NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF NEWFOUNDLAND CAPITAL CORPORATION LIMITED

to be held on Wednesday, June 27, 2018

and

MANAGEMENT INFORMATION CIRCULAR

with respect to a proposed Arrangement involving

STINGRAY DIGITAL GROUP INC.

– and –

10643432 CANADA INC.

The Board of Directors of Newfoundland Capital Corporation Limited, has unanimously determined that the arrangement is fair to shareholders and that the arrangement is in the best interests of Newfoundland Capital Corporation Limited and unanimously recommends that shareholders vote **FOR** the arrangement.

May 23, 2018

These materials are important and require your immediate attention. They require the shareholders of Newfoundland Capital Corporation Limited to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors.

Newfoundland Capital Corporation Limited

Dear Shareholder,

You are invited to attend a special meeting (the "**Meeting**") of shareholders ("**Shareholders**") of Newfoundland Capital Corporation Limited (the "**Corporation**") to be held at Purdy's Wharf Tower I, 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia, at 10:00 a.m. (Atlantic time) on Wednesday, June 27, 2018 for the purposes set forth in the accompanying notice of special meeting of Shareholders ("**Notice of Special Meeting of Shareholders**").

On May 2, 2018, the Corporation, Stingray Digital Group Inc. ("**Stingray**") and 10643432 Canada Inc. ("**Acquisitionco**"), a wholly-owned subsidiary of Stingray, entered into an arrangement agreement (the "**Arrangement Agreement**") whereby, among other things and subject to the terms and conditions of the Arrangement Agreement, Stingray and Acquisitionco have agreed to acquire pursuant to a plan of arrangement (the "**Arrangement**") under the *Canada Business Corporations Act* (the "**CBCA**") all of the (i) Class A subordinate voting shares of the Corporation (the "**Class A Shares**") and (ii) Class B common shares of the Corporation (the "**Common Shares**", and together with the Class A Shares, the "**Shares**") issued and outstanding immediately prior to the closing of the Arrangement (the "**Effective Date**"). Assuming the Arrangement becomes effective, the Shareholders will receive $14.75 for each Share held payable as follows: (i) between 0.14294 and 0.15371 of either one subordinate voting share of Stingray or one variable subordinate voting share of Stingray (the "**Stingray Shares**") based on the total number of Shares outstanding on the Effective Date at a deemed value per Stingray Share of $10.29; and (ii) the balance between $13.17 and $13.28 in cash for each Share held. The Effective Date is expected to occur in the fourth quarter of 2018, and no later than May 2, 2019 or as may be provided in the Arrangement Agreement.

The Arrangement has been reviewed by the board of directors of the Corporation (the "**Board**") as well as the special committee of independent directors appointed by the Board (the "**Special Committee**"). Following a review of the Arrangement and any possible alternatives available to the Corporation, and taking into account a number of factors deemed relevant by the Board, including the fairness opinion delivered by Blair Franklin Capital Partners Inc., the Financial Advisor to the Special Committee, and the recommendation of the Special Committee, the Board unanimously determined that the Arrangement is in the best interests of the Corporation and is fair to the Shareholders. **Accordingly, the Board unanimously recommends that Shareholders vote FOR the Arrangement Resolution.**

We encourage you to read the Notice of Special Meeting of Shareholders and the Circular carefully. The Circular contains a detailed description of the Arrangement. Please give this material your careful consideration and, if you require assistance (including assistance in determining the availability and desirability of electing the Holdco Alternative (as defined in the Arrangement Agreement)), to consult your financial, tax or other professional advisor.

Please complete and deliver the applicable enclosed form of proxy in accordance with the instructions set out in the proxy and in the Circular so that your Shares can be voted at the Meeting. **Whether or not you plan to attend the Meeting on June 27, 2018, please submit your proxy as soon as possible to ensure that your Shares are voted at the Meeting in accordance with your instructions.**

We also encourage registered Shareholders to complete, sign, date and return the enclosed letter of transmittal (on yellow paper) in accordance with the instructions in the letter of transmittal and in the accompanying Circular in order that, if the Arrangement is completed, you will receive the consideration associated with your Shares as soon as possible following the completion of the Arrangement. Beneficial owners of Shares registered in the name of a broker, investment dealer, bank, trust company, depositary or other intermediary should contact that intermediary for instructions and assistance in delivering those Shares to AST Trust Company (Canada), the depositary under the Arrangement. **A separate form of letter of transmittal and election form will be made available for Qualifying Holdco Shareholders (as defined in the Arrangement Agreement) who have elected the Holdco Alternative. Shareholders who wish to avail themselves of the Holdco Alternative should contact AST Trust Company (Canada).**

On behalf of the Board and management of the Corporation, I would like to thank you for your continued support as we move forward with the proposed Arrangement.

Sincerely,

Robert G. Steele
Chairman, President and Chief Executive Officer

8 Basinview Drive, Dartmouth, Nova Scotia B3B 1G4 (902) 468-7557 Facsimile (902) 468-7558

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT pursuant to an order (the "**Interim Order**") of the Supreme Court of Nova Scotia (the "**Court**") dated May 16, 2018, a special meeting (the "**Meeting**") of the holders of Class A subordinate voting shares and Class B common shares (the "**Shareholders**") of Newfoundland Capital Corporation Limited (the "**Corporation**") will be held at Purdy's Wharf Tower I, 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia, on Wednesday, June 27, 2018 at 10:00 a.m. (Atlantic time) for the following purposes:

1. to consider, pursuant to the Interim Order, and if thought advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix B to the management information circular dated May 23, 2018 (the "**Circular**"), authorizing and approving a plan of arrangement (the "**Arrangement**") pursuant to section 192 of the *Canada Business Corporations Act* ("**CBCA**"); and
2. to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the accompanying Circular forming part of this Notice of Meeting.

Only Shareholders of record at the close of business on Wednesday, May 23, 2018 are entitled to receive notice of the Meeting and to vote at the Meeting.

To assure your representation at the Meeting as a registered holder of Shares ("**Registered Shareholder**"), please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend the Meeting. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by Registered Shareholders must be received by the Corporation's transfer agent, **AST Trust Company (Canada)**, not later than Monday, June 25, 2018 at 10:00 a.m. (Atlantic time) as follows:

(a) by **mail** in the enclosed envelope or by sending to: AST Trust Company (Canada), P.O. Box 721, Agincourt, ON, M1S 0A1;

(b) by **fax** to 416-368-2502 or toll free in Canada and the United States to 1-866-781-3111; or

(c) by **scan and email** to proxyvote@astfinancial.com

Non-registered holders of Shares ("**Non-Registered Shareholders**") whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary or as described elsewhere in the attached Circular. A more detailed description on returning proxies by Non-Registered Shareholders can be found in the attached Circular. **If any Shareholder receives more than one proxy, it is because that Shareholder's shares of the Corporation are registered in more than one form. In such cases, Shareholders should sign and submit all proxies received by them in accordance with the instructions provided.**

Pursuant to the Interim Order and the CBCA, Registered Shareholders have the right to dissent in respect of the Arrangement Resolution and, if the Arrangement Resolution becomes effective, to be paid the fair value of their Shares in accordance with the provisions of section 190 of the CBCA as modified by the Plan of Arrangement and the Interim Order, as described in the Circular under the heading "*The Arrangement – Dissent Rights*". Failure to strictly comply with the requirements regarding the right to dissent may result in the unavailability of any right of dissent.

The board of directors of the Corporation unanimously recommends that Shareholders vote FOR the Arrangement Resolution.

DATED at Dartmouth, Nova Scotia, as of the 23rd day of May, 2018.

BY ORDER OF THE BOARD OF DIRECTORS OF NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Scott G.M. Weatherby
Chief Financial Officer and
Corporate Secretary

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

MANAGEMENT INFORMATION CIRCULAR

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NEWFOUNDLAND CAPITAL CORPORATION LIMITED
MANAGEMENT INFORMATION CIRCULAR
(as at May 23, 2018, except as indicated)

GENERAL INFORMATION

Defined Terms

This Circular contains defined terms. For a list of the defined terms used in this Circular, please see the Glossary. It is attached as Appendix A to this Circular.

Information Contained in this Circular

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF NEWFOUNDLAND CAPITAL CORPORATION LIMITED (the "**Corporation**") for use at the special meeting of the shareholders of the Corporation ("**Shareholders**") to be held at the offices of Stewart McKelvey, Purdy's Wharf Tower I, 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia, on Wednesday, June 27, 2018 at 10:00 a.m. (Atlantic time), or at any adjournment or postponement thereof in accordance with the terms of the Arrangement Agreement ("**Meeting**") to be called and held in accordance with the Interim Order, for the purposes set forth in the accompanying Notice of Meeting. This solicitation will be primarily by mail; however, proxies may be solicited personally, or by telephone, by officers or employees of the Corporation. The cost of solicitation will be borne by the Corporation and will be subject to reimbursement by Stingray in accordance with the terms of the Arrangement Agreement.

No person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

All summaries of, and references to, the terms of the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement (which is attached as Appendix C to this Circular) and the Arrangement Agreement (which is available under the Corporation's profile on SEDAR at www.sedar.com). Shareholders are urged to carefully read the full text of the Arrangement Agreement and the Plan of Arrangement.

The information concerning Acquisitionco and Stingray contained in this Circular has been provided by Stingray for inclusion in this Circular. Although the Corporation has no knowledge that any statements contained herein taken from or based on such information provided by Stingray are untrue or incomplete, the Corporation assumes no responsibility for the accuracy of such information or for any failure by Stingray to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Corporation.

The contents of this Circular should not be construed as legal, tax or financial advice and Shareholders should consult with their own professional advisor in considering the relevant legal, tax, financial or other matters contained in this Circular.

This Circular does not constitute an offer to sell, or a solicitation of an offer to purchase securities, or the solicitation of a proxy, in any jurisdiction, to or from any person to whom it is unlawful to make such offer, solicitation of an offer or proxy solicitation in such jurisdiction. The delivery of this Circular does not, under any circumstances, imply or represent that there has been no change in the information set forth herein since the date of this Circular.

The solicitation of proxies made in connection with this Circular is being effected in accordance with the corporate and Securities Laws of Canada, and it is not subject to the U.S. proxy solicitation rules, including the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with disclosure requirements applicable in Canada and in accordance with applicable Canadian corporate and Securities Laws. Shareholders in the United States should be aware that such disclosure requirements are different from those of the United States applicable to proxy statements under the U.S. Exchange Act.

NO CANADIAN SECURITIES REGULATORY AUTHORITY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Cautionary Notice Regarding Forward-Looking Statements and Information

In this Circular and in the Appendices hereto, in certain circumstances the Arrangement is described on a prospective basis (using words like "will", "upon", or "following completion of") as if the Arrangement has been completed. However, the Arrangement is a proposed transaction and its effectiveness is subject to a number of conditions, including approval of the Court, Regulatory Approvals (including the CRTC Approval and the Competition Act Approval), the satisfaction of which cannot be assured.

Except for the statements of historical fact contained herein, the information contained in this Circular may constitute "forward-looking information" within the meaning of applicable Securities Laws which may include, but is not limited to:

- statements with respect to the Arrangement and whether the conditions of the Arrangement will be satisfied, or, where permitted, waived;
- the intentions, plans and future actions of Acquisitionco and Stingray;
- timing and implementation of the Arrangement, including timing of the Final Order and the Effective Date;
- the potential benefits of the Arrangement;
- the likelihood of the Arrangement being completed;
- the principal steps of the Arrangement;
- statements made in, and based upon, the Fairness Opinion;
- statements relating to the business and future activities of Acquisitionco and Stingray after the date of this Circular and prior to the Effective Time and after the Effective Time;
- Required Shareholder Approval and Court approval of the Arrangement;
- the treatment of Shareholders under tax laws;
- stock exchange de-listing and the timing thereof; and
- statements attributed to third-party industry sources.

Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking information is based on a number of factors and assumptions that have been used to develop such information but which may prove to be incorrect, including, but not limited to, that Shareholders will vote in favour of the Arrangement, that the Court will approve the Arrangement and that all other conditions to the Arrangement will be satisfied or waived.

Forward-looking information involves known and unknown risks, uncertainties and other factors, most of which are beyond the Corporation’s control, that may cause the actual results to be materially different from any future results expressed or implied by the forward-looking information. Such factors include, among others:

- the risk that the Arrangement may not close when planned or at all or on the terms and conditions set forth in the Arrangement Agreement;
- the failure of the Parties to obtain the necessary Required Shareholder Approval, Court approval or Regulatory Approvals (including the CRTC Approval and the Competition Act Approval) required in order to proceed with the Arrangement; and
- consummation of the Plan of Arrangement being dependent on the satisfaction of customary closing conditions, as well as those factors discussed or referred to in the section entitled "Risk Factors" in this Circular.

Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that the forward-looking

information in this Circular will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

This list is not exhaustive of the factors that may affect any forward-looking information contained in this Circular. The forward-looking information contained in this Circular is made as of the date of this Circular and the Corporation assumes no obligation to revise or update the forward-looking information herein after the date of this Circular, or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable Securities Laws.

Currency

All currency amounts referred to in the Circular are expressed in Canadian dollars, unless otherwise indicated.

Notice to United States Securityholders

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE, NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The Stingray Shares issuable to Shareholders in exchange for their Shares under the Plan of Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. The solicitation of proxies for the Meeting is not subject to the U.S. proxy rules, including the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared solely in accordance with disclosure requirements in Canada, and the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws. Securityholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act. All financial statements and other financial information related to Stingray included or incorporated by reference in this Circular have been prepared in Canadian dollars and in accordance with IFRS as issued by the International Accounting Standards Board. Consequently, such financial statements and other financial information differ in material ways from U.S. GAAP and are not comparable in all respects to financial statements prepared in accordance with U.S. GAAP.

INFORMATION REGARDING ORGANIZATION AND CONDUCT OF MEETING

Solicitation of Proxies

Solicitation of proxies will be primarily by mail, but may also be by telephone or other means of communication by the directors, officers, employees or agents of the Corporation at nominal cost. The Corporation may employ soliciting agents on commercially reasonable terms to assist the Corporation with the solicitation of proxies. All costs of solicitation will be paid by the Corporation and will be subject to reimbursement by Stingray in accordance with the terms of the Arrangement Agreement.

Appointment and Revocation of Proxies

General

Shareholders may be Registered Shareholders or Non-Registered Shareholders. If Shares are registered in the name of the Shareholder, the Shareholder is said to be a "Registered Shareholder". If Shares are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "Non-Registered Shareholder". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed instrument appointing proxy are officers and directors of the Corporation. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for the Shareholder at the Meeting other than the persons designated in the enclosed form of proxy**. Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxyholder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

If any Shareholder receives more than one proxy, it is because that Shareholder's Shares are registered in more than one form. In such cases, Shareholders should sign and submit all proxies received by them in accordance with the instructions provided.

Registered Shareholders

Registered Shareholders have two methods by which they can vote their Shares at the Meeting; namely in person or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with this Circular. Sending in a proxy will not prevent a Registered Shareholder from voting in person at the Meeting. The Shareholder's vote will be taken and counted at the Meeting. Registered Shareholders who do not plan to attend the Meeting or do not wish to vote in person can vote by proxy.

Proxies must be received by the Transfer Agent not later than **Monday, June 25, 2018 at 10:00 a.m**. (Atlantic time). A Registered Shareholder must return the completed proxy to the Transfer Agent, as follows:

(a) by **mail** in the enclosed envelope or by sending to: AST Trust Company (Canada), P.O. Box 721, Agincourt, ON, M1S 0A1;

(b) by **fax** to 416-368-2502 or toll free in Canada and the United States to 1-866-781-3111; or

(c) by **scan and email** to proxyvote@astfinancial.com

To exercise the right to appoint a person or company to attend and act for a Registered Shareholder at the Meeting, such Shareholder must strike out the names of the persons designated on the enclosed instrument appointing proxy and insert the name of the alternate appointee in the blank space provided for that purpose.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it by instrument in writing, executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited: (i) with the Corporation at 8 Basinview Drive, Dartmouth, NS, B3B 1G4, Attention: Corporate Secretary, at any time up to and including the last Business Day preceding the meeting at which the proxy is to be used, or at any adjournment thereof, or (ii) with the chairman of such meeting on the date of the meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

Non-Registered Shareholders

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "**NOBOs**". Non-Registered Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as "**OBOs**".

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice of Meeting, this Circular, forms of proxies (collectively, the "**Meeting Materials**") directly to the NOBOs and, indirectly, through intermediaries to the OBOs. The Corporation will also pay the fees and costs of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

These Meeting Materials are being sent to both Registered Shareholders and Non-Registered Shareholders. NOBO’s names and addresses and information about their holdings of Shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Shares on a NOBO’s behalf.

Meeting Materials Received by OBOs from Intermediaries

The Corporation has distributed copies of the Meeting Materials to intermediaries for distribution to OBOs. Intermediaries are required to deliver these materials to all OBOs of the Corporation who have not waived their right to receive these materials, and to seek instructions as to how to vote Shares. Often, intermediaries will use a service company to forward the Meeting Materials to OBOs.

OBOs who receive Meeting Materials will typically be given the ability to provide voting instructions in one of two ways:

(a) Usually, an OBO will be given a proxy which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.

(b) Occasionally, however, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to AST Trust Company (Canada) in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Shares that they own but that are not registered in their name. Should an OBO who receives a form of proxy wish to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBO's (or such other person's) name in the blank space provided or otherwise follow the instructions provided by the intermediary. **OBOs who received Meeting Materials from their intermediary should carefully follow the instructions provided by the intermediary.**

To exercise the right to revoke a proxy, an OBO who has completed a proxy should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the OBO with respect to the voting of certain Shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those Shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter.

Although an OBO may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of an intermediary, an OBO may attend the Meeting as proxyholder for the Registered Shareholder and vote the Shares in that capacity. OBOs who wish to attend the Meeting and indirectly vote their Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such intermediary.

Meeting Materials Received by NOBOs from the Corporation

As permitted under NI 54-101, the Corporation has used a NOBO list to send the Meeting Materials directly to the NOBOs whose names appear on that list. If you are a NOBO and a service company has sent these materials directly to you on behalf of the Corporation, your name and address and information about your holdings of Shares have been obtained from the intermediary holding such Shares on your behalf in accordance with applicable securities regulatory requirements.

By choosing to send these materials to NOBOs directly, the Corporation (and not the intermediary holding on a NOBO’s behalf) has assumed responsibility for (i) delivering these materials to, and (ii) executing a NOBO’s proper voting instructions. NOBOs should return their voting instructions as specified in the proxy.

A NOBO of the Corporation can expect to receive a scannable proxy from the Transfer Agent. Please complete and return the proxy to the Transfer Agent in the envelope provided. The Transfer Agent will tabulate the results of the proxies received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the proxies received by the Transfer Agent. NOBOs will have the same methods available of sending back their proxies as Registered Shareholders.

Proxies must be received by the Transfer Agent not later than **Monday, June 25, 2018 at 10:00 a.m**. (Atlantic time). A NOBO must return the completed proxy to the Transfer Agent, as follows:

(a) by **mail** in the enclosed envelope or by sending to: AST Trust Company (Canada), P.O. Box 721, Agincourt, ON, M1S 0A1;

(b) by **fax** to 416-368-2502 or toll free in Canada and the United States to 1-866-781-3111; or

(c) by **scan and email** to proxyvote@astfinancial.com

Notice-and-Access

The Corporation is not sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102 - *Continuous Disclosure Obligations*.

Exercise of Proxies

Where a choice is specified, the Shares represented by proxy will be voted for or voted against, as directed by the Shareholders, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority to vote for or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.**

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the person named in the enclosed instrument appointing proxy to vote in accordance with the recommendations of the management of the Corporation.

Voting Securities and Principal Holders Thereof

The only voting securities of the Corporation are its Class A Shares and Common Shares. As of the date of this Circular there are issued and outstanding 21,524,933 Class A Shares and 3,769,322 Common Shares. Each Class A Share carries the right to one vote and each Common Share carries the right to ten votes. As a class, the Class A Shares represent 36.3% of the votes on matters at the Special Meeting. In the event of a vote to change any right, privilege, restriction or condition attached to either the Class A Shares or Common Shares, the Common Shares are entitled to one vote per share.

The ten votes attaching to each Common Share shall be decreased to one vote, 180 days following the acquisition of Common Shares pursuant to a take-over bid:

(a) where the number of Common Shares acquired, together with the number of Common Shares owned on the date of the take-over bid, directly or indirectly, by the offeror(s) or associates, exceeds, in aggregate, 50% of the outstanding Common Shares; and

(b) where the provisions of the Securities Act and the by-laws, regulations or policies of a stock exchange on which the Class A Shares and Common Shares are both listed, applicable to such take-over bid, have not been complied with (as if the Class A Shares and Common Shares were shares of the same class or series having a market price equal to that of the Common Shares).

Under the share conditions attaching to the Class A Shares, holders have no right to participate if a take-over bid is made for Common Shares. However, Harry R. Steele, who owns directly or indirectly 3,658,602 (97.1%) of the Common Shares, has undertaken not to accept any take-over bid for the Common Shares or to tender these shares under any such bid unless a take-over bid is also made for Class A Shares on the same terms and conditions.

The Corporation is a "constrained-share company" to ensure that it and companies in which it has a direct or indirect interest qualify for the requisite licences to carry on a broadcasting undertaking within the meaning of the Broadcasting Legislation.

For this purpose, the constrained-class consists of persons who are not Canadian citizens or who are companies that are controlled directly or indirectly by citizens or subjects of a country other than Canada. The directors of the Corporation shall refuse to allow a transfer of a share of the Corporation to be made or recorded in the register of the Corporation and shall not accept a subscription for a share of the Corporation if the result of allowing such transfer or accepting such subscription would be that the shareholders (registered, beneficial or associated) who are members of the constrained-class would exceed either $33^{1/3}$% of the issued and outstanding voting shares or $33^{1/3}$% of the votes attaching to the shares of the Corporation. If a share is issued or if a transfer of a share is registered and it is later found that such share is in fact held by or for the account of any person or corporation so as to jeopardize or adversely affect, in the opinion of the directors, the right of the Corporation or any subsidiary to obtain, maintain, amend or renew a licence to operate a broadcasting undertaking, such share shall not be entitled to vote, to receive dividends, to receive assets on liquidation nor have any other rights, and the holder of such share shall not be entitled to receive notice of Special Meetings nor to attend or vote at Special Meetings. Such holder shall have the right to sell such share to a person who will not jeopardize the broadcasting undertaking.

Shareholders who are the registered holders of Class A Shares and Common Shares in the Corporation record maintained by AST Trust Corporation, Halifax, Nova Scotia at 5:00 p.m. (Atlantic time) on May 23, 2018 will be entitled to receive notice of and vote at the Special Meeting.

To the knowledge of the directors and officers of the Corporation, no person beneficially owns or exercises control or direction over more than 10% of the voting rights attached to any class of securities of the Corporation, except the following entities which Harry R. Steele owns or exercises control or direction over:

	Shares beneficially owned	**Percentage of Class**	**Percentage of Votes**
Irving West Limited	15,604,125 Class A	72.5%	86.1%
	3,538,302 Common	93.9%	
JCSNCC Holdings Limited	1,443,711 Class A	6.7%	4.5%
	120,300 Common	3.2%	
Total	–	–	90.6%

THE ARRANGEMENT

Purpose of the Arrangement

The purpose of the Arrangement is to effect the acquisition of the Corporation by Stingray and Acquisitionco. Upon completion of the Arrangement, Stingray and Acquisitionco will acquire all of the issued and outstanding Shares, and the Corporation will become an indirect wholly-owned subsidiary of Stingray. Assuming the Arrangement becomes effective, each Shareholder (other than a Dissenting Shareholder) will receive for each Share held: (i) the number of Stingray Shares obtained by dividing 3,887,945 by the number of Shares outstanding on the Effective Date; and (ii) cash in an amount equal to $14.75 less the product of (A) the Share Consideration and (B) $10.29. The Arrangement is to be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement.

The Parties to the Arrangement

The Corporation

The Corporation was incorporated on March 8, 1949 under the *Companies' Act of Newfoundland* as "Eastern Provincial Airways Limited" and changed its name to "Newfoundland Capital Corporation Limited" on November 12, 1980. The Corporation was continued under the CBCA by a Certificate of Continuance dated March 4, 1987. The Corporation's head office is located in Dartmouth, Nova Scotia.

