporate Governance Committee, the Corporation's approach to corporate governance issues including principles and guidelines that are relevant to the Corporation;
- (bb) establishing Committees to facilitate the carrying out of the Board's mandate and approving their respective charters and material changes thereto; and
- (cc) 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 which are: the Audit, the Corporate Governance, the Human Resources and the Strategic Opportunities Committees, and delegates certain of its duties and responsibilities to them. Other Committees or sub Committees may be established on an *ad hoc* basis from time to time by Board resolution to deal with particular matters.

### **5.2. INDEPENDENT COMMITTEE MEMBERS**

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

### **5.3. COMMITTEES REPORT TO BOARD**

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

## **6. ADMINISTRATIVE MATTERS**

### **6.1. COMPENSATION**

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

### **6.2. PART OF DIRECTORS FEES PAID IN DEFERRED SHARE UNITS**

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

### **6.3. BOARD CONFIDENTIALITY**

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

### **6.4. 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 nine of the ten directors, representing a substantial 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 nine current independent directors are Jacqueline L. Boutet, William Press Cooper, L. G. Serge Gadbois, Claude A. Garcia, Germaine Gibara, Josée Goulet, Harry A. King, David McAusland and Jan Peeters. Mr. Louis Audet, the President and Chief Executive Officer of the Corporation and son of Henri Audet, the indirect controlling shareholder of the Corporation, is not considered to be an independent director.

The Corporation, therefore, complies with the corporate governance guidelines set out in National Policy 58-201, Corporate Governance Guidelines and National Instrument 58-101, Disclosure of Corporate Governance Practices (the “Corporate Governance Guidelines”) which stipulate that the Board of the Corporation should have a majority of independent directors.

With the fiscal year-end, two of the directors are leaving our Board of Directors. Mrs. Josée Goulet joined Cogeco Cable in 2007 and has been member of the Human Resources Committee and the Corporate Governance Committee. She has earned our sincere appreciation for her contributions. Mrs. Jacqueline L. Boutet, after reaching age 75, will retire at the Meeting. Mrs. Boutet has been with Cogeco Cable since the Corporation took its first step as a public company and deserves all of our heart felt appreciation. She has served as active Board member and as a member of the Audit Committee and the Corporate Governance Committee for several years. Her thoroughness, experience, and availability have been true assets to the Board’s deliberations and have helped us to better understand, evaluate, and chart the Corporation’s strategic direction over the years. The Board of Directors, in anticipation of their departure, extend a special thank you for their efforts.

## **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 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 securities 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. The Board Chair chairs the Strategic Opportunities Committee and is an ex officio member of the other Board committees.

## **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 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 is required by law.
17. Except as otherwise authorized by the By-Laws, chair all annual 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 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, 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 MEETING ATTENDED		COMMITTEE MEETINGS ATTENDED		
LOUIS AUDET	11 OF 11	100%	SO	2 OF 2	100%
JACQUELINE L. BOUTET	11 OF 11	100%	–	–	–
WILLIAM PRESS COOPER	11 OF 11	100%	AUD	6 OF 6	100%
			HR	5 OF 5	100%
L. G. SERGE GADBOIS	9 OF 11	82%	AUD (CHAIR)	5 OF 6	83%
CLAUDE A. GARCIA	11 OF 11	100%	HR (CHAIR)	5 OF 5	100%
			SO	2 OF 2	100%
GERMAINE GIBARA	11 OF 11	100%	HR	5 OF 5	100%
			SO	2 OF 2	100%
JOSÉE GOULET	11 OF 11	100%	HR	5 OF 5	100%
			CG	3 OF 3	100%
HARRY A. KING	11 OF 11	100%	AUD	6 OF 6	100%
			CG	3 OF 3	100%
DAVID MCAUSLAND	10 OF 11	91%	CG (CHAIR)	3 OF 3	100%
			SO	2 OF 2	100%
JAN PEETERS	11 OF 11	100%	HR	4 OF 5	80%
			CG	3 OF 3	100%
			SO (CHAIR)	2 OF 2	100%
			AUD	6 OF 6	100%

### COMMITTEES:

AUD: AUDIT COMMITTEE  
 HR: HUMAN RESOURCES COMMITTEE  
 CG: CORPORATE GOVERNANCE COMMITTEE  
 SO: STRATEGIC OPPORTUNITIES COMMITTEE

As is apparent from the above table, the directors demonstrated a strong commitment to their roles and responsibilities through a very high attendance rate at Board and Committee meetings.

## 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 and resignation from office, term, attendance, and share and/or deferred share unit ownership expectations, 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.

This mandate has been updated to require that, consistent with best corporate governance practices, a director is expected to accumulate subordinate shares of the Corporation and/or deferred share units with a total value equivalent to at least three times the basic annual retainer payable to directors. See the heading "Director Share and Deferred Share Unit Ownership". The Human Resources Committee monitors compliance with this policy.

## 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 expenditure of a monetary amount of \$2,500,000 or more is subject to the prior approval of the Board.

## COMMITTEES

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

The Board has established four standing Committees to facilitate the carrying out of its duties and responsibilities and meet applicable statutory and policy requirements. The Committees are currently comprised of the following directors:

AUDIT COMMITTEE	HUMAN RESOURCES COMMITTEE	CORPORATE GOVERNANCE COMMITTEE	STRATEGIC OPPORTUNITIES COMMITTEE
WILLIAM PRESS COOPER	WILLIAM PRESS COOPER	JOSÉE GOULET	LOUIS AUDET
L. G. SERGE GADBOIS <sup>(1)</sup>	CLAUDE A. GARCIA <sup>(1)</sup>	HARRY A. KING	CLAUDE A. GARCIA
HARRY A. KING	GERMAINE GIBARA	DAVID MCAUSLAND <sup>(1)</sup>	GERMAINE GIBARA
JAN PEETERS	JOSÉE GOULET	JAN PEETERS	DAVID MCAUSLAND
	JAN PEETERS		JAN PEETERS <sup>(1)</sup>

(1) COMMITTEE CHAIR

The Board usually appoints the members of the Committees at the first meeting of the Board following the annual meeting of shareholders. To see the composition of the Committees after the Meeting, you can visit the Corporation's website at [www.cogeco.ca/ccagovernance](http://www.cogeco.ca/ccagovernance).

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 **Audit Committee** is comprised of four directors who satisfy the independence requirements as set out 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 the 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 internal controls and reviewing the financial statements of the Corporation and other financial information as well as overseeing the selection of the external auditors and the audit process. 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 Senior Director, Internal audit 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 Committee, in consultation with management and the external auditors, participates in a process for review of important financial topics and emerging standards that have the potential to impact the Corporation's financial presentation and disclosure;

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

The Senior Vice President and Chief Financial Officer of the Corporation, the Senior Director, Internal audit 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 auditors and the internal audit group 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.

Members of the Audit Committee also serve as the Supervisory Board of Cabovisão Televisão por Cabo S.A. ("Cabovisão") with responsibilities limited to those required to comply with Portuguese law.

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 five directors, who are independent 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 and incentive share unit plans), including special conditions applying to senior executive officers such as the senior management special remuneration plan in the event of a change of control of the Corporation described below under the heading "Termination and Change of Control Benefits";
- 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 annually the extent to which designated senior executives and directors are meeting the minimum share and/or deferred share units ownership expectations;
- 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 administer, when authority is delegated to it, stock option, incentive share unit and other compensation plans;
- to initiate the process of recruiting directors by seeking input and suggestions, including from directors and outside consultants, 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 compensation discussion and analysis included in the Corporation's Information Circular;
- to review other information on executives and directors' compensation 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 executive officers, including fixing such firm's fees and terms of retention; and
- to review and reassess annually the adequacy of its charter and to recommend any changes to the Board of Directors.

The **Corporate Governance Committee** is comprised of four directors, who are independent 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 improvement;
- overseeing 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;
- advising on the appropriateness of any resignation that may be offered by a director under the Majority Voting Policy;
- 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 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 five directors, four of whom are independent as such term is defined in Multilateral Instrument 52-110. The Committee meets 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/ccagovernance](http://www.cogeco.ca/ccagovernance).

## **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. The objective of the Corporate Governance Committee is to maintain the composition of the Board such as to optimize its mix of skills, experience and other factors and to encourage strong guidance of the Corporation in its ongoing business operations and longer term strategy. This process is assisted by a peer to peer assessment of directors that the Board undertakes in its annual review led by the Board Chair.

Unless the Board of Directors initiates the recruitment process with the assistance of an independent recruitment firm, as occurred this year, and then seeks input from the Human Resources and Corporate Governance Committees, the Human Resources Committee initiates the process by seeking input and suggestions, including from outside consultants, 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 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 peer to peer assessments and 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 that 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 Board Chair and the Board.

