ANNUAL INFORMATION FORM

OCTOBER 28, 2015

ANNUAL
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FORM

2015

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

COGECO
COGECO CABLE

PROFILE

Cogeco Cable Inc. ("Cogeco Cable" or the "Corporation") is a communications corporation. It is the 11th largest cable operator in North America, operating in Canada under the Cogeco Cable Canada name in Québec and Ontario, and in the United States under the Atlantic Broadband name in western Pennsylvania, south Florida, Maryland/Delaware, South Carolina and eastern Connecticut. Cogeco Cable provides its residential and business customers with video, Internet and telephony services through its two-way broadband fibre networks.

Through its subsidiary Cogeco Peer 1, Cogeco Cable provides its business customers with a suite of information technology services (colocation, network connectivity, managed hosting, cloud services and managed IT services), through its 21[1] data centres, extensive FastFiber Network™ and more than 50 points-of-presence in North America and Europe.

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

[1] As at October 28, 2015

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FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Information Form (“AIF”) may constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to Cogeco Cable’s future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue”, “foresee”, “ensure” or other similar expressions concerning matters that are not historical facts. Particularly, statements regarding Cogeco Cable’s financial guidelines, future operating results and economic performance, objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities which Cogeco Cable believes are reasonable as of the current date. Refer in particular to the section of the Cogeco Cable’s Annual Report for the year ended August 31, 2015 which is available at www.sedar.com (Cogeco Cable 2015 Annual Report) entitled “Corporate Objectives and Strategies” and “Fiscal 2016 Financial Guidelines” for a discussion of certain key economic, market and operational assumptions we have made in preparing forward-looking statements. While Management considers these assumptions to be reasonable based on information currently available to Cogeco Cable, they may prove to be incorrect. Forward-looking information is also subject to certain factors, including risks and uncertainties, that could cause actual results to differ materially from what Cogeco Cable currently expects. These factors include risks such as technological changes, changes in markets and competition, increased cord-shaving or cord-cutting of our services, increased programming costs or support structure costs, the successful implementation of our business strategies, regulatory or policy developments, non-renewal of licences or franchises, a failure to renew a critical lease, a failure of supply of equipment or services, a failure in our cable network head-ends, the inability to enhance our information systems, security breaches, malicious or abusive Internet practices, disasters or other contingencies, general and economic conditions, fluctuations in foreign exchange rates, interest rates, capital markets and changes in tax policy, strikes or labor protests, loss of key executives and the Corporation's controlling shareholder having conflicting interests with shareholders and other stakeholders, many of which are beyond the Corporation’s control. For more exhaustive information on these risks and uncertainties, the reader should refer to the “Uncertainties and Main Risks Factors” section of Cogeco Cable 2015 Annual Report. These factors are not intended to represent a complete list of the factors that could affect Cogeco Cable and future events and results may vary significantly from what Management currently foresees. The reader should not place undue importance on forward-looking information contained in this AIF and the forward-looking statements contained in this AIF represent Cogeco Cable’s expectations as of the date of this AIF (or as of the date they are otherwise stated to be made) and are subject to change after such date. While Management may elect to do so, Cogeco Cable is under no obligation (and expressly disclaims any such obligation) and does not undertake to update or alter this information at any particular time, whether as a result of new information, future events or otherwise, except as required by law.

ACRONYMS AND DEFINITIONS

BDU	BROADCASTING DISTRIBUTION UNDERTAKING
CLEC	COMPETITIVE LOCAL EXCHANGE CARRIER
CMTS	CABLE MODEM TERMINATION SYSTEM
DOCSIS	DATA OVER CABLE SERVICE INTERFACE SPECIFICATIONS
DOWNSTREAM	NETWORK TRAFFIC FLOWING TOWARD THE END USER’S COMPUTER
DTA	DIGITAL TERMINAL ADAPTER
DVR	DIGITAL VIDEO RECORDER
DWDM	DENSE WAVE DIVISION MULTIPLEXING
FTTH	FIBRE TO THE HOME
HD	HIGH DEFINITION
HDTV	HIGH DEFINITION TELEVISION
HPBX	HOSTED PRIVATE BRANCH EXCHANGE
IP	INTERNET PROTOCOL
ISP	INTERNET SERVICE PROVIDER
ITMP	INTERNET TRAFFIC MANAGEMENT PRACTICE
Mbps	MEGABITS PER SECOND
MHz	MEGAHERTZ
MPLS	MULTIPROTOCOL LABEL SWITCHING
OTA	OVER-THE-AIR
OTT	OVER-THE-TOP
PRI	PRIMARY RATE INTERFACE
PSU	PRIMARY SERVICE UNITS, WHICH INCLUDE VIDEO, INTERNET AND TELEPHONY SERVICE CUSTOMERS
RFoG	RADIO FREQUENCY OVER GLASS

SD	STANDARD DEFINITION
SDV	SWITCHED DIGITAL VIDEO
SIP	SESSION INITIATION PROTOCOL
SVOD	SUBSCRIPTION VIDEO ON DEMAND
UPSTREAM	NETWORK TRAFFIC FLOWING AWAY FROM THE END USER'S COMPUTER
VOD	VIDEO ON DEMAND
VoIP	VOICE OVER IP
WI-FI	WIRELESS FIDELITY

In this AIF, the terms "Cogeco Cable" and the "Corporation" refer collectively to Cogeco Cable Inc. and, unless the context otherwise requires or indicates, to its subsidiaries and controlled entities.

All dollar figures are in Canadian dollars, unless stated otherwise.

The information provided in this AIF is presented as at the last day of the Corporation's most recently completed financial year (i.e. August 31, 2015), except where it is specified in the AIF that the information is presented at another date.

1. CORPORATE STRUCTURE

1.1. NAME, ADDRESS AND INCORPORATION

Cogeco Cable ("Cogeco Cable" or the "Corporation") was incorporated under the *Canada Business Corporations Act* by certificate of incorporation dated March 24, 1992. The Corporation's articles were amended by certificates of amendment on April 13, 1992 and on August 25, 1992. On May 6, 1993, they were further amended to, among other things, delete the private corporation restrictions, change its name from 2807246 Canada Inc. to Cogeco Cable Inc., amend its share capital to create two classes of equity shares and the Class B preference shares, convert the sole issued and outstanding common share owned by its parent COGECO Inc. ("COGECO") into multiple voting shares and revise restrictions on the issue and transfer of shares.

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

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

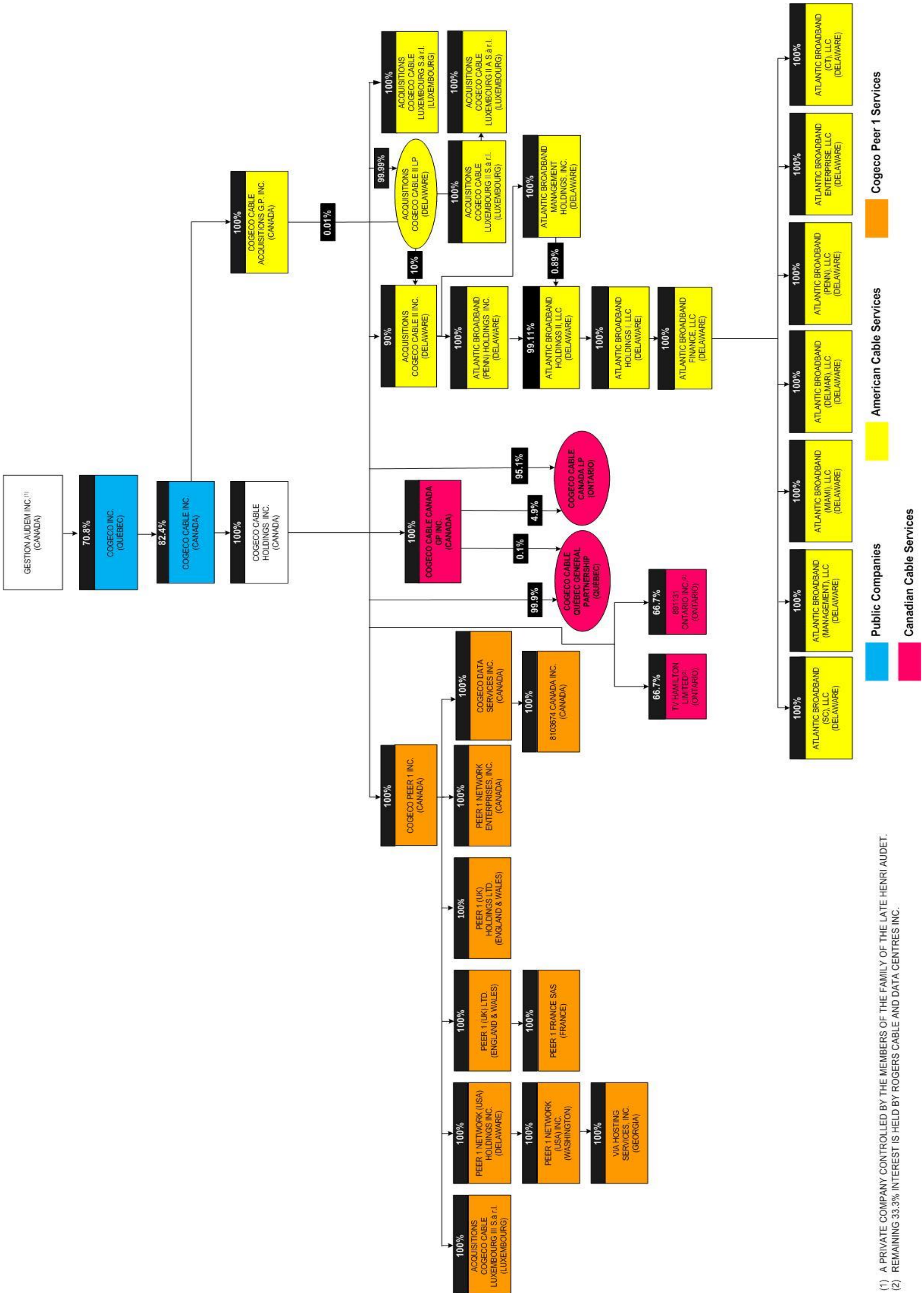
1.2. INTERCORPORATE RELATIONSHIPS

Cogeco Cable is a subsidiary of COGECO, a diversified Canadian communications company with operations in the communication and media sectors. Cogeco Cable was organized initially as a subsidiary of COGECO for the purpose of holding all the cable assets of the COGECO Group of companies and is now also involved in the enterprise data services sector.

As at August 31, 2015, the only subsidiaries or other entities of the Corporation which represented more than 10% of the Corporation's consolidated assets or more than 10% of the Corporation's consolidated sales and operating revenues were (i) Cogeco Cable Canada GP Inc. which is the general partner for Cogeco Cable Canada LP and Cogeco Cable Québec General Partnership (hereinafter "Cogeco Cable Canada"); (ii) Acquisitions Cogeco Cable II Inc., which is the holding company for the Atlantic Broadband group of companies (hereinafter "Atlantic Broadband"); and (iii) Cogeco Peer 1 Inc. which is the holding company for Cogeco Data Services and Peer 1 Hosting (hereinafter referred to collectively as "Cogeco Peer 1").

1.3. CORPORATE CHART

The following chart illustrates the structure of the Corporation, including the jurisdiction of incorporation/establishment of the various entities and percentage of voting rights held therein as at October 28, 2015.



(1) A PRIVATE COMPANY CONTROLLED BY THE MEMBERS OF THE FAMILY OF THE LATE HENRI AUDET.
(2) REMAINING 33.3% INTEREST IS HELD BY ROGERS CABLE AND DATA CENTRES INC.

2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1. THREE-YEAR HISTORY

In fiscal year 2013, the Corporation continued its expansion in the enterprise data services sector by completing the acquisition on April 3, 2013, of all the shares of Peer 1 Hosting, a global web infrastructure and cloud company specializing in managed and dedicated hosting, managed IT and cloud services through a high performance fibre network connected by 16 data centres in Canada, the United States and the United Kingdom as well as other points-of-presence in North America and Europe. On May 5, 2015, the Corporation combined the operations of Peer 1 Hosting and Cogeco Data Services, as more fully described in section 3.3 “Enterprise Data Services Segment”.

On November 30, 2012, Cogeco Cable expanded its cable activities in the United States with the acquisition of Atlantic Broadband, an independent cable system operator formed in 2003 providing video, as well as Internet and telephony services serving at the time of the acquisition about 485,000 PSUs in western Pennsylvania, south Florida, Maryland/Delaware and South Carolina. On August 20, 2015, Atlantic Broadband completed the acquisition of the cable systems owned by MetroCast Communications of Connecticut, LLC (“MetroCast Connecticut”) and its parent Harron Communications, L.P. The Connecticut network passes close to 70,000 homes and businesses across nine communities in eastern Connecticut. As at August 31, 2015, its system served 27,256 video, 22,673 Internet and 7,817 telephony customers. This acquisition enhances Cogeco Cable's footprint in the American cable market and provides for further growth potential.

3. DESCRIPTION OF THE BUSINESS

The Corporation, which provides leadership to the operating companies, has three operating segments that are reportable segments: the Canadian cable services segment (“Cogeco Cable Canada”), the American cable services segment (“Atlantic Broadband”) and the Enterprise data services segment (“Cogeco Peer 1”).

The activities of Cogeco Cable Canada are carried out in the Provinces of Ontario and Québec, Canada. The Cogeco Cable Canada assets are managed from the head office in Montréal with main business offices located in the City of Trois-Rivières, Québec and in the City of Burlington (neighbouring Toronto), Ontario**.** While each operating group manages its systems for the distinctive French-language and English-language markets respectively, certain services, which are not of a market-specific nature, notably in the areas of procurement, information systems, technical planning, legal, marketing, accounting are provided from Montréal and are shared by the two units for greater efficiency.

The activities of Atlantic Broadband are carried out in the United States in western Pennsylvania, south Florida, Maryland/Delaware, South Carolina and eastern Connecticut. The Atlantic Broadband assets are managed from main offices located in the City of Quincy (neighbouring Boston), Massachusetts.

The activities of Cogeco Peer 1 are carried across Canada (British Columbia, Ontario and Québec), the United States (California, Virginia, Texas, Florida and Georgia) and western Europe (London and Southampton, United Kingdom). Cogeco Peer 1 assets are managed from the head office located in the city of Toronto.

3.1. CANADIAN CABLE SERVICES SEGMENT

3.1.1. CUSTOMERS

The following table presents the total number of PSU, video service, Internet service and telephony service customers and the penetration rate of each of these services as a percentage of homes passed as at August 31, 2015:

	AUGUST 31, 2015	% OF PENETRATION(1) AUGUST 31, 2015
PSU	1,926,542	N/A
Video Service Customers	765,358	45.4
Internet Service Customers	704,555	41.8
Telephony Service Customers	456,629	27.1

(1) AS A PERCENTAGE OF HOMES PASSED.

3.1.2. SERVICES

3.1.2.1. Residential Services

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

Video Services

Cogeco Cable Canada stopped offering analogue services to new customers in 2012. Analogue services still remain available to less than 3,000 customers who will eventually be converted to Digital video services. See heading 3.1.3. "Networks and Infrastructure".

All other Cogeco Cable Canada customers receive digital video services and have access to a Basic Service, various discretionary tiers, Pay Television services, Pay-per-View channels, VOD services and HDTV.

Basic Service: The channels included with the Basic Cable service must comply with the requirements of the Canadian Radio-television and Telecommunications Commission's ("CRTC") and currently include a mix of Canadian conventional services, certain specialty services, United States conventional services plus digital quality audio channels and an interactive program guide. As required by the CRTC, Cogeco Cable Canada will implement new packaging requirements during the next fiscal year which will result in additional choice to the customers. These regulatory changes are more fully described in section 3.1.8 "Regulatory Regime".

Discretionary Tiers: Digital video service customers can obtain additional programming services by subscribing to one of the various tier service packages, including pre-assembled packages as well as flexible packages offering customers the choice between various theme packages or à la carte channel selection. Customers must first subscribe to the Basic Cable service before they can subscribe to a discretionary service tier.

Pay Television Services: Digital video service customers have access to a large selection of Pay Television services such as *Super Écran*, *The Movie Network* (including *HBO Canada) and the Super Channel*.

Pay-per-View Channels: Digital video service customers have access to Pay-per-View channels which allow customers to pay to view a single showing of a recently released movie or a one-time special sporting event or music concert on an unedited, commercial-free basis.

VOD Services: Digital video service customers have access to VOD services and can order a movie or program of their choice to be watched on TV. VOD service enables our customers to rent content from a library of movies, documentaries and other programming for a period of up to 48 hours, which they are then able to watch at their convenience with full stop, rewind, fast forward, pause and replay functionality during that period. Cogeco Cable Canada also offers a substantial amount of VOD content, free of charge, to its digital video customers, comprised predominantly of previously aired television programs.

On-demand On-line Services: Cogeco Cable Canada offers to its customers a wide selection of on-line programming that they can watch on their computers or mobile devices. A number of mobile applications such as Global Go and TMN Go are now available. They allow customers who subscribe to these channels to watch their favourite programming on the GO via their tablets or smartphones.

HDTV: Digital video customers who rent or purchase a HD set-top box can also subscribe, in most of Cogeco Cable Canada's markets, to HDTV services and receive the HD version of various SD channels they subscribe to. HD television channels are offered in most of Cogeco Cable Canada's markets and more of these channels are added on an ongoing basis. In Ontario, Digital video customers who rent or purchase HD capable set-top boxes can typically access up to 180 HD television channels in the majority of Cogeco Cable Canada Ontario markets. In Québec, Digital video customers who rent or purchase HD capable set-top boxes can typically access between 42 and 66 HD television channels.