The Corporation operates in the radio broadcasting industry and broadcasts in a variety of formats based on knowledge of each market’s needs. The Corporation owns Newcap Inc. which operates under the name "Newcap Radio", one of Canada’s leading radio broadcasters with 101 licences across Canada. The Corporation reaches millions of listeners each week through a variety of formats and is a recognized industry leader in radio programming, sales and networking. The Corporation has 83 FM and 18 AM licences spanning the country, with concentrations in Alberta and in Newfoundland and Labrador. The Corporation holds the second largest number of commercial radio licences in Canada. The Corporation employs

approximately 800 radio professionals, nationwide.

The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia and Newfoundland and its Class A Shares and Common Shares are listed and posted for trading on the TSX under the symbols NCC.A and NCC.B, respectively.

Stingray

Stingray is a corporation governed by the CBCA which results from the amalgamation on April 1, 2017 of Stingray Digital Group Inc. and Stingray Business Inc. The first of the amalgamated companies, Stingray Digital Group Inc., was amalgamated on February 4, 2011. The second of the amalgamated companies, Stingray Business Inc. was incorporated on August 25, 2006. Stingray's head office is located in Montréal, Québec.

Stingray is a leading B2B multi-platform music and in-store media solutions provider operating on a global scale. Stingray broadcasts high quality music and video content on a number of platforms including digital cable TV, satellite TV, Internet Protocol television (IPTV), the Internet, mobile devices and game consoles. Stingray reaches an estimated 400 million subscribers (or households) and deploys its broadcast music, short and long-form television channels, karaoke products, and commercial music across 156 countries as well as over 78,000 commercial establishments across Canada, Australia and Mexico, including business offices, retail stores, restaurants, hotels and other commercial establishments. Stingray employs over 400 professionals and support staff across the world, including in the United States, the United Kingdom, the Netherlands, Israel, Australia, and Singapore.

Stingray delivers a first-class experience to entertainment content providers and commercial clients worldwide, which is driven by its customizable capabilities and wide array of multiplatform music products, all of which are fully curated by experts across the globe. Stingray's distribution model is focused on providing high quality music content through a multitude of platforms, in exchange for a payment on a recurring and contractual basis. Revenue from its music broadcasting and television channels business is principally generated either on a payment per subscriber basis or a video-on-demand (VOD) basis. Stingray's business model is based on a non-interactive, linear business model resulting in what management of Stingray believes to be a more advantageous rights structure compared to other service providers operating on an interactive and B2C business model, such as Apple Music and Spotify. Revenue from its Commercial Music business is generated on a monthly subscription fee per location.

Stingray is a reporting issuer in all of the provinces and territories in Canada and its Subordinate Voting Shares and Variable Subordinate Voting Shares are listed and posted for trading on the TSX under the symbols RAY.A and RAY.B, respectively.

Acquisitionco

Acquisitionco was incorporated under the CBCA as 10643432 Canada Inc. on April 26, 2018 for the purpose of participating in the Arrangement. Acquisitionco is a wholly owned subsidiary of Stingray. Acquisitionco's registered office is located in Montréal, Québec.

Background to Arrangement

The provisions of the Arrangement Agreement are the result of arm's length negotiations conducted between the Corporation and Stingray and their respective representatives and advisors. The following is a summary of the material events leading up to the execution of the Arrangement Agreement and its public announcement on May 2, 2018.

Robert G. Steele, the current Chairman, President and Chief Executive Officer of the Corporation, became a director of Stingray in the Spring of 2015 when Stingray completed its initial public offering. Eric Boyko, President and Chief Executive Officer of Stingray, approached Robert G. Steele in March 2017 with the idea of acquiring the Corporation. As a result of this approach, Marckenz Group Capital Partners, financial advisor to the Corporation, initiated an informal process on behalf of the Corporation and reached out to a number of potential purchasers. No other parties contacted expressed an acceptable interest in acquiring the Corporation.

On May 11, 2017, as a result of Stingray's approach, the Corporation formally created the Special Committee, which was comprised of independent directors, to consider a potential transaction. McCarthy Tétrault LLP was engaged as legal advisor

to the Special Committee. The Financial Advisor was formally engaged by the Special Committee pursuant to an engagement agreement dated May 16, 2017.

The Special Committee met with the Financial Advisor and legal advisors a number of times for the purpose of assessing the potential transaction with Stingray and considering any possible alternatives to such transaction. Through successive negotiations between the Corporation and Stingray, a price of $14.75 per Share comprised of $13.30 in cash and $1.45 in Stingray shares was agreed to and a non-binding letter of intent was executed on May 26, 2017. Stingray, the Corporation and their advisors began negotiations on formal transaction agreements. In June 2017, Stingray advised the Corporation that it had decided not to proceed with the proposed transaction at that time.

In March 2018, Marckenz Group Capital Partners met with Stingray to discuss industry events. At the meeting, Stingray renewed its interest in acquiring the Corporation. On April 20, 2018, Eric Boyko travelled to Halifax, Nova Scotia to meet with Robert G. Steele and presented an updated non-binding letter of intent (the "**Letter of Intent**") outlining the general terms of the circumstances under which Stingray would acquire the Corporation. The Special Committee was formally re-constituted on April 23, 2018 and the Financial Advisor and McCarthy Tétrault LLP were re-engaged. After negotiation on certain terms, both Stingray and the Corporation executed the Letter of Intent on April 24, 2018.

The Corporation and Stingray, along with their advisors, negotiated the terms of formal transaction agreements in the period leading to May 2, 2018. The Special Committee met a number of times with its legal advisor and the Financial Advisor between April 23, 2018 and May 1, 2018 to consider the terms of the Arrangement and the proposed Arrangement Agreement. On the morning of May 1, 2018, the Special Committee met with its legal advisor and the Financial Advisor, and the Financial Advisor presented its preliminary views on the transaction to the Special Committee. On the afternoon of May 1, 2018, the Special Committee met again with its legal advisor and the Financial Advisor, and the Financial Advisor verbally presented its opinion that, as of that date, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders. Immediately following this Special Committee meeting, the full Board of Directors of the Corporation met to consider the Arrangement. The Financial Advisor verbally delivered its fairness opinion to the full Board of Directors, and the Special Committee recommended unanimously to the Board that the Board approve the Arrangement and recommend that shareholders of the Corporation vote in favour of the Arrangement. The Board of Directors of the Corporation unanimously (excluding Robert G. Steele who was precluded from voting under the CBCA as a result of being a member of the board of directors of Stingray) approved the Arrangement subject to satisfactory conclusion on certain remaining terms and on the condition that Stingray confirm sufficient financing, including a proposed bought deal prospectus offering of subscription receipts.

On May 2, 2018, the parties finalized negotiation of the Arrangement Agreement. On the afternoon of May 2, 2018, upon confirmation of financing arrangements by Stingray, the Arrangement Agreement and Support Agreements were concluded, trading in the shares of both the Corporation and Stingray were halted, and each of Stingray and the Corporation immediately announced the transaction by press release.

Recommendation of the Special Committee

The Board established the Special Committee to, among other things, review and consider the Arrangement.

The Special Committee, having undertaken a thorough review of, and carefully considered, the proposed Arrangement and the alternatives available to the Corporation, and having taken into account the Fairness Opinion and such other matters as it considered relevant, unanimously determined that the Arrangement is in the best interests of the Corporation and is fair to the Shareholders. **Accordingly, the Special Committee unanimously recommended that the Board approve the Arrangement and recommend that Shareholders vote FOR the Arrangement Resolution.**

Recommendation of the Board

Following an extensive review and analysis of the Arrangement and consideration of other available alternatives, and on the basis of the review and recommendation of the Special Committee and the Fairness Opinion, the Board unanimously (with Robert G. Steele abstaining as required under the CBCA because he is a member of the board of directors of Stingray) determined that the Arrangement is in the best interests of the Corporation and is fair to the Shareholders. **Accordingly, the Board unanimously (with Robert G. Steele abstaining given that he is director of the board of directors of Stingray) approved the Arrangement and recommends that Shareholders vote FOR the Arrangement Resolution.**

Reasons for the Recommendation

In the course of its careful and deliberate evaluation of the Arrangement, the Special Committee and the Board (other than the conflicted director) consulted with independent legal counsel and the Financial Advisor, reviewed additional information and considered a number of factors, including, among others, the following:

- the anticipated value of the Consideration payable under the Arrangement to Shareholders represents a premium of approximately 16% based on the Corporation's volume-weighted average closing share price on the TSX for the last 20 trading days prior to the announcement of the Arrangement;
- the Fairness Opinion delivered to the Special Committee and the Board by the Financial Advisor to the effect that, as of May 1, 2018, subject to the assumptions, limitations and qualifications contained therein, the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders;
- the Locked-up Shareholders holding 19,378,353 Class A Shares, 3,681,102 Common Shares and 1,025,000 Options, as of May 1, 2018, have entered into Support Agreements and have agreed to vote in favour of the Arrangement Resolution subject to certain limited exceptions (which do not apply to each member of the Steele family who hold Shares representing in excess of 93% of the votes attaching to all outstanding Shares and who have executed irrevocable Support Agreements);
- a high proportion of the consideration to be paid to Shareholders pursuant to the Arrangement will consist of cash which provides Shareholders with relative certainty of value;
- the likelihood of the Arrangement being completed in a reasonable time and prior to the outside date set forth in the Arrangement Agreement;
- the Arrangement Agreement was the result of bona fide negotiations among the Corporation and Stingray and their respective legal and financial advisors and the terms and conditions of the Arrangement Agreement were determined to be fair and reasonable in the circumstances;
- the Arrangement must be approved by at least two-thirds of the votes cast by Shareholders of the Corporation;
- registered Shareholders may, upon compliance with certain conditions and in certain circumstances, exercise Dissent Rights; and
- the Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court determines, among other things, that the Arrangement is fair and reasonable, both procedurally and substantially, to the Shareholders.

The Special Committee and Board also considered a number of uncertainties, risks and other potentially negative factors concerning the Arrangement which they concluded were outweighed by the potential benefits described above, including the following:

- the risks to the Corporation if the Arrangement is not completed in a timely manner or at all, including the costs incurred in pursuing the Arrangement, the diversion of management resources away from the conduct of the Corporation's business and the resulting uncertainty for all of the Corporation's stakeholders;
- the risks to the Corporation of entering into the Arrangement Agreement, including the limitations contained in the Arrangement Agreement on the Corporation's ability to solicit alternative transactions from third parties;
- the conditions to the Purchaser's obligation to complete the Arrangement and the right of the Purchaser to terminate the Arrangement Agreement under certain limited circumstances;
- the fact that if the Arrangement Agreement is terminated under certain circumstances, the Corporation must pay a termination fee to Stingray;
- the restrictions imposed pursuant to the Arrangement Agreement on the conduct of the Corporation's business during the period between the execution of the Arrangement Agreement and the completion of the Arrangement; and
- the fact that the cash consideration received pursuant to the Arrangement will be a taxable transaction for Shareholders.

The foregoing description of the information and factors considered by the Special Committee and the Board includes the principal positive and negative factors considered by the Special Committee and the Board, but is not intended to be exhaustive and may not include all of the factors considered, and, in view of the number and complexity of factors considered, the Special Committee and the Board did not find it practicable to, nor did it attempt to, quantify, rank or otherwise assign relative weights to the specific factors considered by it in making its recommendations (and individual

members of the Special Committee and the Board may have given different weights to different factors). The Special Committee and the Board reached its recommendations based on the totality of the information presented to, and considered by, it through its deliberations.

Fairness Opinion

The Special Committee retained the Financial Advisor to provide its opinion as to the fairness to the Shareholders, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement. In connection with this mandate, the Financial Advisor provided an opinion to the Special Committee to the effect that, as at the date thereof and based on the assumptions, limitations and qualifications set out in the Fairness Opinion, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

The full text of the Fairness Opinion, which sets forth the assumptions, limitations and qualifications made, procedures followed, scope of review, and matters considered in connection with the opinion, is attached as Appendix H to this Circular. The Fairness Opinion is directed only to the fairness to the Shareholders, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement and does not address any other aspect of the Arrangement or any related transaction. The Financial Advisor was not engaged to make (and has not made) an independent formal valuation of the Corporation or Stingray or of their respective assets or securities. The Fairness Opinion does not address the relative merits of the Arrangement or any related transaction as compared to other business strategies or transactions that might be available to the Corporation or the underlying business decision of the Corporation to effect the Arrangement or any related transaction. The Fairness Opinion was one of a number of factors taken into consideration by the Special Committee and the Board in considering the Arrangement. The Special Committee and the Board urge Shareholders to read the Fairness Opinion carefully and in its entirety. The summary of the Fairness Opinion in this Circular is qualified in its entirety by reference to the full text of the Fairness Opinion.

Under its engagement letter with the Financial Advisor, the Corporation agreed to pay a fee to the Financial Advisor for its services for rendering the Fairness Opinion, no portion of which was conditional upon the Fairness Opinion being favourable, or that was contingent upon the consummation of the Arrangement. The Corporation also agreed to reimburse the Financial Advisor for all reasonable out-of-pocket expenses and to indemnify the Financial Advisor in relation to certain claims or liabilities that may arise in connection with the services performed in connection with the Arrangement.

Interests of Certain Persons in the Arrangement

In considering the recommendations of the Board with respect to the Arrangement, Shareholders should be aware that directors and officers of the Corporation have certain interests in connection with the Arrangement as described below that may be in addition to, or separate from, those of Shareholders generally in connection with the Arrangement, in the form of payments under existing employment agreements and related incentive arrangements with the Corporation that may be applicable as a result of the Arrangement. The Board was aware of these interests and considered them along with other matters described herein when recommending approval of the Arrangement by Shareholders.

Required Shareholder Approval

Pursuant to the Interim Order and in accordance with the CBCA, in order for the Arrangement to be implemented, the Arrangement Resolution, with or without variation, must be passed at the Meeting by the affirmative vote of at least sixty-six and two-thirds (66 ⅔%) of the votes cast by Shareholders present either in person or by proxy at the Meeting. The Locked-up Shareholders hold 19,378,353 Class A Shares (or 90.03% of the Class A Shares outstanding), and 3,681,102 Common Shares (or 97.66% of the Common Shares outstanding). The Locked-up Shareholders therefore represent 56,189,373 votes (or 94.89%) of the 59,218,153 votes represented by Shares outstanding, as of May 1, 2018.

Support Agreements

The Corporation has, concurrently with the execution and delivery to Stingray and Acquisitionco of the Arrangement Agreement, delivered to Stingray and Acquisitionco duly executed voting support agreements dated as of May 2, 2018 with each of the Locked-Up Shareholders (as defined below) who have agreed, subject to certain limited exceptions (which do not apply to each member of the Steele family who hold Shares and who have executed irrevocable voting support agreements)

to vote in favour of the Arrangement Resolution all of the Shares beneficially owned by them or under their direction or control, subject to the terms and conditions of the applicable Support Agreement. The "**Locked-Up Shareholders**" means the Chief Executive Officer, the Chief Financial Officer, the Chief Operating Officer, and each of the directors of the Corporation and each member of the Steele family who hold Shares. The following table summarizes the Shares that are subject to the Voting Support Agreements:

	Shares beneficially owned	**Percentage of Class**	**Percentage of Votes**
Steele Family [(1)]	18,529,587 Class A	86.1%	93.5%
	3,681,102 Common	97.7%	
Directors and certain Officers, excluding Steele family [(2)]	848,766 Class A	3.9%	1.4%
	NIL Common	0%	
Total	–	–	94.9%

Notes:

(1) Support Agreement does not include "fiduciary out" provisions.
(2) Support Agreement includes "fiduciary out" provisions.

Voting Trust Agreement

Concurrently with the execution and delivery of the Arrangement Agreement, each member of the Steele family who holds Shares executed and delivered a lock-up and voting trust agreement, pursuant to which certain of the Stingray Shares to be received by them on the Effective Date will be subject to a five-year voting trust and lock-up agreement in favour of Mr. Eric Boyko.

Court Approval

Interim Order

The Arrangement requires approval of the Court under Section 192 of the CBCA. On May 16, 2018, the Corporation obtained the Interim Order, which provides for the calling and holding of the Meeting, the Dissent Rights and other procedural matters. A copy of the Interim Order is attached as Appendix D to this Circular.

Final Order

Subject to the terms of the Arrangement Agreement, and the approval of the Arrangement Resolution by Shareholders at the Meeting in the manner required by the Interim Order, the Corporation will make an application to the Court for the Final Order. On the application, the Court will consider, among other things, the fairness of the Arrangement.

As set out in the Notice of Application for the Final Order, the hearing with respect to the application for the Final Order approving the Arrangement is scheduled for Tuesday, July 10, 2018, at 9:30 a.m. (Atlantic Time), at the Law Courts, 1815 Upper Water Street, Halifax, Nova Scotia, or at such later date to which the application for the Final Order may be adjourned. At this hearing, any Shareholder or any other interested party who wishes to participate or be represented or to present evidence or arguments may do so by filing the appropriate notice of appearance and satisfy other requirements as set forth in the Interim Order. Such persons should consult with their legal advisors as to the necessary requirements. In the event that the hearing is adjourned, then, subject to further order of the Court, only those persons having previously filed and served responding materials in accordance with the Interim Order will be given notice of the adjournment.

The Court has broad discretion under the CBCA when making orders with respect to the Arrangement and it is expected that the Court will consider, among other things, the fairness and reasonableness or the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement, either as proposed or as amended, in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit. Depending upon the nature of any amendments required by the Court, the Corporation and Stingray may determine not to proceed with the Arrangement.

For further information regarding the Court hearing and Shareholder rights in connection with the Court hearing, see the Notice of Application attached at Appendix E to this Circular. The Notice of Application constitutes notice of the Court

hearing of the application for the Final Order. There can be no assurances that the Court will approve the Arrangement as required by the CBCA. See "*Risk Factors*".

Notice to United States Securityholders

The Stingray Shares issuable to Shareholders in exchange for their Shares under the Plan of Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. The Final Order is required for the Arrangement to become effective and the Court has been advised that if the terms and conditions of the Arrangement are approved by the Court pursuant to the Final Order, the issuance of the Stingray Shares issuable to Shareholders in exchange for their Shares under the Plan of Arrangement will not require registration under the U.S. Securities Act, pursuant to the Section 3(a)(10) Exemption.

Effect of the Arrangement on Shareholders

In accordance with the terms of the Arrangement Agreement, the Corporation will file the Articles of Arrangement with the Director no later than the third Business Day after the satisfaction or, where not prohibited, the waiver of the conditions to completion of the Arrangement as set out in the Arrangement Agreement. Subject to the provisions of the Arrangement Agreement, the Arrangement will become effective at 12:01 a.m. (Atlantic Time) on the Effective Date.

Upon completion of the Arrangement, Stingray and Acquisitionco will become the beneficial and registered holders of all of the issued and outstanding Shares.

Following completion of the Arrangement, Stingray will make the appropriate applications for the Corporation to cease to be a reporting issuer and the Shares will be delisted from the TSX.

Holdco Alternative

Stingray has agreed pursuant to the Arrangement Agreement to allow certain Shareholders to elect for a Holdco Alternative whereby each Shareholder who qualifies may transfer their Shares to a Qualifying Holdco in exchange for Qualifying Holdco Shares and to sell the Qualifying Holdco Shares to Stingray and Acquisitionco in lieu of a direct sale of Shares, provided certain conditions described below are met. The Consideration payable to such Qualifying Holdco Shareholder shall be calculated based on the actual number of Shares held by the Qualifying Holdco.

Stingray will permit Shareholders ("**Qualifying Holdco Shareholders**") that (a) are not non-residents of Canada for purposes of the Tax Act, (b) are beneficial owners of Shares as of May 2, 2018, and (c) elect in respect of such Shares, by notice in writing provided to Stingray not later than 5:00 p.m. (Halifax time) on the 10th Business Day prior to the Effective Date to sell all (but not less than all) of the issued shares of a Qualifying Holdco; by notice in writing provided to Stingray not later than 5:00 p.m. (Halifax time) on the 10th Business Day prior to the Effective Date (the "**Holdco Election Date**"), to sell all (but not less than all) of the issued shares of the Qualifying Holdco that meets the terms and conditions described below (the "**Holdco Alternative**"):

(i) such Qualifying Holdco holds more than 100 Shares as of the Holdco Election Date;

(ii) such Qualifying Holdco was incorporated under the CBCA following the date of the Arrangement Agreement, has no employees and was created for the sole purpose of effecting the Holdco Alternative and has not carried on any other business;

(iii) such Qualifying Holdco is a single purpose corporation that has not carried on any business, has no employees, has not held or does not hold any assets other than Shares, and a nominal amount of cash, has never entered into any transaction other than those relating to and necessary for the ownership of Shares or, with Stingray's consent, such other transactions as are necessary to facilitate those transactions described in the Plan of Arrangement;

(iv) at the Effective Time, such Qualifying Holdco has no liabilities or obligations of any kind whatever (except to Stingray and Acquisitionco under the terms of the Holdco Alternative);

(v) at the Effective Time, such Qualifying Holdco will have no shares outstanding other than a number of class A common shares and a number of class B common shares equal to the number of Class A Shares and Common Shares held by the Qualifying Holdco, respectively, and the Qualifying Holdco Shareholder will be the sole registered and beneficial owner of such shares with good and valid title thereto, free and clear of all Liens and the Qualifying Holdco will be the registered and beneficial owner of its Shares with good and valid title thereto, free and clear of all Encumbrances;

(vi) such Qualifying Holdco shall have not more than three directors and three officers;

(vii) at the Effective Time, performance of the Arrangement Agreement by the Qualifying Holdco Shareholder, and the consummation of the transactions contemplated hereby, will not (i) contravene, conflict with, or result in any violation or breach of any provision of the articles or by-laws or constating documents of Qualifying Holdco or Qualifying Holdco Shareholder (if applicable); (ii) contravene, conflict with or result in a violation or breach of any provision of any applicable Law or judgment, order, writ, injunction or decree of any Regulatory Authority having jurisdiction over Qualifying Holdco or Qualifying Holdco Shareholder (if applicable); (iii) require any consent or other action by any person under, constitute a default or an event that, with or without notice of lapse of time or both, would constitute a default under, any provision of any contract to which the Qualifying Holdco or Qualifying Holdco Shareholder (if applicable) is a party or by which it or any of its properties or assets may be bound; or (iv) result in the creation or imposition of any Encumbrance on the Shares or the shares of the Qualifying Holdco being sold to Acquisitionco by the Qualifying Holdco Shareholder;

(viii) at the Effective Time, such Qualifying Holdco will not have unpaid declared dividends or distributions and, prior to the Effective Time, such Qualifying Holdco shall not have paid any dividends or other distributions other than an increase in stated capital, a share dividend or a cash dividend financed with a daylight loan, or through the issuance of a promissory note with a determined principal amount and any such promissory note issued in relation to the payment of any such dividend or distribution shall no longer be outstanding as of the Effective Time, or a combination thereof;

(ix) at all times such Qualifying Holdco shall be a resident of Canada for the purposes of the Tax Act and shall not be a resident of, and shall have no taxable presence in, any other country;

(x) the Qualifying Holdco Shareholder shall at its cost and in a timely manner prepare and file all income Tax Returns of such Qualifying Holdco in respect of the taxation year of such Qualifying Holdco ending immediately prior to the acquisition of such Qualifying Holdco by Stingray and Acquisitionco, subject to Stingray's and Acquisitionco's right to approve all such Tax Returns as to form and substance (such approval not to be unreasonably withheld, delayed or conditioned);

(xi) notwithstanding any other provision hereof, the Qualifying Holdco Shareholder, and its direct and indirect controlling shareholders, shall indemnify the Corporation, Acquisitionco and Stingray, and any successor thereof, in the manner set forth in Section 2.15 of the Arrangement Agreement;

(xii) the Qualifying Holdco Shareholder will provide the Corporation, Acquisitionco and Stingray with copies of all documents necessary to effect the transactions contemplated in Section 2.14 of the Arrangement Agreement on or before the 10th Business Day preceding the Effective Date, the completion of which will comply with applicable Laws (including securities Laws) at or prior to the Effective Time. More specifically, each Qualifying Holdco Shareholder will be required to enter into a share purchase agreement and other ancillary documentation (collectively, the "**Holdco Agreements**") with Stingray and Acquisitionco containing representations and warranties and covenants acceptable to Stingray, acting reasonably;

(xiii) at the Effective time, unless written consent is obtained by Stingray, such Qualifying Holdco will not have made any election or designation under the Tax Act or any Canadian provincial or territorial income tax legislation, other than eligible dividend designations and elections made under section 85 of the Tax Act and any Canadian provincial or territorial income tax legislation in connection with the transactions contemplated herein;

(xiv) the entering into or implementation of the Holdco Alternative will not result in any delay in completing any other transaction contemplated by the Arrangement Agreement;

(xv) access to the books and records of such Qualifying Holdco shall have been provided on or before the 10th Business Day prior to the Effective Date and Stingray, Acquisitionco and its counsel shall have completed their due diligence regarding the business and affairs of such Qualifying Holdco; and

(xvi) the Qualifying Holdco Shareholder will be required to pay all reasonable out-of-pocket expenses incurred by the Corporation, Acquisitionco and Stingray in connection with the Holdco Alternative, on a pro rata basis, including any reasonable costs associated with any due diligence conducted by the Corporation, Acquisitionco and Stingray and the computation of the Corporation's safe income.