## **DISCLOSURE POLICY**

The fundamental objective of the Corporation's disclosure policy is to ensure timely and factual dissemination of information with all shareholders and the investment community 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 Senior Vice President 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 and the investment community, 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 prior consultations.
4. Represent the Corporation as appropriate as the lead in its relationships with its external stakeholders such as shareholders and other security holders, the investment community, the media, government agencies, including the Canadian Radio-television and Telecommunications Commission, major customers, suppliers and competitors.

### **ETHICS**

5. Foster ethical decision-making by management in accordance with the 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.

### **CODE OF ETHICS**

COGECO adopted in 2003 a Code of Ethics (the "Code") 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 Code 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 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 Code is available on the Corporation's website at [www.cogeco.ca/ccagovernance](http://www.cogeco.ca/ccagovernance) and on the SEDAR website at [www.sedar.com](http://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 1700, Montréal, Québec H3B 0B3, telephone (514) 764-4700. 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 EXECUTIVE OFFICERS

### COMPENSATION DISCUSSION AND ANALYSIS

This compensation discussion and analysis ("CD&A") is developed based on the new disclosure rules approved by the Canadian Securities Administrators ("CSA") that became effective for financial years ended on or after December 31, 2008. The information contained in the CD&A is given as at August 31, 2009, unless otherwise stated.

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. The Human Resources Committee reviews, from time to time, the Corporation's executive compensation policies with the assistance of Towers Perrin. The current executive compensation policies have been designed in light of a number of strategic and competitive factors, including that:

- The Corporation has reached a critical size with annual revenues well over one billion dollars.
- The Corporation pursues its goal of achieving significant growth while providing shareholders with above-average return on investment.
- The highly competitive market in which the Corporation operates with profitable growth objectives will be best supported by significant pay-for-performance leverage.

The Corporation's vision is to combine a competitive segment to foster career-long employment of top talent coupled with a highly leveraged variable segment to encourage reasonable 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 in relation to the desired positioning within the Corporation's reference group (as defined later in this document):

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

(1) UP TO THE 75TH PERCENTILE FOR TOP INDIVIDUAL PERFORMERS.

The Corporation believes that pay-for-performance can best be accomplished through challenging but achievable individual and corporate performance objectives with ample opportunities to earn significant reward when short and long-term performance exceeds expectations 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 <sup>(1)</sup>
	INDIVIDUAL CONTRIBUTION	CASH PAYMENT LESS SIGNIFICANT	1 YEAR	ANNUAL <sup>(1)</sup>
LONG-TERM INCENTIVES	CORPORATE PERFORMANCE	ULTIMATE PAYOUT FROM GRANT	MULTI-YEAR	MULTI-YEAR
	INDIVIDUAL CONTRIBUTION	SIZE OF ANNUAL GRANT OF OPTIONS AND/OR INCENTIVE SHARE UNITS	1 YEAR	MULTI-YEAR

(1) THE IMPACT ON PAY CAN BE OVER ONE YEAR AS THE SHORT-TERM INCENTIVE PAYMENTS ENTER INTO 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.

#### INDEPENDENT CONSULTANT

Towers Perrin were engaged 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 2009 regarding such services were \$4,832. Towers Perrin also provided non-executive compensation-related services to the Corporation during the fiscal year 2009. Towers Perrin's fees for these services were \$71,442 for the fiscal year 2009.

#### REFERENCE GROUP

The Corporation's reference market for the purpose of benchmarking executive compensation includes Canadian corporations selected according to one or more of the following criteria :

- Publicly-traded companies
- Operate in the fields of communications and telecommunications
- Have national or international operations
- Reflect 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 comparable to that of the Corporation. The 14 companies included in the reference group are the following:

Astral Media	Quebecor Media
Bell Aliant	Rogers Communications
Bell Canada	Shaw Communications
Canwest Global Communications	Sierra Wireless
Corus Entertainment	TELUS
MTS Allstream	TVA Group
Novatel Wireless	Videotron Group

The total compensation competitiveness is established in relation to the reference group and is aligned with the median. Top individual performers could reach the 75th percentile through additional long-term incentive compensation.

#### ANNUAL REVIEW BY THE COMMITTEE

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. During the fiscal year 2009, the Committee mandated Towers Perrin to conduct a total compensation review of the senior executive positions to assess the impact of changes in compensation practices in the industry. The results of the review, combined with the Committee's assessment of individual and corporate performances were used by the Committee to recommend changes to the compensation of the senior executives for the fiscal year 2009.

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 within the structures, the awards of the short-term incentive for the year and the determination of the size of the next long-term incentive grant. In fiscal year 2009, the stock options 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.

#### PAY ELEMENTS

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

ELEMENTS	MARKET POSITIONING	OBJECTIVES	LINK TO OTHER ELEMENTS
<b>FIXED SEGMENT</b>			
<b>BASE SALARY</b>	MARKET MEDIAN	RETENTION RECOGNITION OF SKILLS, COMPETENCIES AND EXPERIENCE	INFLUENCES ANNUAL INCENTIVE, LONG-TERM INCENTIVE, PENSION AND SOME BENEFITS
<b>BENEFITS</b>	MARKET MEDIAN	COMPETITIVE RETIREMENT BENEFITS <sup>(1)</sup> ADEQUATE PROTECTION (DEATH, DISABILITY OR ILLNESS)	NONE, EXCEPT THAT THE VALUE OF THE BENEFITS IS CONSIDERED WITHIN THE TOTAL COMPENSATION POLICY OF THE CORPORATION
<b>PERQUISITES</b>	COMPETITIVE	AS NEEDED FOR BUSINESS TAKING INTO ACCOUNT INDIVIDUAL STATUS	
<b>VARIABLE SEGMENT</b>			
<b>SHORT-TERM INCENTIVES</b>			
TARGET	MARKET MEDIAN	MEETING OR EXCEEDING ANNUAL BUSINESS OBJECTIVES	INFLUENCES THE PENSION OF CERTAIN EXECUTIVES <sup>(1)</sup>
MAXIMUM	2X TARGET		
<b>LONG-TERM INCENTIVES</b>			
TARGET	MARKET MEDIAN <sup>(1)</sup>	SHAREHOLDERS VALUE CREATION RETENTION INDIVIDUAL PERFORMANCE	NONE, EXCEPT THAT THE VALUE OF THE LONG-TERM INCENTIVES IS CONSIDERED WITHIN THE TOTAL COMPENSATION POLICY OF THE CORPORATION
MAXIMUM	GRANT REQUIRED TO BRING TOTAL COMPENSATION TO THE MARKET 75 <sup>TH</sup> PERCENTILE	RECOGNITION PROMOTION OF SHARE OWNERSHIP	
<b>TOTAL COMPENSATION</b>			
TARGET	MARKET MEDIAN	COMPETITIVE FOR TARGET PERFORMANCE	
MAXIMUM	MARKET 75TH PERCENTILE	SUPERIOR FOR TOP INDIVIDUAL PERFORMERS	

(1) DESIGNATED SENIOR EXECUTIVES WHO JOINED THE CORPORATION PRIOR TO SEPTEMBER 1, 2002, PARTICIPATE IN A BENEFIT PROGRAM WHERE THE EMPLOYER PROVIDED VALUE IS POSITIONED ABOVE THE MARKET MEDIAN. CONSEQUENTLY, FOR THESE DESIGNATED SENIOR EXECUTIVES, THE LONG-TERM INCENTIVE GRANT REQUIRED TO BRING TOTAL COMPENSATION TO THE MARKET MEDIAN IS BELOW THE MEDIAN GRANT. SEE "POST-RETIREMENT ADDITIONAL ALLOCATION PROGRAM FOR DESIGNATED SENIOR EXECUTIVES".

## BASE SALARY

For the fiscal year 2009, increases in base salary of the Named Executive Officers (“NEOs”) ranged from 4.4 percent to 14 percent. The Human Resources Committee reviewed and recommended Board’s approval of the base salary increases for each executive taking into account each executive’s responsibilities, experience and performance assessment, the positioning of the individual salary within the Corporation’s salary structure and increases granted within the industry for similar positions.

## SHORT-TERM INCENTIVES

According to the Corporation’s compensation policy, the members of the executive team are entitled to a target bonus for meeting their objectives as follows :

POSITIONS	TARGET BONUS EXPRESSED AS A % OF BASE SALARY
PRESIDENT AND CHIEF EXECUTIVE OFFICER	75%
SENIOR VICE-PRESIDENT AND CHIEF FINANCIAL OFFICER	50%
OTHER SENIOR EXECUTIVES	40%

The amount of individual short-term incentives is based on both individual and corporate performance. Individual and corporate performance are assessed by the Board through the Human Resources Committee’s recommendations.