Advanced Video Service: Cogeco Cable Canada was the first cable service provider in Canada to offer advanced video services through TiVo Inc. ("TiVo")'s T6 service platform. TiVo is a global leader in next-generation video services. Its complete product suite delivers a unified experience that spans whole home DVR, HD, access to Internet-delivered video and applications, and multi-screen viewing experiences. The TiVo service was launched on November 3, 2014 in Ontario and on March 30, 2015 in Québec. Through a partnership with Netflix, Inc. ("Netflix"), Cogeco Cable Canada enables its customers to easily find and watch the best shows and movies from Netflix through the same set-top box used to watch Live TV. The Netflix application was fully integrated into the TiVo service and all new and existing customers who subscribe to Netflix are now able to access Netflix in addition to Live TV, On Demand shows and other web content through one single device.

Internet Service

In most of its territories (where DOCSIS 3.0 technology is deployed), Cogeco Cable Canada offers four Internet packages with different transfer speeds, monthly data transfer capacities and service attributes. Two of these packages are "ultimate" Internet connectivity packages with speeds of 55 Mbps and 120 Mbps, offered in either bit-capped or unlimited consumption versions. In specific areas in Ontario, Cogeco Cable Canada introduced in 2015 an "ultra-fast" Internet connectivity package at 250 Mbps, also in either a bit-capped or an unlimited version. Simple and effective security and email solutions are also available to Internet customers with automatic updates to protect their devices. As an added benefit, Cogeco Cable Canada's Internet customers can connect wirelessly to the Internet at no extra cost from over 1,600 designated wireless Wi-Fi Internet hotspots in its footprint.

Telephony Service

Cogeco Cable Canada's telephony service uses IP to transport digitised voice signals over the same private network that brings video and Internet services to customers. This allows the elimination of circuit switching and the associated waste of bandwidth. Instead, packet switching is used, whereby IP packets with voice data are sent over the network only when data needs to be sent, for example when a caller is talking.

Residential customers can subscribe to one of the three following telephony services: Basic (unlimited local calling), Select (unlimited calling, two features and 100 long distance minutes) and Freedom (unlimited calls in North America and five features). They can also add many calling features of their choice. Residential telephony Service is also available *à la carte*, i.e. a local line to which any calling features can be added and long distance calls being charged by the minute. All Cogeco Cable Canada residential telephony service customers have access to direct international calling and can subscribe to five international long distance plans. The telephony service allows customers to keep their existing telephone number where local number portability is supported, as well as the ability to use existing telephones and in-house wiring.

Service Bundles

In addition to selling its services separately, Cogeco Cable Canada is focused on marketing differentiated packages of multiple services and features, or "bundles", for a single price. Customers who subscribe to bundles of two or three services receive a recurring discount from the price of buying the services separately as well as the convenience of a single monthly bill. An additional, time limited, promotional discount may also apply to new customers or existing customers adding one or more new services to their bundle. Cogeco Cable Canada believes that its bundled offerings increase customer satisfaction and retention, and encourage subscription to additional features. As of August 31, 2015, 70% of Cogeco Cable Canada customers preferred bundled services. 35% opted for two services bundles and 35% chose three services bundles.

3.1.2.2. Business Services

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

Cogeco Cable Canada offers a wide range of broadband Internet packages with speeds up to 250 Mbps on the downstream and up to 20 Mbps on the upstream. These Internet services are perfect for the small business market (companies with 5 to 50 employees) and are often sold in bundles with business phone lines, long distance, toll free and video services. Small businesses are also offered HPBX services, which provide more sophisticated voice capabilities at competitive rates.

Cogeco Cable Canada also provides IP based telephony services and other advanced network connectivity services delivered over fibre optic connection to larger businesses in its footprint. Network connectivity services are offered in point-to-point or point-to-multipoint configurations resulting in highly scalable and secure services. Ethernet connectivity and dedicated Internet services are offered at speeds ranging from 10 Mbps to 10+Gbps.

Fibre circuits are also used to offer advanced voice services to larger businesses in the form of SIP or PRI trunks. Services over fibre are ideal for businesses with 50 or more employees and multiple locations requiring private, secure and interconnected networks that support sophisticated data and voice applications and services either on premise or in the cloud.

3.1.3. Networks and Infrastructure

Cogeco Cable Canada provides residential video, Internet, telephony services and business telecommunications services through advanced fibre optic and two-way broadband distribution networks. Cogeco Cable Canada delivers these services through long distance fibre optic systems, advanced hybrid fibre-coax ("HFC") broadband distribution networks, point to point fibre networks and FTTH network technologies.

Cogeco Cable Canada's distribution network extends over 39,000 kilometres. Its leading edge's intercity optical transport networks extend over 10,000 kilometres. The broad reach of Cogeco Cable Canada's core transport network is designed to easily interconnect, at very high speed, its many local distribution systems to video content providers, other public telephony networks, software application providers and to the world-wide Internet.

For residential services, Cogeco Cable Canada is deploying optical fibres to nodes serving clusters of typically 367 homes passed, with multiple fibres per node in most cases to rapidly extend the capacity of the system with smaller clusters when necessary. This just in time process, known as "node splitting", leads to further improvement in quality and reliability while increasing the capacity of two-way services such as Internet, VOD and telephony and maximizing the efficiency of capital investments. The HFC distribution infrastructure is designed with Radio Frequency ("RF") capacity of 450 MHz, 550 MHz, 750 MHz or 860 MHz of bandwidth capacity, depending on the market served and customer needs.

In each market, the signals are transferred from the optical network to the coaxial cable network at the node for delivery to its customers. Cogeco Cable Canada believes that active use of fibre optic technology in combination with coaxial cable plays a major role in expanding channel capacity and improving the performance of the systems. Fibre optic strands are capable of carrying hundreds of video, data and voice channels over extended distances without the signal amplification typically required for coaxial cable. Cogeco Cable Canada will continue to deploy fibre optic cable as warranted to further reduce amplifier cascades, which improves system reliability and reduces system maintenance cost. This hybrid combination of fibre optic and coaxial cables is the most efficient choice when it comes to delivering high quality networks with judicious capital investments.

In order to increase distribution system capacity further, Cogeco Cable Canada is completing two network enhancement programs:

(a) Conversion of video services from analogue to digital. The deployment of DTA converters to its customers having older analogue equipment is completed in major systems and in almost all smaller systems. This significant capacity enhancement replaces each analogue channel by up to four HD television channels or sixteen SD channels.

(b) Conversion to SDV technology. This technology allows Cogeco Cable Canada to selectively broadcast the channels that are currently being viewed by customers, effectively allowing it to offer a greater selection of digital channels over the same network infrastructure. Conversion is completed in Ontario and technology will be extended in Québec over the next two fiscal years.

Cogeco Cable Canada uses DOCSIS technology to deliver Internet and business services over HFC networks. DOCSIS has numerous advanced features, including the prioritization of packets to ensure a continuous transmission and high quality of service delivery. This prioritization is important for services that need to be transmitted in real time, such as telephony service. In addition, this technology provides a flexible and expandable platform to further increase IP transmission speeds up to 250 Mbps and beyond and for providing other products such as symmetrical services, which are particularly well suited for commercial customer applications. Today Cogeco Cable Canada offers a top internet speed of 120 Mbps using DOCSIS 3.0 technology and is on track with the necessary infrastructure enhancements to selectively incorporate DOCSIS 3.1 to continue with speed increases to 250 Mbps and beyond.

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

The following table shows the percentage of Cogeco Cable Canada's homes passed where Digital video, VOD, Internet and telephony services were available as at August 31, 2015:

SERVICE	PERCENTAGE OF HOMES PASSED WHERE SERVICE IS AVAILABLE
DIGITAL VIDEO	99
VOD	97
Internet (DOCSIS 2.0)	98
Internet (DOCSIS 3.0)	97
TELEPHONY	99

3.1.4. LICENCES AND CONTRACTS

The Canadian cable services activities are substantially dependent on some important licences and contracts. In order to provide broadcasting distribution services, BDUs must hold broadcasting licences issued by the CRTC under the authority of the *Broadcasting Act* (Canada) (or operate pursuant to an exemption order issued thereunder), as well as broadcasting certificates pursuant to the *Radiocommunication Act* (Canada), as described in section 3.1.8. "Regulatory Regime". The offering of telecommunications services, such as Internet and telephony services, are not subject to licence requirements.

The distribution of video services requires the execution of various agreements, including affiliation agreements, which are for the most part negotiated with a small number of large integrated telecommunication and broadcasting groups as well as a number of independent programming suppliers. BCE Inc. ("Bell") currently controls almost 40% of Cogeco Cable Canada's programming service affiliation agreements at current wholesale rates. Cogeco Cable Canada currently maintains affiliation agreements with various specialty services and content providers for the distribution of existing and new services, including multi-platform rights. Cogeco Cable Canada's programming contracts generally continue for a fixed period of time, usually from three to five years. Programming costs are paid each month based on calculations performed by Cogeco Cable Canada and are subject to adjustment based on periodic audits performed by the program suppliers.

In the last quarter of fiscal 2014, Cogeco Cable Canada concluded a multi-year agreement with TiVo to power its state of the art digital entertainment services across TV, Web and Mobile platforms.

In fiscal 2015, Cogeco Cable Canada concluded a multi-year agreement with NetCracker to replace over the next few years its current residential and business ordering and billing platforms.

Furthermore, Cogeco Cable Canada's business requires the execution of contracts with public utilities and, from time to time, municipalities, in order to obtain cost-effective and timely access to municipal rights-of-way and existing public utility support structures.

The offering of Cogeco Cable Canada's telephony service requires the execution of agreements with strategic providers. To that end, Cogeco Cable Canada entered into major agreements with various suppliers such as TELUS Communications Company ("TELUS") which provides telecommunication services for the provision of the Corporation's telephony service through a long-term contractual arrangement.

3.1.5. RENEWAL OF CONTRACTS

The contracts with the two largest electric power utility suppliers of support structures for the Corporation's network, Hydro One in Ontario and Hydro-Québec in Québec, have been in effect for many years and are both renewed from time to time in the normal course of business. The use of support structures owned by electric power utilities is generally regulated by provincial public utility boards and commissions.

The contracts with public utilities and municipalities to get access to municipal rights-of-way and existing public utility support structures are also renewed from time to time in the normal course of business. The CRTC has jurisdiction over the use by telecommunications companies of support structures owned by incumbent telecommunications carriers and has jurisdiction to set terms for access to municipal street allowances and property for cable and other facility-based telecommunications carriers in case of a dispute between parties, as described in section 3.1.8. "Regulatory Regime".

The current agreement with TELUS for the provision of telephony services by the Corporation ends on December 31, 2016 and is expected to be renewed in the normal course of business.

The long-term agreement in effect with TiVo commenced in 2014 and will be subject to negotiations in the normal course as new features or services are added or upon its expiration.

The contracts with video and audio programming suppliers are renewed from time to time in the normal course of business. Cogeco Cable Canada regularly negotiates renewals of programming affiliation agreements. The market for video and audio programming services is characterized by high levels of supplier integration. While Cogeco Cable Canada has been able to conclude satisfactory distribution agreements with Canadian and foreign programming service suppliers to date, network fees may increase by larger increments in future years. The risks associated with industry consolidation and vertical integration may be mitigated to some extent as a result of the safeguards adopted by the CRTC in 2011 which are described in section 3.1.8. "Regulatory Regime". In the event of a future dispute concerning the terms of affiliation between Cogeco Cable Canada and a programming supplier, the CRTC may set the terms of affiliation agreements at either party's request following a dispute resolution process and the services may not be interrupted by either party while such dispute resolution process is pending.

3.1.6. EMPLOYEES

As at August 31, 2015, the number of employees of the Corporation, including the employees of the Canadian cable services segment (Cogeco Cable Canada), the American cable services segment (Atlantic Broadband) and the enterprise data services segment (Cogeco Peer 1) totalled approximately 4,500 employees.

As at August 31, 2015, the number of employees of Cogeco Cable Canada was approximately 2,400, of which approximately 640 in Québec are subject to collective bargaining agreements, representing approximately 26% of Cogeco Cable Canada's employees. These employees are grouped in two units for collective bargaining purposes. The current collective bargaining agreements expired on December 31, 2014. Negotiations for the renewal of these collective agreements started in December 2014 and are progressing as planned. The impact of the renewal terms will not be known until negotiations are concluded. While Cogeco Cable does not anticipate any labour disruption, it is not possible at this time, to assess the impact of the negotiations of the collective agreements on operations or future operating costs.

3.1.7. COMPETITIVE CONDITIONS

The cable industry in Canada is very competitive and Cogeco Cable Canada expects the competition to increase and intensify from a number of sources in the future. There are now several terrestrial and satellite transmission technologies available to deliver a wide range of electronic communications services to residential homes and to commercial establishments with varying degrees of flexibility and efficiencies, and thus compete with the video, telephony and Internet services offered by Cogeco Cable Canada.

Cogeco Cable Canada currently faces competition in its service areas from several large integrated electronic communications service providers.

The largest competitor, Bell, offers through its various operating entities a full range of competitive voice, data and video services to residential as well as to business customers in the Provinces of Québec and Ontario through a combination of fixed wireline, mobile terrestrial wireless and satellite platforms throughout Cogeco Cable Canada's network footprint.

TELUS offers through its various operating entities a full range of competitive voice, data and video services to residential as well as to business customers in the Lower St. Lawrence area of the Province of Québec and through a combination of fixed wireline and mobile terrestrial wireless platforms throughout Cogeco Cable's network footprint.

Bell and Telus are also building fiber optic networks to deploy IPTV services in substantial portions of their service areas. Bell has announced earlier this year a program to further deploy its network in Cogeco Cable Canada service areas.

Shaw Direct competes for video customers throughout Cogeco Cable Canada's footprint with its direct-to-home satellite service Shaw Direct.

Rogers Wireless Communications Inc. ("Rogers"), an operator of a mobile telecommunications network and the owner of a broadband wireless network with Bell, competes for telephony and Internet throughout Cogeco Cable Canada's network footprint.

Vidéotron Ltd. ("Vidéotron"), an indirect subsidiary of Québecor Inc., and Wind are actively marketing their mobile telecommunications services within Cogeco Cable Canada's network footprint.

Cogeco Cable Canada competes within its network footprint with other telecommunications service providers, including third party ISPs using Cogeco Cable Canada's own wireline network facilities pursuant to its third party Internet access tariff. Furthermore, consolidation of new entrants in the mobile telecommunications space in Canada may lead to more vigorous competition for voice telephony, Internet access and data services within our network footprints.

Cogeco Cable Canada currently faces competition from OTT services that are gaining increased interest from consumers such as Netflix, Google TV, Apple TV, Hulu and Samsung, in addition to several programming networks making their services available on an OTT basis. The availability of these services and other OTT services may cause our video service customers to view video content increasingly through their broadband connection rather than through their traditional video service connection, and view less On-demand video content from cable service providers.

3.1.8. REGULATORY REGIME

3.1.8.1. Video Services

In Canada, the operation of a cable system is subject to varied and extensive regulatory requirements, mainly under the authority of federal statutes governing broadcasting, telecommunications, radiocommunication, copyright, privacy and anti-spamming. Under the *Broadcasting Act* (Canada) (hereinafter in this section 3.1.8 the "Broadcasting Act") , the CRTC is responsible for regulating and supervising all aspects of the Canadian broadcasting system with a view to implementing certain broadcasting policy objectives enunciated in that Act.

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

Cogeco Cable Canada holds two regional licences to operate its non-exempt BDUs serving Ontario and Québec. These licences are currently set to expire on August 31, 2016.

BDUs serving fewer than 20,000 customers are exempted from the requirement to hold a licence. The terms and conditions for the exempted BDUs are set out in the exemption order for terrestrial broadcasting distribution undertakings serving fewer than 20,000 customers (the "Exemption Order"). Following the "Let's Talk TV" policy decisions, changes to the Exemption Order were proposed but are not yet adopted. Under this proposal, the Exemption Order would be expanded to allow exempted BDUs to compete in markets served by a licensed BDU.

Licences issued by the CRTC may not be transferred or assigned. In addition, the prior approval of the CRTC is required for any transaction that results in a change to the effective control of a licensee or that results in the acquisition of 30% or more of the voting shares of a licensed broadcasting undertaking, or of a person having effective control of a licensed broadcasting undertaking.

In 2014, the CRTC held a major review of the regulatory framework applicable to programming and distribution undertakings, referred to as the Let's Talk TV proceeding. Following the "Let's Talk TV" policy decisions, changes to the *Broadcasting Distribution Regulations* (the "Regulations") were proposed but are not yet adopted (the "Proposed Regulations"). The Proposed Regulations are, where applicable, described below.

Rate Regulation

The CRTC reintroduced some form of rate regulation as part of its "Let's Talk TV" policy decisions. Under the Proposed Regulations, BDUs will be required to offer to all their customers a small all-Canadian entry-level basic service for a monthly retail price not to exceed $25 with no mechanism to adjust for inflation over time. Retail rates for discretionary tiers, pay television, PPV and VOD have never been regulated.

Carriage and Packaging Rules

BDUs are subject to specific conditions of licence as well as to the general obligations set out in the Regulations.