Any Qualifying Holdco Shareholder who elects the Holdco Alternative will be required to make full disclosure to Acquisitionco and Stingray of all transactions involved in such Holdco Alternative. In the event that the terms and conditions of or the transactions involved in such Holdco Alternative are not satisfactory to Acquisitionco and Stingray, acting reasonably, no Holdco Alternative shall be offered to such Qualifying Holdco Shareholder and the other transactions contemplated by the Arrangement Agreement shall be completed in accordance with the other terms and conditions of the Arrangement Agreement.

Upon request by a Qualifying Holdco Shareholder, Acquisitionco and Stingray may in its sole discretion agree to waive any of the requirements described above.

Choosing the Holdco Alternative will require a Shareholder to implement a corporate reorganization to hold the Shares. The Holdco Alternative may have favourable Canadian federal income tax consequences for certain Shareholders, but those consequences are not described in this Circular. Shareholders wishing to avail themselves of the Holdco Alternative should consult their own financial, tax and legal advisors.

Arrangement Steps

At the Effective Time, the following transactions shall occur and shall be deemed to occur in the following sequence, without any further act of or by the Corporation, Stingray, Acquisitionco or any other person:

(a) as a first step, each outstanding Option issued pursuant to the share option plan of the Corporation shall be deemed to have been fully vested;

(b) as a second step, contemporaneously:

(i) each outstanding Option with an exercise price lower than $14.75 shall be, and shall be deemed to be, irrevocably transferred to the Corporation (free and clear of any encumbrances) without any further act or formality and cancelled by the Corporation and, in consideration for such Option, the Corporation shall pay to the Optionholder a cash amount equal to $14.75 less the exercise price of such Option;

(ii) each outstanding Option with an exercise price equal to or greater than $14.75 shall be, and shall be deemed to be, irrevocably transferred to the Corporation (free and clear of any encumbrances) without any further act or formality cancelled by the Corporation without payment or compensation therefor, and neither the Corporation nor Stingray nor Acquisitionco nor any other person shall have any further liabilities or obligations to the Optionholders thereof with respect thereto;

(iii) the share option plan of the Corporation shall be terminated and none of the Corporation, Stingray or Acquisitionco shall have any liability thereof;

(c) as a third step, contemporaneously:

(i) each Share held by a dissenting Shareholder shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any encumbrances) without any further act or formality and:

(A) such dissenting Shareholder shall cease to be the holder of such Shares so transferred and to have any rights as holder of such Shares other than the right to be paid fair value for such Shares by Acquisitionco as set out in the Arrangement Agreement;

(B) such dissenting Shareholder's name shall be removed as the holder of such Shares from the central securities registers of holders of Shares maintained by or on behalf of the Corporation; and

(C) Acquisitionco shall become the sole legal and beneficial holder of such Shares so transferred (free and clear of all encumbrances) and shall be entered in the central securities registers of holders of Shares maintained by or on behalf of the Corporation;

(d) as a fourth step, contemporaneously:

(i) a fraction (equal to the Cash Consideration divided by 14.75) of each issued and outstanding Class A Share (other than those held by a Qualifying Holdco) shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any encumbrances) without any further act or formality in exchange for the Cash Consideration;

(ii) a fraction (equal to the product of (i) the Share Consideration and (ii) 10.29, divided by 14.75) of each issued and outstanding Class A Share (other than those held by a Qualifying Holdco) shall be, and shall be deemed to be, irrevocably transferred to Stingray (free and clear of any encumbrances) in exchange for the Share Consideration and:

(A) holders of Class A Shares who are "Canadian" within the meaning of the CRTC Direction will receive Subordinate Voting Shares; and

(B) holders of Class A Shares who are not "Canadian" within the meaning of a the CRTC Direction will receive Variable Subordinate Voting Shares;

(iii) Acquisitionco and Stingray shall be added to the securities register maintained by or on behalf of the Corporation in respect of Class A Shares (other than those held by a Qualifying Holdco) showing Acquisitionco and Stingray as the sole legal and beneficial owners of Class A Shares free and clear of all encumbrances;

(iv) a fraction (equal to Cash Consideration divided by 14.75) of each issued and outstanding Common Share (other than those held by a Qualifying Holdco) shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any encumbrances) without any further act or formality in exchange for the Cash Consideration;

(v) a fraction (equal to the product of (i) the Share Consideration and (ii) 10.29, divided by 14.75) of each issued and outstanding Common Share (other than those held by a Qualifying Holdco) shall be, and shall be deemed to be, irrevocably transferred to Stingray (free and clear of any encumbrances) without any further act or formality in exchange for the Share Consideration and:

(A) holders of Common Shares who are "Canadian" within the meaning of the CRTC Direction will receive Subordinate Voting Shares; and

(B) holders of Common Shares who are not "Canadian" within the meaning of the CRTC Direction will receive Variable Subordinate Voting Shares;

(vi) Acquisitionco and Stingray shall be added to the securities register maintained by or on behalf of the Corporation in respect of Common Shares (other than those held by a Qualifying Holdco) showing Acquisitionco and Stingray as the sole legal and beneficial owners of Common Shares free and clear of all encumbrances; and

(vii) with respect to each Class A Share and Common Share, each former Shareholder shall cease to be a registered or beneficial holder of Class A Shares (other than those held by a Qualifying Holdco) and Common Shares (other than those held by a Qualifying Holdco) and the name of such holder shall be removed from the securities registers maintained by or on behalf of the Corporation;

(viii) a fraction (equal to the Cash Consideration divided by 14.75) of each issued and outstanding Qualifying Holdco Class A Share of each Qualifying Holdco shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any encumbrances) without any further act or formality in exchange for the Cash Consideration;

(ix) a fraction (equal to the product of (i) the Share Consideration and (ii) 10.29, divided by 14.75) of each issued and outstanding Qualifying Holdco Class A Share of each Qualifying Holdco shall be, and shall be deemed to be, irrevocably transferred to Stingray (free and clear of any encumbrances) without any further act or formality in exchange for the Share Consideration and:

(A) Qualifying Holdco Shareholders who are "Canadian" within the meaning of the CRTC Direction will receive Subordinate Voting Shares; and

(B) Qualifying Holdco Shareholders who are not "Canadian" within the meaning of the CRTC Direction will receive Variable Subordinate Voting Shares;

(x) Acquisitionco and Stingray shall be added to the securities register maintained by or on behalf of the Qualifying Holdco in respect of Qualifying Holdco Class A Shares showing Acquisitionco and Stingray as the sole legal and beneficial owners of the Qualifying Holdco Class A Shares free and clear of all encumbrances;

(xi) each Qualifying Holdco Shareholder shall cease to be a registered or beneficial holder of Qualifying Holdco Class A Shares and the name of such holder shall be removed from the securities registers maintained by or on behalf of the Qualifying Holdco;

(xii) a fraction (equal to the Cash Consideration divided by 14.75) of each issued and outstanding Qualifying Holdco Common Share of each Qualifying Holdco shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any encumbrances) without any further act or formality in exchange for the Cash Consideration;

(xiii) a fraction (equal to the product of the (i) Share Consideration and (ii) 10.29, divided by 14.75) of each issued and outstanding Qualifying Holdco Common Share of each Qualifying Holdco shall be, and shall be deemed to be, irrevocably transferred to Stingray (free and clear of any encumbrances) without any further act or formality in exchange for the Share Consideration and:

(A) Qualifying Holdco Shareholders who are "Canadian" within the meaning of the CRTC Direction will receive Subordinate Voting Shares; and

(B) Qualifying Holdco Shareholders who are not "Canadian" within the meaning of the CRTC Direction will receive Variable Subordinate Voting Shares;

(xiv) Acquisitionco and Stingray shall be added to the securities register maintained by or on behalf of the Qualifying Holdco in respect of Qualifying Holdco Common Shares showing Acquisitionco and Stingray as the sole legal and beneficial owners of the Qualifying Holdco Common Shares free and clear of all encumbrances; and

(xv) each Qualifying Holdco Shareholder shall cease to be a registered or beneficial holder of Qualifying Holdco Common Shares and the name of such holder shall be removed from the securities registers maintained by or on behalf of the Qualifying Holdco.

As of the date of this Circular, there are 21,524,933 Class A Shares and 3,769,322 Common Shares issued and outstanding, and 1,905,000 Options exercisable or convertible for Shares issued and outstanding. Stingray will issue 3,887,945 Stingray Shares as partial consideration in exchange for the Shares.

Following the completion of the Arrangement, Shareholders will hold approximately 7% of then outstanding Stingray Shares and approximately 5.3% of all outstanding Stingray equity shares.

Letter of Transmittal and Payment of Consideration to the Shareholders

Prior to the filing by the Corporation of Articles of Arrangement with the Director, Acquisitionco will provide or cause to be provided to the Depositary sufficient funds to be held to satisfy the aggregate Consideration payable to Shareholders, all in accordance with the Plan of Arrangement.

If you are a Registered Shareholder, you should have received with this Circular the Letter of Transmittal (printed on yellow paper). If the Arrangement Resolution is passed and the Arrangement is implemented, in order to receive the Consideration to which you are entitled, you must complete and sign the Letter of Transmittal enclosed with this Circular and deliver such Letter of Transmittal, together with the certificate(s) representing your Shares and the other documents required by the instructions set out therein to the Depositary in accordance with the instructions contained in the Letter of Transmittal. Subject to the provisions of the Plan of Arrangement, and upon return of a properly completed Letter of Transmittal by a Registered Shareholder, together with certificates representing Shares and such other documents as the Depositary may require, Shareholders shall be entitled to receive delivery of the Consideration to which they are entitled pursuant to the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement, and any certificate representing such Shares so surrendered will forthwith be cancelled.

The Letter of Transmittal contains procedural information relating to the Arrangement and should be reviewed carefully. Non-Registered Shareholders holding Shares that are registered in the name of an Intermediary must contact their Intermediary to arrange for the surrender of their Shares.

The enclosed Letter of Transmittal provides an explanation as to how to deposit and obtain payment for the Shares once the Arrangement is completed. The enclosed Letter of Transmittal may also be obtained by contacting the Depositary and will also be available under the Corporation's profile on SEDAR at www.sedar.com.

A separate form of Letter of Transmittal will be made available for Qualifying Holdco Shareholders who have transferred their Shares to a Qualifying Holdco. Shareholders who wish to avail themselves of the Holdco Alternative must elect to use the Holdco Alternative and contact the Depositary, toll free at 1-800-387-0825 or by email at inquiries@astfinancial.com, in order to obtain the form of Letter of Transmittal applicable to Qualifying Holdco Shareholders who have elected the Holdco Alternative. In order to elect to use the Holdco Alternative, Qualifying Holdco Shareholders must provide written notice of such election to Stingray not later than the Holdco Election Date. The Holdco Election Date will be 5:00 p.m. (Atlantic time) on the 10th Business Day prior to the Effective Date. Failure of any Qualifying Holdco Shareholder to properly elect the Holdco Alternative on or prior to the Holdco Election Date will disentitle such Qualifying Holdco Shareholder from the Holdco Alternative. See "*The Arrangement - Holdco Alternative*" for further information regarding the Holdco Alternative, including applicable qualification criteria.

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Shares that were transferred pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Shareholder claiming such certificate to be lost, stolen or destroyed, the Depositary will pay to such Shareholder, in exchange for such lost, stolen or destroyed certificate, the cash which such Shareholder has the right to receive under the Arrangement for such Shares, deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Shareholder to whom such cash is to be delivered shall, as a condition precedent to the delivery of such cash, give a bond satisfactory to the Corporation, Acquisitionco, Stingray and the Depositary (acting reasonably) in such sum as Stingray may direct, or otherwise indemnify Stingray and the Corporation in a manner satisfactory to Stingray and the Corporation, acting reasonably, against any claim that may be made against Stingray and the Corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

A Shareholder may deliver a completed and signed Letter of Transmittal, together with the certificate(s) representing the Shares and the other documents required by the instructions set out therein, to the Depositary prior to the Effective Time; however, in accordance with the Plan of Arrangement, the Depositary will only deliver a direct registration statement (DRS) representing the Stingray Shares and a cheque in the amount equal to the net Cash Consideration to which such former holder of Shares is entitled under the Plan of Arrangement following the Effective Time. If the Arrangement is not completed, any Letter of Transmittal and certificate(s) representing the Shares, together with any other documents delivered to the Depositary, shall be returned by the Depositary to the Shareholder.

No Fractional Share Consideration

In no event shall a Shareholder be entitled to a fractional Stingray Share. Where the aggregate number of Stingray Shares to be issued to a Shareholder would result in a fraction of a Stingray Share being issuable, (a) the number of Stingray Shares to be received by such Shareholder will be rounded down to the nearest whole Stingray Share, and (b) such Shareholder shall receive a cash payment (rounded down to the nearest cent) equal to the product of (i) $10.29 and (ii) the fractional share amount.

In addition, if the aggregate cash amount which a Shareholder is entitled to receive would otherwise include a fraction of $0.01, then the aggregate cash amount which such Shareholder shall be entitled to receive shall be rounded up to the nearest whole $0.01.

Cancellation of Rights

To the extent that a Shareholder shall not have surrendered share certificate(s) representing such Shareholder's Shares on or before the sixth anniversary date of the Effective Date, such share certificate(s) will cease to represent a claim by or interest of any former holder of Shares of any kind or nature against or in the Corporation, Acquisitionco or any of their successors. On such date, all cash to which such Shareholder was entitled shall be deemed to have been surrendered to Acquisitionco, and shall be paid over by the Depositary to Acquisitionco or as directed by Acquisitionco.

ARRANGEMENT AGREEMENT

The following is a summary of certain terms of the Arrangement Agreement and the Arrangement. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to the provisions of the Arrangement Agreement, a copy of which has been filed with Canadian securities regulatory authorities on SEDAR at www.sedar.com under the Corporation's profile.

Conditions Precedent to the Arrangement

Mutual Conditions Precedent

The respective obligations of the Corporation, on the one hand, and of Stingray and Acquisitionco, on the other hand, to complete the Arrangement are subject to the fulfillment of each of the following conditions precedents on or before the Effective Date, each of which may only be waived in whole or in part with the mutual consent of the parties:

(a) the Arrangement Resolution shall have been approved and adopted by the Shareholders at the Meeting in accordance with the Interim Order;

(b) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement and shall not have been set aside or modified in a manner unacceptable to the parties, each acting reasonably, on appeal or otherwise;

(c) no Regulatory Authority will have enacted, issued, promulgated, enforced or entered any Law which is then in effect and has the effect of making the Arrangement illegal or otherwise preventing or prohibiting consummation of the Arrangement;

(d) the Stingray Shares will have been conditionally approved for listing on the TSX, subject only to the satisfaction of customary listing conditions;

(e) the issuance of Stingray Shares issuable pursuant to the Arrangement shall be exempt from registration requirements under the U.S. Securities Act pursuant to section 3(a)(10) thereof, subject to and conditioned upon the Court's determination following a hearing that the Arrangement is fair and reasonable to the Shareholders, and the registration and qualification requirements of all applicable state securities laws; and

(f) the Arrangement Agreement will not have been terminated in accordance with its terms.

Conditions Precedent to the Obligations of Stingray and Acquisitionco

The obligation of Stingray and Acquisitionco to complete the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Date:

(a) all covenants of the Corporation under the Arrangement Agreement to be performed or complied with on or before the Effective Date which have not been waived by Stingray or Acquisitionco will have been duly performed or complied with by the Corporation in all material respects and Stingray and Acquisitionco shall have received a certificate of the Corporation addressed to Stingray and Acquisitionco and dated the Effective Date, signed on behalf of the Corporation by two senior executive officers of the Corporation (on the Corporation's behalf and without personal liability), confirming the same as of the Effective Date;

(b) all representations and warranties of the Corporation set forth in the Arrangement Agreement shall be true and correct in all respects (disregarding any materiality or material adverse effect qualification contained in such representation or warranty) as of the Effective Date as if made at and as of such date (except that any such representation and warranty that by its terms speaks specifically as of the date of the Arrangement Agreement or another date shall be true and correct in all respects as of such date), except where the failure to be so true and correct in all respects, individually or in the aggregate, would not be reasonably expected to have a material adverse effect, and Stingray and Acquisitionco will have received a certificate of the Corporation addressed to Stingray and Acquisitionco and dated the Effective Date, signed on behalf of the Corporation by two senior executive officers of the Corporation (on the Corporation's behalf and without personal liability), confirming the same as of the Effective Date;

(c) since the date of the Arrangement Agreement, there shall not have occurred a material adverse effect and Stingray and Acquisitionco shall have received a certificate of the Corporation addressed to Stingray and Acquisitionco and dated the Effective Date, signed on behalf of the Corporation by two senior executive officers of the Corporation (on the Corporation's behalf and without personal liability), confirming the same as of the Effective Date;

(d) the Regulatory Approvals (including the CRTC Approval and the Competition Act Approval) shall have been obtained and there shall be no appeal, stop-order, stay or revocation or proceeding seeking an appeal, stop-order, stay or revocation of the Regulatory Approvals;

(e) the total number of Shares with respect to which Dissent Rights have been properly exercised and not validly withdrawn shall not exceed 5% of the outstanding Shares as of the Effective Date;

(f) prior to or concurrently with the execution and delivery of the Arrangement Agreement, each of the Locked-Up Shareholders (as defined herein) shall have executed and delivered the Support Agreements, in a form and substance satisfactory to Stingray and Acquisitionco, and the Support Agreements shall not have been terminated;

(g) prior to the Effective Date, the Chairman, President and Chief Executive Officer of the Corporation and the President, Newfoundland and Labrador Operations of the Corporation shall have executed and delivered non-competition agreements in favour of Stingray, Acquisitionco and the Corporation, pursuant to which each of them agrees that he shall not, and shall cause his affiliates not to, at any time during the period commencing on the Effective Date and ending on the date which is five years after the Effective Date, directly or indirectly, in any capacity whatsoever, carry on, be engaged in, have any financial or other interest in, operate, manage, control, participate in, consult with, advise, provide services to, or be otherwise commercially involved in any endeavour or business in all or part of Canada which is substantially the same as the radio broadcasting business of the Corporation and its subsidiaries, in form and substance satisfactory to Stingray and Acquisitionco, and such non-competition agreements shall not have been terminated;

(h) each of the individuals identified in the Disclosure Letter (i) entitled to a severance, termination, change of control or other similar payment or (ii) that shall be resigning effective prior the Effective Time, shall have executed and delivered, in favour of the Corporation, a full and final release, in form and substance satisfactory to Stingray and Acquisitionco;

(i) prior to or concurrently with the execution and delivery of the Arrangement Agreement, Mr. Ian S. Lurie, the Corporation's Chief Operating Officer, shall have executed and delivered an amendment to his employment agreement amending the current employment agreement between himself and a subsidiary of the Corporation, such amendment agreement becoming effective as of the Effective Date;

(j) prior to or concurrently with the execution and delivery of the Arrangement Agreement, each member of the Steele family who holds Shares shall have executed and delivered a lock-up and voting trust agreement, pursuant to which certain of the Stingray Shares to be received by them on the Effective Date will be subject to a five-year voting trust and lock-up agreement in favour of Mr. Eric Boyko, and such lock-up and voting trust agreement shall not have been terminated;

(k) the Board shall (i) have adopted all necessary resolutions, and all other necessary corporate action shall have been taken or caused to be taken by the Corporation and each of its subsidiaries, to permit the consummation of the Arrangement, and (ii) the Board shall not have withdrawn any recommendation made by it that Shareholders vote in favour of the Arrangement Resolution or changed any such recommendation in a manner that has substantially the same effect or issued a recommendation that Shareholders not vote in favour of the Arrangement Resolution or recommended any Acquisition Proposal;

(l) there shall not be in force any suit, action or proceeding by any Regulatory Authority, or injunction, order or decree issued by any Regulatory Authority of competent jurisdiction (and there will not be threatened in writing or pending any suit, action or proceedings by any Regulatory Authority in respect thereof) (i) seeking to prohibit or materially limit the ownership or operation by Stingray or Acquisitionco of the Corporation or any material portion of the business or assets of the Corporation or any of its subsidiaries or to compel Stingray or Acquisitionco to dispose of any material portion of the business or assets of the Corporation or any of its subsidiaries, or (ii) seeking to prohibit Stingray or Acquisitionco from effectively controlling in any material respect the business or operations of the Corporation or any of its subsidiaries;

(m) prior to the Effective Date, all amounts due by a Related Party (as that term is defined in the Arrangement Agreement) to the Corporation or any of its subsidiaries shall have been repaid to the Corporation or any of its subsidiaries, as applicable;

(n) prior to the Effective Date, any and all assets not currently owned by the Corporation or any of its subsidiaries shall have been removed from the insurance coverage currently maintained by the Corporation or any of its subsidiaries, as applicable; and

(o) Stingray and Acquisitionco shall not have become aware of any misrepresentation (after giving effect to all subsequent filings in relation to all matters covered in earlier filings) in any document filed or released by or on behalf of the Corporation with any securities regulatory authority in Canada or elsewhere, including any annual report, financial statements, technical report, material change report, press release or management information circular, that Stingray or Acquisitionco shall have determined, acting reasonably, constitutes a material adverse effect.

Conditions Precedent to the Obligations of the Corporation

The obligation of the Corporation to complete the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Date:

(a) all covenants of Stingray and Acquisitionco under the Arrangement Agreement to be performed or complied with on or before the Effective Date which have not been waived by the Corporation shall have been duly performed or complied with by Stingray and Acquisitionco in all material respects and the Corporation shall have received certificates of Stingray and Acquisitionco addressed to the Corporation and dated the Effective Date, signed on

behalf of Stingray and Acquisitionco by two senior executive officers of Stingray and Acquisitionco (on Stingray's and Acquisitionco's behalf and without personal liability), confirming the same as of the Effective Date;

(b) the Regulatory Approvals shall have been obtained and there shall be no appeal, stop-order, stay or revocation or proceeding seeking an appeal, stop-order, stay or revocation of the Regulatory Approvals; and

(c) all representations and warranties of Stingray and Acquisitionco set forth in the Arrangement Agreement will be true and correct in all respects (disregarding for any materiality qualification contained in such representation or warranty) as of the Effective Date as if made at and as of such date (except that any such representation and warranty that by its terms speaks specifically as of the date of the Arrangement Agreement or another date will be true and correct in all respects as of such date), except where the failure to be so true and correct in all respects, individually or in the aggregate, (i) would not be reasonably expected to have a material adverse effect or (ii) would not be reasonably expected to materially delay or materially impede the completion of the Arrangement, and the Corporation shall have received certificates of Stingray and Acquisitionco addressed to the Corporation and dated the Effective Date, signed on behalf of Stingray and Acquisitionco by two senior executive officers of Stingray and Acquisitionco (on Stingray's and Acquisitionco's behalf and without personal liability), confirming the same as of the Effective Date.