Individual performance is determined on the basis of the achievement of individual objectives set by the President and Chief Executive Officer at the beginning of the year. These objectives are essentially qualitative such as management effectiveness, positive contribution to the Corporation’s image, quality of leadership, etc.

The corporate performance is determined on the basis of the achievement of the Corporation’s financial objective from an enterprise 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, the enterprise value previously calculated is reduced by the consolidated indebtedness of the Corporation. Finally, the enterprise value achieved for a year is compared with that for the prior year, calculated on the same basis, to determine the change in value. This achieved enterprise value creation is compared with the objective approved by the Board of Directors.

For fiscal year 2009, the Board of Directors of the Corporation set an objective of enterprise value creation as follows:

2009 ENTERPRISE VALUE CREATION OBJECTIVE	PERFORMANCE ASSESSMENT	SHORT-TERM INCENTIVE AWARD
13%	AT TARGET	TARGET BONUS
26% OR MORE	EXCEPTIONAL	MAXIMUM BONUS (200% OF TARGET AWARD)

For fiscal year 2009, the enterprise value creation was 21.3%, resulting in a payment of a short-term award of 164% of the target bonus.

For fiscal year 2010, the Board of Directors of the Corporation set an enterprise value creation objective of 13% in order to achieve 100% of the target bonus objective for the year.

## LONG-TERM INCENTIVES

The Human Resources Committee makes recommendations to the Board on the stock options to be granted to each member of the executive team based on their individual contribution, taking into account the Corporation’s executive compensation policy. The Committee does not take into account the amount and terms of the executive’s outstanding stock options when determining the amount of stock options granted for the year.

The Committee believes that stock options, with a 10-year term and a 5-year vesting, are an appropriate long-term incentive for the Corporation for reasons that include the following:

- Stock options with appropriate vesting conditions are an effective means of retaining key executives, and
- The executives only benefit if shareholder value increases over the long term.

## SPECIAL STOCK OPTION GRANT

On October 13, 2006, the Committee recommended to the Board of Cogeco Cable a special grant of performance-contingent stock options to reward the extraordinary efforts deployed by key contributors to the acquisition of Cabovisão. The acquisition was consistent with the strategy of fostering growth of Cogeco Cable but required efforts far above and beyond the normal duties of the key contributors. On October 13, 2006, Cogeco Cable granted 376,000 performance-contingent stock options with an exercise price of \$26.63 of which 262,400 stock options were granted to officers of Cogeco Cable who are also officers of COGECO. Consistent with Cogeco Cable's pay-for-performance philosophy, the future option exercise gain was linked to the success of the acquisition in two ways. First, the future gain was made a function of Cogeco Cable future stock price growth, which will itself be partly determined by the shareholders' assessment of the acquisition's success. Second, the vesting conditions were designed to ensure that options become exercisable in proportion to the Cabovisão EBITDA growth and other criteria over each of the three years ending August 31, 2007, 2008, and 2009. The vesting condition related to Cabovisão EBITDA growth was as follows:

PROPORTION OF SPECIAL STOCK OPTION GRANT	PERFORMANCE PERIOD: YEAR ENDING AUGUST 31	CABOVISÃO EBITDA GROWTH AS A PERCENTAGE OF BASE CASE GROWTH MODEL APPROVED BY THE BOARD <sup>(1)</sup>		
		95%	100%	150%
1/3	2007	NIL (0% OF 1/3)	1/6 (50% OF 1/3)	1/3 (100% OF 1/3)
1/3	2008	NIL (0% OF 1/3)	1/6 (50% OF 1/3)	1/3 (100% OF 1/3)
1/3	2009	NIL (0% OF 1/3)	1/6 (50% OF 1/3)	1/3 (100% OF 1/3)

(1) PRORATED VESTING BETWEEN TWO RESULTS. NO VESTING FOR EBITDA GROWTH BELOW 95% OF BASE CASE GROWTH.

Mr. Audet and his direct reports, who had received additional stock options of Cogeco Cable by virtue of the special grant related to the Cabovisão acquisition were informed, at the end of the second quarter of the last fiscal year, of a proposed write-down in the value of Cabovisão's asset on the balance sheet of Cogeco Cable and voluntarily agreed, at that time, to cancel 75% of the initial allotments to them. This was intended to confirm the management team's alignment with the interest of the Corporation's shareholders. Therefore, the Corporation cancelled, on April 6, 2009, 206,180 options which had been conditionally granted in relation to the acquisition of Cabovisão, at a price of \$26.63 per share, subject to performance criteria of Cabovisão being met. Of these options, 93,518 were exercisable.

For the year ended August 31, 2009, none of the options granted were vested and exercisable by the participants, compared to 85% as at August 31, 2008 for the prior year, and 73% as at August 31, 2007 for the initial year.

## BENEFITS

The Corporation offers all designated employees, including its NEOs as defined by the CSA, a retirement arrangement including a post-retirement additional allocation program. The main provisions of the arrangement are described in more detail on pages 40 to 41 of this Information Circular. The benefits accrued under this arrangement form an integral part of the total compensation offered by the Corporation. This arrangement aims to assure an adequate level of income to the retired executive officers who have spent a significant portion of their career with the Corporation.

Also, the Corporation offers medical, dental, life, accidental death and dismemberment and short and long-term disability insurance coverage to the NEOs. There were no material changes in fiscal year 2009 to the retirement or group insurance benefits.

## EXECUTIVES' PERQUISITES

The Corporation currently provides to its NEOs a limited number of perquisites including car allowance and club memberships. There were no material changes in fiscal year 2009 to the executive perquisites programs.

## SHARE AND/OR INCENTIVE SHARE UNIT OWNERSHIP

To further align the interests of senior management with those of shareholders, the Corporation expects executives who participate in the long-term incentive program to accumulate and retain Corporation shares steadily over the course of their career. The guidelines adopted in 2007 take the form of minimum expectations of ownership to be met within five years and expressed as multiple of salary for the President and Chief Executive Officer and other

designated senior executives (any such individual being referred hereinafter as a “designated senior executive”). To comply with the prescribed ownership guidelines, the designated senior executives had, subject as referred to below, 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 on or after October 17, 2003.

The Human Resources Committee has reviewed the degree of compliance with the ownership expectations by the designated senior executives and concluded that none of the executives who are subject to the expectations will likely meet the minimum ownership within the five-year period initially foreseen. The Committee observed that the significant reduction in the Corporation share price over the last 12 month-period was a contributing factor. The Committee also observed that the Corporation’s long-term incentive program, in its current form, could not provide the senior executives with sufficient ownership opportunities to comply with the expectation within the five-year period.

Therefore, the Committee reviewed the Corporation’s long-term incentive program and adopted the following changes to the program effective for fiscal year 2010. The Corporation will introduce an incentive share unit plan for senior executives and designated employees (the “incentive share unit plan”). The long-term incentive program will be delivered through this new incentive share unit plan and the current stock option plan to the designated senior executives. Both plans will offer the same compensation value as that offered by the current stock option program. However, the portion of the value delivered in the form of stock options will be reduced to make room for a larger portion in the form of incentive share units as follows:

- Stock options representing 25% of the total value; and
- Incentive Share Units representing 75% of the total value.

The requirement for designated senior executives to retain at least 20% of their after-tax net gains from the exercise of stock options will be eliminated for all outstanding and future grants given that Incentive share units constitute an immediate stake in the shareholders’ equity from the date of grant and that they are locked-in for 3 years and that designated senior executives will be required to retain thereafter, unless and until their required minimum share and/or incentive share unit ownership expectations are met, all or such part of the vested incentive shares units paid in subordinate shares of the Corporation and/or COGECO, as may be required to meet such minimum share and/or incentive share unit ownership expectations.

The President and Chief Executive Officer is expected to accumulate shares with a market value of at least five times his annual base salary. Other designated senior executives of the Corporation are expected to accumulate shares and/or incentive share units with a market value of at least 0.8 times annual base salary and are encouraged to accumulate up to 1.0 times annual base salary. Executives who are officers of both COGECO and Cogeco Cable can comply with ownership expectations using a combination of subordinate shares or incentive share units from both entities.

Finally, the Committee has eliminated the minimum 5-year period to comply with the ownership expectations given that the changes in the long-term incentive program as described above will facilitate the meeting of the ownership expectations within a reasonable period of time. It is estimated that the President and Chief Executive Officer will meet the ownership expectations before the end of calendar year 2011 assuming he receives grants within the policy and that the share price experiences minimum volatility. All of the other NEOs meet this minimum share and/or incentive unit ownership, except Mr. Perrotta who is expected to meet this minimum next year. The period for an executive who becomes subject to the ownership expectations for the first time is not expected to exceed three years, based on the same assumptions.