No Alteration or Deletion: All BDUs must pass through programming to the customer without changing or deleting the content, subject to certain exceptions, including: simultaneous substitution requirements, compliance with *Election Act* (Canada) restrictions on premature publication of election results, court ordered publication bans, rights blackouts, emergency alerts and ensuring that commercial messages comply with the technical requirements set out in *Advanced Television Systems Committee (ATSC) Recommended Practice A/85: Techniques for Establishing and Maintaining Audio Loudness for Digital Television*.

Preponderance: Currently, all BDUs must ensure that each customer selects a majority (50%+1) of Canadian programming services. The Proposed Regulations would instead require that BDUs ensure that the majority (50%+1) of all programming services that they offer to customers are Canadian.

Basic Service: Currently, all BDUs must offer a basic service that contains at a minimum all priority and mandatory signals (in specified order of priority: local CBC English and French language stations; the relevant provincial educational programming service (e.g. TVO); all other local and regional television stations; all services designated as mandatory basic services under s. 9(1)(h) of the Broadcasting Act; the community channel, if offered by the BDU; and the relevant provincial legislature service, if offered by the BDU). Other channels may be added to the basic service (e.g. US commercial networks, Canadian specialty services). Customers must purchase the basic service of a BDU before subscribing to any discretionary tiers or packages (other than VOD and Pay-per-View). Under the Proposed Regulations, licensed BDUs would be required to offer their customers, by March 1, 2016, a mandatory, small entry-level basic service for a price not to exceed $25 comprised only of local and regional television stations, the mandatory services under subsection 9(1)(h) of the Broadcasting Act, as well as the relevant provincial educational services, the community channel and the provincial legislature service in the area served by the BDU. This mandatory small basic service may only include one set of US 4 +1 services (ABC, CBS, Fox, NBC and PBS), local AM and FM stations and educational channels of another province or territory in each official language where there is no designated educational service. Where less than 10 local and regional stations are available, terrestrial BDUs will be authorized to include other, non-local or regional Canadian stations; the small basic service may not include any additional services beyond those described above.

First tier offering: The Proposed Regulations would permit BDUs to offer an additional, alternative entry-level service that includes the programming services to be included in the small basic service described above, other Canadian discretionary services and non-Canadian programming services. The retail price of this first tier offering would not be regulated.

Access Rules for Pay and Specialty Services: Category A services have guaranteed access to distribution on all licensed terrestrial BDUs. BDUs must carry either the SD or the HD version of such services. Category B services and Category C sports services have no access rights. On December 19, 2013, the CRTC issued a broadcasting order directing BDUs to distribute the Category C national news specialty services known as CBC News Network, CTV News Channel, Le Canal Nouvelles, Le Réseau de l'information and Sun News Network on specific conditions. Sun News Network went dark on February 13, 2015. In the Let's Talk TV policy decisions, the CRTC determined that starting in September 2017, it will gradually phase-out the access rights and the buy-through requirements, where applicable, for pay and specialty Category A and ethnic services at the time of their license renewals, starting with the programming services owned by English and French private broadcast groups and then by independent broadcasters.

Access Rules for Minority-Language Services: Licensed BDUs must distribute one minority official language specialty service (Category A or B) for every 10 majority official language services that they distribute.

Access Rules for Third-language Services: All BDUs which were carrying the following services: Telelatino, Odyssey, Talentvision, Fairchild and Asian TV Network on October 30, 2008 must continue to carry them. BDUs must carry Canadian ethnic specialty services where the relevant population is 10% or higher of the service area. Foreign third-language services must be offered in a package with Canadian third-language services in the same language (if available), in a ratio of 1 Canadian service to a maximum of 3 foreign services. In the Let's Talk TV policy decisions, the CRTC determined that starting in September 2017, it will gradually phase-out the access rights and the buy-through requirements, where applicable, for pay and specialty Category A and ethnic services at the time of their licence renewals, starting with the programming services owned by English and French private broadcast groups and then by independent broadcasters.

Carriage of Non-Canadian Programming Services: Aside from U.S. stations received over the air at the cable head end, BDUs can only distribute non-Canadian programming services if they are approved for distribution by the CRTC and placed on the CRTC's *Revised list of non-Canadian programming services authorized for distribution*. With the exception of international news services, the CRTC will not authorize the distribution of non-Canadian programming services if it determines them to be either totally or partially competitive with Canadian specialty or pay television services. In the "Let's Talk TV" policy decisions, the CRTC indicated that it expected non-Canadian services available for distribution in Canada to allow their services to be offered on a stand-alone basis and in small packages as is the case for Canadian services. The CRTC indicated in the Wholesale

Code that it expects non-Canadian parties distributed in Canada to conduct their negotiations and enter into agreements with their Canadian partners in a manner that is consistent with the intent and spirit of the Wholesale Code if they wish to continue to have their programming services available in Canada. In case where negotiations are not conducted fairly, the CRTC is prepared, if necessary, to (a) issue orders under section 9(1)(h) of the Act to address the distribution of any non-Canadian programming service by a BDU; (b) require non-Canadian services to adhere to the Wholesale Code as a condition of their inclusion on the List; or c) ultimately, remove a service from the *Revised list of non-Canadian programming services authorized for distribution* in order to enforce the application of the Wholesale Code.

Packaging Rules: In the past, BDUs were subject to numerous and detailed restrictions on the manner in which they could package services and offer them to customers. Most distribution and linkage rules were eliminated on August 31, 2011. In Broadcasting Order CRTC 2013-735 issued on December 19, 2013, the CRTC directed BDUs to package Canadian Category C national news specialty services in the best available package consistent with their genre and programming, and where the programming service is available in a discretionary package, to also provide its customers with the option to select the service on a stand-alone basis. The Proposed Regulations would further require BDUs to offer to their customers by March 31, 2016, all discretionary services either on a stand-alone basis or in packages of up to 10 programming services. On or after December 1, 2016, all discretionary services would have to be offered both on a stand-alone basis and in packages of up to 10 programming services. In order to comply with the above mentioned requirements, BDUs could either offer a build-your-own-package option or pre-assembled packages of programming services, or both. BDUs would also be allowed to offer any other packaging options in addition to these minimal requirements.

Accessibility of set-top boxes and remote control: The Proposed Regulations would require BDUs to make available to customers equipment that allows individuals who are blind, visually impaired or have fine motor skill disabilities to have access to programming services if that equipment is available for purchase by the BDU and is compatible with its distribution system.

TVSP Code of Conduct: Following the “Let’s Talk TV” policy decisions, the CRTC initiated a follow-up proceeding to implement a Television Service Provider (TVSP) Code of Conduct that would set the basic terms governing the relation between customers and BDUs. On March 26, 2015, the CRTC initiated a call for comments on the content of this mandatory code of conduct which proposes provisions relating to the content of agreements with customers for video services, service calls including visits to residences for installation and repairs and service outages. Cogeco Cable Canada participated in the proceeding for which no decision has yet been issued.

OTA Signals

Unlike specialty services, OTA broadcasters are wholly dependent on advertising revenue and do not charge a subscription fee for their signal. Various fee-for-carriage proposals, including a regulatory regime similar to the retransmission consent regime applicable in the United-States, as described in Section 3.2.8., have been put before the CRTC a number of times over the years, ending with a judgement rendered by the Supreme Court of Canada on December 13, 2012 ruling that the CRTC does not have the jurisdiction under the Broadcasting Act to impose a regime to compensate OTA broadcasters for retransmission of their OTA signals by BDUs in Canada.

Rules Relating to Protection of Program Rights

Simultaneous Substitution: To protect the advertising revenues of OTA broadcasters, BDUs must delete a distant signal and replace it with the signal of the local or regional TV station where the signals are comparable and are broadcast simultaneously. The signal being deleted, however, must be of the same or lower format than the signal being substituted (i.e. SD cannot be substituted over HD). This rule applies to both analog and digital programming services. The Proposed Regulations would create the *Simultaneous Programming Service Deletion and Substitution Regulations.* Simultaneous substitution would no longer be permitted for specialty programming services and would only be available for conventional television stations. BDUs would no longer be allowed to perform simultaneous substitution for the Super Bowl as of the end of the 2016 NFL season. Finally, the CRTC could impose consequences for recurring substantial errors made by broadcasters and by BDUs in performing simultaneous substitutions.

Distant Signals and Non-Simultaneous Program Deletion: Time-shifted signals that are imported into a local market by a BDU must be blacked-out if the program is aired at a different time on a local or regional station. This requirement has been suspended for most BDUs as a result of an agreement negotiated with the Canadian Association of Broadcasters that compensates local broadcasters for the impact of distant signals in their markets.

Distant Signal Compensation: Licensed BDUs cannot carry a distant Canadian signal without the prior consent of the distant station. Compensation for carriage of the distant signal is to be negotiated between the parties.

Contributions to Canadian Programming and Local Expression

BDUs must contribute 5% of their gross revenues derived from broadcasting activities each year to the production of local and/or Canadian programming. Allocation of contribution varies depending on whether the undertaking is licensed or operates under the Exemption Order. Licensed BDUs which operate a community channel must contribute 3.5% to Canadian programming and a maximum of 1.5% to the community channel while exempt BDUs can contribute the full 5% to the community channel.

Community Channel

If a BDU elects to provide a community channel, it is subject to detailed community access programming requirements and sponsorship/advertising restrictions that are stated in the Regulations and in the community television policy framework issued by the CRTC on August 26, 2010.

Vertical Integration

Following a public hearing to consider the regulatory impact of increasing industry consolidation and vertical integration, the CRTC adopted on September 21, 2011, a number of safeguards to mitigate the risks associated with vertical integration of programming content and distribution, including a prohibition on exclusivity on all distribution platforms with respect to traditional television content, a Code of Conduct prohibiting commercially unreasonable terms regarding wholesale rates and packaging (including the tied selling of services) and “stand-still” provisions to ensure that BDU or Canadian programming service licensees are not threatened with the withdrawal of popular programming services or forced to accept unreasonable terms and conditions while disputes are pending before the CRTC. In the case of a dispute with a Canadian programming service, the CRTC can set distribution terms, including wholesale fees payable to the programming service supplier. On September 24, 2015, the CRTC issued its determination on a wholesale code to govern the commercial arrangements between BDUs and programming services (the “Wholesale Code”). The Wholesale Code will take effect on January 22, 2016 and will be applicable to all licensed undertakings. For all other parties, including non-Canadian programming services distributed in Canada, exempted BDUs, exempted programming undertakings, and exempted digital media undertakings, the Wholesale Code shall serve as a basis for guiding commercial interactions in the negotiation of agreements in the Canadian market.

Undue preference

A BDU shall not give an undue preference to any person, including itself, or subject any person to an undue disadvantage. The onus is on the BDU to establish that any preference or disadvantage is not undue.

Access to Support Structures and Municipal Property

BDUs need access to telephone and hydro poles and conduit to install facilities. Access to telephone poles and conduit is governed by CRTC tariffs and support structure license agreements. The Supreme Court of Canada rendered a decision in 2003 confirming that the CRTC does not have jurisdiction over hydro poles. Rates and conditions to access hydro poles and support structures of electric utility companies, therefore, vary from province to province.

BDUs and carriers have a right of access to highways and other public places for the purposes of constructing, maintaining and operating their facilities. However, such access is subject to the consent of the municipality or other public authority. If a BDU/carrier is unable to obtain such consent on acceptable terms, it may ask the CRTC to grant access on specific terms and conditions.

Multiple-Dwelling Units and Inside Wiring

In 1997, the CRTC determined that exclusive contracts between BDUs and the building owners of multiple-dwelling units (“MDUs”) for the distribution of broadcasting services would not be in the public interest and would generally constitute the conferring of an undue preference by the BDU onto itself. However, the CRTC specified that a long-term contract, provided that it is not exclusive, would not be deemed to constitute such an undue preference.

In 2000, the CRTC established a non-interference regime for cable inside wire rather than transferring inside wire to the customer. This approach was intended to ensure that customers receive service from the BDU of their choice and obtain the full benefits of competition in the distribution of broadcasting services by removing barriers to competitive access caused by cable company ownership of inside wire, specifically in MDUs. Furthermore, in 2002, the CRTC established a fee of $0.52 per customer per month for the use of cable inside wire in MDUs. Finally, in 2011, the CRTC extended this requirement to commercial and institutional properties. However, in this case, the CRTC determined that it would be most appropriate that a just and reasonable rate for the use of that inside wire be determined through negotiations between the parties.

Copyright Licensing

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

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

Privacy and Security Regulation

As a federally-regulated organization, Cogeco Cable Canada is subject to various privacy laws and regulations and amongst others, to the *Personal Information Protection and Electronic Documents Act* (Canada) that sets out the rules regarding the collection, use and disclosure of personal information in the course of its commercial activities and interactions with its customers and other parties entrusting personal information to Cogeco Cable Canada. This information must be treated and protected by security safeguards appropriate to the sensitivity of the information, through different methods of protection, namely physical, organizational and technological. Certain privacy rules are also dictated by the CRTC and other authorities having jurisdiction.

From time to time, Cogeco Cable Canada is required by law enforcement agencies ("LEAs") to disclose personal information, but only following due process established internally, in the context of the issuance of a judicial order or presentation of a valid warrant or otherwise required by law.

The Anti-Spam Legislation intended to regulate unsolicited commercial emails, spyware, phishing and pharming, received royal assent on December 15, 2010. The first set of provisions, more specifically those dealing with the delivery of unsolicited commercial emails, came into effect on July 1, 2014. The provisions of the Act relating to the installation of computer programs came into force on January 15, 2015 and a new private right of action will come into effect on January 1, 2017, providing for the right to submit a claim for monetary compensation in the case of non-observance of the Act. Cogeco Cable Canada is compliant with the new legal and regulatory requirements that are presently applicable.

Other Related Statutory Provisions and Regulations of the CRTC

In addition to the laws, regulations, policies and decisions noted above, there are other regulatory requirements applicable to cable services in Canada, and such requirements are subject to periodic review, change or additions.

Since March 31, 2015, broadcasters in Canada are required to fully participate in Canada's National Public Alerting System ("NPAS") and to alert Canadians of imminent threats to life. As a result of this policy, Canadians across the country who are listening to radio or watching television are receiving notification of imminent emergencies issued by public officials so that they can take appropriate action. Alert messages include messages relating to events such as tornadoes, floods, forest fires, industrial disasters and tsunamis.

Consistent with its policy decisions in the Let's Talk TV proceeding, the CRTC created a new, hybrid VOD category of service. To this effect, it issued on August 6, 2015 its revised exemption order for certain classes of VOD undertakings and updated the standard conditions of licence for licensed VOD undertakings. In order to be allowed to operate a hybrid VOD undertaking, an operator must offer the VOD service via the Internet, similarly to an OTT service, to all Canadians without the need for the client to subscribe to a specific mobile service or retail Internet access service. Once this condition is met, the BDU-specific VOD services which must otherwise comply with obligations relating to Canadian programming as well as restrictions with respect to offering exclusive content, will be relieved from such obligations.

Following recent legislative changes, the CRTC was given the power to impose administrative monetary penalties ("AMP") under the *Telecommunications Act* (Canada). AMPs are monetary penalties that the CRTC may impose for violations of regulatory requirements and serve as an additional tool to promote compliance with the Act, its regulations, or CRTC decisions.

3.1.8.2. Internet Service

In 1998, the CRTC forbore from regulating the provision of Internet services to retail customers by cable companies. The decision to forbear from regulation was based on the finding that cable companies do not have substantial market power since there are multiple service providers bringing competition, pricing discipline, innovation, and consumer choice to the retail Internet services market. However, the CRTC ordered cable carriers to provide a third party Internet access ("TPIA") service to competitive service providers in order to not unduly impede the development of a competitive market for these services. Furthermore, in 2008, the CRTC determined that this wholesale service should continue to be mandated until it is demonstrated that a functionally equivalent, practical, and feasible wholesale alternative exists. In 2013, the CRTC initiated a review of wholesale services and associated policies. On July 22, 2015, the CRTC issued its policy determination which provides that wholesale high-speed access (HSA) service remains mandated. The provision of centralized points of access for TPIA customers to connect to the services will be phased out in conjunction with the implementation of regional based access points of service. The requirement to implement decentralized wholesale HSA services will include making them available over fibre-access facilities. Specifically, independent ISPs desiring access to customers served by FTTP access facilities will only be able to do so by using a regional wholesale HSA service point of interconnection. The wholesale services framework established in this decision will remain in place for a minimum of five (5) years.

Several independent ISPs have subscribed to the wholesale Internet access service offered by Cogeco Cable Canada under rates, terms and conditions approved by the CRTC.

In 2009, the CRTC issued several determinations regarding the use of ITMPs by ISPs. In short, the CRTC concluded that use of an ITMP resulting in the noticeable degradation of time-sensitive Internet traffic or leading to blocking the delivery of content to an end-user will require prior CRTC approval, but not the use of ITMPs that delay non-time-sensitive traffic. Furthermore, as a condition of providing retail Internet services, the CRTC directed all ISPs to disclose to their retail customers, clearly and prominently on their websites, information related to their technical ITMPs.

Regarding the deployment of broadband Internet access services, in 2011, the CRTC concluded that it would not be appropriate to establish a funding mechanism to subsidize the deployment of broadband Internet access services in Canada. The CRTC noted that the rollout of broadband Internet access has been successful through a combination of market forces, targeted funding, and public-private partnerships at all levels of government and that virtually all Canadians, regardless of whether they live in urban centres or in rural and remote areas, benefit from having access to Internet services using a variety of technologies. However, the CRTC considered that it would be in the public interest to establish universal target speeds for broadband Internet access in Canada and hence established target speeds of 5 Mbps downstream and 1 Mbps upstream to be available to all Canadians by the end of 2015. On April 10, 2015, the CRTC initiated a public consultation aiming to review the basic telecommunications services that should be available and affordable to all Canadians. In this proceeding, the CRTC specifically intends to consider whether the broadband Internet access service should be included in the current definition of the basic telecommunications services. Furthermore, the CRTC intends to examine whether the existing local service subsidy regime should be changed to fund the expansion of the Internet access service in rural and remote areas where Canadian households do not have access to broadband Internet service. No decision has been issued yet.