Representations and Warranties

The Arrangement Agreement contains representations and warranties made by the Corporation, Stingray and Acquisitionco. These representations and warranties, which are set forth in the Arrangement Agreement, were made by and to the parties for the purposes of the Arrangement Agreement and are subject to qualifications and limitations agreed to by the parties in connection with negotiating and entering into the Arrangement Agreement. In addition, these representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality, or may have been used for the purpose of allocating risk between the parties instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Arrangement Agreement.

The Corporation has provided to Stingray and Acquisitionco representations and warranties that include the following: organization and qualification, corporate authorization, the Board approval and special committee recommendation, no conflict, execution and binding obligation, residence of the Corporation, third party consents, governmental approvals, authorized and issued capital, subsidiaries, securities laws matters, financial statements, absence of certain changes or events, no undisclosed liabilities, books and records, disclosure controls and internal control over financial reporting, compliance with laws, litigation, taxes, title to assets, environmental laws, authorizations, material contracts, intellectual property, employee plans, labour matters, insurance, CRTC matters, brokers, fairness opinion, assets located and sales in the United States, non-arm's length transactions, *Corruption of Foreign Public Officials Act* (Canada), money laundering laws and full disclosure.

Stingray and Acquisitionco have provided to the Corporation representations and warranties that include the following: organization and qualification, corporate authorization, no conflict, third party consents, regulatory approvals, execution and binding obligation, securities laws matters, Stingray Shares, ownership of Shares, financial statements, absence of certain changes or events, no undisclosed liabilities, stock exchange compliance, litigation, sufficient funds, residency and ownership restrictions and financing.

Covenants

Covenants of the Corporation Regarding the Conduct of Business

The Corporation has covenanted in favour of Stingray and Acquisitionco that it will, and will cause its subsidiaries to, among other things: (a) conduct its businesses in the ordinary course of business consistent with past practice; (b) subject to certain conditions, not issue, sell, pledge, lease, dispose of, encumber, (A) any securities of the Corporation and its subsidiaries (other than the issuance of Class A Shares pursuant to the exercise in accordance with their terms of the Options currently outstanding) or (B) any assets of the Corporation or any of its subsidiaries; (c) not amend or agree to amend any of the terms of any of the Options; (d) not amend or propose to amend the articles, by-laws or other constating documents or the terms of any securities of the Corporation or any of its subsidiaries; (e) not split, combine or reclassify any outstanding Shares or the securities of any of the Corporation's subsidiaries or undertake any capital reorganization or reduction of capital or any combination thereof; (f) not redeem, purchase or offer to purchase (or permit any of its subsidiaries to redeem, purchase or

offer to purchase) any Shares or other securities of the Corporation or any shares or other securities of any of its subsidiaries, except in the ordinary course, including normal course issuer bids that are in place as of the date hereof; (g) not reorganize, amalgamate or merge by plan of arrangement or otherwise the Corporation or any of its subsidiaries with any other person or incorporate any subsidiaries other than in connection with a pre-acquisition reorganization; (h) not declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Share other than (A) the regular semi-annual dividend in the amount of $0.25 per Share to be paid by the Corporation to holders of record in August 2018 and December 2018, as applicable, or (B) dividends or other distributions paid or payable to the Corporation or a wholly-owned subsidiary of the Corporation; (i) not reduce the stated capital of the Corporation or of any of its subsidiaries; (j) subject to certain exceptions, not acquire or agree to acquire any person, or incorporate or form any company, partnership or other business organization or make any investment either by purchase of shares or securities, contributions of capital (other than to a wholly-owned subsidiary of the Corporation), property transfer or purchase of any property or assets of any other person; (k) subject to certain exceptions, not sell, pledge, lease, dispose of, mortgage, licence, encumber or otherwise transfer or agree to sell, pledge, lease, dispose of, mortgage, licence, encumber or otherwise transfer any assets of the Corporation or any of its subsidiaries or any interest in any assets of the Corporation and its subsidiaries; (l) not enter into or agree to the terms of any joint venture or similar agreement, arrangement or relationship; (m) subject to certain exceptions, not incur, create, assume or otherwise become liable for any indebtedness for borrowed money, capital expenditures, or any other material liability, contractual commitment or obligation or issue any debt securities, or guarantee, endorse or otherwise become responsible for, the obligations of any other person or make any loans or advances; (n) subject to certain exceptions, not enter into any agreement with, or make any payments to, any Related Party of the Corporation or any of its subsidiaries; (o) not endorse, guarantee, or otherwise as an accommodation become responsible for, the obligations of any other person, company, partnership or other business organization, or make any loans or advances, except in respect of any wholly-owned subsidiary of the Corporation; (p) not enter into any interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales contracts or other similar financial instruments; (q) not adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Corporation or any of its subsidiaries other than in connection with a pre-acquisition reorganization; (r) not take any action or fail to take any action which action or failure to act would result in material loss, expiration or surrender of, or the loss of any material benefit under, or would reasonably be expected to cause any Regulatory Authorities to institute proceedings for the suspension of, or the revocation or limitation of rights under, any material authorizations necessary to conduct its businesses as now conducted; (s) not take any action or enter into any transaction that would preclude Stingray or Acquisitionco from obtaining the tax "bump", determined under paragraph 88(1)(d) of the Tax Act, in respect of the non-depreciable capital property of the Corporation upon a wind-up, or amalgamation with, the Corporation; (t) subject to certain exceptions, not pay, discharge, settle, satisfy, compromise, waive, assign or release any claims, liabilities or obligations; (u) not authorize, recommend, propose or agree to any release or relinquishment of any material contractual right, material right under any licence or permit or other material rights, claims or contracts; (v) not abandon or fail to diligently pursue any application for any licence, permit, order, authorization, consent, approval or registration; (w) not enter into any agreement containing (A) any limitation or restriction on the ability of the Corporation or its subsidiaries or, following completion of the transactions contemplated hereby, the ability of Stingray, Acquisitionco or their subsidiaries, to engage in any type of activity or business, (B) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of the Corporation or its subsidiaries or, following consummation of the transactions contemplated hereby, all or any portion of the business of Stingray, Acquisitionco or their subsidiaries, is or would be conducted, or (C) any limit or restriction on the ability of the Corporation or its subsidiaries or, following completion of the transactions contemplated hereby, the ability of Stingray, Acquisitionco or their subsidiaries, to solicit customers or employees; (x) not waive, release, grant or transfer any rights of value or modify or change in any material respect any existing licence, lease, claim, permit, material contract or other material document, other than in the ordinary course consistent with past practice; (y) not take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, delay or impede the ability of the Corporation, Stingray or Acquisitionco to consummate the transactions contemplated by the Arrangement Agreement; (z) use commercially reasonable efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse unless, simultaneously with such cancellation, termination or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; (aa) not take any action, which would render, or which reasonably may be expected to render, any representation or warranty made by it in the Arrangement Agreement untrue in any material respect at any time prior to the Effective Time; (bb) not take or authorize any action which would result in, as of the Effective Date, the Corporation and any of its subsidiaries having on a consolidated basis any obligations and liabilities due or to become due for change of control costs, of more than a specified amount; (cc) not enter into or adopt any shareholder rights plan or similar agreement or arrangement; (dd) duly and timely file all tax returns required to be filed by it and timely pay all taxes which are due and

payable; (ee) not engage in any business, enterprise or other activity different from that carried on by it at the date of the Arrangement Agreement that would reasonably be expected to have a material adverse effect; (ff) make or cooperate as necessary in the making of all necessary filings and applications under all applicable law required in connection with the transactions contemplated by the Arrangement Agreement and take all reasonable action necessary to be in material compliance with such laws; (gg) not take any action that could reasonably be expected to interfere with or be inconsistent with the completion of the Arrangement or the transactions contemplated in the Arrangement Agreement; (hh) not authorize, propose, announce an intention, enter into any agreement, or otherwise make a commitment to do any of the things prohibited under the above covenants; and (ii) use commercially reasonable efforts to do any of the things required by the above covenants.

Covenants of the Corporation Relating to the Arrangement

The Corporation further agreed that it shall and shall cause each of its subsidiaries to use commercially reasonable efforts to perform all obligations required to be performed by the Corporation and any of its subsidiaries under the Arrangement Agreement, co-operate with Stingray and Acquisitionco in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective as soon as reasonably practicable, the transactions contemplated by the Arrangement Agreement and, without limiting the generality of the foregoing, the Corporation will and, where appropriate, will cause each of its subsidiaries to:

(a) use commercially reasonable efforts to obtain as soon as practicable following execution of the Arrangement Agreement all third party consents, approvals and notices required under any contract;

(b) use commercially reasonable efforts to defend all lawsuits or other legal, regulatory or other proceedings against the Corporation or any of its subsidiaries challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated therein and use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to the Corporation or any of its subsidiaries which may materially adversely affect the ability of the parties to consummate the Arrangement; and

(c) use commercially reasonable efforts to satisfy all conditions precedent in the Arrangement Agreement and take all steps set forth in the Interim Order and Final Order applicable to it and comply promptly with all requirements which applicable law may impose on the Corporation or any of its subsidiaries with respect to the transactions contemplated by the Arrangement Agreement.

Covenants of Stingray and Acquisitionco Regarding the Conduct of Business

Stingray has covenanted in favour of the Corporation that it shall:

(a) use commercially reasonable efforts to preserve intact business organizations; and

(b) will not, directly or indirectly, do or permit to occur any of the following without the prior consent of the Corporation, such consent not to be unreasonably withheld or delayed: (i) amend its articles or by-laws or the terms of its shares in a manner that could have a material adverse effect on the market price or value of Stingray Shares to be issued pursuant to the Arrangement, (ii) split, consolidate or reclassify any of its shares nor undertake any other capital reorganization, (iii) reduce capital in respect of its shares, or (iv) take any action that could reasonably be expected to interfere with or be inconsistent with the consummation of the Arrangement or the transactions contemplated in the Arrangement Agreement.

Covenants of Stingray and Acquisitionco Relating to the Arrangement

The Arrangement Agreement provides that Stingray and Acquisitionco will use commercially reasonable efforts to perform all obligations required to be performed by Stingray and Acquisitionco under the Arrangement Agreement, co-operate with the Corporation in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective as soon as reasonably practicable, the transactions contemplated by the Arrangement Agreement and, without limiting the generality of the foregoing, Stingray and Acquisitionco will:

(a) use commercially reasonable efforts to satisfy all conditions precedent in the Arrangement Agreement and take all steps set forth in the Interim Order and Final Order applicable to them and comply promptly with all requirements

which applicable law may impose on Stingray or Acquisitionco with respect to the transactions contemplated by the Arrangement Agreement;

(b) use commercially reasonable efforts to arrange any financing needed by it to satisfy its obligations under the Arrangement; and

(c) prepare and file with the TSX all necessary applications and forms required in order to permit the listing of Stingray Shares on such exchange issued pursuant to the Arrangement.

Non-Solicitation Covenants

The Arrangement Agreement provides that, subject to certain exceptions, the Corporation and its subsidiaries will not, directly or indirectly through any representative of the Corporation:

(a) solicit, assist, initiate, encourage or facilitate (including by way of discussion, negotiation, furnishing information, permitting any visit to any facilities or properties of the Corporation or any of its subsidiaries or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding, or that may reasonably be expected to lead to, any Acquisition Proposal;

(b) engage in, continue or otherwise participate in any discussions or negotiations regarding, or provide any information with respect to or otherwise cooperate in any way with any person (other than Stingray, Acquisitionco and their representatives), any Acquisition Proposal or that may reasonably be expected to lead to an Acquisition Proposal;

(c) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to Stingray or Acquisitionco, the approval or recommendation of the Arrangement Agreement or the Arrangement by the Board or any of its committees;

(d) approve or recommend, or remain neutral for more than ten Business Days with respect to, or propose publicly to approve or recommend, any Acquisition Proposal;

(e) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal; or

(f) release any person from or waive or otherwise forebear in the enforcement of any confidentiality or standstill agreement or any other agreement with such person that would facilitate the making or implementation of any Acquisition Proposal.

Under the Arrangement Agreement, the Corporation agreed to: (a) immediately cease and cause to be terminated any existing solicitation, discussion, negotiation, encouragement or activity with any person (other than or any of Stingray, Acquisitionco or any of their representatives) by the Corporation or any of its representatives with respect to any Acquisition Proposal or any potential Acquisition Proposal; (b) immediately cease to provide any person (other than Stingray, Acquisitionco or any of their representatives) with access to information concerning the Corporation or any of its subsidiaries in respect of any Acquisition Proposal or any potential Acquisition Proposal; (c) within two Business Days, request the return or destruction of all confidential information provided to any person (other than Stingray, Acquisitionco or any of their representatives) that has entered into a confidentiality agreement with the Corporation relating to any Acquisition Proposal or potential Acquisition Proposal to the extent provided for in such confidentiality agreement and will use all commercially reasonable efforts to ensure that such requests are honoured; and (d) be held responsible for any breach of the non-solicitation covenants under the Arrangement Agreement by its representatives.

The Corporation must promptly (and in any event within 24 hours) notify Stingray and Acquisitionco, at first orally and then in writing, of any proposal, inquiry, offer or request received by the Corporation or its representatives: (a) relating to an Acquisition Proposal or potential Acquisition Proposal or inquiry that could reasonably lead or be expected to lead to an Acquisition Proposal; (b) for discussions or negotiations in respect of an Acquisition Proposal or potential Acquisition Proposal; (c) for non-public information relating to the Corporation or any of its subsidiaries in relation to a possible Acquisition Proposal; (d) for representation on the Board; or (e) for any material amendments to the foregoing.

Consideration of Acquisition Proposals

Under the Arrangement Agreement, if at any time following the date of the Arrangement Agreement and before the Meeting, the Corporation receives a *bona fide* written Acquisition Proposal (that was not solicited, assisted, initiated, encouraged or facilitated in contravention of the Letter of Intent or of the Arrangement Agreement), the Corporation and its representatives may contact the person making such Acquisition Proposal solely for the purposes of clarifying the terms and conditions and the likelihood of its consummation so as to determine whether such Acquisition Proposal is, or is reasonably likely to lead to, a Superior Proposal. If the Board determines, after consultation with its outside legal counsel and outside financial advisors, that such Acquisition Proposal is or is reasonably likely to lead to, a Superior Proposal and that failure to take action would be inconsistent with its fiduciary duties, the Corporation and its representatives may, subject to compliance with the procedures set forth in the Arrangement Agreement: (a) furnish information with respect to the Corporation and any of its subsidiaries to the person making such Acquisition Proposal and its representatives only if such person has entered into a confidentiality and standstill agreement that contains provisions that are not less favourable to the Corporation than those contained in the confidentiality agreement between the Corporation and Stingray, as may be amended from time to time (except that it shall permit the disclosure to Stingray and Acquisitionco required by the Arrangement Agreement), and includes a standstill covenant that prohibits such person, for a period of 12 months, from acquiring, or offering to acquire, directly or indirectly, any Shares without the consent of the Board, provided that the Corporation sends a copy of such confidentiality and standstill agreement to Stingray and Acquisitionco promptly following its execution and Stingray and Acquisitionco are promptly provided with a list of, and access to (to the extent not previously provided to Stingray), the information provided to such person; and (b) engage in discussions and negotiations with the person making such Acquisition Proposal and its representatives, provided that all such discussions and negotiations will cease during the five Business Days from the date Stingray and Acquisitionco received notice of a Superior Proposal (the "**Match Period**").

The Corporation may at any time before the Meeting: (a) enter into an agreement, subject to certain exceptions, with respect to an Acquisition Proposal that is a Superior Proposal; and/or (b) withdraw, modify or qualify its approval or recommendation of the Arrangement and recommend or approve an Acquisition Proposal that is a Superior Proposal, provided, however that (i) the Corporation has complied with its non-solicitation covenants under the Arrangement Agreement, (ii) the Board has determined, after consultation with its outside legal counsel and outside financial advisors, that such Acquisition Proposal is a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties, (iii) the Corporation has delivered written notice to Stingray and Acquisitionco (A) of the determination of the Board that the Acquisition Proposal is a Superior Proposal, (B) of the intention of the Board to approve or recommend such Superior Proposal and/or of the Corporation to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement executed by the person making such Superior Proposal that is capable of acceptance by the Corporation, and (C) provided a summary of the valuation analysis attributed by the Board in good faith to any non-cash consideration including in such Acquisition Proposal after consultation with its outside financial advisors; (iv) at least five Business Day have elapsed since the date that such notice was received by Stingray and Acquisitionco; (v) if Stingray and Acquisitionco have offered to amend the terms of the Arrangement and the Arrangement Agreement during the Match Period pursuant to the terms of the Arrangement Agreement, such Acquisition Proposal continues to be a Superior Proposal compared to the amendment to the terms of the Arrangement and the Arrangement Agreement offered by Stingray and Acquisitionco at the termination of the Match Period; and (vi) the Corporation terminates the Arrangement Agreement pursuant to the terms of the Arrangement Agreement and has previously paid or, concurrently with termination pays, the Break Fee to Stingray and Acquisitionco.

During the Match Period, Stingray and Acquisitionco have the opportunity, but not the obligation, to offer to amend the terms of the Arrangement Agreement and the Arrangement and the Corporation shall cooperate with Stingray and Acquisitionco with respect to any offer by Stingray or Acquisitionco to amend the terms of the Arrangement Agreement and the Arrangement, including negotiating in good faith with Stingray and Acquisitionco to enable them to make such amendments to the Arrangement and the Arrangement Agreement as Stingray or Acquisitionco deem appropriate as would enable Stingray or Acquisitionco to proceed with the Arrangement on such adjusted provisions. The Board shall review any offer by Stingray and Acquisitionco to amend the terms of the Arrangement Agreement and the Arrangement in order to determine, in the good faith exercise of its fiduciary duties, whether the offer of Stingray and Acquisitionco, upon its acceptance by the Corporation, would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the terms of the Arrangement and the Arrangement Agreement offered by Stingray and Acquisitionco. If the Board so determines, Stingray and Acquisitionco shall amend the Arrangement and the Corporation, Stingray and Acquisitionco shall enter into an amendment to the Arrangement Agreement reflecting the offer by Stingray and Acquisitionco to amend the terms of the

Arrangement and the Arrangement Agreement. The Board shall promptly reaffirm its recommendation of the Arrangement as amended by press release in accordance with the terms of the Arrangement Agreement.

Termination

The Arrangement Agreement may be terminated at any time before the Effective Date:

(a) by mutual written agreement of the Corporation, Stingray and Acquisitionco;

(b) by Stingray, the Corporation or Acquisitionco,

(i) if the Shareholders do not approve the Arrangement Resolution at the Meeting in the manner required by the Interim Order;

(ii) if the Effective Date has not occurred on or prior the Outside Date or such later date as may be provided in the Arrangement Agreement or as the parties may otherwise agree in writing, other than as a result of the breach by such party of any covenant or obligation under the Arrangement Agreement or as a result of any representation or warranty of such party in Arrangement Agreement being untrue or incorrect; provided, however, that if the Effective Date is delayed by (A) an injunction or order made by a Regulatory Authority of competent jurisdiction, or (B) the parties not having obtained any regulatory waiver, consent or approval which is necessary to permit the Effective Date to occur, then, at the Corporation's, Stingray's or Acquisitionco's request and provided that such injunction or order is being contested or appealed in good faith or such regulatory waiver, consent or approval is being actively sought in good faith, as applicable, the Arrangement Agreement will not be terminated until the fifth Business Day following the earlier of the date on which such injunction or order ceases to be in effect or such waiver, consent or approval is obtained, as applicable, and August 2, 2019, and the Outside Date shall be deemed to be extended to such date;

(iii) if any Regulatory Authority shall have enacted any law or issued an order, decree or ruling permanently restraining or enjoining or otherwise prohibiting any of the transactions contemplated by the Arrangement Agreement (unless such law, order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable) which order, decree or ruling is final and non-appealable; or

(iv) subject to certain exceptions, if (A) any representation or warranty of the other party under the Arrangement Agreement is untrue or incorrect or shall have become untrue or incorrect such that the conditions for completion contained in the Arrangement Agreement, would be incapable of satisfaction; or (B) the other party is in default of a covenant or obligation under the Arrangement Agreement such that the conditions for completion of the Arrangement would be incapable of satisfaction;

(c) by Stingray or Acquisitionco:

(i) if the Board or the special committee withdraws, modifies, changes or qualifies its approval or recommendation of the Arrangement Agreement or the Arrangement Resolution in any manner adverse to Stingray or Acquisitionco;

(ii) if the Board fails to reaffirm its recommendation of the Arrangement within five Business Days of any written request to do so by Stingray or Acquisitionco, and such request cannot be made by Stingray or Acquisitionco more than three times in aggregate;

(iii) if the Board or the special committee recommends or approves an Acquisition Proposal;

(iv) if the Board or special committee has resolved to do either (i) or (iii) above;

(v) if the Corporation is in material default of any covenant or obligation under the Arrangement Agreement relating to Acquisition Proposals; or

(vi) if the Meeting has not been held by July 31, 2018 as a result of the Corporation failing to comply with its obligations with respect to the Meeting contained in the Arrangement Agreement, and such failure was not caused by the failure of Stingray, Acquisitionco or its representatives to fulfill their obligations under the Arrangement Agreement; or

(d) by the Corporation, if the Corporation proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of the Arrangement Agreement, provided that the Corporation has paid to Stingray the applicable Break Fee in compliance with the Arrangement Agreement and provided the Corporation is not in breach of any of its covenants or obligations under the Arrangement Agreement.

Break Fee and Reverse Break Fee

Stingray will be entitled to a termination payment of $12,000,000 (the "**Break Fee**") from the Corporation upon the occurrence of any of the following events:

(a) the Arrangement Agreement is terminated by Stingray or Acquisitionco as a result of (i) the Board or the special committee withdrawing, modifying, changing or qualifying its approval or recommendation of the Arrangement Agreement or the Arrangement Resolution in any manner adverse to Stingray or Acquisitionco; (ii) the Board failing to reaffirm its recommendation of the Arrangement within five Business Days of any written request to do so by Stingray or Acquisitionco, and such request cannot be made by Stingray or Acquisitionco more than three times in aggregate; (iii) the Board or the special committee recommending or approving an Acquisition Proposal; (iv) the Board or special committee resolving to do either (i) or (iii) above; (v) the Corporation being in material default of any covenant or obligation under the Arrangement Agreement relating to Acquisition Proposals; or (vi) the Meeting having not been held by July 31, 2018 as a result of the Corporation failing to comply with its obligations with respect to the Meeting contained in the Arrangement Agreement, and such failure was not caused by the failure of Stingray, Acquisitionco or its representatives to fulfill their obligations under the Arrangement Agreement, in which case the Break Fee shall be paid to Stingray prior to or concurrently with such termination; or

(b) the Arrangement Agreement is terminated by the Corporation, if the Corporation proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of the Arrangement Agreement, provided that the Corporation has paid to Stingray the applicable Break Fee in compliance with the Arrangement Agreement and provided the Corporation is not in breach of any of its covenants or obligations under the Arrangement Agreement, in which case the Break Fee shall be paid to Stingray prior to or concurrently with such termination; or

(c) if on or after the date of the Arrangement Agreement and before the Meeting, an Acquisition Proposal is publicly announced by any person (other than Stingray, Acquisitionco or any of their affiliates) and not publicly withdrawn or abandoned more than five Business Days before the Meeting, and within 12 months following the termination of the Arrangement Agreement by Stingray or Acquisitionco as a result of the Shareholders not approving the Arrangement Resolution at the Meeting in the manner required by the Interim Order or the Meeting not being held by July 31, 2018, any Acquisition Proposal is consummated or a binding agreement is entered into by the Corporation with respect thereto, in which case the Break Fee shall be paid on the date such Acquisition Proposal is consummated (provided that, for the purposes of such Break Fee event, all references to "20%" in the definition of "Acquisition Proposal" shall be read as "50%").