#### **CLAW-BACK OF PRIOR AWARDS**

The Corporation does not have a formal policy in place.

#### **COMPENSATION OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER**

Mr. Louis Audet is the President and Chief Executive Officer of both COGECO and Cogeco Cable. Mr. Louis Audet received no direct compensation from the Corporation. However, 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 and grants him compensation for services to COGECO and the Corporation under the terms of the

Management Agreement described under the heading "Interest of Management and Directors in Certain Transactions":

The overall compensation of Mr. Louis Audet is subject to annual review by the Human Resources Committee of COGECO. The Committee makes recommendations to the Board of COGECO on the suggested level of and/or changes in his overall compensation taking into account performance in light of the corporate goals and objectives for which he is responsible and that are relevant to his compensation as well as competitive compensation practices. Any proposed change to the compensation of the President and Chief Executive Officer is approved by the Board of COGECO, without the participation of the President and Chief Executive Officer.

#### SALARY

The Board, upon the recommendation of the Committee, approved an increase of 12.7% in Mr. Audet's base salary for the fiscal year 2009. The increase was set by the Committee to reflect Mr. Audet's achievement of objectives set by the Board for the fiscal year 2008 and market competitive salary for comparable positions in companies included in the reference group presented above. The objectives set by the Board for fiscal year 2008 and the degree of achievement as assessed by the Board were as follows :

OBJECTIVES	ACHIEVEMENT AS ASSESSED BY THE BOARD
SOLIDIFY THE COMPETITIVE STANDING OF THE CORPORATION WITHIN ESTABLISHED SERVING AREAS	EXCEED
CONTINUE TO GROW PROFITABILITY OF CABOVISÃO AND IDENTIFY OTHER GROWTH OPPORTUNITIES	DID NOT MEET
FOSTER AND STRENGTHEN ORGANIZATIONAL EFFECTIVENESS AND IDENTIFY SUCCESSION STRATEGIES FOR KEY MANAGEMENT POSITIONS	MET
FOSTER ETHICAL DECISION-MAKING BY MANAGEMENT IN ACCORDANCE WITH THE CODE OF ETHICS OF THE COGECO GROUP	MET
MAINTAIN AND ENHANCE RELATIONSHIP WITH EXTERNAL STAKEHOLDERS	MET

#### ANNUAL INCENTIVES

The Committee makes recommendations to the Board on the annual bonus payable to the President and Chief Executive Officer taking into consideration the corporate performance and COGECO's financial results achieved during the fiscal year. According to COGECO's compensation policy and based on Towers Perrin's market compensation analysis, the Board approved an increase in the President and Chief Executive Officer's target bonus from 60% to 75% of his basic salary for fully meeting these objectives. The annual bonus payable to the President and Chief Executive Officer can reach a maximum of 150% of his base salary for exceptional results. During the last fiscal year, Mr. Audet received a bonus of \$990,000 from COGECO which represented approximately 123.8% of his base salary. The 2009 bonus was awarded based on the achievement of the following financial results of COGECO:

FINANCIAL PERFORMANCE MEASURE	2009 RESULTS/COMMENTS	RESULTS
ENTERPRISE VALUE CREATION OBJECTIVE (13% FOR FISCAL YEAR 2009)	ACHIEVEMENT OF 164%	TARGET MET

#### LONG-TERM INCENTIVES

The Human Resources Committee of COGECO also makes recommendations to its Board on the stock options and incentive share units to be granted to the President and Chief Executive Officer. The amount and frequency of such grants are designed to link from year to year a relatively stable portion of the compensation of the President and Chief Executive Officer to the return on the COGECO's shareholders' investments. For the fiscal year ended August 31, 2009, he was awarded by the Board of Cogeco Cable 10 year options for the purchase of 13,200 subordinate shares of Cogeco Cable under the Stock Option Plan of the Corporation as referred to in the table under the heading "Incentive Plan Awards". Also, he was awarded 5,400 incentive share units of COGECO as referred to in the same table.

The value of these grants is below the competitive value of grants offered by companies in the reference group listed above. Although the Committee has recommended grants that were aligned with competitive norms, Mr. Audet has voluntarily declined larger grants to maintain reasonable internal equity with other senior executives of the Corporation and COGECO.

## TOTAL COMPENSATION – FIVE-YEAR LOOK BACK

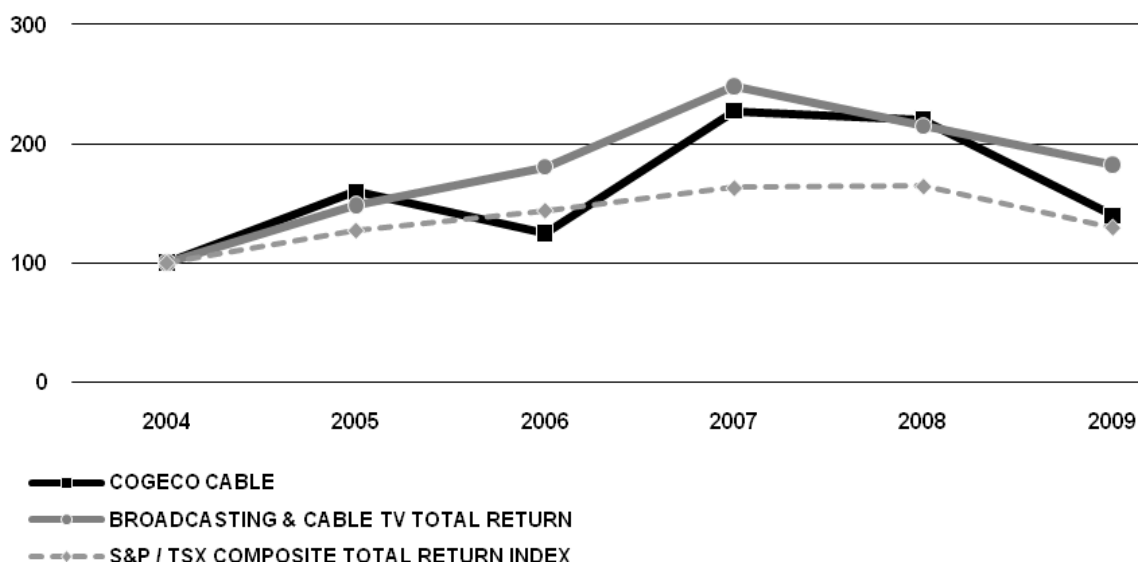
A “look-back” for a five-year period of the total compensation awarded by COGECO to the President and Chief Executive Officer may be found in COGECO’s Information Circular for its annual meeting to be held on December 16, 2009 and which can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## PERFORMANCE GRAPH

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 (“TSX”) for the five-year period ended August 31, 2009<sup>(1)</sup>.

### CUMULATIVE TOTAL RETURN FOR FIVE YEARS

YEARS ENDED AUGUST 31  
INVESTMENT ON AUGUST 31, 2004  
2004 = \$100



(1) ASSUMING THAT THE INITIAL VALUE OF THE INVESTMENT IN SUBORDINATE SHARES OF THE CORPORATION ON THE TSX WAS \$100 ON AUGUST 31, 2004. VALUES INCLUDE DIVIDENDS PAID BUT EXCLUDE BROKERAGE FEES AND ALL INCOME TAXES.

YEARS ENDED AUGUST 31	2004	2005	2006	2007	2008	2009
	\$	\$	\$	\$	\$	\$
COGECO CABLE	100	160	125	228	220	140
BROADCASTING & CABLE TV TOTAL RETURN	100	148	181	248	215	183
S&P/TSX COMPOSITE TOTAL RETURN INDEX	100	127	144	163	164	130

## TRENDS BETWEEN NEOS’ PAY AND TOTAL SHAREHOLDER RETURN

The trend analysis between Mr. Audet’s total direct compensation and Cogeco Cable’s cumulative total shareholder return over the five-year period ended August 31, 2009 shows a strong relationship between these two variables.

Given that a significant portion of Mr. Audet’s total direct compensation is delivered in the form of stock-based compensation, the fluctuation in Mr. Audet’s compensation tends to be closely linked to the amount of wealth created for the Corporation’s shareholders. A similar relationship exists between pay and stock performance for the other NEOs.

## SUMMARY COMPENSATION TABLE

The following summary compensation table provides information as to the total compensation for the last two fiscal years paid, awarded and earned by each of the NEOs. In last year's information circular, the Corporation prepared the summary compensation table according to the new disclosure rules even though the Corporation was not required to do so. For consistency purposes and to help the reader in assessing the changes in compensation from 2008 to 2009, the following summary compensation table presents the compensation information for both fiscal year 2008 and 2009.