3.1.8.3. Telephony Services

The CRTC is responsible under the *Telecommunications Act* (Canada) for the regulation of telephony services. In May 2005, the CRTC determined that local VoIP services should be regulated as local exchange services and that the regulatory framework governing local competition, initially set out in 1997, applies to local VoIP service providers. Local VoIP services are defined as voice communication services using IP that use telephone numbers that conform to the North American Numbering Plan and that provide universal access to and/or from the Public Switched Telephone Network ("PSTN"). The CRTC also determined that cable companies were required to enter in the local telephony market as CLECs and, like all CLECs, were allowed to define their own local serving areas and were required to fulfill CLEC obligations such as those related to the provision of local number portability, enhanced 911 capabilities, privacy safeguards, message relay service, directory listings and equal access to interexchange carriers.

In early 2012, the CRTC established a set of principles to facilitate IP voice network interconnections between network operators while allowing market forces to shape the details of the arrangements. Specifically, in areas where a carrier provides IP voice interconnection to an affiliate, a division of its operations, or an unrelated service provider, the carrier must negotiate a similar arrangement with any other carrier that requests such an arrangement.

3.1.9. Foreign Ownership Restrictions

The legal requirements relating to Canadian ownership and control of cable television and broadcasting undertakings are embodied in a statutory Order from the Governor in Council (i.e., the federal Cabinet) to the CRTC under the Broadcasting Act . In April 1996, the Order was revised to make the Canadian ownership requirements under the Broadcasting Act consistent with those under the Telecommunications Act (Canada). The Order requires that Canadians own and control directly or indirectly at least 80% of the voting shares and 80% of the votes of the licensee company and that its chief executive officer and 80% of the members of the board and directors be Canadian. Canadians need only to own and control directly or indirectly at least 66⅔% of the voting shares and 66⅔% of the votes of the licensee's parent corporation. The CRTC retains the discretion under the Order to make a determination that a licensee is not controlled in fact by Canadians.

The *Telecommunications Act* (Canada) and its regulations as well as the *Radiocommunication Regulations* establish restrictions on foreign ownership and control of telecommunications common carriers and radiocommunication carriers. Section 16 of the *Telecommunications Act* states that, in order to be eligible to operate in Canada, a telecommunications common carrier must be a "Canadian owned and controlled corporation," incorporated or continued under the laws of Canada. Subsection 16(3) of the Act stipulates that a corporation is Canadian owned and controlled if: (a) not less than 80% of the members of the board of directors of the corporation are individual Canadians; (b) Canadians beneficially own, directly or indirectly, in the aggregate and otherwise by way of security only, not less than 80% of the corporation's voting shares issued and outstanding; and (c) the corporation is not otherwise controlled by persons that are not Canadians. Lower levels of Canadian voting share ownership (66⅔%) and of Canadian board membership are required for holding companies that own or control Canadian Carriers.

On June 29, 2012, the *Telecommunications Act* (Canada) was amended to eliminate foreign ownership restrictions for certain telecommunications carriers. As a result of the amendments, the existing foreign ownership restrictions no longer apply to carriers with less than a 10 per cent share of the total Canadian telecommunications market. This market share threshold is based upon total Canadian telecommunications revenue as determined by the CRTC. The new legislation permits exempt carriers to retain the exemption if they grow beyond the threshold by means other than mergers with, or acquisitions of, other Canadian carriers. Finally, it should be noted however that multi-system operators operating as telecommunication and broadcasting entities will have to continue to comply with the existing broadcasting foreign ownership restrictions.

3.1.10. Trademarks

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

3.1.11. CYCLES

The operating results of the Canadian cable services segment are not generally subject to material seasonal fluctuations except as follows. The number of video and Internet services customers are generally lower in the second half of the fiscal year as a result of a decrease in economic activity due to the beginning of the vacation period, the end of the television season, and students leaving their campuses at the end of the school year. Cogeco Cable Canada offers its services in several university and college towns such as Kingston, Windsor, St.Catharines, Hamilton, Peterborough, Trois-Rivières and Rimouski in Canada.

3.2. AMERICAN CABLE SERVICES

3.2.1. CUSTOMERS

The following table presents the total number of PSU, video service, Internet service and telephony service customers and the penetration rate of each of these services as a percentage of homes passed as at August 31, 2015:

	AUGUST 31, 2015(1)	% OF PENETRATION(2) AUGUST 31, 2015
PSU	571,160	N/A
Video Service Customers	249,303	42.2
Internet Service Customers	229,915	38.9
Telephony Service Customers	91,942	15.5

(1) INCLUDES 57,746 PSU (27,256 VIDEO SERVICES, 22,673 INTERNET SERVICES AND 7,817 TELEPHONY SERVICES CUSTOMERS) FROM THE ACQUISITION OF METROCAST CONNECTICUT IN THE FOURTH QUARTER OF FISCAL 2015.

(2) AS A PERCENTAGE OF HOMES PASSED.

3.2.2. SERVICES

3.2.2.1. Residential Services

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

Video Services

Atlantic Broadband's video services are offered, on a subscription basis, in analogue form and in digital form.

Analogue Service

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

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

Digital Video Service

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

Digital Tier Packages: Digital video customers have a lot more flexibility to design their own programming packages. Various digital tier packages are offered which focus on the interests of a particular customer demographic and emphasize, for example, sports, movies, family or ethnic programming.

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

Pay-per-View channels: Digital video customers have access to an expanded menu of Pay-per-View channels.

VOD Service: The VOD service allows customers with digital services to choose from a library of hundreds of movies and other programming and to view them at any time that is convenient for them.

HD: HDTV provides Atlantic Broadband customers who lease HD converters or who have digital sets with built-in HD tuners with television services at a higher resolution than that of standard television. Digital video service customers who rent HD-capable set-top boxes can typically access between 50-100 HD television channels.

Advanced Video Service: Atlantic Broadband was the first cable service provider in the United States to offer advanced video services through TiVo's T6 service platform. Through a partnership with Netflix, Inc. ("Netflix"), Atlantic Broadband enables its customers to easily find and watch the best shows and movies from Netflix through the same set-top box used to watch Live TV. The Netflix application was fully integrated into the TiVo service and all new and existing customers who subscribe to Netflix are now able to access Netflix in addition to Live TV, On Demand shows and other web content through one single device. Atlantic Broadband has also entered into a contract with Hulu and is working on implementation of the Hulu application.

Internet Service

Atlantic Broadband offers multiple tiers of Internet service. Service tiers were developed to appeal to a range of potential customers based on the addressable download speeds required by different customer groups. The most affordable service is designed to appeal to those customers currently using dial-up Internet service by taking advantage of the "always on" feature of the Internet service. Atlantic Broadband's Internet service offers superior speeds to Direct Subscriber Line ("DSL") and appeals to more sophisticated Internet services users. Atlantic Broadband offers broadband Internet packages with speeds up to 120 Mbps on the downstream and up to 10 Mbps on the upstream.

Atlantic Broadband also offers a home networking equipment and support service that provides further value to the customers seeking to connect multiple computers and devices to Atlantic Broadband's Internet offering. Atlantic Broadband plans to continue seeking out value-added service opportunities such as remote storage and backup that provide additional revenue potential.

Telephony Service

Atlantic Broadband's telephony service uses VoIP technology that makes it possible to have a telephone conversation over a dedicated IP network instead of dedicated voice transmission lines. This allows the elimination of circuit switching and the associated waste of bandwidth. Instead, packet switching is used, whereby IP packets with voice data are sent over the network only when data needs to be sent, for example when a caller is talking. VoIP's advantages over traditional telephony include: lower costs per call, especially for long-distance calls; lower infrastructure costs, as once the IP infrastructure is installed, little or no additional telephony infrastructure is needed.

Atlantic Broadband residential telephony service features include: unlimited long-distance calling throughout the United States, Canada and Puerto Rico; the ability to keep the customers' existing telephone number where local number portability is supported; the ability to access enhanced Emergency 911 dialing; and the ability to use existing telephones and in-house wiring. The service also includes voicemail and fifteen popular custom calling features.

Service Bundles

In addition to selling its services separately, Atlantic Broadband is focused on marketing differentiated packages of multiple services and features (such as video and telephony), or "bundles", for a single price. Increasingly, Atlantic Broadband customers subscribe to two or three of its services. Customers who subscribe to a bundle receive a recurring discount from the price of buying the services separately as well as the convenience of a single monthly bill. An additional temporary promotional discount may also apply to new customers or existing customers adding a new service to their bundle. Atlantic Broadband believes that its bundled offerings increase customer satisfaction and retention, and encourage subscription to additional features. As of August 31, 2015: 67% of Atlantic Broadband's customers preferred bundled services. 36% were "double-play" and 21% were "triple-play".

3.2.2.2. Business Services

Atlantic Broadband's target market in the commercial sector is small to medium-sized businesses with between five and 100 employees. Atlantic Broadband currently provides "tiered" Internet service to the business community based on data throughput speeds. Commercial customers choose from those tiered services to best meet their requirements and budgets. Atlantic Broadband commercial telephony service offers commercial customers multiple line capability, and is often bundled with the Internet service. Atlantic Broadband has rolled out a VoIP-based PRI for its commercial customers who use private branch exchange equipment. Atlantic Broadband has also enhanced its Metro-Ethernet service offering with standardized solutions and speeds that scale from 10 Mbps to 10 Gbps, including MPLS, based on customer need. Atlantic Broadband also opportunistically pursues large business and corporate customers located within its network footprint requiring: (i) wide area networks, (ii) point-to-point data services and (iii) virtual private networks. These services are offered where Atlantic Broadband has excess fibre or capacity on its network or where the contract with the customer provides an adequate return on investment.

3.2.3. Networks and Infrastructure

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

Atlantic Broadband's distribution network extends over 19,000 kilometres. Its leading-edge inter-city optical transport networks extend for a distance of over 850 kilometres. The broad reach of Atlantic Broadband's core transport network is designed to easily interconnect, at very high speed, its many local distribution systems to video content providers, public telephony networks, software application providers and to the world-wide Internet.

For residential services, Atlantic Broadband is deploying optical fibres to nodes serving clusters of typically 355 homes passed, with multiple fibres per node in most cases to rapidly extend the capacity of the system with smaller clusters when necessary. This just in time process, known as "node splitting," leads to further improvement in quality and reliability while increasing the capacity of two-way services such as Internet, VOD and telephony while maximizing investments. The HFC distribution infrastructure is designed with Radio Frequency ("RF") capacity of 450 MHz, 550 MHz, 750 MHz, 860 MHz or 1 GHz of bandwidth capacity, depending on the market served and customer needs.

In each market, the signals are transferred from the optical network to the coaxial cable network at the node for delivery to its customers. Atlantic Broadband believes that active use of fibre optic technology in combination with coaxial cable plays a major role in expanding channel capacity and improving the performance of the systems. Fibre optic strands are capable of carrying hundreds of video, data and voice channels over extended distances without the signal amplification typically required for coaxial cable. Atlantic Broadband will continue to deploy fibre optic cable as warranted to further reduce amplifier cascades, which improves system reliability and reduces system maintenance cost. This hybrid combination of fibre optic and coaxial cables is the most efficient choice when it comes to delivering high quality networks with judicious capital investments.

In order to recover bandwidth necessary for Internet growth as well as additional HD television channels, Atlantic Broadband is continuing with a multi-point strategy to enhance the network and increase overall network performance:

(a) In markets where overall bandwidth is below 750 MHz, Atlantic Broadband has completed the conversion of video services from analogue to digital with the deployment of DTA converters to its customers having older analogue equipment.

(b) In 750 MHz markets where Atlantic Broadband has a larger customer base, it has begun the conversion to all digital, which it anticipates will be completed in 2016.

(c) In 860 MHz and 1 GHz markets Atlantic Broadband is using the available spectrum to add bonded DOCSIS channels to increase speeds and to provide additional HD television channels.

Atlantic Broadband uses DOCSIS technology to deliver Internet and business services over HFC networks. DOCSIS has numerous advanced features, including the prioritization of packets to ensure a continuous transmission and high quality of service delivery. This prioritization is important for services that need to be transmitted in real time, such as telephony service. In addition, this technology provides a flexible and expandable platform to further increase IP transmission speeds and for providing other products such as symmetrical services, which are particularly well suited for commercial customer applications. Today Atlantic Broadband offers a top internet speed of 120 Mbps using DOCSIS 3.0 technology. Atlantic Broadband is on track to continue with the necessary infrastructure enhancements to selectively incorporate DOCSIS 3.1 to continue with speed increases to 250 Mbps and beyond. In select areas, Atlantic Broadband is currently offering Gigabit speeds using passive optical network technology.

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

The following table shows the percentage of Atlantic Broadband's homes passed where Digital video, VOD, Internet and telephony services were available as at August 31, 2015:

SERVICE	PERCENTAGE OF HOMES PASSED WHERE SERVICE IS AVAILABLE
DIGITAL VIDEO	99
VOD	86
Internet (DOCSIS 2.0)	99
Internet (DOCSIS 3.0)	95
TELEPHONY	99

3.2.4. LICENCES AND CONTRACTS

The American cable services activities are substantially dependent on a variety of important franchises, permits and similar authorizations. Atlantic Broadband operates pursuant to a total of approximately 261 non-exclusive franchises, permits and similar authorizations issued by local and state governmental authorities. Such franchises grant to Atlantic Broadband the right to access the public rights-of-way within each municipality covered by the franchises. Each franchise is awarded by a governmental authority and such governmental authority often must approve a transfer to another party. Most franchises are subject to termination proceedings in the event of a material breach. In addition, most franchises require Atlantic Broadband to pay the granting authority a franchise fee of up to 5.0% of gross revenues as defined in the various agreements, which is the maximum amount that may be charged under the applicable federal law.

The distribution of video services requires the execution of various agreements, including affiliation agreements. Atlantic Broadband obtains the majority of its expanded basic, digital tier and premium programming from the National Cable Television Cooperative ("NCTC"), a national cooperative of cable television service operators that collectively negotiates and administers master affiliation agreements with cable television programming networks on behalf of its member companies. Through joint purchasing and negotiation, the NCTC is able to take advantage of volume discounts offered by programming networks for the purchase of these services. Atlantic Broadband also obtains basic and premium programming directly from a number of suppliers. Programming contracts generally continue for a fixed period of time, usually from three to six years. Programming costs are paid each month based on calculations performed by Atlantic Broadband and are subject to adjustment based on periodic audits performed by the program suppliers. Some program suppliers offer financial incentives to support the launch of a channel and ongoing marketing support or launch fees. Atlantic Broadband also attempts to negotiate volume discount pricing structures. Programming is typically made available for a flat fee per customer. Most programmers require specific channel placement and service penetration. Some channels may be available without cost for a limited period of time, after which Atlantic Broadband generally must pay for the programming. For home shopping channels, Atlantic Broadband receives a percentage of the amount spent in home shopping purchases by its customers on channels Atlantic Broadband carries.

Atlantic Broadband obtains broadcast signals pursuant to the statutory copyright license provided in section 111 of the *Copyright Act*. Many of the stations carried have chosen to exercise "retransmission consent" rights in their signals, meaning that Atlantic Broadband must enter into retransmission consent agreements with such stations in order to carry them. Such agreements require payment of a flat per customer fee for retransmission of the broadcaster's signal. In some cases these agreements involve the exchange of other types of consideration such as limited grants of advertising time or, when applicable, limited VOD launch fees. The value ascribed to any exchange of non-monetary services in the limited number of cases in which such an exchange may exist are not material, with only cash compensation recorded as revenue and expense in these instances. Atlantic Broadband expects to be subject to continuing cash demands by broadcasters in exchange for their required consent for the retransmission of broadcast programming to customers.

Atlantic Broadband concluded a multi-year agreement with TiVo, a global leader in next-generation video services that enable viewers to consume content across all screens in and out-of-the home.

Atlantic Broadband relies on CSG Systems, Inc. ("CSG") for the provision of products and services related to customer administration and billing. Furthermore, Atlantic Broadband's business also requires the execution of contracts with utilities in order to obtain cost-effective and timely access to utility support structures (such as utility poles) and rights-of-way.

Atlantic Broadband's telephony service, which is a VoIP service, relies on the support of strategic providers. To that end, Atlantic Broadband entered into agreements with various suppliers such as Net2Phone Cable Telephony, LLC, now a division of IDT ("Net2Phone") whereby Net2Phone assists with provisioning capabilities and provides switching and termination of traffic to the public switched telephone network, delivery of enhanced Emergency 911 service, local number portability and operator and directory services (the "Net2Phone Agreement").

3.2.5. RENEWAL OF CONTRACTS

Prior to the scheduled expiration of most franchises, Atlantic Broadband will initiate renewal proceedings with the granting authorities. When the cable operator requests renewal in accordance with the *Cable Communications Policy Act of 1984* the granting authorities may not unreasonably withhold a renewal. In connection with the franchise renewal process, many governmental authorities require the cable operator to make certain commitments. Approximately 18% of Atlantic Broadband's existing franchises will expire within the next three years. Atlantic Broadband continues to operate the franchises under the terms of the expiring agreement during the renewal negotiations. Historically, it has been able to renew the systems' franchises without incurring significant costs, although there is a risk that any particular franchise may not be renewed on commercially favorable terms or otherwise. In addition, state legislation in Connecticut, South Carolina and Florida has streamlined both the franchising and renewal process in those jurisdictions.