The Corporation will be entitled to a reverse termination payment of $12,000,000 (the "**Reverse Break Fee**") from Stingray if the Arrangement Agreement is terminated by the Corporation, Stingray or Acquisitionco, in the event that the Effective Date has not occurred on or prior to the Outside Date, other than as a result of the breach of any such party of any covenant or obligation under the Arrangement Agreement or as a result of any representation or warranty of such party in the Arrangement Agreement being untrue or incorrect, where Stingray or Acquisitionco fails to complete the Arrangement due to insufficient financing, in which case the Reverse Break Fee shall be paid by Stingray to the Corporation within five Business Day of such termination. Notwithstanding anything to the contrary in the Arrangement Agreement, subject to certain exceptions, if (i) the Reverse Break Fee becomes due and payable and is actually received by the Corporation, and (ii) failure to obtain sufficient financing was not caused in whole or in part by Stingray or Acquisitionco being in breach of any covenant or obligation under the Arrangement Agreement or as a result of any representation or warranty of Stingray or Acquisitionco in the Arrangement Agreement being materially untrue or incorrect, then the Reverse Break Fee shall be the

Corporation's sole and exclusive remedy (whether at law, in equity, in contract, in tort or otherwise) against Stingray or Acquisitionco in respect of the failure of Stingray or Acquisitionco to consummate the transactions contemplated by the Arrangement Agreement.

Amendment and Waiver

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Date, be amended by mutual written agreement of the Corporation, Stingray and Acquisitionco, subject to the provisions of the Interim Order, the Plan of Arrangement and applicable laws, without further notice to or authorization on the part of the Shareholders. Any such amendment may without limitation (a) change the time for performance of any of the obligations or acts of the parties; (b) waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement; (c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the parties under the Arrangement Agreement; and (d) waive compliance with or modify any conditions precedent contained in the Arrangement Agreement. Notwithstanding the foregoing, the Plan of Arrangement may only be supplemented or amended in accordance with the provisions thereof.

Any of the Corporation, Stingray or Acquisitionco may (a) extend the time for the performance of any of the obligations or acts of the other party, (b) waive compliance, except as provided in the Arrangement Agreement, with any of the other party's agreements or the fulfilment of any conditions to its own obligations contained in the Arrangement Agreement, or (c) waive inaccuracies in any of the other party's representations or warranties contained in the Arrangement Agreement or in any document delivered by the other party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such party and, unless otherwise provided in the written waiver, shall be limited to the specific breach or condition waived and shall not extend to any other matter or occurrence. No failure or delay in exercising any right, power or privilege under the Arrangement Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise or the exercise of any right, power or privilege under the Arrangement Agreement.

CERTAIN LEGAL AND REGULATORY MATTERS

Steps to Implementing the Arrangement and Timing

Completion of the Arrangement is subject to the conditions precedent contained in the Arrangement Agreement having been satisfied, including receipt of the following:

- the Required Shareholder Approval;
- the Final Order;
- the CRTC Approval; and
- the Competition Act Approval.

It is anticipated that the Arrangement will be completed by the end of 2018. However, completion of the Arrangement is dependent on many factors and it is not possible at this time to determine precisely when or if the Arrangement will become effective. As provided under the Arrangement Agreement, the Arrangement cannot be completed later than May 2, 2019, unless such Outside Date is extended in accordance with the terms of the Arrangement Agreement.

Required Shareholder Approval

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass the Arrangement Resolution. Pursuant to the Interim Order, the Arrangement Resolution must be approved by the affirmative vote of not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy at the special meeting of Shareholders and entitled to vote. The Arrangement Resolution must receive the Required Shareholder Approval in order for the Corporation to seek the Final Order and complete the Arrangement on the Effective Date in accordance with the Final Order and the Arrangement Agreement. Notwithstanding receipt of the Required Shareholder Approval of the Arrangement Resolution, the Corporation, Stringray and Acquisitionco reserve the right in certain circumstances to not proceed with the Arrangement in accordance with the terms of the Arrangement Agreement. See "*Arrangement Agreement - Termination*".

Court Approval and Completion of the Arrangement

An arrangement under the CBCA requires approval of the Court. Prior to the mailing of this Circular, the Corporation obtained the Interim Order, which provides for, among other things:

- the Required Shareholder Approval;
- the Dissent Rights for those Shareholders who are Registered Shareholders;
- the notice requirements with respect to the Notice of Application to the Court for the Final Order; and
- the ability of the Corporation to adjourn or postpone the Meeting from time to time in accordance with the terms of the Arrangement Agreement without the need for additional approval of the Court.

A copy of the Interim Order is attached at Appendix D.

See "*The Arrangement - Court Approval*".

Assuming the Final Order is granted and the Regulatory Approvals are obtained, and the other conditions to closing contained in the Arrangement Agreement are satisfied or waived to the extent legally permissible, then the Articles of Arrangement will be filed with the Director to give effect to the Arrangement.

Competition Act Approval

The Competition Act requires that parties to any proposed transaction that exceeds specified financial and shareholding thresholds provide to the Commissioner of Competition prior notice of, and information relating to, the proposed transaction. Subject to certain limited exemptions, a notifiable transaction cannot be completed until the parties to the transaction have each submitted the information prescribed pursuant to subsection 114(1) of the Competition Act to the Commissioner of Competition and the applicable waiting period has expired or been terminated early by the Commissioner of Competition. Alternatively, or in addition to filing the prescribed information under subsection 114(1) of the Competition Act, the parties to a notifiable transaction may apply to the Commissioner of Competition for an ARC under subsection 102(1) of the Competition Act or a No Action Letter.

The applicable initial statutory waiting period in the case of a notifiable transaction under the Competition Act is 30 days after the day on which the Commissioner has received the required information. If the Commissioner of Competition determines that he requires additional information to review the transaction, he may, in his discretion, issue a "supplementary information request" for additional information and documents, within the initial 30-day waiting period, in which case the waiting period is extended and does not expire until 30 days following compliance with such supplementary information request.

The Commissioner of Competition's review of a notifiable transaction for substantive competition law considerations may take shorter than or longer than the statutory waiting period. Upon completion of the Commissioner of Competition's review, the Commissioner of Competition may decide to: (i) issue an ARC; (ii) issue a No Action Letter; or (iii) challenge the transaction before the Competition Tribunal, if the Commissioner of Competition concludes that it is likely to prevent or lessen competition substantially. Where the Commissioner of Competition issues an ARC and the parties substantially complete the transaction within one year after the ARC is issued, the Commissioner of Competition cannot challenge the transaction before the Competition Tribunal solely on the basis of information that is the same or substantially the same as the information on the basis of which the ARC was issued. Where the Commissioner of Competition issues a No Action Letter, he notifies the parties that he does not, at that time, intend to make an application under section 92 of the Competition Act to challenge the transaction before the Competition Tribunal. In such a case, the Commissioner of Competition reserves the right to challenge the transaction before the Competition Tribunal at any time within one year of the transaction being completed. Where the Commissioner of Competition challenges a transaction before the Competition Tribunal, he may also apply to the Competition Tribunal for an injunction to prevent closing, pending the Competition Tribunal's determination of the Commissioner of Competition's challenge to the transaction.

The Arrangement is a notifiable transaction for the purposes of the Competition Act.

It is a condition to the completion of the Arrangement in favour of the Corporation, Stingray and Acquisitionco that the Competition Act Approval has been obtained and there has not been any appeal, stop-order, stay or revocation or proceeding

seeking an appeal, stop-order, stay or revocation of the Competition Act Approval. The Competition Act Approval constitutes (i) the issuance of an ARC, or (ii) both of (A) the expiry, waiver, or termination of any applicable waiting periods under the Competition Act, and (B) the issuance of a No Action Letter.

On May 16, 2018, Stingray and Acquisitionco filed with the Commissioner of Competition a request that the Commissioner of Competition issue an ARC or No Action Letter in respect of the Arrangement.

CRTC Approval

The Corporation (including its Subsidiaries) is licensed by the CRTC to carry on a number of programming undertakings under the Broadcasting Legislation. The Broadcasting Legislation provides that a licensee shall obtain the prior approval of the CRTC in respect of any act, agreement or transaction that directly or indirectly would result in a change of the effective control of its programming undertakings (and also in other circumstances). The Arrangement therefore triggers the obligation to obtain the prior approval of the CRTC. The Corporation, Stingray and Acquisitionco intend to file an application, including all required related documents and instruments, for the CRTC Approval as soon as reasonably practicable.

It is a condition to the completion of the Arrangement in favour of each of the Corporation, Stingray and Acquisitionco that the CRTC Approval has been obtained and there has not been any appeal, stop-order, stay or revocation or proceeding seeking an appeal, stop-order, stay or revocation of the CRTC Approval.

Securities Laws

MI 61-101 Considerations

The Corporation is a reporting issuer in certain provinces which have adopted MI 61-101. Unless otherwise exempt, MI 61-101 requires that, in addition to any other required securityholder approval, a "business combination" or a "related party transaction" is subject to the requirement to obtain "minority approval" of every class of "affected securities" of the issuer (as such terms are defined in MI 61-101). The Corporation considered the requirements of MI 61-101and concluded that the Arrangement, as it relates to the Corporation, is not a "related party transaction" or a "business combination". Accordingly, the Corporation has determined that the minority approval requirements do not apply to the Arrangement Resolution.

Collateral Benefit

In assessing whether the Arrangement could be considered to be a "business combination", the Corporation reviewed all benefits or payments which related parties of the Corporation are entitled to receive, directly or indirectly, as a consequence of the Arrangement to determine whether any constituted a collateral benefit.

Certain provisions of the Plan of Arrangement regarding the accelerated vesting of certain Options, and a portion of the cash payouts of the Options held by all Optionholders, as described under "*The Arrangement - Interests of Certain Persons in the Arrangement*" and "*Interest of Certain Persons or Companies in Matters to be Acted Upon*" and as further described below, may be considered a collateral benefit to each of the Optionholders (the "**Option Benefits**"), except that MI 61-101 excludes from the meaning of collateral benefit, among others, a benefit that is received by a related party of an issuer solely in connection with his or her services as an employee, director or consultant of the issuer, of an affiliated entity of the issuer or of a successor to the business of the issuer, if: (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction or bid; (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction or bid in any manner; (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction; and (iv) (A) at the time the transaction is agreed to or the bid is publicly announced, the related party, together with his or her "associated entities" (as defined in MI 61-101), beneficially own or exercise control or direction over less than 1% of the outstanding securities of each class of equity securities of the issuer, or (B) if the transaction is a business combination for the issuer, (I) the related party discloses to an "independent committee" (as defined in MI 61-101) of the issuer the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the transaction or bid, in exchange for the equity securities beneficially owned by the related party, (II) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in clause (I), and (III) the independent committee's determination is disclosed in the disclosure document for the transaction. See "*The*

Arrangement - Interests of Certain Persons in the Arrangement" and "*Interest of Certain Persons or Companies in Matters to be Acted Upon*" for detailed information regarding the benefits and other payments to be received by each of the directors and officers of the Corporation in connection with the Arrangement.

The Board has determined that the aforementioned Option Benefits fall within an exception to the definition of collateral benefit for the purposes of MI 61-101, since the benefits are received solely in connection with the related parties' services as employees or directors of the Corporation or of any affiliated entities of the Corporation, are not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related parties for their Shares, and are not conditional on the related parties supporting the Arrangement in any manner, and at the time of the entering into of the Arrangement Agreement, (i) except as disclosed below in clause (ii), none of the related parties entitled to receive the Option Benefits exercised control or direction over, or beneficially owned, more than 1% of a class of outstanding Shares, as calculated in accordance with MI 61-101, and (ii) in respect of Harry Steele, John Steele, Robert Steele, Mickey MacDonald and Allen MacPhee, each of such individuals owns more than 1% of a class of Shares, but (A) each of such individuals has disclosed to the Special Committee (being an "independent committee" under MI 61-101) the amount of consideration that he expects he will be beneficially entitled to receive under the terms of the Arrangement in exchange for the Shares that he beneficially owns and (B) the Special Committee, acting in good faith, has determined that the maximum value of the Option Benefit in respect of each related party, net of any offsetting costs to the related party, is less than 5% of the value referred to in clause (A). In making such determination, the Special Committee determined that (i) the value of the accelerated vesting of certain Options held by Allen MacPhee is not greater than the in-the-money-value of such Options, and (ii) the value of the cash payout of the Options held by all Optionholders is not greater than 10.712% of in-the-money-value of such Options (as that is the maximum percentage of each Share that will be exchanged for shares of Stingray rather than cash pursuant to the Arrangement, and at least 89.288% of each Share will be exchanged for cash pursuant to the Arrangement which is the same consideration as an Optionholder would receive upon conversion of his Option). As a result of the foregoing determinations, such Option Benefits are not collateral benefits for the purposes of MI 61-101 and the Arrangement does not constitute a business combination for the purposes of MI 61-101.

Resale of Securities

Each Shareholder is urged to consult its professional advisor to determine the conditions and restrictions applicable to such Shareholder in trading Stingray Shares received pursuant to the Arrangement. Holders of Shares in the United States should review "*U.S. Securities Laws*" below.

The issuance of Stingray Shares in connection with the Arrangement will be exempt from the prospectus requirements of applicable Canadian securities laws. The first trade of Stingray Shares received pursuant to the Arrangement will be exempt from the prospectus requirements of applicable Canadian securities laws provided that (i) Stingray is and has been a reporting issuer in a jurisdiction of Canada for four months immediately preceding the trade, (ii) such trade is not a control distribution as defined in National Instrument 45-102 – *Resale of Securities*, (iii) no unusual effort is made to prepare the market or to create a demand for the Stingray Shares, (iv) no extraordinary commission or consideration is paid to a person or company in respect of such trade and (v) if the selling security holder is an insider or officer of Stingray, the selling security holder has no reasonable grounds to believe that Stingray is in default under Canadian securities laws.

Stock Exchange Delisting

The Corporation expects that the Shares will be delisted from the TSX promptly following the acquisition of the Shares by Stingray pursuant to the Plan of Arrangement.

Stock Exchange Approvals

The Subordinate Voting Shares and Variable Subordinate Voting Shares of Stingray are listed and posted for trading on the TSX under the symbols RAY.A and RAY.B, respectively. Stingray has applied to have the Stingray Shares issuable as part of the Share Consideration listed on the TSX. Listing is subject to the approval of the TSX in accordance with its applicable listing requirements. The TSX has not conditionally approved Stingray's listing application and there is no assurance that the TSX will approve the listing application.

U.S. Securities Laws

The Stingray Shares issuable to Shareholders in exchange for their Shares under the Plan of Arrangement have not been and will not be registered under the U.S. Securities Act, and such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of securities issued in exchange for one or more *bona fide* outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. All Shareholders and Optionholders are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. The Court granted the Interim Order on May 16, 2018 and, subject to the approval of the Plan of Arrangement by the Shareholders, a hearing relating to the Final Order on the Plan of Arrangement will be held on July 10, 2018 by the Court. See "*The Arrangement - Court Approval*".

The Stingray Shares receivable by the Shareholders under the Plan of Arrangement may be resold without restriction under the U.S. Securities Act, except by persons who are "affiliates" of Stingray after the Effective Date or who have been affiliates of Stingray within 90 days before the Effective Date. Persons who may be deemed to be "affiliates" of an issuer generally include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Any resale of such Stingray Shares by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act and applicable state securities laws, absent an exemption therefrom. Subject to certain limitations, such affiliates (and former affiliates) may immediately resell such Stingray Shares outside the United States without registration under the U.S. Securities Act pursuant to Regulation S under the U.S. Securities Act. Such Stingray Shares may also be resold in transactions completed in accordance with Rule 144 under the U.S. Securities Act, if available.

The foregoing discussion is only a general overview of certain requirements of U.S. Securities Act applicable to the resale of Stingray Shares issuable pursuant to the Plan of Arrangement. All holders of Stingray Shares are urged to consult with their own counsel to ensure that the resale and exercise of their Stingray Shares complies with applicable U.S. federal and state securities laws.

DISSENT RIGHTS

Registered Shareholders are entitled to exercise Dissent Rights pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Plan of Arrangement, the Interim Order and the Final Order. If a Registered Shareholder duly exercises his, her or its Dissent Rights and the Arrangement is completed, the Shares of the Dissenting Shareholder will be deemed to have been transferred to Acquisitionco in consideration of the payment of the fair value of such Shares as of the close of business on the day before the Final Order becomes effective. This amount may be the same as, more than or less than the Consideration offered under the Arrangement.

The following description of the rights of Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of the Shares in respect of which the Dissenting Shareholder dissents and is qualified in its entirety by the reference to the full text of the Interim Order, a copy of which is included in Appendix D and the full text of Section 190 of the CBCA, a copy of which is attached as Appendix G. **A Shareholder who intends to exercise Dissent Rights should carefully consider and strictly comply with the provisions of Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order. Failure to strictly comply with the provisions of that section, as modified by the Plan of Arrangement and the Interim Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder. Shareholders wishing to avail themselves of their rights under those provisions should seek their own legal advice, as failure to comply strictly with them may prejudice their right of dissent.**

The Court hearing the application for the Final Order has the discretion to alter the rights of dissent described herein based on the evidence presented at such hearing.

Under the Interim Order, a Registered Shareholder who fully complies with the dissent procedures in Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, is entitled, when the Arrangement becomes effective, in addition to any other rights it may have, to dissent and to be paid the fair value of the Shares held by it in respect of which it dissents, determined as of the close of business on the day before the date on which the Final Order becomes effective. The Final Order is anticipated to become effective on Tuesday, July 10, 2018. A Registered Shareholder may dissent only with respect to all of the Shares held by him or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. Holders of securities convertible into Shares (including Options) and Shareholders who voted (or who instructed a proxyholder to vote) in favour of the Arrangement Resolution shall not be entitled to exercise Dissent Rights. **Persons who are beneficial owners of Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent, should be aware that only the registered holder of such Shares is entitled to dissent. Accordingly, a beneficial owner of Shares desiring to exercise his, her or its right of dissent must make arrangements for the Shares beneficially owned by such owner to be registered in his, her or its name prior to the time the written objection to the Arrangement Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Shares to dissent on their behalf.**

Pursuant to the Plan of Arrangement, each Dissenting Shareholder who is:

(a) ultimately entitled to be paid fair value for such holder's Shares, which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Final Order becomes effective, shall be deemed to have transferred such holder's Shares to Acquisitionco as of the Effective Time as set out in Section 2.3 of the Plan of Arrangement, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholder not exercised Dissent Rights in respect of such Shares; or

(b) ultimately not entitled, for any reason, to be paid such fair value for such Shares, shall be deemed to have participated in the Arrangement with respect to such Shares, as of the Effective Time, on the same basis as a holder of Shares to which Section 2.3 of the Plan of Arrangement applies.

A Dissenting Shareholder must send to the Corporation a written objection to the Arrangement Resolution in accordance with the Dissent Rights ("Dissent Notice"), which written objection must be received by the Corporation c/o its counsel Stewart McKelvey, Purdy's Wharf Tower I, 1959 Upper Water Street, Suite 900, Halifax, Nova Scotia, B3J 2X2 Attention: Andrew Burke, by 10:00 a.m. (Atlantic Time) on Monday, June 25, 2018, the date that is two (2) Business Days immediately preceding the date of the Meeting.

The Corporation is required within ten (10) days after the Shareholders adopt the Arrangement Resolution to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Shareholder who voted in favour of the Arrangement Resolution, or who has withdrawn his, her or its Dissent Notice.

A Dissenting Shareholder who has not withdrawn his Dissent Notice prior to the Meeting must, within twenty (20) days after receipt of notice that the Arrangement Resolution has been adopted, or if the Dissenting Shareholder does not receive such notice, within twenty (20) days after learning that the Arrangement Resolution has been adopted, send to the Corporation a written notice containing the Shareholder's name and address, the number of Shares in respect of which the Shareholder dissents ("**Dissenting Shares**"), and a demand for payment of the fair value of such Shares (collectively, the "**Demand for Payment**"). Within thirty (30) days after sending the Demand for Payment, the Dissenting Shareholder must send to the Corporation or the Transfer Agent the certificates representing the Dissenting Shares. The Corporation or the Transfer Agent will endorse on share certificates received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return the share certificates to the Dissenting Shareholder. A Dissenting Shareholder who fails to send certificates representing Dissenting Shares in the time required, has no right to make a claim under Section 190 of the CBCA.

Under Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, after sending a Demand for Payment, a Dissenting Shareholder ceases to have any right as a Shareholder in respect of its Dissenting Shares other than the right to be paid the fair value of the Dissenting Shares as determined pursuant to the Interim Order, unless: (i) the Dissenting Shareholder withdraws its Demand for Payment before Acquisitionco makes an Offer to Pay (as defined below); or (ii) Acquisitionco fails to make an Offer to Pay in accordance with Subsection 190(12) of the CBCA and the Dissenting Shareholder withdraws the Demand for Payment, in which case the Dissenting Shareholder's rights as a Shareholder will be reinstated as of the date the Demand for Payment was sent.

Pursuant to the Plan of Arrangement, in no circumstances shall the Corporation, Stingray, Acquisitionco or any other person be required to recognize a Dissenting Shareholder as the holder of any Share in respect of which Dissent Rights have been validly exercised at and after the Effective Time, and the names of such Dissenting Shareholders shall be removed from the registers of Shares maintained by or on behalf of the Corporation at the Effective Time.

Acquisitionco is required, not later than seven (7) days after the later of the Effective Date and the date on which a Demand for Payment is received from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Demand for Payment a written offer to pay for its Dissenting Shares ("**Offer to Pay**") in an amount considered to be the fair value of the Shares by the directors of Acquisitionco, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay for Shares must be on the same terms. Payment for Dissenting Shares must be made within ten (10) days after an Offer to Pay has been accepted by a Dissenting Shareholder, but such offer lapses if Acquisitionco does not receive such an acceptance within thirty (30) days after the Offer to Pay has been made.

If Acquisitionco fails to make an Offer to Pay for Dissenting Shares, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, Acquisitionco may, within fifty (50) days after the Effective Date or within such further period as a court may allow, apply to a court to fix a fair value for the Dissenting Shares. If Acquisitionco fails to apply to a court as described above, a Dissenting Shareholder may apply to a court for the same purpose within a further twenty (20) days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application or an application made by Acquisitionco as described above. Any such application must be made to a court in Québec, being the province where Acquisitionco has its registered office or a court having jurisdiction in the place where the Dissenting Shareholder resides if Acquisitionco carries on business in that province.

Before making any application to a court as described above, Acquisitionco will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of a Dissenting Shareholder's right to appear and be heard in person or by counsel. Upon any such application to a court, all Dissenting Shareholders whose Shares have not been purchased will be joined as parties and be bound by the decision of the court. In addition, upon any such application to a court, the court may determine whether any other person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Dissenting Shares of all Dissenting Shareholders. The final order of a court will be rendered in favour of each Dissenting Shareholder for the amount of the fair value of its Dissenting Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

Any Shareholder who is considering dissenting to the Arrangement should consult his, her or its own tax advisor with respect to the income tax consequences to them of such action. For a general summary of certain income tax implications to a Dissenting Shareholder, see "*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Dissenting Resident Shareholders*" and "*Canadian Federal Income Tax Considerations - Holders Not Resident in Canada - Dissenting Non-Resident Shareholders*".

It is important that Registered Shareholders who wish to dissent comply strictly with the dissent procedures described in this Circular, the Plan of Arrangement and the Interim Order, which are different from the statutory dissent procedures of the CBCA.

CERTAIN INFORMATION PERTAINING TO THE CORPORATION

Overview

The Corporation was incorporated on March 8, 1949 under the Companies' Act of Newfoundland as "Eastern Provincial Airways Limited" and changed its name to "Newfoundland Capital Corporation Limited" on November 12, 1980. The Corporation was continued under the Canada Business Corporations Act by a Certificate of Continuance dated March 4, 1987. The Corporation’s registered office and head office is located at 8 Basinview Drive, Dartmouth, Nova Scotia, B3B 1G4.

The Corporation owns Newcap which operates under the name "Newcap Radio", one of Canada’s leading radio broadcasters with 101 licences across Canada. The Corporation reaches millions of listeners each week through a variety of formats and is a recognized industry leader in radio programming, sales and networking. The Corporation has 83 FM and 18 AM licences spanning the country, with concentrations in Alberta and Newfoundland and Labrador. The Corporation holds the

second largest number of radio licences in Canada. It is headquartered in Dartmouth, Nova Scotia and employs approximately 800 radio professionals, nationwide.

