



BOARD OF DIRECTORS CHARTER

1 STATEMENT OF POLICY

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

2 COMPOSITION, QUALIFICATION AND ORGANIZATION OF THE BOARD

2.1 Selection of Members

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

When a director is being recruited, the Human Resources Committee initiates the process by seeking input and suggestions, including from directors and outside consultants, and, taking into account the competencies, skills and personal qualities recommended by the Corporate Governance Committee, brings the proposed candidate forward to that Committee. The Corporate Governance Committee assesses the proposal for the new Board nominee prior to it being submitted by the Human Resources Committee to the Board. The Board approves the final choice of candidates for nomination and election by the shareholders. All new directors are briefed on the Company's structure, financial situation, regulatory environment and other aspects of its business. Extensive documentation on the Company is also provided to them.

2.2 Membership Criteria

Board members must have the requisite qualifications under the law and the by-laws of the Company. They must have an appropriate mix of skills, knowledge and experience in business and an understanding of the industry segments in which the Company operates. Directors selected should be able to devote the requisite time for all the Board's business.

The directors of the Company are required to act with prudence and diligence, honesty and loyalty in the interest of the Company and its shareholders.

2.3 Independent Directors

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

2.4 Board Chair

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

2.5 Retirement Age

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

2.6 Term of Directors

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

2.7 Meeting Records

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

3 MEETINGS OF THE BOARD

3.1 Board Agenda

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

3.2 Board Material Distribution

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

3.3 Board Meeting Frequency and Schedule

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

3.4 Attendance

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

3.5 Responsibilities and Duties

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

3.6 Management at Meetings

The Board of Directors invites members of Management to attend part of Board meetings to make presentations to allow directors to gain additional understanding and insight into the Company's businesses.

3.7 *In camera* Sessions

The Board meets *in camera* at each of its meetings without any member of Management present to ensure free and open discussion among the non-management directors, unless waived at a particular meeting by independent directors.

4 DUTIES AND RESPONSIBILITIES OF THE BOARD

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

- (a) ensuring that the Company is operated so as to preserve its financial integrity and in accordance with policies approved by the Board;
- (b) in general seeking to gain satisfaction as to the integrity of the President and Chief Executive Officer and other senior executive officers and that all such officers through their own example, through implementation of the Corporate Code of Ethics and otherwise create a culture of integrity throughout the Company;
- (c) reviewing with the Audit Committee the financial performance, financial reporting and disclosure of the Company as well as obtaining reasonable assurance that the Company's internal controls and management information systems are adequate;
- (d) appointing the President and Chief Executive Officer and senior executives of the Company, ensuring that they are of the caliber and have the personal and other qualities required for their roles and planning their succession (including how senior executives are to be trained and their performance monitored) with the recommendations of the Human Resources Committee;
- (e) developing, in concert with the President and Chief Executive Officer and the Board Chair, and approving, the position description for the President and Chief Executive Officer, including delineating management responsibilities, and the corporate goals and objectives for which he is responsible;
- (f) approving on an annual basis and overseeing the implementation of the overall strategy and business plan of the Company, all of which are developed at first by Management;

- (g) identifying the principal opportunities and risks of the Company's business and overseeing the implementation of appropriate systems and actions to assess such opportunities and to manage these risks;
- (h) ensuring that appropriate structures and procedures are in place so that the Board can function independently of Management;
- (i) providing a source of advice and counsel to the President and Chief Executive Officer and senior executives on various issues of importance for the Company;
- (j) reviewing and approving key policies developed by Management on various issues such as ethics and public disclosures;
- (k) working to ensure that its expectations of Management are understood;
- (l) adopting and overseeing the Company's disclosure policy and its implementation, including disclosure of material information, investor relations and security holders communications;
- (m) considering measures for receiving communication feedback from security holders directly and/or through Management;
- (n) adopting a corporate code of ethics that is applicable to directors, officers and employees of the Company that is designed to promote and foster integrity and deter inappropriate action or wrongdoing, monitoring compliance with such code and directly, or through delegation to the Corporate Governance Committee granting waivers of compliance for directors or executive officers in appropriate circumstances;
- (o) conducting, through the Corporate Governance Committee, an annual review of Board and Committee effectiveness (including directors' individual contributions);
- (p) reviewing with the Human Resources Committee the adequacy and form of the compensation of directors, the Board Chair and Committee Chairs to ensure their compensation adequately reflects the responsibilities and risks involved in holding such office and approving their compensation based on the recommendations of the Human Resources Committee;
- (q) evaluating, through the Human Resources Committee, the compensation and performance of senior executives in line with corporate policies in effect and stated budget and other objectives and approving their compensation based on the recommendations of the Human Resources Committee;
- (r) selecting nominees for election as directors;
- (s) working to ensure that new directors are provided with adequate education and orientation opportunities, understand the role of the Board and its committees, the expectations of time and contribution from individual directors and gain a general understanding of the Company's business;
- (t) provide continuing education opportunities for directors to ensure their knowledge of the Company's business stays current and to maintain or enhance their directorial skills;
- (u) selecting the Board Chair and developing his or her position description;

- (v) appointing the officers of the Company;
- (w) overseeing financial reporting and disclosure of the Company to obtain reasonable assurance that:
 - (i) the Company complies with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
 - (ii) the accounting policies and practices, significant judgments and disclosures which underlie or are incorporated in the Company's financial statements are the most appropriate in the prevailing circumstances;
 - (iii) the Company's quarterly and annual financial statements are accurate and present fairly the Company's financial position and financial performance in accordance with Canadian generally accepted accounting principles;
 - (iv) there is an effective system of internal controls; and
 - (v) appropriate information concerning the financial position and performance of the Company is disseminated to the public in a timely manner.
- (x) evaluating the experience of the various directors with a view to ensuring that all members of the Audit Committee have the qualifications described in the Charter of the Audit Committee;
- (y) approving projects requiring a capital investment and other outlays in excess of a certain threshold;
- (z) developing, through the Corporate Governance Committee, the Company's approach to corporate governance issues including principles and guidelines that are relevant to the Company;
- (aa) establishing committees to facilitate the carrying out of the Board's mandate and approving their respective charters and material changes thereto; and
- (bb) appointing the members of the Committees, designating for each committee one of the members as Chair and developing a position description for each Chair.

5 BOARD COMMITTEES

5.1 Number, Structure and Jurisdiction of Committees

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

5.2 Independent Committee Members

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

5.3 Committees Report to Board

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

6 ADMINISTRATIVE MATTERS

6.1 Compensation

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

6.2 Part of Directors Fees Paid in Deferred Share Units

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

6.3 Board Confidentiality

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

6.4 Director's Manual

The Company' Secretary prepares a *Directors' Manual* containing information on Company articles, by-laws, principal plans or policies and director responsibilities, which is updated as necessary.

7 RESOURCES AND AUTHORITY OF THE BOARD

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