The contracts with utilities to get access to existing utility support structures and rights-of-way are also renewed from time to time in the normal course of business. The *Communications Act of 1934*, as amended (the "Communications Act"), requires phone companies and other utilities (other than those owned by municipalities or cooperatives) to provide cable systems with non-discriminatory access to any pole or right-of-way controlled by the utility, as described in section 3.2.8. "Regulatory Regime".

The contracts with programming suppliers are renewed from time to time in the normal course of business. Cable programming costs have generally increased in excess of customary inflationary and cost-of-living type increases and they are expected to continue to increase due to a variety of factors, including:

- additional programming being provided to customers as a result of system upgrades that increase channel capacity;
- increased cost to produce or purchase cable programming;
- increased cost for certain previously discounted programming; and
- inflationary or negotiated annual cost increases.

In particular, sports programming costs have increased significantly over the past several years and are expected to continue to do so in the future. In addition, contracts to purchase sports programming sometimes contain built-in cost increases for programming added during the term of the contract.

The long-term agreement in effect with Net2Phone is the result of the extension and expansion of the original agreement signed with Net2Phone for the provision of telephony services by Atlantic Broadband in 2005 and most recently extended in 2014. Atlantic Broadband maintains a good business relationship with Net2Phone. Management considers that the business relationship is beneficial for both parties and that further extensions can take place in the normal course of business.

Atlantic Broadband renewed in 2015 its contract with CSG related to customer administration and billing. The long-term agreement in effect with TiVo commenced in 2013 and will be subject to negotiations in the normal course as new features or services are added or upon its expiration.

3.2.6. EMPLOYEES

As of August 31, 2015, Atlantic Broadband and its subsidiaries had approximately 770 employees. Approximately 180 employees are subject to collective bargaining agreements, representing approximately 23% of Atlantic Broadband's workforce. All of these collective bargaining agreements were renewed in the first quarter of calendar year 2014 and will expire in 2017.

3.2.7. COMPETITIVE CONDITIONS

The competition in the American cable industry is fragmented and varies by geographical area. Atlantic Broadband's principal competitor for video services is Digital Broadcast Satellite ("DBS") from two providers, DirecTV and Dish Network. Its principal competitor for Internet services is DSL, from a variety of service providers. In the Maryland/Delaware market, Verizon has built a FiOS ("FTTH") network that offers Internet, voice and video services. In the recently-acquired Connecticut market, Frontier provides Internet, voice and video services. AT&T U-verse currently provides service in the Miami and Aiken, South Carolina markets. Additionally, Atlantic Broadband faces limited competition from Comcast in Aventura and the southern section of Miami-Dade County where Atlantic Broadband has "overbuilt" the incumbent Comcast systems.

Atlantic Broadband's telephony service faces competition from the incumbent local exchange carriers ("ILECs"), as well as other providers such as cellular and alternative data communications services and VoIP providers such as Vonage.

Atlantic Broadband also faces competition from OTT services which are gaining increased interest by consumers, such as Netflix, Google TV, Apple TV, Hulu, Roku and Samsung, in addition to programming networks that make their services available on an OTT basis.

3.2.8. REGULATORY REGIME

3.2.8.1. Video services

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

Franchising

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

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

Federal law contains renewal procedures designed to protect incumbent franchisees against arbitrary denials of renewal. Even if a franchise is renewed, the local franchising authority may seek to impose new and more onerous requirements such as significant improvements in service or increased franchise fees as a condition of renewal. Similarly, if a local franchising authority's consent is required for the purchase or sale of a cable system or franchise, the local franchising authority may attempt to impose more burdensome or onerous franchise requirements as a condition for providing its consent. Historically, most franchises have been renewed for and consents granted to cable operators that have provided satisfactory services and have complied with the terms of their franchise.

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

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

Rate regulation

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

Carriage requirements and packaging rules

The Cable Act contains broadcast signal carriage requirements. The most important of these are the following:

- Cable operators with more than thirty-six channels are required to carry all local commercial broadcast stations that elect mandatory carriage (described in more detail below), up to one-third of the operator's activated channel capacity, plus all qualified local non-commercial educational stations. By contrast, cable operators may not carry commercial broadcast stations that elect retransmission consent without the written consent of the station.

- For each commercial broadcast station and non-commercial educational station carried, cable operators are required to carry in its entirety the primary video, accompanying audio, and closed captioning data. Cable operators must also pass through video description and emergency information provided by broadcasters. With respect to carriage of digital signals, operators are not required to carry ancillary or supplementary transmissions or non-program related video material.

- Cable operators are prohibited from requiring the subscription to any tier other than the basic tier as a condition of subscription to video programming offered on a per-channel or per-program basis. Operators, however, may require access to one or more tiers of programming services as a condition of access to other tiers of programming services.

As discussed above, federal law also permits franchising authorities to require PEG programming. Many of Atlantic Broadband's franchises require Atlantic Broadband to provide channel capacity and financial support for PEG programming.

Federal law places comparatively fewer requirements on the carriage of "cable programming" (non broadcast networks such as ESPN and CNN).

Legislators and the FCC have considered imposing new pricing or packaging regulations on the carriage of broadcast and non-broadcast programming. These include requiring cable operators to offer stations on an *a la carte* or themed-tier basis. To date, these proposals have not been adopted.

Carriage of Broadcast Signals: Must Carry/Retransmission Consent

The Cable Act requires local commercial television broadcast stations to elect once every three years between "must carry" status and "retransmission consent" status. Cable operators are required to carry, without compensation, the programming of local commercial television stations that elect must carry, which includes any station that fails to make a timely election. By contrast, cable operators may not carry stations that elect "retransmission consent" without a written agreement allowing them to do so. Stations that elect retransmission consent may demand cash payments or other significant consideration (such as the carriage of and payment for other programming networks affiliated with the broadcaster) for granting permission to the cable operator to retransmit the station's local broadcast signal.

Television stations and cable operators alike must negotiate retransmission consent agreements in "good faith." The FCC has set forth a series of actions that would constitute *per se* bad faith, such as refusing to negotiate at all, or refusing to appoint an agent with sufficient authority. The FCC recently initiated a proposed rulemaking to review the totality of the circumstances test contained in the good faith negotiation requirement. As part of the proceeding, the FCC is considering how it should resolve complaints that do not constitute a per se violation, but involve certain behaviors that should be deemed to be bad faith.

In March 2014, the FCC released an order and proposed rulemaking making it unlawful for two of the top four stations (NBC, ABC, CBS and Fox) in the same market to negotiate jointly for retransmission consent, unless the stations are commonly owned under the FCC's ownership rules. Additionally, the FCC sought comment on whether to modify or eliminate the network non-duplication and syndicated exclusivity rules in light of changes in the video marketplace since these rules were first adopted more than forty years ago.

In December 2014, Congress passed the *Satellite Television Extension and Localism Reauthorization Act of 2014* ("STELAR"). The rules (i) extended until January 1, 2020 the requirement that multichannel video programming distributors (MVPDs) and television broadcast stations negotiate retransmission consent rights in good faith; (ii) prohibited joint retransmission consent negotiations by same-market television broadcast stations; (iii) prohibited television broadcast stations from limiting the ability of MVPDs to carry out-of-market significantly viewed stations; and (iv) eliminated the prohibition on MVPDs dropping television stations during sweeps periods. STELAR also eliminated the ban on set-top boxes with integrated conditional-access functions. As part of the legislation, the FCC established a working group of technical experts to recommend performance objectives, technical capabilities and standards to promote the competitive availability of such navigation devices.

Access to Programming

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

Leased Access

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

Access to Support Structures and Municipal Property

The Communications Act requires phone companies and other utilities (other than those owned by municipalities or cooperatives) to provide cable systems with non-discriminatory access to any pole or right-of-way controlled by the utility. The rates that utilities may charge, together with certain terms and conditions for such access are regulated by the FCC, or, alternatively, by states that certify to the FCC that they regulate pole attachments. Three states in which Atlantic Broadband has cable systems have certified that they regulate pole attachments.

MDUs and Inside Wiring

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

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

Copyright Licensing

Cable television systems are subject to a federal “statutory copyright license” covering carriage of television and radio broadcast signals. In exchange for filing certain reports and contributing a percentage of their revenues to a federal copyright royalty pool that varies depending on the size of the system, the number of distant broadcast television signals carried, and the location of the cable system, cable operators can obtain blanket permission to retransmit copyrighted material included in broadcast signals. The possible modification or elimination of this compulsory copyright license is the subject of continuing legislative and administrative review and could adversely affect Atlantic Broadband’s ability to obtain desired broadcast programming and/or substantially increase its costs. The U.S. Copyright Office has issued a Notice of Inquiry on issues relating to the calculation of compulsory license fees that could significantly affect the amount Atlantic Broadband pays. In June 2008, the Copyright Office issued a report to Congress in which it considered (among other proposals) eliminating the compulsory copyright license in favor of free market negotiations between cable operators and copyright owners. If adopted, such a proposal could materially affect Atlantic Broadband’s ability to obtain certain programming and increase the fees Atlantic Broadband pays. Additionally, in June 2008 the Copyright Office issued a Notice of Proposed Rulemaking addressing how the compulsory license will apply to digital broadcast signals and services, including a proposal that cable operators pay fees for carriage of each digital multicast stream of programming from an out-of-market television broadcast station. Such proposals, if and depending on how adopted, could increase Atlantic Broadband’s royalty fee for out-of-market stations. Copyright clearances for non-broadcast programming services are arranged through private negotiations.

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

Privacy and Security Regulation

In addition to privacy protections of the Communications Act relating to the protection of cable customer privacy and customer proprietary network information, Atlantic Broadband is also subject to state and federal laws regarding information security. Most of these rules and laws apply to information that could be used to commit identity theft. In addition, the Federal Trade Commission has issued “red flag rules” requiring “creditors” (as defined under the rules and interpreted by the Federal Trade Commission to include Atlantic Broadband) to take steps to identify, detect and respond to activities indicative of identity theft. These rules became effective in November, 2009.

Other Cable Service-Related Statutory Provisions and Regulations of the FCC

In addition to the Communications Act provisions and FCC regulations noted above, there are other cable service-related statutory provisions and regulations of the FCC covering such areas as:

- programming practices, including, among other things, blackouts of programming offered by a distant broadcast signal carried on a cable system that duplicates the programming for which a local broadcast station has secured exclusive distribution rights, local sports blackouts, indecent programming, lottery programming, political programming, sponsorship identification, children’s programming advertisements, and closed captioning;

- registration of cable systems and facilities licensing;

- maintenance of various records and public inspection files;

- aeronautical frequency usage;

- lockbox availability;

- antenna structure notification;
- tower marking and lighting;
- consumer protection and customer service standards;
- technical standards;
- equal employment opportunity;
- consumer electronics equipment compatibility; and
- emergency alert systems.

3.2.8.2. Telephony services

Atlantic Broadband offers telephony services to customers using interconnected VoIP technology. The FCC has imposed additional regulatory requirements on interconnected VoIP services, including enhanced 911 capabilities and customer disclosure, *Communications Assistance for Law Enforcement Act* ("CALEA") obligations, disability access, Customer Proprietary Network Information ("CPNI") requirements, local number portability duties and benefits, Universal Service payment obligations, and the obligation to seek FCC approval prior to discontinuing services. FCC rules effective in January 2013 also require VoIP service providers to certify compliance and maintain records that their products and services are accessible to people with disabilities, if such access is readily achievable. The FCC has also reaffirmed the obligation of other telecommunications carriers, such as ILECs, to interconnect with those local exchange carriers that are providing interconnection services to interconnected VoIP providers, although smaller rural local exchange carriers at times continue to resist such interconnection obligations. Certain states preclude the state public utility commissions from regulating the rates, terms and conditions or requiring the certification of interconnected VoIP services. Until the FCC or the courts expressly reassert preemption for fixed interconnected VoIP services, or the state legislatures in those states enact legislation precluding the state public utility commission from exercising jurisdiction over fixed interconnected VoIP, it is possible that those state public utility commissions or their state legislatures may do so.

The FCC has also undertaken comprehensive intercarrier compensation reform including the establishment of appropriate compensation applicable to VoIP interconnection on a going forward basis. Atlantic Broadband currently contracts with Net2Phone whereby Net2Phone assists Atlantic Broadband with provisioning capabilities and provides it with switching and termination of traffic to the public switched telephone network, delivery of enhanced Emergency 911 service, local number portability and operator and directory services pursuant to the Net2Phone Agreement.

3.2.8.3. Internet Services

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

In October 2011, the FCC announced comprehensive reforms to the Universal Service Fund ("USF") to expand access to Internet and voice services nationwide and benefit consumers by accelerating deployment of modern communications networks. The overhaul transforms universal service and intercarrier compensations systems into a new Connect America Fund ("CAF"), with the stated goal to connect all Americans to broadband. The CAF, with an annual budget up to C$4.5 billion, is expected to help connect seven million Americans to Internet and voice in rural America over the next few years.

In addition, Congress and federal regulators have adopted a wide range of measures affecting Internet use, including, for example, consumer privacy, consumer protection, copyright protection, defamation liability, taxation, obscenity and unsolicited commercial e-mail. Furthermore, Congress, the FCC and certain state and local governments are also considering proposals to impose customer service, quality of service, taxation, child safety, privacy and standard pricing regulations on Internet service providers. The adoption of new laws or the application of existing laws to the Internet could have a material adverse effect on Atlantic Broadband's Internet business.

3.2.9. Foreign Ownership Restrictions

There are no foreign ownership restrictions impacting the Corporation's ownership of Atlantic Broadband or prohibiting the Corporation from acquiring additional cable systems in the United States, subject to review by the Committee on Foreign Investment in the United-States.

3.2.10. TRADEMARKS

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

3.2.11. CYCLES

Atlantic Broadband's operating results are not generally subject to material seasonal fluctuations except as follows. The number of video and Internet services customers are generally lower in the second half of the fiscal year as a result of a decrease in economic activity due to the beginning of the vacation period, the end of the television programming seasons, and students leaving their campuses at the end of the school year. Atlantic Broadband offers its services to universities and colleges primarily in the Pennsylvania region and to a lesser extent in South Carolina, Connecticut and Maryland/Delaware. The Miami region is also subject to seasonal fluctuations due to the winter season residents returning home from late spring through the fall.

3.3. ENTERPRISE DATA SERVICES SEGMENT

3.3.1. CUSTOMERS

On May 5, 2015, the Corporation announced the operational, financial and organizational restructuring of the Enterprise data services segment by combining the strengths of its two business units Cogeco Data Services and Peer 1 Hosting (hereinafter "Cogeco Peer 1"). United, they provide colocation, network connectivity, managed hosting, cloud and a rich portfolio of managed IT services in Canada, the United-States and Europe, to small, medium and large enterprises around the globe. Cogeco Peer 1 provides these services in the following key vertical markets: online retail, financial services, technology, public sector, education, health care, business services, manufacturing, media and online gaming.

3.3.2. SERVICES

The following five service portfolio's represent Cogeco Peer 1's core suite of offerings: colocation, network connectivity, managed hosting, cloud services and managed IT services.

Colocation

Colocation services allow customers to host "customer-owned" IT infrastructure within a Cogeco Peer 1 data centre where they benefit from a superior data centre environment, uninterruptible power sources and Cogeco Peer 1 FastFiber Network^{TM} connectivity infrastructure. These services include cabinets, cage space, redundant power supply, physical security and operational support. This type of solution also enables customers to further leverage other Cogeco Peer 1 services including cloud, backup and disaster recovery and managed IT services.

Network Connectivity

Cogeco Peer 1 operates an advanced high speed transport fibre optic networks in Canada, the United States and in Europe. This core backbone is equipped with state-of-the-art, carrier grade infrastructure connecting its global data centres and facilities all together. The network has multiple interconnections with Tier 1 peering partners, carriers and extended geographic reach via leased facilities with third party carriers. Cogeco Peer 1 also owns and operates all-optical fibre access networks in Montréal and Toronto. These combined transport and access facilities enable Cogeco Peer 1 to provide a rich suite of high performance network connectivity options including wavelength, Ethernet, IP virtual private network and very high speed internet services.

Managed Hosting

Cogeco Peer 1's managed hosting solution provides clients with access to server, storage software, load-balancers, transport networks, security and content distribution network infrastructure that are managed by Cogeco Peer 1's support teams, in order to host a customer's transactional web-site application. The solution may also provide certain customers with access to PCI-DSS compliant environments for their web hosting in select geographies.

Cloud

Cogeco Peer 1 provides customers with access to a suite of secure, high performance and scalable cloud platforms, for their compute and storage requirements. The cloud portfolio is comprised of public cloud platforms (multi-tenant infrastructure to support multiple customers), managed private cloud platforms (single tenant infrastructure dedicated to a single customer) and hybrid cloud platforms (integrated combination of public and private virtual machines and bare metal servers). Cogeco Peer1's cloud platforms consists of wholly owned and managed computing infrastructure housed within company owned data centres in Canada, the United States and Europe, as well as third party computing infrastructures.