The Corporation was originally formed in 1949 to provide air ambulance and other air services to isolated points in Newfoundland and Labrador. During the following 40 years, the Corporation, through wholly-owned subsidiaries, invested in a variety of businesses. At the end of 1996, the Corporation embarked on a program of strategic divestitures in order to enhance shareholder value by focusing on its core communications properties, particularly in the Broadcasting Division. By 2002, the Corporation had sold all of its non-broadcasting assets with the exception of a hotel operation in Corner Brook, Newfoundland and Labrador.

Additional information about the Corporation's corporate structure and business is included in the documents incorporated by reference into this Circular.

Documents Incorporated by Reference

Information has been incorporated by reference in Circular from documents filed with securities commissions or similar authorities in the provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporation at 8 Basinview Drive, Dartmouth, Nova Scotia, B3B 1G4, or by accessing the disclosure documents available electronically under the Corporation's profile on SEDAR at www.sedar.com.

The following documents, filed with securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference in, and form an integral part of, this Circular:

- the annual information form of the Corporation dated March 8, 2018, for the year ended December 31, 2017;
- the audited consolidated financial statements of the Corporation for the years ended December 31, 2017 and 2016, and related notes, together with the independent auditor's report thereon, and the management's discussion and analysis in connection therewith;
- the unaudited interim condensed consolidated financial statements of the Corporation for the three month period ended March 31, 2018, and related notes, together with the management's discussion and analysis therewith;
- the management information circular of the Corporation dated March 8, 2018, distributed in connection with the annual general meeting of Company Shareholders held on May 15, 2018; and
- the material change report of the Corporation dated May 9, 2018 (and filed on SEDAR on May 10, 2018), relating to the Arrangement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of Circular to the extent that a statement contained herein, or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed to be an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

Dividends

In connection with the Arrangement, other than the regular semi-annual dividend in the amount of $0.25 per Share to be paid by the Corporation to the Shareholders of record as declared in or about August 2018 and December 2018, the Board will not declare or approve the payment of any dividends or any other distributions (whether in cash, shares or property) on any of the Shares through to the completion of the Arrangement.

The history of dividends declared is as follows:

Class of Share	2017	2016	2015
Class A Shares	$0.50	$0.20	$0.15
Common Shares	$0.50	$0.20	$0.15

In accordance with the Corporation's credit facility, the amount of dividends that can be paid is based on certain ratios that permit payment of dividends with any excess discretionary cash flow produced by the Corporation on an annual basis.

Trading in Shares

The Class A Shares are listed and posted for trading on the TSX under the symbol the "NCC.A" and the Common Shares are listed and posted for trading on the TSX under the symbol the "NCC.B".

The following table summarizes the high and low market prices and volumes of the Class A Shares and the Common Shares on the TSX for the months disclosed below preceding the entering into of the Arrangement Agreement:

	Class A Shares			Common Shares		
	High	Low	Volume	High	Low	Volume
2017						
April	10.80	9.72	10,796	—	—	—
May	10.99	9.55	20,651	—	—	—
June	10.93	10.30	30,358	—	—	—
July	11.22	10.55	54,570	—	—	—
August	12.58	10.95	23,301	—	—	—
September	12.59	11.94	48,560	—	—	—
October	13.25	12.10	45,867	—	—	—
November	13.21	12.17	57,614	—	—	—
December	13.55	12.39	173,401	15.10	15.00	406
2018						
January	13.80	12.76	28,922	—	—	—
February	13.80	12.76	24,186	14.00	13.85	300
March	13.35	12.30	184,818	—	—	—
April	13.60	11.87	44,615	—	—	—
May (1 – 22)	14.51	13.20	102,030	—	—	—

The Arrangement was publicly announced by the Corporation and Stingray in separate news releases dated May 2, 2018. On May 1, 2018, the last day on which the Shares traded prior to the public announcement of the Arrangement, the closing price of the Class A Shares on the TSX was $13.20 per Class A Share and the closing price of the Common Shares on the TSX was $13.85 per Common Share.

Previous Purchases and Previous Distributions

Except as noted below, no Class A Shares or Common Shares have been purchased or distributed by the Corporation during the twelve (12) months preceding the date of this Circular.

The Corporation has approval under a normal course issuer bid in place from July 4, 2017 to July 3, 2018 to repurchase up to 1,090,116 Class A Shares and 75,386 Common Shares. From January 1, 2018 to May 22, 2018, the Corporation repurchased

an aggregate of 178,200 Class A Shares for cash consideration of $2,284,000. During the calendar year ended December 31, 2017, the Corporation repurchased an aggregate of 142,500 Class A Shares for cash consideration of $1,741,000[1].

Pursuant to the Option Plan, 30,000 Options were granted in 2017. During 2017, 105,000 Options were exercised using the cashless exercise option resulting in 44,224 Class A Shares being issued from treasury.

Interest of Informed Persons in Material Transactions

Except as otherwise described herein, none of the directors or executive officers of the Corporation, proposed directors or principal shareholders of the Corporation, or associates or affiliates of any of these persons, had any material interest, direct or indirect, in any transaction since January 1, 2018, or in any proposed transaction which, in either case, has materially affected or would materially affect the Corporation or its subsidiaries.

Auditor

The auditor of the Corporation is Ernst & Young LLP at is offices in Halifax, Nova Scotia.

CERTAIN INFORMATION PERTAINING TO STINGRAY

Information with respect to Stingray has been provided by Stingray. Such information is the sole responsibility of Stingray and the Corporation does not assume any responsibility for the accuracy or completeness of such information.

Overview

Stingray results from the amalgamation under the CBCA on April 1, 2017 of Stingray Digital Group Inc. and Stingray Business Inc. The first of the amalgamated companies, Stingray Digital Group Inc., was amalgamated on February 4, 2011. The second of the amalgamated companies, Stingray Business Inc., was incorporated on August 25, 2006. Stingray's head office and registered office is located at 730 Wellington Street, Montréal, Québec, H3C 1T4.

The Subordinate Voting Shares and the Variable Subordinate Voting Shares of Stingray are posted and listed for trading on the TSX under the symbols "RAY.A" and "RAY.B", respectively.

Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Stingray's Corporate Secretary at 730 Wellington Street, Montréal, Québec, H3C 1T4, telephone 514-664-1244. These documents may also be obtained over the Internet under Stingray's profile on SEDAR at www.sedar.com.

The following documents, filed with the securities commissions or similar authorities in each of the provinces and territories of Canada are specifically incorporated by reference into and form an integral part of this Circular:

- the annual information form of Stingray dated June 8, 2017 for the fiscal year ended March 31, 2017 (the "**2017 AIF**");
- the audited consolidated financial statements of Stingray, for the years ended March 31, 2017 and 2016, together with the notes thereto and the independent auditors' report thereon;
- management's discussion and analysis of Stingray for the fiscal year ended March 31, 2017 (the "**2017 MD&A**");
- the unaudited interim consolidated financial statements of Stingray, for the nine-month period ended December 31, 2017, together with the notes thereto;
- management's discussion and analysis of Stingray for the nine-month period ended December 31, 2017;
- the management information circular of Stingray dated June 19, 2017 distributed in connection with Stingray's annual meeting of shareholders held on August 2, 2017;
- the material change report dated May 4, 2017 with respect to the appointment of Valéry Zamuner as Senior Vice-President, Mergers, Acquisitions & Strategic Initiatives;

[1] Included in the share repurchases were 3,400 Class A Shares under the normal course issuer bid that was in effect from June 6, 2016 to June 5, 2017 and 139,100 repurchases were made under the current normal course issuer bid.

- the material change report dated October 6, 2017 with respect to an offering of up to 5,000,200 Subordinate Shares at a price of $9.20 per share; and
- the material change report dated May 4, 2018 with respect to the Arrangement, Offering and Concurrent Private Placement.

Summary Description of the Business

Stingray is a leading B2B multi-platform music and in-store media solutions provider operating on a global scale. Stingray broadcasts high quality music and video content on a number of platforms including digital cable TV, satellite TV, Internet Protocol television (IPTV), the Internet, mobile devices and game consoles. Stingray reaches an estimated 400 million subscribers (or households) and deploys its broadcast music, short and long-form television channels, karaoke products, and commercial music across 156 countries as well as over 78,000 commercial establishments across Canada, Australia and Mexico, including business offices, retail stores, restaurants, hotels and other commercial establishments. Stingray is headquartered in Montréal, Canada, and employs over 400 professionals and support staff across the world, including in the United States, the United Kingdom, the Netherlands, Israel, Australia, and Singapore.

Stingray delivers a first-class experience to entertainment content providers and commercial clients worldwide, which is driven by its customizable capabilities and wide array of multiplatform music products, all of which are fully curated by experts across the globe. Stingray's distribution model is focused on providing high quality music content through a multitude of platforms, in exchange for a payment on a recurring and contractual basis. Revenue from its music broadcasting and television channels business is principally generated either on a payment per subscriber basis or a video-on-demand (VOD) basis. Stingray's business model is based on a non-interactive, linear business model resulting in what management of Stingray believes to be a more advantageous rights structure compared to other service providers operating on an interactive and B2C business model, such as Apple Music and Spotify. Revenue from its Commercial Music business is generated on a monthly subscription fee per location.

For more information on Stingray and its business, please refer to the annual information form of Stingray dated June 8, 2017 for the fiscal year ended March 31, 2017 under "*Certain Information Pertaining to Stingray - Documents Incorporated by Reference*".

Recent Developments

Acquisition of Qello Concerts

On January 3, 2018, Stingray announced the acquisition of Qello Concerts, a leading over-the-top (OTT) streaming service for full-length, on-demand concerts and music ***documentaries***, reaching users in more than 160 countries.

Information Pertaining to Stingray Post-Arrangement

Overview

On completion of the Arrangement, Stingray and Acquisitionco will continue to be corporations existing under the CBCA. Stingray and Acquisitionco will acquire all of the issued and outstanding Shares, and the Corporation will become an indirect wholly owned subsidiary of Stingray.

Stingray believes that "Newcap Radio", as well as the Corporation's other radio broadcasting industry assets, will complement Stingray's current position as a leading B2B multi-platform music and in-store media solutions provider, expanding its high quality music and video content platforms, currently consisting of digital cable TV, satellite TV, IPTV, the Internet, mobile devices and game consoles, to include radio broadcasting. In addition, with 72 radio stations available through online and mobile applications, the Arrangement will allow Stingray to further strengthen its high quality online and mobile music broadcasting platform.

Stingray's rationale for the Arrangement includes that it is expected to:

- provide a unique opportunity to create Canada's largest public independent media company;
- diversify Stingray's revenue profile with complementary advertising revenues;
- provide cost synergies and cross-selling opportunities; and

- bolster Stingray's financial profile to accelerate its acquisition strategy.

Following the Effective Date, Mr. Ian S. Lurie is expected to assume leadership responsibilities with regards to Stingray's new radio operations.

Stingray Unaudited Pro Forma Financial Information

Attached as Appendix F are unaudited pro forma consolidated financial information of Stingray, consisting of the unaudited pro forma condensed consolidated statements of financial position as at December 31, 2017, and the unaudited pro forma condensed consolidated statements of earnings (loss) and comprehensive income (loss) for the nine-month period ended December 31, 2017 and twelve-month period ended March 31, 2017. Such unaudited pro forma consolidated financial information has been prepared using certain of Stingray's consolidated financial statements as well as the Corporation's financial statements as more particularly described in the notes to such unaudited pro forma consolidated financial information. In preparing such unaudited pro forma consolidated financial information, Stingray has had limited access to the books and records of the Corporation and is not in a position to independently assess or verify the information provided by the Corporation, including the Corporation's financial statements that were used to prepare the unaudited pro forma consolidated financial information. Such information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual results may differ from those presented in the unaudited pro forma consolidated financial information. In preparing such information, no adjustments have been made to reflect operating synergies, revenue opportunities and cost savings that could result from the operations of the combined company. The unaudited pro forma consolidated financial information excludes acquisition costs. Since such information has been developed to retroactively show the effect of transactions that have or are expected to occur at a later date (even though this was accomplished by following generally accepted practice using reasonable assumptions), there are limitations inherent in the very nature of pro forma information. The information contained in the unaudited pro forma consolidated financial information is therefore subject to the limitations and the disclaimers set forth in the notes to such information. Undue reliance should not be placed on such information. See the notes to the unaudited pro forma condensed consolidated financial statements of Stingray and "Risk Factors".

RISK FACTORS

Risks Related to the Corporation

If the Arrangement is not completed, the Corporation will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects, including but not limited to those described below.

The Radio Broadcasting Industry is Regulated - The Corporation is regulated by the CRTC under the Broadcasting Legislation. Although this regulatory body provides a stable operating environment, the Corporation's financial results may be affected by changes in regulations, policies and decisions made by the CRTC. The current regulations with respect to the maximum number of broadcast licences held in any one market, the percentage of foreign ownership, the required level of Canadian content and other aspects of the regulations could change in the future. The licensing process creates a significant barrier to entry which provides a degree of protection for the Corporation in its existing markets. This also makes it difficult to enter new markets because a company either needs to be awarded a new licence (through the public process) or obtain CRTC Approval and pay significant funds to purchase existing stations in a market.

The Radio Broadcasting Industry is Subject to Tariffs - The Corporation is subject to certain fees. Licence fees are payable to the CRTC, while copyright fees are payable to Copyright collective societies ("**Collectives**"), which include the Society of Composers, Authors and Music Publishers of Canada (SOCAN), Re:Sound, CSI and Connect based on rates set by the Copyright Board of Canada. The Collectives can apply at any time to the Copyright Board of Canada for amendments to the fees which could affect future results. The Copyright Committee of the Canadian Association of Broadcasters (CAB) is comprised of broadcaster members who represent jointly the interests of the industry in matters of copyright negotiation between broadcasters, Collectives and the Copyright Board of Canada.

Dependency on Advertising Revenue - The Corporation's revenue is derived from the sale of advertising airtime directed at retail consumers. This revenue fluctuates depending on the economic conditions of each market and the Canadian economy as a whole. Recently, radio advertising in Canada has declined compared to previous years. Other media compete for advertising dollars, such as print, television, outdoor, direct mail, online services and advertising via social media. In many instances, these competitors are targeting the same advertisers as radio broadcasters and advertising dollars often shift

between the different media. While there is no assurance that the Corporation's radio stations will remain or increase their share of the advertising dollars, the Corporation is focused on mitigating any loss to other media by creating long-term relationships with customers and providing innovative, high-quality market campaigns. Over the past number of years, Radio's percentage share of advertising dollars has remained relatively constant with the increase of online advertising coming from the decline to print advertising.

Competition - The Corporation faces competition in some of its markets, which impacts the Corporation's audience, revenue share, and the level of promotional spending required to remain competitive. Any changes to the competitive environment could adversely affect the Corporation's financial results. the Corporation takes steps to mitigate these risks by constantly modifying its product and performing market research to ensure it is meeting the needs of the listener base. Management believes the Corporation is sheltered from the effect of competition in many of its small markets as it is the sole station serving those communities.

Technical Development - With the advent of new or alternative media technologies such as satellite radio, digital radio, the Internet, wireless broadcasting, podcasting and mobile advertising, competition for advertising revenue and listeners has, and will continue to increase. This increased competition could have the impact of reducing the Corporation's market share, its ratings within a market, or have an adverse effect on advertising revenue locally and nationally.

For additional information with respect to risk factors applicable to the Corporation, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities, including, but not limited to, the Corporation's management discussion and analysis for the year ended December 31, 2017 and for the three months ended March 31, 2018, copies of which are available under the Corporation's profile on SEDAR at www.sedar.com.

Risks Related to Stingray

The business and operations of Stingray are subject to risks. In addition to considering the risks set forth below and the other information contained in this Circular, Shareholders should consider carefully the risks and uncertainties described in the Stingray documents incorporated by reference in this Circular. Discussions of certain risks and uncertainties affecting Stingray's business are provided in the 2017 AIF and 2017 MD&A each of which is incorporated by reference in this Circular and available in Stingray's public disclosure on SEDAR at www.sedar.com.

Potential Competition for Canadian BDU Business - At the end of March 2018, the CRTC published a notice of consultation regarding the application by 3305670 Nova Scotia Company (the "**Applicant**") for a broadcasting licence to operate a national pay audio programming service. Music Choice, an American company which produces music related content, holds a 20% voting interest in the Applicant. Stingray has filed an intervention with the CRTC as part of the consultation process contesting the granting of the requested licence. In its submission, Stingray has argued that the Applicant does not exhibit sufficient Canadian control given the *de facto* control exercised by Music Choice over the Applicant and that the granting of the licence requested is not in the public interest. In its submission, Stingray has indicated becoming aware of overtures made by Music Choice to certain Canadian BDUs involving particularly aggressive pricing tactics tantamount to dumping. There is no assurance that the CRTC will share Stingray's views and it may grant the licence. Nevertheless, even if the license is granted, Stingray believes that the Applicant would have difficulty meeting its Canadian and French language content requirements. Moreover, Stingray's wide array of service offerings, including higher margin services (such as premium television channels, 4K UHD television channels, karaoke products and Subscription Video On Demand (SVOD) services), as well as services tailored to the Canadian market, including services earmarked for Canadian cultural communities, trusted distribution system and web of long-term agreements with all Canadian BDUs would enable it to mitigate any pricing disruption caused by the Applicant's entry in the marketplace.

Renewal of an Affiliation Agreement - Stingray is in the process of renewing its affiliation agreement with a large Canadian BDU. A portion of Stingray's anticipated revenues from this agreement will be dependent on demand for Stingray's services from the BDU's subscribers. If the offered services are not sufficiently popular and the revenue stream from this agreement decreases significantly, Stingray's financial performance will be adversely affected. Stingray anticipates that its entire suite of services will be well received by the BDU's subscribers and expects to generate additional revenues through advertising and sponsorship opportunities.

Risks Related to the Arrangement

In evaluating the Arrangement, Shareholders should consider the following risk factors (which are not an exhaustive list of potentially relevant risk factors relating to the Arrangement). Additional risks and uncertainties, including those that currently are not known to, or considered immaterial by, the Corporation also may be relevant to completion of the Arrangement and/or the future of the Corporation and the value of the Shares. If any of the risk factors materialize, the expectations, and the predictions based on them, of the Corporation may need to be re-evaluated. The risks associated with the Arrangement include:

Stingray will assume pension and other employee benefit obligations from the Corporation that will negatively impact the Corporation's income or cash flow if they materially increase following the Arrangement - Following the Arrangement, Stingray will assume the Corporation's employee future benefit obligations. Economic fluctuations could adversely impact the funding and expenses associated with these obligations and there can be no assurance that these pension and employee benefit obligations will not increase materially in the future, thereby negatively impacting Stingray's income or cash flow.

Stingray may not be able to successfully integrate the Corporation with Stingray's business, which could cause its business to suffer - The acquisition of the Corporation is significant, and Stingray may not be able to successfully integrate and combine the operations, personnel and infrastructure of the Corporation with Stingray's existing operations. If integration is not executed successfully by management, Stingray may experience interruptions in business activities, a deterioration in Stingray's employee and commercial relationships, increased costs of integration and harm to Stingray's reputation, all of which could have a material adverse effect on Stingray's business, financial condition and results of operations. While management believes Stingray's corporate culture and that of the Corporation are generally aligned, Stingray may still experience some difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration with the Corporation may also impose substantial demands on Stingray's management and the management of the Corporation. There is no assurance that improved operating results will be achieved as a result of the Arrangement or that the businesses of Stingray and the Corporation will be successfully integrated in a timely manner. The challenges involved in the integration may include, among other things, the following:

- retaining key personnel during the period between execution of the Arrangement Agreement and the Effective Date, including addressing the uncertainties of key employees regarding their future;
- integrating the Corporation into Stingray's accounting system and adjusting Stingray's internal control environment to cover the Corporation's operations;
- unforeseen expenses or delays associated with the Arrangement;
- performance shortfalls relative to expectations at one or both of the businesses as a result of the diversion of management's attention to the Arrangement; and
- unplanned costs required to integrate the businesses and achieve any synergies.

Even if Stingray is able to integrate these businesses and operations successfully, this integration may not result in the realization of the full benefits of the growth opportunities Stingray currently expects within the anticipated time frame or at all. While Stingray anticipates that certain expenses will be incurred, such expenses are difficult to estimate accurately, and may exceed current estimates. Accordingly, the benefits from the proposed Arrangement may be offset by unexpected costs incurred or delays in integrating the companies.

Completion of the Arrangement is subject to several conditions that must be satisfied or waived - The Arrangement is subject to completion of the conditions described herein and the Arrangement Agreement and commercial risk that the Arrangement may not be completed on the terms negotiated or at all. For example, the Arrangement requires approval under the Regulatory Approvals and there can be no assurance that such approvals will be obtained, or will be obtained on terms and conditions satisfactory to the Corporation. In addition, if the closing of the Arrangement does not take place as contemplated, the Corporation could suffer adverse consequences, including possibly the loss of investor confidence.

Certain third parties the Corporation has contracts with have termination rights resulting from the Arrangement or other specified events which, if exercised, may have material adverse effects on Stingray's and the Corporation's operations - The Arrangement will constitute a change of control of the Corporation which may require the consent of certain third parties in respect of certain of the agreements to which the Corporation is a party. To the extent that any such consents cannot be obtained, or cannot be obtained on commercially reasonable terms, the business and financial condition of Stingray may be materially and adversely impacted. Pursuant to the Arrangement Agreement, the Corporation is required to use commercially

reasonable efforts to obtain such consents but such consents and waivers are not conditions to the closing of the Arrangement.

Stingray's historical and pro forma combined financial information may not be representative of Stingray's results as a combined company with the Corporation - The pro forma combined financial information included at Appendix F to this Circular is constructed from the consolidated financial statements of Stingray and from the consolidated financial statements of the Corporation and does not purport to be indicative of the financial information that will result from operations of the combined company. In addition, the pro forma combined financial information included in this Circular is based in part on certain assumptions regarding the Arrangement that Stingray believes are reasonable. The Corporation cannot provide any assurances that its assumptions will prove to be accurate over time. Accordingly, the historical and pro forma financial information included in this Circular does not purport to be indicative of what Stingray's results of operations and financial condition would have been had Stingray and the Corporation been a combined entity during the periods presented, or what Stingray's results of operations and financial condition will be in the future. The challenge of integrating previously independent businesses makes evaluating Stingray's business and Stingray's future financial prospects difficult. The Corporation's potential for future business success and operating profitability must be considered in light of the risks, uncertainties, expenses and difficulties typically encountered by recently combined companies.

In preparing the pro forma financial information in this Circular, Stingray has given effect to, among other items, the Offering, the New Credit Facilities, the Concurrent Private Placement and the completion of the Arrangement. While management believes that the estimates and assumptions underlying the pro forma financial information are reasonable, such assumptions and estimates may be materially different to Stingray's actual experience going forward following the Arrangement. Certain terms of the debt financing for the Arrangement may not be as favourable to Stingray's as those in the commitments of the lenders and the terms of the resulting indebtedness will contain restrictions that will limit Stingray's flexibility in operating its business.

The assumption of unknown liabilities in the Arrangement may harm Stingray's financial condition and future prospects - Following the Arrangement, Stingray will be responsible for any historical liabilities of the Corporation. There may be liabilities that Stingray failed to discover or was unable to quantify accurately or at all in the due diligence review that it conducted prior to the execution of the Arrangement Agreement which could have a material adverse effect on Stingray's business, financial condition or future prospects.

Stingray will incur significant transaction and related costs in connection with the Arrangement - Stingray expects to incur a number of costs associated with completing the Arrangement and integrating the operations of the Corporation. The substantial majority of these costs will be non-recurring expenses resulting from the Arrangement and will consist of transaction costs related to the Arrangement and employment related costs. Additional unanticipated costs may be incurred in the integration of the Corporation's business. Although Stingray expects that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction and merger related costs over time, this net benefit may not be achieved in the near term or at all.

The information relating to Stingray in this Circular has been obtained from Stingray or its public disclosure record and may be inaccurate or incomplete - All information relating to Stingray or its affiliates contained in this Circular has been provided to the Corporation by Stingray or taken from Stingray's public disclosure record. While the Corporation has no reason to believe the information provided by Stingray or taken from the public disclosure record is misleading, untrue or incomplete, they cannot assure the accuracy or completeness of such information nor can they compel Stingray to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the Corporation.