NAME AND PRINCIPAL POSITION	YEAR	SALARY \$	SHARE-BASED AWARDS <sup>(2)</sup> \$	OPTION AWARDS <sup>(3)</sup> \$	ANNUAL INCENTIVE PLANS \$	PENSION VALUE <sup>(4)</sup> \$	ALL OTHER COMPENSATION <sup>(5)</sup> \$	TOTAL COMPENSATION \$
<b>LOUIS AUDET<sup>(1)</sup></b>								
PRESIDENT AND CHIEF EXECUTIVE OFFICER	2009	800,000	135,000	150,108	990,000	1,658,000	—	3,733,108
	2008	710,000	191,952	206,454	843,480	477,000	—	2,428,886
<b>PIERRE GAGNÉ<sup>(1)(6)</sup></b>								
VICE PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER	2009	450,000	67,500	75,054	366,050	291,000	—	1,249,604
	2008	410,000	107,973	116,130	316,880	95,000	—	1,045,983
<b>LOUISE ST-PIERRE<sup>(6)</sup></b>								
VICE PRESIDENT, CUSTOMER SERVICES AND ONTARIO OPERATIONS	2009	315,000	—	204,692	244,000	125,000	—	888,692
	2008	290,000	—	125,347	224,000	168,000	—	807,347
<b>RON PERROTTA</b>								
VICE PRESIDENT, MARKETING AND STRATEGIC PLANNING	2009	295,000	—	129,639	188,400	85,000	—	683,039
	2008	263,000	—	152,997	202,400	61,000	—	679,397
<b>JACQUES GRAVEL<sup>(6)</sup></b>								
VICE PRESIDENT, NETWORK SERVICES AND QUEBEC OPERATIONS	2009	280,000	—	112,581	216,000	68,000	—	676,581
	2008	244,000	—	125,347	187,200	80,000	—	636,547

- (1) THE SERVICES OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER AND THE VICE PRESIDENT, FINANCE AND CHIEF FINANCIAL OFFICER ARE PROVIDED TO THE CORPORATION UNDER THE TERMS OF THE MANAGEMENT AGREEMENT DESCRIBED UNDER THE HEADING "INTEREST OF MANAGEMENT AND DIRECTORS IN CERTAIN TRANSACTIONS". THE ANNUAL COMPENSATION DESCRIBED BELOW IS PAID BY COGECO AND REPRESENTS THE SERVICES PROVIDED BY THESE TWO SENIOR EXECUTIVE OFFICERS TO COGECO AND TO THE CORPORATION. THERE IS NO ALLOCATION OF SUCH COMPENSATION MADE BETWEEN THE TWO COMPANIES. HOWEVER, CERTAIN OPTIONS WERE GRANTED TO THEM IN SUBORDINATE SHARES OF THE CORPORATION AS NOTED IN THE TABLE AND FOR WHICH A CHARGE WAS MADE TO COGECO AS REFERRED TO UNDER "INTEREST OF MANAGEMENT AND DIRECTORS IN CERTAIN TRANSACTIONS".
- (2) AMOUNTS SHOWN REPRESENT INCENTIVE SHARE UNITS GRANTED AT A SHARE PRICE OF \$ 25.00 AND \$ 39.99 WHICH WERE THE CLOSING PRICES OF COGECO'S SUBORDINATE VOTING SHARES RESPECTIVELY ON OCTOBER 28, 2008 AND OCTOBER 25, 2007.
- (3) THE GRANT DATE FAIR VALUE OF OPTION AWARDS ON SUBORDINATE SHARES OF COGECO CABLE MADE IN FISCAL YEAR 2009 WAS CALCULATED USING THE BINOMIAL LATTICE MODEL. THE BINOMIAL FACTOR HAS BEEN DETERMINED USING A 3-YEAR AVERAGE VOLATILITY AND 1-YEAR DIVIDEND YIELD AT THE DATE OF GRANT. THE BINOMIAL FACTOR USED FOR FISCAL YEAR 2009 IS 33% OF THE EXERCISE PRICE. THIS METHODOLOGY FOR DETERMINING THE FAIR VALUE OF THE GRANTS IS USED AS IT CORRESPONDS TO THE COMPENSATION VALUE WHICH THE BOARD INTENDED TO PROVIDE TO THE NEOs WITHIN THE CORPORATION'S TOTAL COMPENSATION POLICY. THIS METHOD IS CONSISTENT WITH THE METHOD USED BY THE COMMITTEE'S COMPENSATION ADVISORS WHEN VALUING THE EQUITY-BASED AWARDS OF OTHER COMPANIES FOR COMPETITIVE TOTAL COMPENSATION COMPARISON PURPOSES. THE AMOUNT OF THE DIFFERENCES BETWEEN FAIR VALUE OF THE AWARDS (SET FORTH IN THE OPTION-BASED AWARDS COLUMN OF THE SUMMARY COMPENSATION TABLE (SCT)) AND THE FAIR VALUE DETERMINED FOR PURPOSES OF THE FINANCIAL STATEMENTS ARE SET FORTH BELOW:

	SCT VALUES	ACCOUNTING VALUES
LOUIS AUDET	\$150,108	\$115,368
PIERRE GAGNÉ	\$75,054	\$57,684
LOUISE ST-PIERRE	\$204,692	\$157,320
RON A. PERROTTA	\$129,639	\$99,636
JACQUES GRAVEL	\$112,581	\$86,526

THE DIFFERENCE BETWEEN THE GRANT DATE FAIR VALUE FOR ACCOUNTING PURPOSES AND THE GRANT FAIR VALUE FOR COMPENSATION PURPOSES AS DISCLOSED IN THE SCT IS DUE TO THE USE OF DIFFERENT ASSUMPTIONS AND ESTIMATES.

- (4) PENSION VALUE. SEE THE HEADING "DEFINED BENEFIT PLAN TABLE".
- (5) BENEFITS NOT EXCEEDING THE LESSER OF \$50,000 OR 10% OF SALARY ARE NOT DISCLOSED.
- (6) FOLLOWING THE IMPLEMENTATION OF THE NEW ORGANIZATIONAL STRUCTURE, ON SEPTEMBER 1, 2009, MR. PIERRE GAGNÉ WAS APPOINTED SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER, MRS. LOUISE ST-PIERRE WAS APPOINTED SENIOR VICE PRESIDENT, RESIDENTIAL SERVICES AND JACQUES GRAVEL, VICE PRESIDENT, NETWORK SERVICES.

## INCENTIVE PLAN AWARDS

The table below describes award-by-award, all unexercised options and all non-vested incentive share units at the financial year ended August 31, 2009. By virtue of these option awards and subject to the applicable vesting restrictions, the NEOs have the right to acquire subordinate shares of the Corporation or subordinate voting shares of COGECO, as applicable, under the relevant Stock Option Plan.

NAME	STOCK OPTION AWARDS				SHARE-BASED AWARDS	
	SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE <sup>(2)</sup>	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS <sup>(3)</sup>	SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED <sup>(4)</sup>	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED
	#	\$		\$	#	\$
LOUIS AUDET	19,400 <sup>(4)</sup>	37.50	October 20, 2010	—	20,800	417,248
	26,000 <sup>(4)</sup>	20.95	October 19, 2011	—		
	20,000 <sup>(1)</sup>	23.45	October 18, 2011	73,600		
	10,000 <sup>(1)</sup>	16.80	October 17, 2013	103,300		
	7,800 <sup>(1)</sup>	15.70	December 4, 2013	89,154		
	21,500 <sup>(1)</sup>	21.50	October 15, 2014	121,045		
	18,000 <sup>(1)</sup>	29.05	October 21, 2015	—		
	28,500 <sup>(1)</sup>	26.63	October 13, 2016	14,250		
	32,000 <sup>(1)(5)</sup>	26.63	October 13, 2016	16,000		
	11,200 <sup>(1)</sup>	49.82	October 26, 2017	—		
13,200 <sup>(1)</sup>	34.46	October 29, 2018	—			
PIERRE GAGNÉ	6,100 <sup>(4)</sup>	37.50	October 22, 2010	—	11,400	228,684
	10,000 <sup>(4)</sup>	20.95	October 19, 2011	—		
	300 <sup>(1)</sup>	7.05	October 18, 2012	6,024		
	6,400 <sup>(1)</sup>	16.80	October 17, 2013	66,112		
	3,600 <sup>(1)</sup>	15.70	December 4, 2013	41,148		
	7,000 <sup>(1)</sup>	21.50	October 15, 2014	39,410		
	6,000 <sup>(1)</sup>	29.05	October 21, 2015	—		
	16,000 <sup>(1)</sup>	26.63	October 13, 2016	8,000		
	18,000 <sup>(1)(5)</sup>	26.63	October 13, 2016	9,000		
	6,300 <sup>(1)</sup>	49.82	October 26, 2017	—		
6,600 <sup>(1)</sup>	34.46	October 29, 2018	—			