Managed IT Services

Cogeco Peer 1's Managed IT services provides customers with value added services to maximize the productivity of their IT environment. These services include:

- backup/disaster recovery, which provide customers with access to disk storage, tape archival and data replication services to protect a customer's data and applications in the event of a disaster. Cogeco Peer 1 works closely with customers to design solutions to meet customers' recovery time objectives (RTO), recovery point objectives (RPO) and data residency/compliance requirements;

- e-commerce, which provides clients with access to a fully managed hosted services including servers, storage, software, load-balancers, networking, security, in addition to support experts, to help manage e-Commerce online applications. The solution may also provide certain customers with access to PCI-DSS compliant environments for their online applications in select geographies; and

- security services, which provide customers with access to a suite of security services to help protect a customer environment from malwares, cyber-attacks or viruses. The service portfolio includes firewall, anti virus/spam, content filtering, intrusion detection services (IDS), load-balancer, secure virtual private network, hardened operating systems and distributed denial of service (DDOS) mitigation services and are supported around the clock with a team of security experts.

Additional Managed IT services are also available from the company including server and operating system management, database management, application management and network element management.

3.3.3. Infrastructure

As at October 28, 2015, Cogeco Peer 1 provided its services through 21 data centres covering approximately 420,000 gross square feet and more than 50 core POPs ("points-of-presence") in North America and Europe.

Cogeco Peer 1's data centres include highly secure and redundant IT infrastructure, including state of the art 24/7/365 monitoring, regulated climate control, power redundancy, support, and biometric security access. In addition, Cogeco Peer 1's data centres are designed, built, and operated to data centre industry standards in order to meet both service and compliance requirements of its enterprise customers.

During this last fiscal year, Cogeco Peer 1 completed building a new approximately 100,000 gross square foot data centre in Montréal, which officially opened on September 18, 2015. The new facility will be built-out in stages over several years, aligned with the pace at which Cogeco Peer 1 secures multi-year contracts.

3.3.4. Licences and Contracts

Most of Cogeco Peer 1's data centres are located in leased premises, which require the execution of lease agreements with owners of these premises. Cogeco Peer 1's leases are usually in effect for terms of 10 years to 20 years, typically with options to extend following the initial term of the lease.

Cogeco Peer 1 has entered into interconnection and related agreements with network service providers and other carriers for transit and transport services, including an intercity fibre network that interconnects Cogeco Peer 1's data centres globally. In addition, Cogeco Peer 1 enters into interconnection arrangements with local exchange carrier in order to connect customers from their premises to the data centres or points of presence.

Cogeco Peer 1 also operates in Montréal and Toronto wholly-owned fibre optic networks which require the execution of contracts with public utilities and municipalities in order to obtain cost-effective and timely access to municipal rights-of-way and existing public utility support structures. Cogeco Peer 1 has municipal access agreements with cities in the Greater Toronto and Montréal Areas and support structure agreements with other telecom carriers, the Hydro utility in Toronto and the Hydro utility in Québec. The use by Cogeco Peer 1 of support structures owned by incumbent telecommunications carriers or by electric power utilities and the access to municipal street allowances and property is regulated in the same way as for Cogeco Cable Canada activities, as described in Section 3.1.

3.3.5. Renewal of Contracts

Cogeco Peer 1's data centre leases are renewed from time to time in the normal course of business. Lease renewals are usually for additional renewal periods of 5 to 10 years. The interconnection agreements between Cogeco Peer 1 and the various network service providers are also renewed from time to time in the normal course of business.

The contracts with power utilities suppliers of support structures for Cogeco Peer 1's network, Toronto Hydro and Hydro-Québec, have been in effect for many years and are both renewed from time to time in the normal course of business. Support structure agreements with other carriers and contracts with municipalities to get access to municipal rights-of-way are also renewed from time to time in the normal course of business.

3.3.6. EMPLOYEES

As at August 31, 2015, the number of employees of Cogeco Peer 1 was approximately 660. Sixty-five employees of Cogeco Peer 1 in Toronto are subject to a collective bargaining agreement, representing approximately 10% of Cogeco Peer 1's aggregate workforce. The current collective agreement with the union representing Cogeco Peer 1 employees in Toronto is set to expire as of January 31, 2017. As at August 31, 2015, none of Cogeco Peer 1's employees outside of Toronto were represented by unions.

Cogeco Peer 1 considers its relations with its employees to be satisfactory.

3.3.7. COMPETITIVE CONDITIONS

The markets in which Cogeco Peer 1 competes are highly competitive, constantly changing and fragmented. Competition includes local and regional, in addition to national and international competitors. Cogeco Peer 1 faces competition in relation to colocation, network connectivity, managed hosting, cloud services and managed IT services from Canadian networks service providers (e.g., Bell, TELUS, Rogers), international managed services providers (e.g., Centurylink, Rackspace), small regional specialized firms (Beanfield, Cogent) and in some cases with very large system integrators (e.g. IBM, CGI). The principal competitive differentiators for Cogeco Peer 1 include providing its customers with access to a comprehensive suite of services that empower them to scale and grow for the future.

3.3.8. REGULATORY REGIME

Cogeco Peer 1 operates in a largely unregulated environment with regard to the provision of communications technology services such as colocation, network connectivity, managed hosting, cloud services and managed IT services.

In Canada, Cogeco Data Services (part of Cogeco Peer 1) operates in the Canadian telecommunications market as a Canadian carrier, subject to the regulatory framework established by the CRTC under the *Telecommunications Act* (Canada). Cogeco Data Services is registered with the CRTC as a non-dominant carrier and hence is allowed to provide its connectivity services on a non-regulated tariff basis according to its own terms and conditions. Cogeco Data Services is also authorized to operate as a CLEC in some exchanges in Ontario and Québec. Finally, Cogeco Data Services holds a licence for the provision of basic international telecommunications services.

Peer 1 Hosting (part of Cogeco Peer 1) operates in Canada as a telecommunication service provider. The network services provided by Peer 1 Hosting based on leased facilities relate exclusively to providing, for the exclusive use of its hosting customers, a network that links the company's data centres in Europe and North America.

3.3.9. TRADEMARKS

Cogeco Peer 1 has registered or applied for registration of certain trademarks that are used in its operating activities, which its regards as having significant value or as being important factors in the marketing of its services.

3.3.10. CYCLES

Cogeco Peer 1 operating results are not subject to material seasonal fluctuations.

4. REORGANIZATIONS

On August 26, 2015, NetBenefit (UK) Limited was merged into its parent company, Peer 1 (UK) Ltd.

On August 20, 2015, Atlantic Broadband Finance LLC incorporated a new subsidiary, Atlantic Broadband (CT) LLC to complete the acquisition of MetroCast Connecticut. For this transaction, Acquisitions Cogeco Cable Luxembourg II S.à r.l. also incorporated a new subsidiary, Acquisitions Cogeco Cable Luxembourg IIA S.à r.l. and set up a branch in the United States.

In July 2014, two inactive entities of Atlantic Broadband group of companies were dissolved, Atlantic Broadband Holdings Inc. and Atlantic Broadband Finance Inc.

On October 1, 2013, Cogeco Cable Québec 2009 Inc. and Cogeco Cable Canada GP Inc. merged into a new corporation that continued under the name of Cogeco Cable Canada GP Inc. Cogeco Cable Canada GP Inc. is the general partner of Cogeco Cable Canada LP and Cogeco Cable Québec General Partnership. On October 28, 2013, the corporation previously known as Cogeco Cable Canada Inc., which is the parent company of the Canadian cable, American cable and Enterprise data services group of companies, was renamed Cogeco Cable Holdings Inc.

Following the acquisition of Peer 1 Hosting in January 2013, the Corporation created Cogeco Enterprise Services Inc. (under the laws of Canada) that became the holding company of the Peer 1 Hosting group of companies and Cogeco Data Services. Peer 1 Network Enterprises, Inc. transferred its American subsidiary (PEER 1 Networks (USA) Holdings Inc.) and its UK subsidiaries (Peer 1 (UK) Ltd. (England and Wales)) and Peer 1 (UK) Holdings Ltd. to Cogeco Enterprise Services Inc. A corporation had been created in Luxembourg (Acquisitions Cogeco Cable Luxembourg III S.à r.l.) to facilitate these transactions. Cogeco Enterprise Services Inc. changed its name to Cogeco Peer 1 Inc. on October 16, 2015.

With regard to the acquisition of Atlantic Broadband in November 2012, the Corporation created companies in Canada, the United States and Luxembourg, namely Cogeco Cable Acquisitions G.P. Inc. under the laws of Canada, Acquisitions Cogeco Cable II Inc. and Acquisitions Cogeco Cable II LP under the laws of Delaware and Acquisitions Cogeco Cable Luxembourg S.à r.l. and Acquisitions Cogeco Cable Luxembourg II S.à r.l. under the laws of Luxembourg. Following the acquisitions of Atlantic Broadband, Atlantic Broadband (Miami) Holdings Inc., Atlantic Broadband (SC) Holdings Inc. and Atlantic Broadband (Delmar) Holdings, Inc., were merged into Atlantic Broadband (Penn) Holdings inc. (under the laws of Delaware).

5. RISK FACTORS

The business as conducted by the Corporation involves numerous risks and uncertainties. The main risk factors and uncertainties facing the Corporation are disclosed in the "Uncertainties and Main Risk Factors" section of the Corporation's Annual Report for the year ended August 31, 2015 which is incorporated herein by reference, as supplemented in the "Uncertainties and Main Risk Factors" section of the Corporation's quarterly reports to shareholders. These risks and uncertainties should be considered in conjunction with the other information included in this AIF.

6. DIVIDENDS

The Corporation's dividends on the Multiple Shares and Subordinate Shares have been increasing over the last three fiscal years, from $0.26 per share each quarter of fiscal 2013 to $0.30 for each quarter of fiscal 2014 and to $0.35 for each quarter of fiscal 2015.

The declaration, amount and date of any future dividend will continue to be considered and approved by the Board of Directors of the Corporation based upon the Corporation's financial condition, results of operations, capital requirements and such other factors as the Board of Directors, at its sole discretion, deems relevant. There is therefore no assurance that dividends will be declared, and if declared, their amount and timing may vary.

7. CAPITAL STRUCTURE

The authorized share capital of the Corporation consists of an unlimited number of subordinate voting shares (the "Subordinate Shares"), multiple voting shares (the "Multiple Shares"), Class A preference shares (the "Class A shares") and Class B preference shares (the "Class B shares"). As at August 31, 2015, 15,691,100 Multiple Shares and 33,533,342 Subordinate Shares were issued and outstanding. No Class A shares or Class B shares are presently issued and outstanding. The following is a summary of the material characteristics attached to the authorized classes of shares of the capital stock of the Corporation:

7.1. GENERAL DESCRIPTION OF CAPITAL STRUCTURE

7.1.1. SUBORDINATE SHARES AND MULTIPLE SHARES

Except for voting rights, Subordinate Shares and Multiple Shares carry and are subject to the same rights, privileges, restrictions and conditions.

VOTING RIGHTS

The Subordinate Shares are entitled to one vote per share and the Multiple Shares are entitled to ten votes per share.

DIVIDENDS

Subject to the prior rights of the holders of the Class A shares, Class B shares and any other class of shares of the Corporation ranking senior to the Subordinate Shares and Multiple Shares, the holders of Subordinate Shares and Multiple Shares shall be entitled, on a share-for-share basis, to any dividend which, in the discretion of the Board of Directors, may be declared, paid or set aside for payment during any fiscal year with respect to such shares, without preference or distinction between the Subordinate Shares and the Multiple Shares.

DISSOLUTION

The holders of Subordinate Shares and Multiple Shares shall be entitled to share equally in any distribution of the assets of Cogeco Cable upon its liquidation, dissolution or winding-up or other distribution of its assets. Such participation is subject to the rights, privileges, restrictions and conditions attached to any issued and outstanding Class A shares and Class B shares.

CONVERSION RIGHTS

Each Multiple Share is convertible at any time at the holder's option into one fully paid and non-assessable Subordinate Share.

RIGHTS IN THE EVENT OF A TAKE-OVER

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

7.1.2. CLASS A SHARES

VOTING RIGHTS

The Class A shares are not entitled to any voting rights, unless the meeting is called to consider any matter in respect of which the holders of the Class A shares would be entitled to vote separately as a class.

DIVIDENDS

The holders of Class A shares are entitled to receive, in priority to the Class B shares, the Subordinate Shares and the Multiple Shares, a cumulative cash dividend at the rate of 11 per cent of the Redemption Amount (as defined in the Articles of the Corporation) per share, per annum payable annually on a date to be determined by the Board of Directors.

DISSOLUTION

The holders of the Class A shares shall be entitled to receive from the assets of the Corporation a sum equivalent to the aggregate Redemption Amount (as defined in the Articles of the Corporation) of all the Class A shares held by them respectively before any amount shall be paid or any assets of the Corporation distributed to the holders of the Class B shares, the Subordinate Shares and the Multiple Shares.

7.1.3. CLASS B SHARES

SERIES

Class B shares may be issued from time to time in one or more series. The Board of Directors of the Corporation shall be entitled, by resolution, but subject to the provisions of the *Canada Business Corporations Act*, the provisions in the Articles of the Corporation and the provisions attaching to any series of Class B shares outstanding, to determine, prior to issue, the number of shares of each series of Class B shares and the consideration per share, as well as their designation and the rights, privileges, conditions and restrictions attaching thereto.

VOTING RIGHTS

The Class B shares are not entitled to any voting rights, unless the meeting is called to consider any matter in respect of which the holders of the Class B shares would be entitled to vote separately as a class or series.

DIVIDENDS

The holders of Class B shares are entitled to receive, after the holders of Class A shares but before the holders of Subordinate Shares and Multiple Shares, a dividend, which dividend may or may not be cumulative and payable in cash or by way of stock dividends or in any other manner not prohibited by the *Canada Business Corporations Act*.

DISSOLUTION

Subject however to the prior rights of the holders of the Class A shares, the holders of the Class B shares shall be entitled to receive, to the extent provided with respect to each series: (i) an amount equal to the price at which the said shares were issued, (ii) the premium, if any, provided for with respect to the shares of such series, and (iii) in the case of cumulative Class B shares, all unpaid cumulative dividends, and, in the case of non-cumulative Class B shares, all non-cumulative dividends declared but unpaid, before any amount shall be paid or any assets of the Corporation distributed to the holders of the Subordinate Shares and the Multiple Shares.

7.2. CONSTRAINTS ON ISSUE AND TRANSFER OF SHARES

The issue and transfer of Subordinate Shares and Multiple 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 issued by the CRTC. The Corporation is subject to Canadian ownership and control requirements that limit the extent to which equity can be issued or transferred to non-Canadian residents and that preclude control by non-Canadian residents as well as prohibit the voting of equity shares in circumstances in which there is a contravention of the *Broadcasting Act* (Canada) or of any such directions or conditions of licence.

In summary, each subscriber or transferee of any shares of the Corporation is required to supply a declaration stating certain facts with respect to citizenship and ownership and control over the shares. No share may be issued or transferred if this would prevent the Corporation or its subsidiaries from holding licences or approvals for commercial activity and, in particular, cable, or if the issue or transfer would be in contravention of the *Broadcasting Act* (Canada) or any instruction issued by the Governor-in-Council by virtue of such Act or any licence or authorization of the Corporation. In the event of any contravention of the foregoing, the holder of the shares may not exercise the voting rights attached thereto so long as the contravention subsists.

7.3. CREDIT RATINGS
COGECO CABLE

The table below shows Cogeco Cable’s credit ratings:

AS AT AUGUST 31, 2015	DBRS	FITCH	S&P
SENIOR SECURED NOTES AND DEBENTURES	BBB (LOW)	BBB-	BBB
SENIOR UNSECURED NOTES	BB	BB+	BB-

On July 29, 2014, Dominion Bond Rating Service (“DBRS”) confirmed their ratings of “BBB (low)”on the Senior Secured Debentures Notes and of "BB" on the Senior Unsecured Notes and confirmed the "BB (high)" Issuer Rating. The “BBB (low)” rating is one notch above the Issuer rating of “BB (high)” and reflects very high recovery prospects of first lien secured issues. Obligations rated in the “BBB” category are in the fourth highest category and are regarded as of adequate credit quality. Obligations rated in the “BB” category are speculative, non-investment grade credit quality.

On April 28, 2014, Standard & Poor’s Ratings Services (“S&P”) confirmed their ratings of “BBB” on the Senior Secured Debentures and Notes, of "BB-"on the Senior Unsecured Notes and confirmed the “BB+” corporate credit rating. The “BBB” rating is two notches above the corporate credit ratings of “BB+” and reflects very high recovery prospects of first lien secured issues.

Obligations rated in the “BBB” category are in the fourth highest category and are regarded as investment-grade. Such obligations show adequate protection parameters. The ratings may be modified by the addition of a plus “(+)” or minus “(-)” sign to show relative standing within the major rating categories. Obligations rated in the “BB” category are speculative, non-investment grade credit quality.

On April 13, 2015, Fitch Ratings (“Fitch”) has confirmed the “BB+” Issuer Default Rating ("IDR") and has also confirmed the rating of “BBB-”on Senior Secured Notes and of “BB+”Senior Unsecured Notes. Obligations rated in the “BBB” category are regarded as of good credit quality. Obligations rated in the "BB" category are regarded as speculative.