Stingray has limited experience in the Canadian radio broadcasting Industry - The Arrangement would represent the largest acquisition Stingray has made to date. In addition, although Stingray has extensive experience in the music industry in general and in providing B2B multi-platform music and in-store media solutions, including Pay-Audio services, the Arrangement represents a significant foray into the Canadian radio broadcasting business. Stingray cannot assure investors that it will be able to compete successfully in the Canadian radio broadcasting business or achieve the benefits it anticipates from the expansion of its operations into the Canadian radio broadcasting business. Moreover, many of the radio stations acquired as a result of the Arrangement will compete with radio stations owned and operated by some of Stingray's existing customers of Stingray services such as Bell Canada and Rogers Communications Inc. No assurances can be given as to the impact of such situation on the relationship of Stingray with such customers. However, Stingray expects that these risks will

be mitigated by relying on the Corporation's seasoned management team, which is comprised of experienced and knowledgeable team members with diverse backgrounds and broad experiences in the radio broadcasting industry. Furthermore, Stingray anticipates that existing customers, such as Bell Canada and Rogers Communications Inc., will appreciate that each operator is limited to a maximum number of broadcast licences in each market and competition is, therefore, inherent in the industry; Stingray expects that fair competition will not impact its existing relationship with its BDU customers.

Stingray Shares issuable as part of the Share Consideration not approved for listing on the TSX - The TSX has not conditionally approved the listing application for the Stingray Shares issuable as part of the Share Consideration and there is no assurance that it will do so. See "*Certain Legal And Regulatory Matters - Securities Laws - Stock Exchange Approvals*".

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations of the Arrangement generally applicable to a beneficial owner of Shares who disposes of Shares pursuant to the Arrangement and who, at all relevant times and for the purposes of the Tax Act, deals at arm's length with Stingray and the Corporation, is not affiliated or connected with Stingray or the Corporation, and holds its Shares, and will hold its Stingray Shares acquired pursuant to the Arrangement, as capital property (a "**Holder**").

Shares generally will be considered to be capital property to a Holder unless the Holder holds them in the course of carrying on a business of trading or dealing in securities, or in the course of an adventure or concern in the nature of trade. Certain shareholders who are resident in Canada for the purposes of the Tax Act whose Shares might not otherwise qualify as capital property may, in certain circumstances, treat such Shares as capital property by making an irrevocable election as provided by subsection 39(4) of the Tax Act to deem all Shares and all other "Canadian securities" (as defined in the Tax Act) owned by the Holder in the taxation year in which the Holder makes the election, and in all subsequent taxation years, to be capital property.

This summary is not applicable to a Holder: (a) that is exempt from taxation under Part I of the Tax Act; (b) that is a "financial institution" or a "specified financial institution" (both as defined in the Tax Act); (c) an interest in which is, or whose Shares or Stingray Shares are, a "tax shelter investment" (as defined in the Tax Act); (d) that has made a "functional currency" election under section 261 of the Tax Act; (e) that has entered into or will enter into, with respect to Shares or Stingray Shares, a "derivative forward agreement" (as defined in the Tax Act); (f) that is a "foreign affiliate" (as defined in the Tax Act) of a taxpayer resident in Canada; and (g) that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is, or becomes, as part of a transaction or event or series of transactions or events that includes the Arrangement, controlled by a non-resident corporation for purposes of the "foreign affiliate dumping rules" in section 212.3 of the Tax Act.

This summary does not address the tax treatment applicable to Options and, accordingly, all Optionholders should consult with their own tax advisors in this regard.

This summary does not address any tax consequences of participating in the Holdco Alternative described in the Arrangement. The Holdco Alternative may have favourable Canadian federal income tax consequences for certain corporate Shareholders. Shareholders wishing to avail themselves of the Holdco Alternative should consult their own financial, tax and legal advisors. See "*The Arrangement - Holdco Alternative*".

This summary is based on the current provisions of the Tax Act, the regulations thereunder (the "**Regulations**") and counsel's understanding of the current published administrative practices and policies of the CRA publicly available before the date hereof. This summary also takes into account all specific proposals to amend the Tax Act and the Regulations announced by or on behalf of the Minister of Finance (Canada) before the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed, although no assurances can be given in this regard. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental, regulatory, or judicial action or decision, or changes in the administrative practices of the CRA, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal, business or tax advice to any particular Holder and no representation with respect to the tax consequences to any particular Holder is made. Accordingly, all Holders should consult their own tax advisors regarding the Canadian federal income tax consequences of the Arrangement applicable to their particular circumstances.

Holders Resident in Canada

This portion of the summary applies to a Holder who, at all relevant times, is or is deemed to be resident in Canada for purposes of the Tax Act (a "**Resident Holder**").

Exchange of Shares under the Arrangement

Pursuant to terms of the Arrangement, a Resident Holder (other than a Resident Dissenter, as discussed below), will exchange a fraction of each Share to Aquisitionco for cash and the remaining fraction of such Share to Stingray for Stingray Shares. A Resident Holder will not recognize a capital gain (or a capital loss) on the disposition of the fraction of each Share so exchanged for Stingray Shares pursuant to section 85.1 of the Tax Act, unless it chooses to recognize a capital gain (or a capital loss) by including such capital gain (or a capital loss) in computing its income for the taxation year in which the exchange takes place, as described below. A Resident Holder will recognize a capital gain (or a capital loss) on the disposition of the remaining fraction of each Share so exchanged for cash to the extent the amount of cash received, net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base of such fraction of each Share. For this purpose, adjusted cost base of each fraction is equal to the portion of the adjusted cost base of each Share that is the fraction of that Share being exchanged for cash to Aquisitionco. The remaining portion of the adjusted cost base of each Share is attributable to the fraction of each Share being exchanged for Stingray Shares. See "*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*" below.

Where a Resident Holder does not choose to recognize a capital gain (or a capital loss) in respect of the disposition of the fraction of a Share so exchanged for Stingray Shares under the Arrangement, such Resident Holder will be considered to have disposed of that share of a Share for proceeds of disposition equal to the Resident Holder's adjusted cost base of such fraction of the Share, determined immediately before the exchange, and the Resident Holder will be considered to have acquired the Stingray Shares at an aggregate cost equal to the proceeds of disposition of all such fractions of Shares so exchanged for Stingray Shares. This cost will be averaged with the adjusted cost base of all other Stingray Shares held by the Resident Holder for the purposes of determining the adjusted cost base of each Stingray Share held by the Resident Holder.

Where a Resident Holder chooses to recognize a capital gain (or a capital loss) on the disposition of the fraction of a Share so exchanged for Stingray Shares under the Arrangement, the Resident Holder will recognize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of such the Stingray Shares received, net of any reasonable costs associated with the disposition, exceeds (or is less than) the aggregate of the adjusted cost base of such fraction of the Share to the Resident Holder, determined immediately before the exchange. See "*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*" below. The cost to the Resident Holder of Stingray Shares acquired on such exchange will equal the fair market value of those Stingray Shares at the Effective Time and will, for the purpose of determining the Resident Holder's adjusted cost base of those Stingray Shares, be averaged with the adjusted cost base to the Resident Holder of any other Stingray Shares held by the Resident Holder as capital property at the Effective Time.

The Arrangement does not permit a Shareholder to file a joint election under section 85 of the Tax Act.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder will be required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by it in that year. A Resident Holder will generally be entitled to deduct one half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses in excess of taxable capital gains for a taxation year may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years, subject to the detailed rules contained in the Tax Act.

A capital loss realized by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of dividends received or deemed to have been received by the corporation on such shares (or on a share for which such share is substituted or exchanged). Similar rules may apply where shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be relevant should consult their own advisors.

Resident Holders should also note the comments below under "*Canadian Federal Income Tax Considerations - Alternative Minimum Tax*" and "*Canadian Federal Income Tax Considerations - Additional Refundable Tax of Canadian-Controlled Private Corporations*".

Dissenting Resident Holders

A Resident Holder who, as a result of exercising Dissent Rights in respect of the Arrangement, receives a cash payment from Stingray (a "**Resident Dissenter**") will realize a capital gain (or a capital loss) equal to the amount by which the payment (other than interest) exceeds (or is less than) the aggregate of the Resident Dissenter's adjusted cost base of Shares at the Effective Time and any reasonable costs of disposition. The Resident Dissenter will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and losses. See "*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*" above.

A Resident Dissenter must include in computing the Resident Dissenter's income any interest awarded to it by the Court.

Dividends on Stingray Shares

A Resident Holder who is an individual (other than certain trusts) will be required to include in income any dividends received or deemed to be received on Stingray Shares, and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Stingray as "eligible dividends" as defined in the Tax Act. There may be certain restrictions on Stingray's ability to designate any dividends as eligible dividends, and Stingray has made no commitment in this regard.

Resident Holders should also note the comments below under "*Alternative Minimum Tax*".

A Resident Holder that is a corporation will be required to include in income any dividend received or deemed to be received on Stingray Shares, and generally will be entitled to deduct an equivalent amount in computing its taxable income, subject to all applicable restrictions under the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regarding to their own circumstances.

A corporate Resident Holder that is a "private corporation" or a "subject corporation" (as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a special tax (refundable in certain circumstances) of 38 1/3% on any dividend that it receives or is deemed to receive on its Stingray Shares to the extent that the dividend is deductible in computing the corporation's taxable income.

Disposition of Stingray Shares

A Resident Holder that disposes or is deemed to dispose of a Stingray Share in a taxation year (other than a disposition to Stingray in circumstances other than a purchase by Stingray in the open market in the manner in which shares are normally purchased by a member of the public in the open market) generally will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition of the Stingray Share exceeds (or are less than) the aggregate of the Resident Holder's adjusted cost base of such Stingray Share at that time, and any reasonable costs of disposition. The Resident Holder will be required to include any resulting taxable capital gain in income, or be entitled to deduct any resulting allowable capital loss, in accordance with the usual rules applicable to capital gains and capital losses. See "*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*" above.

Alternative Minimum Tax

A capital gain realized, or a dividend received, by a Resident Holder who is an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Tax Act.

Additional Refundable Tax of Canadian-Controlled Private Corporations

A Resident Holder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be required to pay an additional 10 ⅔% tax (refundable in certain circumstances) on certain investment income, which includes taxable capital gains, interest and dividends or deemed dividends not deductible in computing taxable income.

Eligibility for Investment

The Stingray Shares, when issued at the Effective Time, will be "qualified investments" under the Tax Act and the Regulations for a trust governed by a "registered retirement savings plan" ("**RRSP**"), a "registered retirement income fund" ("**RRIF**"), a "tax-free savings account" ("**TFSA**"), a "registered education savings plan" ("**RESP**"), a "deferred profit sharing plan" and a "registered disability savings plan" ("**RDSP**") (as those terms are defined in the Tax Act) at that time, provided that the Stingray Shares are listed on a "designated stock exchange" as defined for purposes of the Tax Act (which currently includes the TSX) or Stingray is a "public corporation" as defined in the Tax Act.

Notwithstanding that the Stingray Shares may be qualified investments for a TFSA, RESP, RDSP, RRSP or RRIF (a "**Registered Plan**") at the Effective Time, if the Stingray Shares are a "prohibited investment" within the meaning of the Tax Act for a Registered Plan at any time, the holder or annuitant of the Registered Plan, as the case may be, will be subject to penalty taxes as set out in the Tax Act. The Stingray Shares will generally not be a "prohibited investment" for a Registered Plan if the holder or annuitant, as the case may be, (a) deals at arm's length with Stingray for the purposes of the Tax Act, and (b) does not have a "significant interest" (as defined in the Tax Act) in Stingray. In addition, Stingray Shares will not be a "prohibited investment" if the Stingray Shares are "excluded property" (as defined in the Tax Act) for a Registered Plan.

Shareholders should consult their own tax advisors with respect to whether Stingray Shares will be prohibited investments having regard to their particular circumstances.

Holders Not Resident in Canada

This portion of the summary applies to a Holder who, at all relevant times, for the purposes of the Tax Act, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, Shares or Stingray Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere.

Exchange of Shares under the Arrangement and Subsequent Disposition of Stingray Shares

A Non-Resident Holder whose Shares are exchanged for cash and Stingray Shares under the Arrangement will not be subject to tax under the Tax Act on any capital gain realized on the exchange unless the Shares are "taxable Canadian property" of the Non-Resident Holder and are not "treaty-protected property" (as defined in the Tax Act) of the Non-Resident Holder at the Effective Time. Similarly, any capital gain realized by a Non-Resident Holder on a disposition or deemed disposition of any Stingray Shares acquired under the Arrangement will not be subject to tax under the Tax Act unless Stingray Shares are taxable Canadian property and are not treaty-protected property of the Non-Resident Holder at the time of disposition.

Generally, a Share or a Stingray Share, as the case may be, will not be taxable Canadian property of a Non-Resident Holder at a particular time provided that the share is listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX) unless, at any time during the 60-month period immediately preceding the disposition: (a) the Non-Resident Holder, any one or more other persons with whom the Non-Resident Holder does not deal at arm's length, any partnership in which the Non-Resident Holder or a non-arm's length person holds a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with such persons or partnerships, held or had rights to acquire 25% or more of the issued shares of any class or series in the capital of the Corporation or Stingray, respectively; and (b) more than 50% of the fair market value of the share was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource

properties (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists).

Notwithstanding the foregoing, in certain other circumstances a Share or a Stingray Share could be deemed to be taxable Canadian property for the purposes of the Tax Act. Non-Resident Holders should consult their own tax advisors in this regard.

A Share or a Stingray Share that is taxable Canadian property of a Non-Resident Holder, may nevertheless be treaty-protected property of the Non-Resident Holder at the time of disposition (which time includes the Effective Time) for purposes of the Tax Act, if the capital gain from the disposition of that share would, because of an applicable income tax treaty to which Canada is a signatory, be exempt from tax under the Tax Act. Non-Resident Holders should consult their own tax advisors in this regard.

The tax consequences to a Non-Resident Holder who disposes of a Share or a Stingray Share, as the case may be, that is taxable Canadian property and is not treaty-protected property will be similar to those of a Resident Holder as described above under "*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Exchange of Shares under the Arrangement*", and the taxation of any capital gain then realized will generally be as described above under "*Canadian Federal Income Tax Considerations - Holders Resident in Canada - Taxation of Capital Gains and Capital Losses*".

The Arrangement does not permit a Shareholder to file a joint election under section 85 of the Tax Act.

Dividends on Stingray Shares

Dividends paid or credited on Stingray Shares to a Non-Resident Holder generally will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the dividend, unless the rate is reduced under the provisions of an applicable income tax treaty to which Canada is a signatory. Stingray will be required to withhold the required amount of withholding tax from the dividend, and to remit it to the CRA for the account of the Non-Resident Holder.

Dissenting Non-Resident Holders

A Non-Resident Dissenter who is entitled to be paid the fair market value of their Shares in accordance with the Arrangement may realize a capital gain or capital loss generally as discussed above under "*Canadian Federal Income Tax Considerations - Holders Resident in Canada – Dissenting Resident Holders*". As discussed above under "*Canadian Federal Income Tax Considerations - Holders Not Resident in Canada – Exchange of Shares under the Arrangement and Subsequent Disposition of Stingray Shares*", any resulting capital gain would only be subject to tax under the Tax Act if Shares are taxable Canadian property of the Non-Resident Holder at the Effective Time and are not treaty-protected property of the Non-Resident Holder at that time.

An amount paid in respect of interest awarded by the Court to a Non-Resident Dissenter will not be subject to Canadian withholding tax.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Interests of Certain Persons or Companies in the Arrangement

Management of the Corporation is not aware of a material interest, direct or indirect, by way of beneficial ownership of Shares or otherwise, of any director or officer of the Corporation at any time since the beginning of the Corporation's last financial year, or of any associate or affiliate of any such person, in any matter to be acted upon at the Meeting, except that Robert G. Steele is a member of the board of directors of Stingray. Also see section entitled "*Certain Legal and Regulatory Matters - Securities Laws - Collateral Benefit*".

Ownership of Securities

As of the date of this Circular, the directors and senior officers of the Corporation, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, approximately 0.6% of the Common Shares and 10.8% of the Class A

Shares. All Shares held by the directors, officers and other insiders of the Corporation will be treated identically and in the same manner under the Arrangement as Shares held by any other Shareholder.

The following outlines for Harry R. Steele (former Chairman of the Corporation) and each director and senior officer of the Corporation, the number and percentage of Shares beneficially owned, controlled or directed by such director and/or senior officer:

Director or Senior Officer[(1)]	**Class A Shares**		**Common Shares**		**Options**	
	#	**%**	**#**	**%**	**#**	**In-the-money value**
Harry R. Steele[(2)]	17,047,836	79.2	3,658,602	97.1	750,000	$9,036,000
Michael C. MacDonald, Director	480,000	2.2	–	–	30,000	$248,100
Allen F. MacPhee, Director	260,000	1.2	–	–	30,000	$157,500
David I. Matheson, Q.C. Director	35,679	0.2	–	–	30,000	$248,100
John R. Steele, Director	600,650	2.8	1,500	–	45,000	$543,600
Robert G. Steele, Chairman, President and Chief Executive Officer	881,754	4.1	21,000	0.6	450,000	$5,062,800
Donald J. Warr, FCPA, FCA Director	26,952	0.1	–	–	60,000	$732,000
Ian S. Lurie, Chief Operating Officer	8,664	–	–	–	100,000	$506,000
Scott G.M. Weatherby, Chief Financial Officer and Corporate Secretary	38,993	0.2	–	–	310,000	$3,374,200

Notes:

(1) Other senior officers collectively own or control less than 1% of the outstanding Shares of any class, and hold in aggregate 60,000 Options with an in-the-money value of $510,300.

(2) Includes the Shares registered to JCSNCC Holdings Limited that are beneficially owned by the spouse of Harry R. Steele. See "*Information Regarding Organization and Conduct of Meeting - Voting Securities and Principal Holders Thereof*".

Pursuant to the Arrangement, Options will be deemed vested, cancelled and will be paid out to Optionholders in cash the in-the-money value. All Options listed in the table above were already fully vested except 15,000 Options held by Allen F. MacPhee with an in-the-money value of $78,750 and 25,000 Options held by Ian S. Lurie with an in-the-money value of $126,500.

Insurance and Indemnification of Directors and Officers

Pursuant to the Arrangement Agreement, the Corporation has agreed to purchase, from and after the Effective Date, customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Corporation which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date. Stingray has agreed to, or cause the Corporation to, maintain such tail policies in effect without any

reduction in scope or coverage for six (6) years from the Effective Date, in accordance with the terms of the Arrangement Agreement.

In addition, the Corporation has agreed to indemnify directors and executive officers.

LEGAL MATTERS

Certain Canadian legal matters in connection with the Arrangement will be passed upon by Stewart McKelvey on behalf of the Corporation. As of the date hereof, the partners and associates of Stewart McKelvey as a group beneficially owned, directly or indirectly, less than one percent of the Shares.

OTHER INFORMATION

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Security-holders may also request copies of the Corporation's consolidated financial statements and Management's Discussion and Analysis by contacting the Corporate Secretary at the executive office, 8 Basinview Drive, Dartmouth, Nova Scotia, B3B 1G4, telephone (902) 468-7557. The above documents, as well as the Corporation's news releases and its Code of Business Conduct and Ethics, are also available on the Corporation's website (www.ncc.ca).

Financial information relating to the Corporation is provided in the Corporation's comparative audited consolidated financial statements and Management's Discussion and Analysis for its most recently completed financial year.

Approval of Circular

UNLESS OTHERWISE INDICATED THE INFORMATION HEREIN IS GIVEN AS OF MAY 23, 2018. THE CONTENTS OF AND THE SENDING OF THIS CIRCULAR HAVE BEEN APPROVED AND AUTHORIZED BY THE DIRECTORS.

BY ORDER OF THE BOARD

SCOTT G.M. WEATHERBY
CHIEF FINANCIAL OFFICER AND CORPORATE SECRETARY

CONSENT OF FINANCIAL ADVISOR

To: The Board of Directors of the Corporation

We refer to the written opinion of our firm dated May 1, 2018 (the "**Fairness Opinion**") which we prepared for the Special Committee of the Board of Directors of the Corporation in connection with the transaction involving the Corporation, Stingray and Acquisitionco described in the Circular. We consent to the inclusion of the Fairness Opinion and a summary thereof in the Circular and to the use of our name in the Circular.

We have read the Circular, and we have no reason to believe that there are any misrepresentations in the information contained in the Circular that are derived from the Fairness Opinion or within our knowledge as a result of the services we provided in connection with the Fairness Opinion.

In providing our consent, we do not intend or permit that any person, other than the Board of Directors of the Corporation, shall rely on the Fairness Opinion which remains subject to the analyses, assumptions, limitations and qualifications contained therein.

/s/ *"Blair Franklin Capital Partners Inc."*
Blair Franklin Capital Partners Inc.
May 23, 2018

Appendix A

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Glossary

Unless the context otherwise requires, when used in this Circular the following terms shall have the meanings set forth below, words importing the singular number shall include the plural and vice versa, and words importing any gender shall include all genders. Unless otherwise indicated, these defined terms are not used in the schedules included herein.