NAME	STOCK OPTION AWARDS				SHARE-BASED AWARDS	
	SECURITIES UNDERLYING UNEXERCISED OPTIONS	OPTION EXERCISE PRICE <sup>(2)</sup>	OPTION EXPIRATION DATE	VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS <sup>(3)</sup>	SHARES OR UNITS OF SHARES THAT HAVE NOT VESTED <sup>(4)</sup>	MARKET OR PAYOUT VALUE OF SHARE-BASED AWARDS THAT HAVE NOT VESTED
	#	\$		\$	#	\$
LOUISE ST-PIERRE	10,000 <sup>(1)</sup>	29.05	October 21, 2015	—	—	—
	20,000 <sup>(1)</sup>	26.63	October 13, 2016	10,000		
	3,500 <sup>(1)(5)</sup>	26.63	October 13, 2016	1,750		
	6,800 <sup>(1)</sup>	49.82	October 26, 2017	—		
	18,000 <sup>(1)</sup>	34.46	October 29, 2018	—		
RON A. PERROTTA	2,400 <sup>(1)</sup>	21.50	October 15, 2014	13,512	—	—
	4,000 <sup>(1)</sup>	29.05	October 21, 2015	—		
	9,600 <sup>(1)</sup>	26.63	October 13, 2016	4,800		
	134 <sup>(1)(5)</sup>	26.63	October 13, 2016	67		
	8,300 <sup>(1)</sup>	49.82	October 26, 2017	—		
	11,400 <sup>(1)</sup>	34.46	October 29, 2018	—		
JACQUES GRAVEL	3,058 <sup>(1)</sup>	21.50	October 15, 2014	17,217	—	—
	2,557 <sup>(1)</sup>	29.05	October 21, 2015	—		
	10,000 <sup>(1)</sup>	24.15	July 31, 2016	29,800		
	6,800 <sup>(1)</sup>	49.82	October 26, 2017	—		
	9,900 <sup>(1)</sup>	34.46	October 29, 2018	—		

(1) UNDERLYING SECURITY: SUBORDINATE SHARES OF COGECO CABLE.

(2) BASED ON THE CLOSING PRICE ON THE TSX ON THE TRADING DAY PRECEDING THE DATE OF GRANT OF THE OPTIONS OF COGECO OR COGECO CABLE, AS APPLICABLE.

(3) THE VALUE OF UNEXERCISED IN-THE-MONEY OPTIONS OF COGECO OR COGECO CABLE AT YEAR-END IS THE DIFFERENCE BETWEEN THE EXERCISE PRICE OF THE OPTIONS AND THE CLOSING PRICE OF THE UNDERLYING SECURITY ON THE TSX ON AUGUST 31, 2009 WHICH WAS \$20.06 PER SHARE FOR COGECO AND \$27.13 PER SHARE FOR COGECO CABLE.

(4) UNDERLYING SECURITY: SUBORDINATE VOTING SHARES OF COGECO

(5) SPECIAL STOCK OPTIONS GRANTED TO REWARD THE EXTRAORDINARY EFFORTS DEPLOYED BY KEY CONTRIBUTORS TO THE ACQUISITION OF CABOVISÃO. SEE THE HEADING "SPECIAL STOCK OPTION GRANT".

## INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table summarizes for each of the NEOs the aggregate value earned upon vesting of options during the financial year ended August 31, 2009. No incentive share units vested during the year.

NAME	OPTION-BASED AWARDS <sup>(1)</sup> VALUE VESTED DURING THE YEAR \$
LOUIS AUDET	43,059
PIERRE GAGNÉ	18,482
LOUISE ST-PIERRE	15,010
RON A. PERROTTA	15,179
JACQUES GRAVEL	9,406

(1) UNDERLYING SECURITIES: SUBORDINATE SHARES OF COGECO CABLE.

## STOCK OPTION PLANS

### STOCK OPTION PLAN OF THE CORPORATION

The current Stock Option Plan of the Corporation (the "Option Plan") was adopted in 1993 and was amended in 2000, 2001, 2003, 2006, 2007 and 2009. The Option Plan entitles the Board of Directors of the Corporation to grant to key full time employees and officers of the Corporation and of its subsidiaries options to acquire up to 2,400,000

subordinate shares representing 7.3% of the outstanding subordinate shares of the Corporation. As at October 23, 2009 there were a total of 716,745 subordinate shares issuable pursuant to granted outstanding options, representing 2.2% of the outstanding subordinate shares, and a further 884,571 subordinate shares were available for issue, representing 2.7% 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 TSX 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 commencing when they are granted. However, the Human Resources Committee has determined, in respect of options granted from and after October 2009, that the vesting period will be extended so that the vesting will occur equally over the first through fifth anniversaries of the date of the grant. 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.

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.

Under amendments to the Option Plan approved at the annual and special meeting in December 2006, provision was made for an automatic disposition mechanism which allows 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 remain unexercised, to sell, subject to certain provisions of the Option 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 relieve 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.

Also, these amendments allow the Board of Directors to make certain types of amendments without shareholder approval but shareholder approval is required 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.

#### **STOCK OPTION PLAN OF COGECO**

COGECO has a stock option plan which has substantially similar terms to the Option Plan of the Corporation. The stock option plan of COGECO is described in COGECO's information circular for its annual meeting to be held on December 16, 2009 and which can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

#### **OPTIONS GRANTED TO NEOS UNDER COGECO PLAN**

No options were granted under the COGECO plan to the NEOs of the Corporation during the fiscal year ended August 31, 2009.

## INCENTIVE SHARE UNIT PLANS

### INCENTIVE SHARE UNIT PLAN OF THE CORPORATION

Effective October 29, 2009, Cogeco Cable established a senior executive and designated employee incentive share unit plan (the "Incentive Share Unit Plan"). The Incentive Share Unit Plan has been established to (a) provide bonus incentive to senior executives and other key employees of Cogeco Cable for their performance in creating economic value for the shareholders of Cogeco Cable; (b) to ensure a certain level of participation by such eligible employees in the value added for shareholders; (c) to encourage such eligible employees to remain associated with and to continue making a contribution to Cogeco Cable; and (d) provide such eligible employees with a total compensation which is competitive with that of those in similar positions in markets where Cogeco Cable competes for managerial and professional talent. For these purposes Cogeco Cable includes its subsidiaries and controlled entities. Under the terms of the Incentive Share Unit Plan, the Human Resources Committee, which administers the Plan, designates individuals to be eligible employees. The Board or the Human Resources Committee may effect grants of units ("Incentive Share Units") to a participant, the value of each Incentive Share Unit being based on the closing price of a subordinate voting share of Cogeco Cable on the TSX on the trading day preceding such date and pays an amount to a trustee sufficient to enable the trustee to purchase shares of equivalent value to be held for the benefit of the participant. The term during which Units are held prior to payout for the benefit of a Participant shall be three years less one day after the date of grant of Units to a Participant, subject to provisions for extension in limited circumstances. The assets of the plan are held and administered by Computershare Trust Company of Canada as trustee.

In order to be eligible to receive payment of his or her units at the end of the abovementioned term, a participant must be still actively employed with COGECO or Cogeco Cable. Except in the case of death, permanent disability, normal retirement or termination of employment not for cause or a change of control of the Corporation or COGECO, a participant shall forfeit any payout of units which are not vested as of the date of cessation of employment. Any forfeited units shall, as directed by the Corporation, remain in the Plan and be available for grants to existing or new participants in the Plan or be sold and the net proceeds paid to the Corporation.

The participants, by holding units, are not considered shareholders of Cogeco Cable and do not have any right to become a shareholder as a result.

### INCENTIVE SHARE UNIT PLAN OF COGECO

COGECO has an incentive share unit plan which has substantially similar terms to the Incentive Share Unit Plan of the Corporation. The incentive share unit plan of COGECO is described in COGECO's information circular for its annual meeting to be held on December 16, 2009 and which can be found on the SEDAR website at [www.sedar.com](http://www.sedar.com).

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes, as of October 23, 2009, 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 PLANS (EXCLUDING SECURITIES REFLECTED IN THE FIRST COLUMN) #
OPTION PLAN OF THE CORPORATION APPROVED BY SHAREHOLDERS	716,745	30.37	884,571
TOTAL	716,745	30.37	884,571

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 subheading "Stock Option Plan of the Corporation".

## RETIREMENT AGREEMENTS

### BASIC PLAN

COGECO and its subsidiary Cogeco Cable provide to their senior executives a contributory defined-benefit pension plan (the "Basic Plan").