ATLANTIC BROADBAND

The table below shows Atlantic Broadband’s credit ratings:

AS AT AUGUST 31, 2015	S&P	MOODY'S
FIRST LIENS CREDIT FACILITIES	Ba3	BB

On June 20, 2015, following the announcement of an agreement to acquire MetroCast Connecticut, Moody’s Investors Service (“Moody’s”) affirmed their ratings on Atlantic Broadband’s credit facilities at "Ba3", one notch above the "B1" corporate family rating. Obligations rated Ba are judged to be speculative and are subject to substantial credit risk. Moody’s appends numerical modifiers 1, 2, and 3 to each generic rating classification from "Aa" through "Caa". The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

On June 17, 2015, following the announcement of an agreement to acquire MetroCast Connecticut, S&P confirmed their ratings on Atlantic Broadband’s credit facilities to "BB", one notch above the "BB-" Issuer Rating.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

8. MARKET FOR SECURITIES

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

The table below shows the price ranges and trading volume of the Subordinate Shares for each month of the last fiscal year:

PRICE RANGES AND TRADING VOLUME OF THE SUBORDINATE SHARES

MONTH	HIGH	LOW	VOLUME
	$	$	#
SEPTEMBER 2014	62.97	56.75	1,042,150
OCTOBER 2014	61.85	55.80	1,287,867
NOVEMBER 2014	65.00	62.60	1,533,363
DECEMBER 2014	71.66	63.91	2,661,948
JANUARY 2015	75.57	70.39	2,254,337
FEBRUARY 2015	76.49	70.94	1,811,895
MARCH 2015	74.39	67.48	1,400,312
APRIL 2015	71.01	66.64	1,439,836
MAY 2015	68.94	63.65	1,029,624
JUNE 2015	73.59	65.93	1,726,913
JULY 2015	73.50	69.60	1,412,706
AUGUST 2015	71.67	64.59	1,332,696

9. DIRECTORS AND EXECUTIVE OFFICERS

9.1. DIRECTORS

The table below lists Cogeco Cable's directors, their municipality of residence and their current principal occupation as at August 31, 2015**.** Each director is elected at the annual meeting of shareholders to serve until the next annual meeting or until a successor is elected or appointed:

NAME AND MUNICIPALITY OF RESIDENCE	DIRECTOR SINCE	CURRENT PRINCIPAL OCCUPATION
LOUIS AUDET, ENG., MBA(1), C.M. WESTMOUNT, QUÉBEC	1992	PRESIDENT AND CHIEF EXECUTIVE OFFICER OF COGECO CABLE AND OF COGECO
PATRICIA CURADEAU-GROU, B.COM, FINANCE, ICD.D MONTRÉAL, QUÉBEC	2012	STRATEGIC ADVISER TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER NATIONAL BANK OF CANADA
L.G. SERGE GADBOIS, FCPA, FCA, MBA(1) BOUCHERVILLE, QUÉBEC	2006	CORPORATE DIRECTOR
CLAUDE A. GARCIA, B.A., B.Com. MONTRÉAL, QUÉBEC	2003	CORPORATE DIRECTOR
LIB GIBSON, M.Sc., B.Sc., ICD.D TORONTO, ONTARIO	2015	CORPORATE DIRECTOR
DAVID MCAUSLAND, B.C.L., LL.B. BEACONSFIELD, QUÉBEC	1999	PARTNER, MCCARTHY TÉTRAULT (LAW FIRM)
JAN PEETERS MONTRÉAL, QUÉBEC	1998	CHAIRMAN OF COGECO CABLE AND OF COGECO, PRESIDENT AND CHIEF EXECUTIVE OFFICER AND CHAIRMAN, OLAMETER INC. (TELEMETRY)
CAROLE J. SALOMON, B.A., MBA TORONTO, ONTARIO	2009	PRESIDENT AND CHIEF EXECUTIVE OFFICER CARDAVAN CORPORATION (MANAGEMENT CONSULTANCY)

(1) MR. AUDET IS A FORMER DIRECTOR OF TQS INC. WHICH FILED FOR PROTECTION UNDER THE *COMPANIES CREDITOR ARRANGEMENT ACT* ("CCAA") ON DECEMBER 18, 2007 AND ITS SHARES WERE SOLD WITH COURT APPROVAL IN AUGUST, 2008. MR. GADBOIS IS A FORMER DIRECTOR OF MECACHROME INTERNATIONAL INC., WHICH FILED FOR PROTECTION UNDER THE CCAA ON DECEMBER 12, 2008.

PAST OCCUPATIONS

Cogeco Cable's directors have held the position listed in the table above or other executive functions with the same corporation during the past five years or more.

COMMITTEES OF THE BOARD

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

AUDIT COMMITTEE	HUMAN RESOURCES COMMITTEE	CORPORATE GOVERNANCE COMMITTEE	STRATEGIC OPPORTUNITIES COMMITTEE
PATRICIA CURADEAU-GROU	CLAUDE A. GARCIA	LIB GIBSON	LOUIS AUDET
L.G. SERGE GADBOIS(1)	PATRICIA CURADEAU-GROU(1)	DAVID MCAUSLAND	CLAUDE A. GARCIA
LIB GIBSON	CAROLE J. SALOMON	CAROLE J. SALOMON(1)	DAVID MCAUSLAND(1)

(1) COMMITTEE CHAIR

Mr. Jan Peeters, Board Chair, is entitled to attend as an observer and to participate in meetings of the Audit, Human Resources, Corporate Governance and Strategic Opportunities Committees.

9.2. EXECUTIVE OFFICERS

The table below lists Cogeco Cable's executive officers, their municipality of residence and the office that they held at Cogeco Cable as at August 31, 2015:

NAME	MUNICIPALITY OF RESIDENCE	POSITION OCCUPIED
LOUIS AUDET	WESTMOUNT, QUÉBEC	PRESIDENT AND CHIEF EXECUTIVE OFFICER
ELIZABETH ALVES	STE-JULIE, QUÉBEC	VICE PRESIDENT, INTERNAL AUDIT AND RISK MANAGEMENT
NICOLA ANGELINI	WESTMOUNT, QUÉBEC	VICE PRESIDENT, STRATEGIC PLANNING
ANTONIO CICIRETTO	VAUGHAN, ONTARIO	PRESIDENT AND CHIEF EXECUTIVE OFFICER, COGECO PEER 1
NATHALIE DORVAL	MONTRÉAL, QUÉBEC	VICE PRESIDENT, REGULATORY AFFAIRS AND COPYRIGHT
RENÉ GUIMOND	MONTRÉAL, QUÉBEC	VICE PRESIDENT, PUBLIC AFFAIRS AND COMMUNICATIONS
PHILIPPE JETTÉ	DOLLARD-DES ORMEAUX, QUÉBEC	SENIOR VICE PRESIDENT, CHIEF TECHNOLOGY AND STRATEGY OFFICER
CHRISTIAN JOLIVET	MONTRÉAL, QUÉBEC	VICE PRESIDENT, CORPORATE AFFAIRS, CHIEF LEGAL OFFICER AND SECRETARY
FABRICE LEBEGUE	MONTRÉAL, QUÉBEC	VICE PRESIDENT, TECHNOLOGY
PIERRE MAHEUX	BOUCHERVILLE, QUÉBEC	VICE PRESIDENT, CORPORATE CONTROLLER
DIANE NYISZTOR	SAINT-LAMBERT, QUÉBEC	VICE PRESIDENT, CORPORATE HUMAN RESOURCES
PATRICE OUIMET	SAINT-LAMBERT, QUÉBEC	SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER
ANDRÉE PINARD	TOWN OF MOUNT-ROYAL, QUÉBEC	VICE PRESIDENT AND TREASURER
RICHARD J. SHEA	MARSHFIELD, MASSACHUSSETTS	PRESIDENT AND CHIEF EXECUTIVE OFFICER, ATLANTIC BROADBAND
LOUISE ST-PIERRE	BEACONSFIELD, QUÉBEC	PRESIDENT AND CHIEF EXECUTIVE OFFICER, COGECO CABLE CANADA
ALEX TESSIER	MONTRÉAL, QUÉBEC	VICE PRESIDENT, CORPORATE DEVELOPMENT

PAST OCCUPATION

All the executive officers of Cogeco Cable have held their present position with the Corporation or one of its subsidiaries during the past five years or more, except as follows:

Elizabeth Alves has been, since March 25, 2014, Vice President, Internal Audit and Risk Management of Cogeco Cable and COGECO. Prior to that, she was Vice President, Internal Audit of Cogeco Cable and COGECO from February 1, 2011 to March 24, 2014 and Senior Director, Internal Audit of Cogeco Cable and COGECO, from September 15, 2008 to January 31, 2011. Prior to joining Cogeco Cable, she was Director, Internal Audit, from 2006 to 2008 at ING Canada.

Nicola Angelini has been, since December 1, 2014, Vice President, Strategic Planning of Cogeco Cable and of COGECO since September 1, 2015. Prior to that, he was, Senior Vice President Corporate Strategy & Development at SNC-Lavalin from March 15, 2012 to April 3, 2014 and Vice President Corporate Strategy & Development from February 15, 2010 to March 15, 2012. Before SNC-Lavalin, Mr. Angelini was Senior Director Corporate Strategy and M&A, from 2008 to 2010, at Bombardier Inc.

Antonio Ciciretto has been, since April 23, 2014, President and Chief Executive Officer of Cogeco Peer 1. Prior to that, he was President of Cogeco Data Services from June 30, 2009 to April 22, 2014.

Nathalie Dorval has been, since September 30, 2013, Vice-President, Regulatory Affairs and Copyright of Cogeco Cable and of COGECO since September 1, 2014. Prior to joining the Corporation, she worked at Astral Media for the previous sixteen years, where she undertook diverse roles, latterly as Vice President, Regulatory Affairs.

Philippe Jetté has been, since November 26, 2013, Senior Vice President, Chief Technology and Strategy Officer of Cogeco Cable and of COGECO since September 1, 2015. Prior to that, he was Senior Vice President and Chief Technology Officer of Cogeco Cable from August 6, 2013 to November 25, 2014 and Vice President and Chief Technology Officer of Cogeco Cable from March 9, 2011 to August 5, 2013. Prior to joining Cogeco Cable, he was President of his consulting firm, Philippe Jetté Consulting Services Inc., from 2008 to 2011. From 2006 to 2008, he was Vice President Wireless Data Solutions at Bell Mobility.

Christian Jolivet has been, since November 1, 2013, Vice President, Corporate Affairs, Chief Legal Officer and Secretary of Cogeco Cable and COGECO. Prior to that, he was Vice President, Chief Legal Officer and Secretary of Cogeco Cable and COGECO from November 12, 2009 to October 31, 2013, Chief Legal Officer and Secretary of Cogeco Cable and COGECO from December 11, 2002 to November 11, 2009 and Director Legal Affairs of Cogeco Cable and COGECO from March 17, 1997 to December 10, 2002.

Fabrice Lebegue has been, since July 15, 2015, Vice President, Technology of Cogeco Cable and COGECO. Prior to that, he worked for the Boston Consulting Group from 2007 to 2015 as Principal from 2007 to 2011, Associate Director from 2012 to 2014 and Director in 2015.

Pierre Maheux has been, since August 6, 2013, Vice President, Corporate Controller of Cogeco Cable and of COGECO since September 1, 2015. Prior to that, he was Corporate Controller of Cogeco Cable from June 2000 to August 5, 2013.

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

Patrice Ouimet has been, since November 17, 2014, Senior Vice President and Chief Financial Officer of Cogeco Cable and COGECO. Prior to joining the Corporation, he was Senior Vice President and Chief Financial Officer at Enerkem Inc. from February 2010 to 2014.

Andrée Pinard has been, since December 1, 2011, Vice President and Treasurer of Cogeco Cable and COGECO. Prior to that, she was Director, Treasury of Intact Financial Corporation from 2010 until 2011, Director, Treasury of Canada Steamship Lines Group from 2008 to 2009 and Financial Analyst at Montréal Exchange from 2007 to 2008.

Richard J. Shea has been, since January 1, 2015, President and Chief Executive Officer of Atlantic Broadband. Prior to that, he was Chief Operating Officer from 2013 to 2014 and Chief Information Officer from 2003 to 2013.

Alex Tessier has been Vice President, Corporate Development of Cogeco Cable and COGECO since October 21, 2011. Prior to that, he was Vice President and Treasurer of Cogeco Cable and COGECO from November 12, 2009 to October 20, 2011 and Treasurer of Cogeco Cable and COGECO from January 10, 2007 to November 11, 2009.

As at August 31, 2015, the directors and executive officers of the Corporation named above, as a group, beneficially owned, directly or indirectly, controlled or directed 89,174 Subordinate Shares of the Corporation, representing 0.3% of the outstanding shares of such class.

10. LEGAL PROCEEDINGS

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

11. TRANSFER AGENT AND REGISTRAR

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

12. MATERIAL CONTRACTS

Nothing to disclose.

13. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Cogeco Cable is a subsidiary of COGECO, which holds 31.9% of the Corporation's equity shares, representing 82.4% of the Corporation's voting shares.

On July 14, 2015, the Management Services Agreement (the "Agreement") pursuant to which COGECO provides executive, administrative, financial and strategic planning services and other services (the "Management Services") to Cogeco Cable was amended and restated (the "Amended and Restated Agreement"). Originally entered into in 1993 when the cable operations of COGECO were spun off into the Corporation, COGECO initially provided the Management Services for an annual fee equal to 2% of the gross revenue of Cogeco Cable, subject to an inflation-adjusted maximum annual fee. In addition, the Corporation reimburses COGECO's out-of-pocket expenses incurred with respect to services provided to the Corporation under the Agreement. The maximum annual fee level was increased only once in 1997 as a result of the growth of cable operations. Consideration of the amendment began when a presentation related to the Management Services and fees was reviewed and discussed at a special meeting of the Board of COGECO at the end of June 2015. The independent Directors of the Board resolved that the management fees should be increased, for the fiscal year beginning on September 1, 2015, to an annual fee, payable monthly, equal to 0.85% of the consolidated revenue of the Corporation, with no maximum level or inflation-based adjustment. Accordingly, COGECO submitted to the Corporation a request for an adjustment of the fees and amendments to the Agreement.

As contemplated by the Agreement, this was referred to the Audit Committee of the Corporation for determination. The Committee acknowledged that the size of operations of the Corporation has expanded significantly in recent years, both by virtue of internal growth and its several acquisitions including Atlantic Broadband, Cogeco Data Services and Peer 1 Hosting. Consequently, the services, time and efforts of COGECO's management being supplied to the Corporation have also increased significantly. The Audit Committee ultimately determined that the management fees were no longer aligned with the costs, time and resources committed by COGECO and should be increased to the requested level of 0.85% of the consolidated revenue of the Corporation. The matter was then considered by the Corporation's Board at its July 2015 meeting, and the increased level of management fees and the Amended and Restated Management Services Agreement were ratified and approved by the independent Directors of the Board. In the Amended and Restated Agreement, provision is made for future adjustment upon the request of either COGECO or the Corporation should the level of management fees no longer align with the costs, time and resources committed by COGECO.

For fiscal year 2015, management fees have been set at a maximum of $9.9 million ($9.7 million in 2014), which were fully paid in the first quarter (fully paid in the first half of the year in fiscal 2014). In fiscal 2016, under the Amended and Restated Agreement, management fees will no longer be subject to a maximum amount and will be paid on a monthly basis. Accordingly, management fees will be recognized and paid throughout the year resulting in more comparable operating margins from quarter to quarter. For fiscal year 2016, management fees should amount to approximately $19 million.

No direct remuneration is payable to COGECO's executive officers by the Corporation. However, during fiscal 2015, the Corporation granted 61,300 (84,250 in 2014) stock options to these executive officers as executive officers of Cogeco Cable. During fiscal 2015, the Corporation charged COGECO amounts of $502,000 ($293,000 in 2014) with regard to the Corporation's stock options granted to these executive officers.

No Incentive Share Units ("ISUs") of the Corporation were granted to executive officers of COGECO as executive officers of Cogeco Cable during fiscal 2015 (12,550 in 2014). During fiscal 2015, the Corporation charged COGECO amounts of $303,000 ($681,000 in 2014) with regard to the ISUs previously granted by the Corporation to these executive officers.

During the first quarter of fiscal 2015, the Corporation introduced a Performance Share Unit Plan ("PSU Plan"). For fiscal 2015, the Corporation granted 11,050 Performance Share Units ("PSUs") to executive officers of COGECO as executive officers of Cogeco Cable and charged COGECO an amount of $188,000 for the year ended August 31, 2015 with regard to the Corporation's PSUs granted to these executive officers.

14. AUDIT COMMITTEE DISCLOSURE

14.1. CHARTER

PURPOSE

Financial reporting and disclosure by Cogeco Cable represents a major aspect of the management of the Corporation's global business and affairs. The purpose of the Board of Directors' oversight of the Corporation's financial reporting and disclosure is to gain reasonable assurance that the following objectives are being met:

(a) that the Corporation and its subsidiaries and controlled entities comply with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;

(b) that the accounting policies and practices, significant judgments and disclosures which underlie or are incorporated in the Corporation's consolidated financial statements are the most appropriate in the prevailing circumstances;

(c) that the Corporation's quarterly and annual consolidated financial statements are accurate and present fairly the Corporation's financial position and performance in accordance with International Financial Reporting Standards ("IFRS");

(d) that there is an effective system of internal controls; and

(e) that financial information in public disclosure documents has been reviewed and that appropriate information concerning the financial position and performance of the Corporation is disseminated to the public in a timely manner.

To assist the Board of Directors in its monitoring of the Corporation's consolidated financial reporting and disclosure, the Board of Directors has established a committee of the Board of Directors known as the Audit Committee for the purpose of overseeing the accounting and financial reporting processes and audits of the consolidated financial statements of the Corporation.

Although the Audit Committee has the powers and responsibilities set forth in this Charter, the role of the Audit Committee is oversight. The members of the Audit Committee are not full-time employees of the Corporation and may or may not be accountants or auditors by profession and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to conduct audits or to determine that the Corporation's consolidated financial statements and disclosures are complete and accurate, and in accordance with IFRS and applicable rules and regulations. These are the responsibilities of senior Management, the External Auditors and other specialists retained by the Corporation.

COMPOSITION AND QUALIFICATION

The Audit Committee is appointed annually by the Board of Directors and consists of a minimum of three Directors from among the Directors of the Corporation. Every Audit Committee member must be independent, as defined in National Instrument 52-110 ("NI 52-110") and subject to the independence exemptions provided for therein.

The members of the Audit Committee are appointed at the first meeting after the annual meeting of the shareholders, or at any other meeting if a vacancy arises. The Board of Directors appoints one of the members of the Audit Committee each year as its Chair.

Subject to the exemptions provided for in NI 52-110, all members of the Audit Committee should be "financially literate" and, as such, able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breath and complexity of the issues that can reasonably be expected to be raised by the Corporation's consolidated financial statements.

In contributing to the Audit Committee's discharging of its duties under this mandate, each member of the Audit Committee shall be entitled to rely in good faith upon:

(a) Consolidated financial statements of the Corporation represented to him or her by the President and Chief Executive Officer ("President and CEO") or Senior Vice President and Chief Financial Officer ("CFO") of the Corporation or in a written report of the External Auditors to present fairly the consolidated financial position of the Corporation in accordance with IFRS; and

(b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

In contributing to the Audit Committee's discharging of its duties under this mandate, each member of the Audit Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board of Directors are subject. The essence of the Audit Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the fundamental accounting and reporting activities are being conducted effectively, that the financial reporting and disclosure objectives are being met and that a proper system of internal controls is in place, so as to report accordingly to the Board of Directors.

OPERATING PRINCIPLES AND GUIDELINES

The Audit Committee fulfills its responsibilities within the context of the following principles and guidelines:

(a) The Committee Chair and the other Audit Committee members have direct, open and frank communications throughout the year with Management, other committee chairs and Board members, the External Auditors, the Vice President, Internal Audit and Risk Management and other key committee advisors as applicable.

(b) The Committee, in consultation with senior Management and the External Auditors, develop annually an Audit Committee Work Plan responsive to the Audit Committee's responsibilities as set out in this Charter.

(c) The Audit Committee, in consultation with senior Management and the External Auditors, participates in a process for review of important financial topics and emerging standards that have the potential to impact the Corporation's consolidated financial presentation and disclosure.

(d) The Audit Committee meeting agendas are the responsibility of the Committee Chair in consultation with Committee members, senior Management, the Vice President, Internal Audit and Risk Management and the External Auditors, as appropriate.

(e) The Committee communicates its expectations to senior Management, the Vice President, Internal Audit and Risk Management and the External Auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from senior Management, the Vice President, Internal Audit and Risk Management and the External Auditors and posted on the electronic portal of the Corporation one week in advance of meeting dates for all the topics on the agenda.

(f) The External Auditor's ultimate responsibility is to the Board of Directors and the Audit Committee, as representatives of the shareholders. The External Auditors must report directly to the Audit Committee.

(g) The Committee may, in addition to the External Auditors, at the expense of the Corporation and after consultation with senior Management, engage independent counsel or other advisors, which the Committee determines, are necessary to carry out its duties.

(h) At each regular scheduled meeting of the Committee, the Committee members meet in private sessions among themselves only; with the External Auditors only; with the Vice President, Internal Audit and Risk Management only and with representatives of senior Management only.

(i) The Committee, through its Chair, reports after each Committee meeting to the Board of Directors at its next regular meeting or earlier if required.

(j) The Audit Committee meets at least four times per year on a quarterly basis and holds special meetings as circumstances require. The timing of the meetings, and calling of and procedure at meetings, are determined by the Committee, provided that:

  (i) at all Audit Committee meetings a majority of the members shall constitute a quorum; and

  (ii) the acts of the Audit Committee at a duly constituted meeting require no more than the vote of a majority of the members present and that, in any circumstances, a resolution or other instrument in writing signed by all members of the Audit Committee shall avail as the act of the Audit Committee.

The CFO of the Corporation, the Vice President, Internal Audit and Risk Management of the Corporation and the External Auditors usually attend all Audit Committee meetings.

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

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

RESPONSIBILITIES AND DUTIES

The Committee is responsible for the following:

FINANCIAL REPORTING

- Review, before they are released, the annual consolidated financial statements included in the annual report to shareholders and the External Auditors' report thereon and recommend their approval to the Board of Directors.

- Review, before they are released, the interim and year-end consolidated financial statements, the Management's Discussion and Analysis ("MD&A") and related news releases and recommend their approval to the Board of Directors.

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

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

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

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

ACCOUNTING POLICIES

- Review, with senior Management and the External Auditors, any proposed changes in securities policies or regulations and/or major accounting policies, and key estimates and judgments that may be material to financial reporting of the

Corporation and its subsidiaries and controlled entities and probe whether the underlying accounting policies, disclosures and key estimates and judgments are considered to be the most appropriate in the circumstances.

- Report to the Board in a timely fashion on any proposed changes in securities policies or regulations and/or major accounting policies and key estimates and judgments that may be material to financial reporting and entail significant actual or potential liabilities, contingent or otherwise.

- Discuss with senior Management and the External Auditors the clarity and completeness of the Corporation's consolidated financial disclosures.

- Review, whenever there are significant changes in accounting policies and disclosure requirements, benchmarks submitted by Management of the Corporation's accounting policies and disclosure to those followed in its industry.

RISKS AND UNCERTAINTIES

Recognizing that it is the senior Management's responsibility, to identify the principal business risks facing the Corporation, including its subsidiaries and controlled entities, in the context of its global business and affairs (the "Principal Business Risks"), the Audit Committee reviews the Principal Business Risks and oversee the implementation by senior Management of appropriate measures to manage these risks.

- Develop reasonable assurance that the Principal Business Risks are effectively being mitigated and controlled by:

  (i) reviewing with senior Management an updated list of such risks as well as ongoing or special actions undertaken to manage each one of these identified risks;

  (ii) discussing with senior Management its assessment of the residual exposure to the Corporation if any, ensuing from their management of such risks; and

  (iii) enquiring of senior Management whether existing policies, processes and programs are appropriate to identify, manage and control such risks.

- Review, at least once a year, the appropriateness of insurance coverage maintained by the Corporation and its subsidiaries and controlled entities.

- Review quarterly updates of the Corporation's and its subsidiaries and controlled entities' outstanding contingencies, including legal claims, tax assessments and others, that could have a material effect upon the financial results and condition of the Corporation and the manner in which these matters are being disclosed in the consolidated financial statements.

- Review, at least once a year, the appropriateness of foreign currency, interest rate and other financial risk mitigation practices such as the use of derivative financial instruments.

- Review, at least once a year, the list of guarantees provided by the Corporation, its subsidiaries and controlled entities.

FINANCIAL CONTROLS AND DEVIATIONS

- Review annually the plans of the Vice President, Internal Audit and Risk Management and of the External Auditors to gain reasonable assurance that the proposed combined evaluation and testing of the internal controls are appropriate to cover significant risks, comprehensive, coordinated and cost effective.

- Review with senior Management of the Corporation any significant changes to the internal control environment and measures implemented, if any, to address identified control deviations.

- Review procedures for public disclosure of financial information extracted from the Corporation's consolidated financial statements, other than the public disclosure referred to under Financial Reporting above and periodically assess the adequacy of these procedures.

- Establish procedures for (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

- Receive quarterly reports from the Vice-President, Internal Audit and Risk Management on all complaints and anonymous submissions of concern by employees regarding accounting, internal accounting controls or auditing matters, results of any inquiry carried to that effect, and how such matters have or will be corrected.

- Review and understand the processes that support the President and CEO and the CFO's certification and be satisfied that they constitute a reasonable approach and are diligently performed.

- Review all design and operational effectiveness weaknesses in internal control over Financial Reporting and disclosure controls and procedures that, individually and/or in combination could have a material impact on the financial reporting, understand the assessment of these weaknesses and the decision process supporting whether identified weaknesses should be disclosed or not in the MD&A and review the completeness and accuracy of the disclosures provided in the MD&A.

- Review, approve and monitor the remediation plan proposed by the President and CEO and the CFO.

COMPLIANCE WITH LAWS AND REGULATIONS

- Review regular reports from Management concerning the Corporation's, its affiliates' and controlled entities' compliance with tax and financial reporting laws and regulations including those necessitating withholdings requirements which can have a material impact on financial statements.

RELATIONSHIP WITH THE EXTERNAL AUDITORS

- Recommend annually to the Board the nomination of the External Auditors for the purpose of preparing or issuing an auditor's report and conducting quarterly reviews and any other related work for the Corporation. The Committee will only recommend External Auditors who (a) participate in the oversight program of the Canadian Public Accountability Board ("CPAB") and (b) are in good standing with the CPAB.

- Perform a comprehensive review of the External Auditors not less often than every five years.

- Recommend annually to the Board the compensation of the External Auditors.

- Receive a report annually from the External Auditors with respect to their independence and objectivity, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services rendered to the Corporation.

- Review with the External Auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the external audit can be coordinated with internal audit activities and the materiality levels which the External Auditors propose to employ.

- Establish effective communication processes with senior Management and the Corporation's Internal and External Auditors to assist the Committee in monitoring objectively the quality and effectiveness of the relationship among the External Auditors, management and the Committee.

- Oversee the work of the External Auditors, receive quarterly review reports and reports from the External Auditors on the progress against the approved audit plan, important findings, management letter of recommendations for improvement and the Auditors' final report.

- Resolve disagreements between senior Management and the External Auditors regarding financial reporting.

- Meet regularly with the External Auditors in the absence of Management.

- Establish annually a list of services that may not be provided by the External Auditors as a measure to safeguard their objectivity and independence. Ensure compliance with such list of proscribed services with regulatory requirements.

- Pre-approve all non-audit services to be provided to the Corporation by the External Auditors, subject to the exemptions provided for in NI 52-110 and delegate the administration of pre-approved non-audit services to the Vice President, Corporate Controller. The Vice President, Corporate Controller will report quarterly to the Audit Committee the amounts that were incurred for such services.

- Review and approve the Corporation's hiring policy regarding partners, employees and former partners or employees of the present and former External Auditors of the Corporation.

- Review reports of External Auditors concerning planned rotation of partners assigned to the Corporation's affairs.

- In the case of resignation or termination of the External Auditors or their replacement, review and approve the change of auditor notice within 30 days after the date of termination, resignation or replacement.

- Receive at each quarter a confirmation from the External Auditors that there are no defects in their quality control systems according to the CPAB and/or that they have not been subject to any sanction by the CPAB.

- Review with the External Auditors the inspection findings of the CPAB that are communicated in confidence to the External Auditors when and if the audit file of the Corporation has been subject to a review by the CPAB.

RELATIONSHIP WITH THE VICE PRESIDENT, INTERNAL AUDIT AND RISK MANAGEMENT

- Review the appointment and replacement of the Vice President, Internal Audit and Risk Management and report such to the Board.
- Review and approve the Vice President, Internal Audit and Risk Management's annual plan and schedule of audit assignments and annual budget.
- Review a list of external audit firms from which Internal Audit can outsource employees on a contractual basis for parts or all of its planned assignments.
- Review the reports of the Corporation's Vice President, Internal Audit and Risk Management with respect to control, financial risk and any other matters appropriate to the Committee's duties. Receive Management's responses to these audit observations and recommendations.
- Review and approve the reporting relationship of the Vice President, Internal Audit and Risk Management to ensure that organizational independence is effectively achieved and that the Vice President, Internal Audit and Risk Management has direct reporting and access to the Committee on matters affecting the Committee's duties.
- Encourage the Vice President, Internal Audit and Risk Management to share his or her planning and findings with the External Auditors in order to maximize audit coverage of the Corporation's operations and financial condition, in a cost-effective manner.

OTHER RESPONSIBILITIES AND ISSUES

- Review and reassess annually the adequacy of this Charter.
- Review disclosure of the Committee's Charter and of the Committee's activities presented in the Corporation's statement of corporate governance practices.
- After consultation with the CFO and the External Auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Corporation's accounting and financial personnel and other resources.
- Be informed of the appointment of the Corporation's senior financial executives.
- Perform such other functions as may from time to time be assigned to the Committee by the Board.

14.2. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is currently formed with three directors: Mr. L. G. Serge Gadbois, the Committee Chair, Ms. Patricia Curadeau-Grou and Ms. Lib Gibson who satisfy the independence requirements as set within NI 52-110 of the Canadian Securities Administration.

14.3. EDUCATION AND EXPERIENCE OF AUDIT COMMITTEE MEMBERS

The following describes the relevant education and experience of each member of the Audit Committee that provides him or her with: (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements, (b) the ability to assess the general application of such accounting principles, (c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to those that can reasonably be expected to be raised by the Corporation's financial statements or experience actively supervising one or more persons engaged in such activities and (d) an understanding of internal controls and procedures for financial reporting.

Patricia Curadeau-Grou — Ms. Curadeau-Grou has been a senior officer of the National Bank of Canada from 1991 to October 2015 where she held several positions, including from 2012, Strategic Advisor to the President and Chief Executive Officer, and Chief Financial Officer and Executive Vice President, Finance, Risk and Treasury from 2007 to 2012. Prior to joining the National Bank, she held a number of key positions at major financial institutions, primarily in business development, credit and corporate planning. She is a Director of Uni-Select Inc. (a distributor of replacement parts, paint products and body shop accessories) which is a reporting issuer and where she serves as Chairman of the Human Resources and Compensation Committee and member of the Audit Committee. She also sits on the Board of la Caisse de dépôt et placement du Québec where she is a member of the Investment and Risk Management Committee. In addition, she is a Director of a number of not-for-profit corporations. Since 2007, she has been a member of the Women's Executive Network Hall of Fame for Canada's most powerful women.

L. G. Serge Gadbois — Mr. Gadbois is a corporate Director. He held several positions within Metro Inc., a food retailer company, from 1984 until his retirement in February 2006, including Senior Vice President, Finance and Treasurer from 2002 to 2006; Senior Vice President Finance from 1985 to 2002; and corporate controller from 1984 to 1985. Between 1976 and 1984, Mr. Gadbois worked at the Conseil scolaire de l'Île de Montréal as corporate controller and Director of financial services. He was formerly a Director of Supremex inc., which is a reporting issuer and on which he served as Chairman of the Board, and Mecachrome International Inc. Currently, he is a Director of Industrial Alliance Insurance and Financial Services Inc., which is a reporting issuer, and chairs its Audit Committee. He is also a Fellow of the Ordre des comptables professionnels agréés du Québec.

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

14.4. POLICY REGARDING NON-AUDIT SERVICES RENDERED BY AUDITORS

The Charter of the Audit Committee requires the Audit Committee to pre-approve all non-audit services to be provided by the External Auditors to the Corporation or its subsidiaries. The Audit Committee also establishes annually a list of proscribed services that may not be provided by the External Auditors as a measure to safeguard their objectivity and independence. The list of proscribed services includes the following services:

- Bookkeeping or other services related to the accounting records of financial statements of the Corporation;
- Financial information systems design and implementation;
- Appraisal or valuation services, fairness opinions or contribution-in-kind reports;
- Actuarial services;
- Internal audit outsourcing services;
- Management functions;
- Human resources;
- Broker-dealer, investment adviser or investment banking services;
- Legal services;
- Expert services related to the audit, except for tax services.

14.5. REMUNERATION OF AUDITORS

The following table presents, by category, the fees billed by the External Auditors of the Corporation, Deloitte LLP, for the fiscal years 2015 and 2014:

CATEGORY OF FEES

	2015	2014
	$	$
AUDIT FEES(1)	**1,240,319**	1,305,877
AUDIT-RELATED FEES(2)	**154,037**	236,237
TAX FEES(3)	**911,846**	538,210
OTHER FEES(4)	**18,001**	64,155
TOTAL	**2,324,203**	2,144,479

(1) "AUDIT FEES" INCLUDE MAINLY FEES FOR ANNUAL AUDIT AND QUARTERLY REVIEWS OF THE CORPORATION AND SOME OF ITS SUBSIDIARIES, INCLUDING ATLANTIC BROADBAND AND COGECO PEER 1.

(2) "AUDIT-RELATED FEES" INCLUDE MAINLY FEES RELATED TO FINANCINGS, ACQUISITIONS, FINANCIAL INFORMATION PRESENTATION AND CERTIFICATION AND ANNUAL AUDIT FEES IN RESPECT OF THE CORPORATION'S PENSION BENEFIT PLANS.

(3) "TAX FEES" INCLUDE TAX COMPLIANCE, TAX PLANNING RELATED TO ACQUISITIONS AND TAX ADVISORY SERVICES. IN 2015, TAX FEES WERE RELATED ESSENTIALLY TO THE ACQUISITION OF METROCAST CONNECTICUT IN ORDER TO ORGANIZE THE TRANSACTION IN THE TAX MOST EFFICIENT AND COST CONSCIOUS WAY.

(4) "OTHER FEES" INCLUDE PRINCIPALLY TRANSLATION SERVICES.

15. ADDITIONAL INFORMATION

Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and the securities authorized for issuance under equity compensation plans, if applicable, as well as corporate governance matters, is contained in the Corporation's 2015 information circular. Additional financial information is provided in the Corporation's comparative financial statements and the Management's Discussion and Analysis for the year ended on August 31, 2015. This and other information relating to the Corporation is available on Internet at www.sedar.com or corpo.cogeco.com..