Senior executives contribute to the plan a maximum amount of \$3,500 per year. Pension amounts are payable without any reduction as of the normal retirement age, i.e. 62 years. Based upon the compensation level of the senior executives, the normal pension upon retirement is to be equal to the maximum pension fixed by the Income Tax Act (Canada). If the senior executive retires before 62, the pension will be reduced by 0.5% for each month by which the actual retirement date precedes his or her normal retirement date. The actual retirement may not be before age 52. The pension may be deferred but not beyond the age of 71 years, in which case the pension is revalued to take into account the delay in its payment in relation to the normal retirement age. Pensions are paid in the form of annuities, are not coordinated with public plans and are guaranteed for a period of 10 years.

### POST-RETIREMENT ADDITIONAL ALLOCATION PROGRAM FOR DESIGNATED SENIOR EXECUTIVES

In addition to the retirement plan in force, COGECO and its subsidiary Cogeco Cable maintain a post-retirement additional allocation program for designated senior executives (the "Additional Allocation Program"), 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 conditions of which program vary depending on whether the designated senior executive started his or her employment before or after September 1, 2002. The Additional Allocation Program is not funded. The normal pension payable for a designated senior executive is equal to 2% of his or her average salary minus the maximum pension fixed by the Income Tax Act (Canada), for each service year credited under this program.

Pension amounts are payable without any reduction as of the normal retirement age, i.e. 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 started his or her employment 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 started his or her employment after September 1, 2002, is defined only as base salary for the relevant fiscal year. If the senior executive retires before 62, the pension will be reduced by 0.5% for each month by which the actual retirement date precedes his or her normal retirement date. The actual retirement may not be before age 52. Pensions are paid in the form of annuities, are not coordinated with public plans and are guaranteed for a period of 10 years.

### DEFINED BENEFIT PLAN TABLE

The following table details, for each of the NEOs, the number of years of credited service at year end of August 31, 2009, the annual lifetime benefits payable based on the years of credited service at year end and projected at age 65, the accrued obligation at the start of the year and at year end and the difference between these last two amounts being split between compensatory and non-compensatory changes.

NAME	YEARS OF CREDITED SERVICE	ANNUAL LIFETIME BENEFITS PAYABLE		ACCRUED OBLIGATION	COMPENSATORY	NON-COMPENSATORY	ACCRUED OBLIGATION
	AT YEAR END	AT YEAR END	AT AGE 65	AT START OF YEAR			AT YEAR END
(A)	(B)	(C1)	(C2)\$	(D)\$	(E)	(F)	(G)
LOUIS AUDET	28.3 / 28.3	742,000	921,000	6,772,000	1,658,000	283,000	8,713,000
PIERRE GAGNÉ	13.8 / 13.8	167,000	329,000	1,348,000	291,000	49,000	1,688,000
LOUISE ST-PIERRE	10.3 / 10.3	87,000	182,000	779,000	125,000	27,000	931,000
RON A. PERROTTA	7.5 / 7.5	64,000	219,000	388,000	85,000	16,000	489,000
JACQUES GRAVEL	3.1 / 7.8	20,000	79,000	185,000	68,000	12,000	265,000

In the preceding table, all figures are for the Basic Plan and the Additional Allocation Program combined, except for the first figure in column (B) which corresponds to the years of credited service in the Basic Plan while the other figure corresponds to the years of credited service in the Additional Allocation Program. The annual lifetime benefits

illustrated in columns (C1) and (C2) are estimated on the basis of the average compensation of the NEO as at August 31, 2009 and on the basis of the fiscal limit applicable for 2009. The compensatory change in column (E) corresponds to the service cost net of employee contributions plus the impact of the differences between actual and estimated earning on the obligation and the service cost. The non-compensatory change in column (F) includes all items that are not compensatory, such as changes in actuarial assumptions, employee contributions and interest on the obligation and the service cost.

Note that the accrued obligations and the compensatory and non-compensatory changes were calculated using the same assumptions and methods as those used for the Corporation's financial statements, in particular, a discount rate of 6.0% applicable at the beginning of fiscal year 2009 and of 6.25% at year end. The amounts shown in the table above are estimates and are based on assumptions that can vary over time.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

Four of the NEOs, Mrs. St-Pierre and Messrs. Gagné, Gravel 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 and incentive share units pursuant to the long-term incentive plans described above.

These four employment contracts also provide, in the event of involuntary termination of employment other than for cause, for the payment of amounts of up to 24 months of the annual compensation of the previous year. Each individual is also eligible for the Senior Management Special Remuneration Plan in the event of a change of control in the Corporation (the "Special Plan"). This Special Plan has been established by the Corporation in 2000. It is intended to provide indemnity to the senior management by way of severance allowance, continuity of benefits, acceleration of rights to exercise options and related protections in the event of a change of control of the Corporation which is followed by a termination of employment (i.e. « double trigger »). For such purpose, a "change of 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 Cogeco Cable. The protections under the Special Plan apply, in terms of eligibility, to the senior management of the Corporation, including the NEOs. 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 of the Corporation and 24 months in the case of the other NEOs and certain other officers.

The following table summarizes the estimated payments and value of benefits offered upon termination of employment, including change of control for the NEOs.

NAME	CHANGE OF CONTROL AND TERMINATION OF EMPLOYMENT				RESIGNATION OR TERMINATION WITH CAUSE				TERMINATION WITHOUT CAUSE			
	CASH PORTION	VALUE OF ADDITIONAL		TOTAL	CASH PORTION	VALUE OF ADDITIONAL		TOTAL	CASH PORTION	VALUE OF ADDITIONAL		TOTAL
		CGO/CCA	OTHER BENEFITS			CGO/CCA	OTHER BENEFITS			CGO/CCA	OTHER BENEFITS	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
LOUIS AUDET	4,200,000	417,248/ 5,700	881,228	5,504,176	—	—	—	—	—	—	—	—
PIERRE GAGNÉ	1,350,000	228,684/ 3,200	228,568	1,810,452	—	—	—	—	1,023,689	228,684/0	27,603	1,279,977
LOUISE ST-PIERRE	882,000	0/4,000	191,370	1,077,370	—	—	—	—	428,333	0/0	16,823	444,667
RON A. PERROTTA	826,000	0/3,200	140,266	969,466	—	—	—	—	271,483	0/0	11,433	282,917
JACQUES GRAVEL	784,000	0/11,920	107,688	903,608	—	—	—	—	268,333	0/0	12,740	279,767

(1) LTIP STANDS FOR THE LONG TERM INCENTIVE PROGRAM. ADDITIONAL STOCK OPTIONS AND/OR INCENTIVE SHARE UNITS CAN BECOME EXERCISABLE IN CASE OF CHANGE OF CONTROL OR TERMINATION WITHOUT CAUSE.

## COMPENSATION OF DIRECTORS

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

### COMPENSATION POLICY

The following table sets out the annual retainer and meeting attendance fees payable to directors of Cogeco Cable as at August 31, 2009 under the Policy regarding the compensation of the directors of the members of the COGECO Group.

BOARD CHAIR	AUDIT COMMITTEE CHAIR	ANNUAL CASH RETAINER FEES		ATTENDANCE FEES PER MEETING <sup>(1)</sup>		
		OTHER COMMITTEE CHAIRS	DIRECTOR <sup>(2)</sup>	BOARD	AUDIT COMMITTEE	OTHER COMMITTEES
\$75,000	\$7,500	\$6,000	\$24,000	\$1,000	\$1,500	\$1,000

(1) THE ATTENDANCE FEE FOR A JOINT MEETING OF COGECO CABLE AND COGECO BORNE EQUALLY BETWEEN THE TWO COMPANIES.

(2) A DIRECTOR WHO SERVES ON THE BOARD OF COGECO OR COGECO CABLE BUT NOT ON BOTH BOARDS RECEIVES A HIGHER ANNUAL RETAINER IN THE AMOUNT OF \$38,000.

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

Nine directors, who are neither senior executive officers nor employees of the Corporation, received in the aggregate \$480,500 for their services in their capacity as directors during the year ending August 31, 2009. Five of these directors, Messrs. Claude A. Garcia, David McAusland and Jan Peeters and Mesdames Jacqueline L Boutet and Germaine Gibara, who also served as directors of COGECO, received, under similar compensation arrangements, in the aggregate \$226,000 for their services in their capacity as directors of COGECO during the year ending August 31, 2009, as described in the information circular of COGECO for its annual meeting to be held on December 16, 2009.

Messrs. William P. Cooper, L.G. Serge Gadbois and Harry A. King also served as members of the Supervisory Board of Cabovisão, a wholly-owned subsidiary of the Corporation and received, under similar compensation arrangements, in the aggregate \$10,185 for their services in their capacity as members of the Supervisory Board of Cabovisão, which is the equivalent of an audit committee in Canada under Portuguese law.

## DIRECTOR COMPENSATION TABLE

The following table summarizes fees paid to individual directors for fiscal year 2009.

NAME	CASH FEES EARNED \$	DEFERRED SHARE UNITS <sup>(1)</sup> \$	TOTAL \$
LOUIS AUDET <sup>(2)</sup>	—	—	—
JACQUELINE L. BOUTET	35,000	—	35,000
WILLIAM PRESS COOPER	44,000	19,000	63,000
L.G. SERGE GADBOIS	63,000	—	63,000
CLAUDE A. GARCIA	14,500	27,000	41,500
GERMAINE GIBARA	14,500	24,000	38,500
JOSÉE GOULET	20,000	38,000	58,000
HARRY A. KING	29,000	38,000	67,000
DAVID MCAUSLAND	19,250	20,250	39,500
JAN PEETERS	56,250	18,750	75,000

(1) INDIVIDUAL DIRECTORS MAY ELECT TO TAKE ALL OR A PORTION OF THEIR ANNUAL RETAINER IN THE FORM OF DEFERRED SHARE UNITS AS REFERRED TO BELOW UNDER THE HEADING "DEFERRED SHARE UNIT PLAN."

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

## DEFERRED SHARE UNIT PLAN

In April, 2007, the Corporation established a deferred share unit plan ("DSU Plan") to assist in the attraction and retention of qualified individuals to serve on the Board of the Corporation. Each existing or new member of the Board may elect in writing, in advance of the year to which his or her annual retainer(s) relates, to be paid a percentage of his or her annual retainer(s) in the form of deferred share units ("DSUs") with the balance, if any, being paid in cash. The number of DSUs that a member is entitled to receive in respect of any year is based on the elected percentage multiplied by his or her annual retainer and divided by the applicable Share Price. For such purpose, the applicable Share Price is the closing price of a subordinate share on the Toronto Stock Exchange averaged over the twenty consecutive trading days immediately preceding the day preceding the date of grant. Dividend equivalents are awarded in respect of DSUs in a member's account on the same basis as if the member was a shareholder of record of subordinate shares on the relevant record date, and the dividend equivalents are credited to the individual's account as additional DSUs (or fractions thereof).

Upon an individual ceasing to be a member of the Board, he or she may within seven days following such cessation elect to receive net of any applicable withholding taxes (i) a cash payment equal to the number of DSUs credited to his or her account as of the termination date multiplied by the Share Price on the termination date; or (ii) subordinate shares purchased on the individual's behalf on the open market by a broker; or (iii) a combination thereof. In the absence of the giving of a notice of redemption the director will be deemed to have elected a cash payment. In the event of death of a director, no notice of redemption shall be required and the Corporation shall within 90 days of death make a lump sum cash payment for the benefit of the trustee, administrator or other legal representative of the individual. The lump sum cash payment would be equivalent to the cash payment on the termination date if the director had ceased to be a director on such date. The plan is administered by the Human Resources Committee.

## DIRECTOR SHARE AND DEFERRED SHARE UNIT OWNERSHIP

All current directors own subordinate shares of the Corporation or DSUs.

In order to meet best corporate governance practices, directors are expected, since October 13, 2006, to accumulate subordinate shares of the Corporation or hold deferred share units with a value equivalent to at least three times the basic annual retainer payable to directors (currently \$24,000 for directors who sit on the Boards of the Corporation and COGECO; \$38,000 for directors who sit only on the Board of the Corporation; and \$75,000 for the Chairman of the Board). 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. Of the 10 current directors, all eligible directors meet this minimum share ownership expectation, except Messrs. Cooper, Gadbois and Peeters who have until October 13, 2011 to meet this expectation.

The following table sets out each director's shares, stock options and DSUs interest in the Corporation as at August 31, 2008 and 2009 and any change in the ownership interest during the last fiscal year.

DIRECTOR	SHARES, STOCK OPTIONS AND DSUs OWNERSHIP AS AT AUGUST 31, 2009			SHARES, STOCK OPTIONS AND DSUs OWNERSHIP AS AT AUGUST 31, 2008 <sup>(1)</sup>			NET INCREASE IN SHARES, STOCK OPTIONS AND DSUs OWNERSHIP			DIRECTORS' "SHARES, STOCK OPTIONS AND DSUs AT RISK" AMOUNT AS AT AUGUST 31, 2009 <sup>(2)</sup>
	SUBORDINATE SHARES	STOCK OPTIONS	DEFERRED SHARE UNITS	SUBORDINATE SHARES	STOCK OPTIONS	DEFERRED SHARE UNITS	SUBORDINATE SHARES	STOCK OPTIONS	DEFERRED SHARE UNITS	
L. AUDET	24,700	162,200	N/A	24,700	233,480	N/A	0	(71,280)	N/A	1,087,460
J. L. BOUTET	4,645	N/A	0	4,645	N/A	0	0	N/A	0	126,019
W.P. COOPER	3,015	N/A	1,087	3,015	N/A	427	0	N/A	660	111,287
L. G. S. GADBOIS	3,465	N/A	0	2,500	N/A	0	965	N/A	0	94,005
C. A. GARCIA	5,350	N/A	1,544	5,350	N/A	607	0	N/A	937	187,034
G. GIBARA	2,515	N/A	825	2,515	N/A	0	0	N/A	825	90,614
J. GOULET	5,000	N/A	2,172	5,000	N/A	853	0	N/A	1,319	194,576
H. A. KING	4,989	N/A	2,172	4,989	N/A	853	0	N/A	1,319	194,278
D. MCAUSLAND	4,020	N/A	1,127	4,020	N/A	424	0	N/A	703	139,638
J. PEETERS	6,260	N/A	1,072	6,260	N/A	421	0	N/A	651	198,917
TOTAL	63,959	162,200	9,999	62,994	233,480	3,585	965	(71,280)	6,414	2,423,828

(1) AS DISCLOSED IN THE INFORMATION CIRCULAR FOR THE CORPORATION'S ANNUAL MEETING HELD ON DECEMBER 11, 2008.

(2) THE DIRECTORS' "EQUITY AT RISK" IS BASED ON THE CLOSING PRICE OF THE SUBORDINATE SHARES OF THE CORPORATION ON THE TSX AS AT AUGUST 31, 2009 WHICH WAS \$27.13 PER SHARE. A DEFERRED SHARE UNIT IS ASSUMED TO HAVE THE SAME VALUE AS A SUBORDINATE 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, 2009.FOR DETAILS, SEE THE HEADING "INCENTIVE PLAN AWARDS".

## 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 \$60,000,000, subject to a maximum deductible of \$250,000 per loss. The Corporation's share of the premiums payable for this coverage is approximately \$155,096 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.

## 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 28, 2009, the total amount outstanding under the interest-bearing loans granted to all employees of the Corporation and of its subsidiaries and controlled entities under its Employee Share Purchase Plan was \$32,253. Under a new share purchase plan to become effective January 1, 2010, no further loans will be made to employees for purchase of shares.

## INTEREST OF MANAGEMENT AND DIRECTORS IN CERTAIN TRANSACTIONS

COGECO holds 32.3% of its subsidiary Cogeco Cable's equity shares, representing 82.7% of the votes attached to Cogeco Cable's voting shares. As of September 1, 1992, Cogeco Cable executed a management agreement with COGECO under which the parent company agreed to provide certain executive, administrative, legal, regulatory, strategic and financial planning services and additional services to the Corporation and its subsidiaries (the "Management Agreement"). These services are provided by officers of COGECO, including the President and Chief Executive Officer, the Senior Vice President and Chief Financial Officer, the Vice President, Corporate Affairs and the Chief Legal Officer. No direct remuneration is payable to such officers by the Corporation. The Corporation granted 29,711 stock options to its officers, who also are COGECO's officers, during the 2009 fiscal year, compared to 22,683 in the 2008 fiscal year and charged COGECO an amount of \$0.4 million for such grant.

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 million per year, subject to annual upward adjustments based on increases in the Consumer Price Index in Canada. Accordingly, for the year ended August 31, 2009, the maximum amount of \$9.0 million was paid to COGECO, compared to \$8.7 million in 2008, which represents about 0.7% of the Corporation's total revenue for fiscal 2009 compared to 0.8% for fiscal 2008. 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 with respect to services provided to the Corporation under the Management Agreement. In fiscal 2010, the management fee will remain the same at \$9 million pursuant to 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.

## 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, 2009. Copies of these documents and additional information concerning the Corporation can be found on the SEDAR Website at [www.sedar.com](http://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 1700, Montréal, Québec H3B 0B3, telephone (514) 764-4700. 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 6th day of November, 2009



Christian Jolivet,  
Secretary