"**2017 AIF**" has the meaning ascribed thereto in the section of this Circular entitled "*Certain Information Pertaining to Stingray – Documents Incorporated by Reference*";

"**2017 MD&A**" has the meaning ascribed thereto in the section of this Circular entitled "*Certain Information Pertaining to Stingray – Documents Incorporated by Reference*";

"**Acquisitionco**" means 10643432 Canada Inc., and its successors and assigns;

"**Acquisition of Control**" means the acquisition by Stingray or Acquisitionco of control of the voting shares or partnership interests of the Corporation or any of its Subsidiaries or any entity within the Corporation group or in any joint venture holding any of the CRTC Licences;

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement, any written or oral offer, proposal, public announcement, inquiry or request for discussions or negotiations from any person or group of persons (other than Stingray and Acquisitionco) relating to (a) any direct or indirect acquisition or purchase (or any lease, long-term supply agreement or other arrangement having the same economic effect as a purchase), in a single transaction or a series of related transactions, of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue or EBITDA of the Corporation and its Subsidiaries or 20% or more of the voting or equity securities (or rights or interests therein or thereto) of the Corporation or any of its Subsidiaries whose assets or revenues, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenue or EBITDA of the Corporation and its Subsidiaries; (b) any direct or indirect take-over bid, issuer bid, exchange offer, treasury issuance or other similar transaction that, if consummated, would cause a person or group of persons to exceed beneficially owning 20% or more of any class of voting or equity securities (in terms of number of securities or voting power calculated on a non-diluted basis) or any other equity interests (including securities convertible into or exercisable or exchangeable for equity interests) of the Corporation or any of its Subsidiaries whose assets or revenues or EBITDA, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenue or EBITDA of the Corporation and its Subsidiaries; or (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or any other similar transaction or series of transactions involving the Corporation or any of its Subsidiaries whose assets or revenues or EBITDA, individually or in the aggregate, represent 20% or more of the consolidated assets or contribute 20% or more of the consolidated revenue or EBITDA of the Corporation and its Subsidiaries, provided that neither a Permitted Transfer nor an acquisition directly or indirectly of Shares by a Control Person shall constitute an Acquisition Proposal (under this paragraph "Control Person" means a control person as defined under the *Securities Act* (Ontario) in the Corporation as of the date of the Arrangement Agreement);

"**allowable capital loss**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*"

"**ARC**" means an advance ruling certificate issued by the Commissioner of Competition under section 102(1) of the Competition Act in respect of the transactions contemplated by the Arrangement Agreement;

"**Arrangement**" means an arrangement of the Corporation under the provisions of section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order (provided that any such amendment or variation is acceptable to Stingray, Acquisitionco and the Corporation, each acting reasonably);

"**Arrangement Agreement**" means the definitive arrangement agreement dated May 2, 2018 by and between the Corporation, Stingray and Acquisitionco, including (unless the context requires otherwise) the schedules thereto, together with the disclosure documentation reviewed by both Parties prior to execution, which may be amended, supplemented or otherwise modified from time to time in accordance with the Arrangement Agreement. A copy of which is available under the Corporation's profile on SEDAR at www.sedar.com;

"**Arrangement Resolution**" means the special resolution of the Shareholders of the Corporation approving the Arrangement to be considered at the Meeting substantially in the form of Appendix B to this Circular;

"**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement required under section 192(6) of the CBCA to be filed with the Director after the Final Order has been granted, giving effect to the Arrangement;

"B2B" means Business to business;

"**BDU**" means a broadcasting distribution undertaking;

"**Board**" means the board of directors of the Corporation;

"**Break Fee**" and "**Reverse Break Fee**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – Arrangement Agreement – Break Fee and Reverse Break Fee*";

"**Broadcasting Legislation**" means the *Broadcasting Act* (Canada) and all orders, decisions, notices, policies, circulars, and binding guidelines issued thereunder or pursuant thereto;

"**Business Day**" means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Toronto, Ontario, Halifax, Nova Scotia and Montréal, Québec are open for the conduct of business;

"**Cash Consideration**" means $14.75 minus the product of (i) the Share Consideration and (ii) $10.29;

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, and includes the regulations promulgated thereunder;

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to section 192(7) of the CBCA in respect of the Articles of Arrangement;

"**Circular**'' means, collectively, the Corporation's Notice of the Meeting and this management information circular, including all schedules, appendices and exhibits thereto and enclosures therewith, to be sent to the Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time;

"**Class A Shares**" means the Class A subordinate voting shares of the Corporation;

"**Collectives**" has the meaning ascribed thereto in the section of this Circular entitled "*Risk Factors*";

"**Commissioner of Competition**" means the Commissioner under the Competition Act or his designee;

"**Common Shares**" means the Class B common shares of the Corporation;

"**Competition Act**" means the *Competition Act* (Canada), as amended, and includes the regulations promulgated thereunder;

"**Competition Act Approval**" means (a) the issuance of an ARC, (b) the parties have given the notice required under section 114 of the Competition Act with respect to the transactions contemplated by the Arrangement Agreement and the applicable waiting period under section 123 of the Competition Act shall have expired or been waived in accordance with the Competition Act, or (c) the obligation to submit a notification shall have been waived pursuant to paragraph 113(c) of the Competition Act, and in the case of (b) or (c), the Commissioner of Competition shall have issued a No-Action Letter;

"**Concurrent Private Placement**" means Stingray's private placement with CDP Investissements inc., a wholly-owned subsidiary of Caisse de dépôt et placement du Québec, pursuant to which CDP Investissements inc. has agreed to purchase an aggregate of 3,846,100 subscription receipts of Stingray at a price of $10.40 per subscription receipt which Stingray will complete concurrently with the completion of the Offering'

"**Consideration**" means, in respect of each Share, or, if applicable, each share of a Qualifying Holdco: (i) the Share Consideration; and (ii) the Cash Consideration;

"**Corporation**" means Newfoundland Capital Corporation Limited, and its successors and assigns;

"**Court**" means the Supreme Court of Nova Scotia;

"**CRA**" means the Canada Revenue Agency;

"**CRTC**" means the Canadian Radio-television and Telecommunications Commission;

"**CRTC Approval**" means the CRTC Substantive Approval and, if applicable, the CRTC Reorganization Approval;

"**CRTC Direction**" the direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the Broadcasting Legislation;

"**CRTC Licences**" means the licences issued by the CRTC in favour of the Corporation and its Subsidiaries;

"**CRTC Reorganization Approval"** means any approvals of the CRTC that may be required in connection with a Pre-Closing Reorganization;

"**CRTC Substantive Approval**" means the approval of the CRTC of the Acquisition of Control";

"**Demand for Payment**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – Dissent Rights*";

"**Depositary**" means AST Trust Company (Canada) or any trust company, bank or financial institution agreed to in writing between Stingray and the Corporation for the purpose of, among other things, effecting the exchange of certificates representing Shares for the Consideration;

"**Director**" means the Director appointed under Section 260 of the CBCA;

"**Disclosure Letter**" means the disclosure letter delivered by the Corporation to Stingray and Acquisitionco contemporaneously with the execution and delivery of the Arrangement Agreement;

"**Dissent Notice**" means a written objection to the Arrangement Resolution sent to the Corporation in accordance with the Dissent Rights;

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

"**Dissenting Shareholder**" means a registered holder of Shares who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Shares in respect of which Dissent Rights are validly exercised by such registered holder of Shares;

"**Dissenting Shares**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – Dissent Rights*";

"**EBITDA**" has the meaning specified in the Corporation's Management's Discussion and Analysis for the year ended December 31, 2017;

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

"**Effective Time**" means 12:01 a.m. (Halifax time) on the Effective Date, or such other time as Stingray, Acquisitionco and the Corporation agree to in writing before the Effective Date;

"**Fairness Opinion**" means the opinion of the Financial Advisor to the effect that, as of the date of such opinion, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders;

"**Final Order**" means the order of the Court approving the Arrangement under section 192 of the CBCA, in a form acceptable to the Corporation, Stingray and Acquisitionco, each acting reasonably, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of the Corporation, Stingray and Acquisitionco, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to the Corporation, Stingray and Acquisitionco, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Financial Advisor**" means Blair Franklin Capital Partners Inc.;

"**Holdco Alternative**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – Holdco Alternative*";

"**Holdco Election Date**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – Holdco Alternative*";

"**Holder**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations*";

"**IFRS**" means International Financial Reporting Standards;

"**Interim Order**" means the interim order of the Court dated May 16, 2018, as the same may be amended, modified, supplemented or varied by the Court with the consent of the Corporation, Stingray and Acquisitionco, each acting reasonably, providing for, among other things, the calling and holding of the Meeting;

"**Law**" means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, by-laws, rules, regulations, ordinances, or other requirements of any Regulatory Authority having the force of law;

"**Letter of Intent**" means the letter agreement dated April 24, 2018 between the Corporation and Stingray;

"**Letter of Transmittal**" means, as applicable, the letter of transmittal and election form provided by the Corporation to Shareholders in connection with the Arrangement, or the letter of transmittal and election form to be provided to Qualifying Holdco Shareholders who have elected the Holdco Alternative;

"**Locked-Up Shareholders**" means the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, and each of the directors of the Corporation and each member of the Steele family who are Shareholders and who have agreed to vote in favour of the Arrangement Resolution all of the Shares held or controlled by them, subject to the terms and conditions of the applicable Support Agreements;

"**Match Period**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – Arrangement Agreement – Consideration of Acquisition Proposals*";

"**Meeting**" means the special meeting of the Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution and all other matters requiring approval pursuant to the terms and conditions of the Arrangement Agreement or the Interim Order;

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

"**misrepresentation**" has the meaning set out in the Securities Act;

"**New Credit Facilities**" means Stingray's new credit facilities from National Bank Financial Inc. in an aggregate amount of $450 million;

"**NI 54-101**" means National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

"**No-Action Letter**" means that the Commissioner of Competition has advised Stingray and Acquisitionco (directly or through their counsel) in writing that he does not, at that time, intend to make an application under the merger provisions of Competition Act in respect of the transactions contemplated by the Arrangement Agreement;

"**NOBOs**" has the meaning ascribed thereto in the section of this Circular entitled "*Information Regarding Organization and Conduct of Meeting – Appointment and Revocation of Proxies – Non-Registered Shareholders*";

"**Non-Registered Shareholder**" means a Shareholder who is not a Registered Shareholder;

"**Non-Resident Holder**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Consideration – Holders Not Resident in Canada*";

"**Notice of Meeting**" means the notice to the Shareholders of the Meeting that accompanies this Circular;

"**OBOs**" has the meaning ascribed thereto in the section of this Circular entitled "*Information Regarding Organization and Conduct of Meeting – Appointment and Revocation of Proxies – Non-Registered Shareholders*";

"**Offering**" means the distribution by short form prospectus of 7,981,000 subscription receipts of Stingray at a price of $10.40 per subscription receipt;

"**Offer to Pay**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – Dissent Rights*";

"**Optionholders**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – The Arrangement – Arrangement Steps*";

"**Options**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – The Arrangement – Arrangement Steps*";

"**Outside Date**" means May 2, 2019 or such later date as may be provided in Section 9(c) of the Arrangement Agreement or as the parties may otherwise agree in writing;

"**party**" means a party to the Arrangement Agreement and "**parties**" means all of the parties to the Arrangement Agreement;

"**Permitted Transfer**" means a transfer of Shares made (a) by way of gratuitous donation directly or indirectly to any trust exclusively for the benefit of the owner or the owner's spouse, direct descendants (including legally adopted children) or direct ascendants, (b) directly or indirectly to any of the owner, the owner's spouse, direct descendants (including legally adopted children) or direct ascendants, or (c) by way of bequest or inheritance upon the death of the owner to his or her executors, administrators, testamentary trustees, legatees or beneficiaries;

"**person**" means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

"**Plan of Arrangement**" means the plan of arrangement of the Corporation, substantially in the form of Appendix C, and any amendments or variations thereto made in accordance with the Arrangement Agreement and the Plan of Arrangement or upon the direction of the Court in the Final Order with the prior written consent of Stingray, Acquisitionco and the Corporation, each acting reasonably;

"**Pre-Closing Reorganization**" means such transactions, requested by Stingray or Acquisitionco, that the Corporation shall implement, or cause each of its Subsidiaries to implement, to effect such corporate, tax and legal reorganizations of the Corporation or its Subsidiaries business, operations and assets or such other transactions as Stringray or Acquisitionco may request;

"**Proposed Amendments**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations*";

"**Qualifying Holdco**" means a corporation for which the Qualifying Holdco Shareholders elect to sell all (but not less than all) of the issued shares of such corporation subject to the terms of the Arrangement Agreement;

"**Qualifying Holdco Shareholders**" has the meaning ascribed thereto in the section of this Circular entitled "*The Arrangement – Holdco Alternative*";

"**Registered Plan**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investments*";

"**Regulations**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations*";

"**Regulatory Approvals**" means those sanctions, rulings consents, orders, clearances, exemptions, permits and other approvals (including the waiver or lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objecting being made) of Regulatory Authorities, including the CRTC Approval and the Competition Act Approval, that are required to be obtained in connection with the transactions contemplated by the Arrangement Agreement;

"**Regulatory Authority**" means any (a) multinational, federal, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, office, Crown corporation, commission, commissioner, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body, including any tribunal, commission, stock exchange (including the TSX), regulatory agency or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**Related Party**" in respect of a person means any "related party" of such person, or any "associated entity" of a "related party" of such person, as those terms are defined in MI 61-101;

"**Required Shareholder Approval**" means approval of the Arrangement Resolution which will require the affirmative vote of not less than 66 2/ 3% of the votes cast by the Shareholders present in person or represented by proxy at the Meeting;

"**Resident Dissenter**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations – Holders Resident in Canada –Dissenting Resident Holders*";

"**Resident Holder**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations – Holders Resident in Canada*";

"**RRIF**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investments*";

"**RRSP**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investments*";

"**Section 3(a)(10) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act;

"**Securities Act**" means the *Securities Act* (Ontario), as amended, and the rules and regulations promulgated thereunder;

"**Securities Laws**" means the Securities Act, together with all other applicable provincial Securities Laws, rules and regulations and published policies thereunder in Canada;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Share Consideration**" means the number of Stingray Shares obtained by dividing 3,887,945 by the number of Shares outstanding on the Effective Date;

"**Shareholders**" means the holders of Shares and, where the circumstances require, Qualifying Holdco Shareholders, if any, in respect of Qualifying Holdcos;

"**Shares**" means, collectively, the Class A Shares and the Common Shares of the Corporation and, where the circumstances require, the shares of Qualifying Holdcos;

"**Special Committee**" means the committee of the Board comprised of Michael MacDonald, Don Warr and David Matheson (Chair);

"**Stingray**" means Stingray Digital Group Inc., and its successors and assigns;

"**Stingray Shares**" means the Subordinate Voting Shares (or Variable Subordinate Voting Shares, as applicable) of Stingray;

"**Subordinate Voting Shares**" means the subordinate voting shares of Stingray;

"**Superior Proposal**" means an unsolicited *bona fide* written Acquisition Proposal made after the date hereof to acquire all of the Shares or all or substantially all of the assets of the Corporation and its Subsidiaries and (a) that is reasonably capable of being completed without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the party making such Acquisition Proposal; (b) that is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to be available to the satisfaction of the Board, acting in good faith (after consultation with its outside financial advisors and outside legal counsel); (c) that is not subject to a due diligence and/or access condition; (d) that did not result from a breach of Section 7.1 of the Arrangement Agreement; and (e) in respect of which the Board determines in good faith (after consultation with its outside financial advisors and outside legal counsel), taking into account all of the terms and conditions of such Acquisition Proposal, would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the Shareholders from a financial point of view than the Arrangement (including any adjustment to the terms and conditions of the Arrangement proposed by Stingray and Acquisitionco pursuant to Section 7.3(c) of the Arrangement Agreement);

"**Support Agreements**" means, collectively, the voting support agreements dated as of May 2, 2018 between Stingray, Acquisitionco and each of the Locked-Up Shareholders;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended;

"**taxable capital gain**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*";

"**TFSA**" has the meaning ascribed thereto in the section of this Circular entitled "*Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investments*";

"**Transfer Agent**" means AST Trust Company (Canada).

"**TSX**" means the Toronto Stock Exchange;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"**U.S. Exchange Act**" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same has been and hereinafter from time to time may be amended;

"U.S. GAAP" means generally accepted accounting principles of the United States;

"**U.S. Holder**" means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation (or an entity taxable as a corporation) created or organized under the law of the United States, any state thereof or the District of Columbia, (iii) an estate, the income of which is subject to U.S. federal income tax without regard to its source, or (iv) a trust if (1) a

court within the United States is able to exercise primary supervision over the administration of the trust, and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (2) the trust has an election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

"**U.S. Securities Act**" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same has been and hereinafter from time to time may be amended; and

"**Variable Subordinate Voting Shares**" means the variable subordinate voting shares of Stingray.

Appendix B

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Arrangement Resolution

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

(a) The arrangement (as it may be modified or amended, the "**Arrangement**") under Section 192 of the *Canada Business Corporations Act* ("**CBCA**") involving the Corporation and its shareholders, all as more particularly described and set forth in the plan of arrangement (as it may be modified or amended, the "**Plan of Arrangement**") attached as Appendix C to the Management Information Circular of Newfoundland Capital Corporation Limited (the "**Corporation**") dated May 23, 2018, is hereby authorized, approved and agreed to.

(b) The Arrangement Agreement dated as of May 2, 2018 between the Corporation, Stingray Digital Group Inc. and 10643432 Canada Inc., as it may be modified or amended from time to time (the "**Arrangement Agreement**"), the actions of the directors of the Corporation in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement and causing the performance by the Corporation of its obligations thereunder are hereby confirmed, ratified, authorized and approved.

(c) The Corporation be and is hereby authorized to apply for a final order from the Supreme Court of Nova Scotia (the "**Court**") to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended in accordance with the Arrangement Agreement and the Plan of Arrangement).

(d) Notwithstanding that this resolution has been passed (and the Arrangement approved and agreed to) by shareholders of the Corporation or that the Arrangement has been approved by the Court, the directors of the Corporation are hereby authorized and empowered without further approval of any shareholders of the Corporation (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or Plan of Arrangement and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

(e) Any one director or officer of the Corporation is hereby authorized and directed for an on behalf of the Corporation to make an application to the Court for an order approving the Arrangement and to execute, under the corporate seal of the Corporation or otherwise, and to deliver or case to be delivered, for filing with the Director under the CBCA, articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

(f) Any one director or officer of the Corporation is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person's opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.

Appendix C

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Plan of Arrangement

See attached.

PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, capitalized terms used but not defined shall have the meanings ascribed thereto in the Arrangement Agreement and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

"**Acquisitionco**" means 10643432 Canada Inc., and its successors and assigns;

"**Arrangement**" means an arrangement of the Company under the provisions of section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 10.1 of the Arrangement Agreement or this Plan of Arrangement or made at the direction of the Court in the Final Order (provided that any such amendment or variation is acceptable to Stingray, Acquisitionco and the Company, each acting reasonably);

"**Arrangement Agreement**" means the arrangement agreement, including all schedules annexed thereto, dated as of May 2, 2018 between Stingray, Acquisitionco and the Company, as amended, supplemented or otherwise modified from time to time in accordance with its terms;

"**Arrangement Resolution**" means the special resolution of the Shareholders of the Company approving the Arrangement to be considered at the Meeting;

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement required under section 192(6) of the CBCA to be filed with the Director after the Final Order has been granted, giving effect to the Arrangement;

"**Business Day**" means a day, other than a Saturday or a Sunday, on which the principal commercial banks located in Halifax, Nova Scotia, Toronto, Ontario and Montréal, Québec are open for the conduct of business;

"**Cash Consideration**" means $14.75 minus the product of (i) the Share Consideration and (ii) $10.29;

"**CBCA**" means the ***Canada Business Corporations Act***, R.S.C. 1985, c. C-44;

"**Certificate of Arrangement**" means the Certificate of arrangement to be issued by the Director pursuant to section 192(7) of the CBCA in respect of the Articles of Arrangement.

"**Circular**" means the Company's notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto and enclosures

therewith, to be sent to the Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time;

"**Class A Shares**" means the Class A Subordinate Voting Shares of the Company;

"**Common Shares**" means the Class B Common Shares of the Company;

"**Company**" means Newfoundland Capital Corporation Limited, and its successors and assigns;

"**Consideration**" means, in respect of each Share, or, if applicable, each share of a Qualifying Holdco: (i) the Share Consideration; and (ii) the Cash Consideration;

"**Court**" means the Supreme Court of Nova Scotia;

"**Depositary**" means AST Trust Company (Canada) or such other depositary as Stingray, Acquisitionco and the Company may agree to in writing;

"**Director**" means the Director appointed pursuant to section 260 of the CBCA;

"**Dissent Rights**" has the meaning set out in Section 3.1;

"**Dissenting Shareholder**" means a registered holder of Shares who has validly exercised his, her or its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Shares in respect of which Dissent Rights are validly exercised by such holder;

"**Effective Date**" means the date shown on the Certificate of Arrangement;

"**Effective Time**" means 12:01 a.m. (Halifax time) on the Effective Date, or such other time as Stingray, Acquisitionco and the Company agree to in writing before the Effective Date;

"**Encumbrance**" includes any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, adverse claim, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"**Final Order**" means the order of the Court approving the Arrangement under section 192 of the CBCA, in a form acceptable to the Company, Stingray and Acquisitionco, each acting reasonably, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of each of the Company, Stingray and Acquisitionco, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to the Company, Stingray and Acquisitionco, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Final Proscription Date**" has the meaning set out in Section 4.3;

"**Interim Order**" means the interim order of the Court contemplated by Section 2.2 of the Arrangement Agreement, in a form acceptable to the Company, Stingray and Acquisitionco, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as the same may be amended, modified, supplemented or varied by the Court with the consent of each of the Company, Stingray and Acquisitionco, each acting reasonably;

“**Letter of Transmittal**” means the letter of transmittal for use by the Shareholders with respect to the Arrangement in the form accompanying the Circular;

“**Meeting**” means the special meeting of the Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution and all other matters requiring approval pursuant to the terms and conditions of this Agreement or the Interim Order;

“**Option Plan**” means the share option plan of the Company;

“**Optionholders**” means holders of the Options;

“**Options**” means the options issued pursuant to the Option Plan;

“**Plan of Arrangement**” means this plan of arrangement of the Company and any amendments or variations thereto made in accordance with Section 10.1 of the Arrangement Agreement and the Plan of Arrangement or upon the direction of the Court, in the Final Order with the prior written consent of Stingray, and Acquisitionco and the Company, each acting reasonably;

"**Qualifying Holdco**" means a corporation that meets the conditions described in Section 2.14 of the Arrangement Agreement;

"**Qualifying Holdco Class A Shares**" means the class A common shares in the capital of a Qualifying Holdco;

"**Qualifying Holdco Common Shares**" means the class B common shares in the capital of a Qualifying Holdco;

"**Qualifying Holdco Shareholder**" means a shareholder of a Qualifying Holdco;

“**Regulatory Authority**” means any (a) multinational, federal, national, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, office, Crown corporation, commission, commissioner, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body, including any tribunal, commission, stock exchange (including the TSX), regulatory agency or self-regulatory organization exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“**Share Consideration**” means the number of Stingray Shares obtained by dividing 3,887,945 by the number of Shares outstanding on the Effective Date;

“**Shareholders**” means the holders of Shares and, where the circumstances require, Qualifying Holdco Shareholders, if any, in respect of Qualifying Holdcos;

“**Shares**” means, collectively, the Class A Shares and the Common Shares of the Company;

“**Stingray**” means Stingray Digital Group Inc., and its successors and assigns;

"**Stingray Shares**" means the subordinate voting shares (or variable subordinate voting shares, as applicable) of Stingray;

"**TSX**" means the Toronto Stock Exchange; and

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.2 Construction

Except as may be otherwise specifically provided in this Plan of Arrangement and unless the context otherwise requires, in this Plan of Arrangement:

(a) the terms "Plan of Arrangement", "this Plan of Arrangement", "the Plan of Arrangement", "hereto", "hereof", "herein", "hereby", "hereunder" and similar expressions refer to this Plan of Arrangement in its entirety and not to any particular provision hereof;

(b) references to an "Article", "Section", or "Schedule" followed by a number or letter refer to the specified Article or Section of or Schedule to this Plan of Arrangement;

(c) the division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement;

(d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;

(e) references to any agreement or document shall be to such agreement or document (together with the schedules and exhibits attached thereto) as it may have been or may hereafter be amended, modified, supplemented, waived or restated from time to time;

(f) if the date on which any action is required to be taken hereunder by the Company, Stingray or Acquisitionco is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day;

(g) references to any legislation or to any provision of any legislation shall include any modification or re-enactment thereof, any legislation provision substituted therefor and all regulations, rules and interpretations issued thereunder or pursuant thereto; and

(h) wherever the term "includes" or "including" is used, it shall be deemed to mean "includes, without limitation" or "including, without limitation", respectively.

1.3 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and "$" refers to Canadian dollars.

1.4 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time (Halifax, Nova Scotia) unless otherwise stipulated herein.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement and forms a part of the Arrangement Agreement. If there is any conflict or inconsistency between the provisions of this Plan of Arrangement and the provisions of the Arrangement Agreement regarding the Arrangement, the provisions of this Plan of Arrangement shall govern.

2.2 Binding Effect

(a) This Plan of Arrangement will become effective at the Effective Time and shall be binding upon Stingray, Acquisitionco, the Company, the Shareholders (including the Dissenting Shareholders), the Optionholders and the Depositary.

(b) Articles of Arrangement shall be filed with the Director with the purpose and intent that none of the provisions of this Plan of Arrangement shall become effective unless all of the provisions of this Plan of Arrangement become effective. The Certificate of Arrangement shall be conclusive evidence that this Plan of Arrangement has become effective and that each of the provisions of Section 2.3 has become effective in the sequence set out therein.

2.3 Arrangement

Commencing at the Effective Time, the following shall occur and shall be deemed to occur in the following sequence, without any further act or formality of or by the Company, Stingray, Acquisitionco or any other person:

(a) as a first step: each outstanding Option shall be deemed to have been fully vested;

(b) as a second step, contemporaneously:

(i) each outstanding Option with an exercise price lower than $14.75 shall be, and shall be deemed to be, irrevocably transferred to the Company (free and clear of all Encumbrances) without any further act or formality and cancelled by the Company and, in consideration for such Option, the Company shall pay to the Optionholder a cash amount equal to $14.75 less the exercise price of such Option;

(ii) each outstanding Option with an exercise price equal to or greater than $14.75 shall be, and shall be deemed to be, irrevocably transferred to the Company (free and clear of all Encumbrances) without any further act or formality and cancelled by the Company without payment or

compensation therefor, and neither the Company nor Stingray nor Acquisitionco nor any other person shall have any further liabilities or obligations to the Optionholders thereof with respect thereto; and

(iii) the Option Plan shall be terminated and none of the Company, Stingray or Acquisitionco shall have any liability in respect thereof;

(c) as a third step, contemporaneously:

(i) each Share held by a Dissenting Shareholder shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of all Encumbrances) without any further act or formality and:

(A) such Dissenting Shareholder shall cease to be the holder of such Shares so transferred and to have any rights as holder of such Shares other than the right to be paid fair value for such Shares by Acquisitionco as set out in Section 3.1;

(B) such Dissenting Shareholder's name shall be removed as the holder of such Shares from the central securities registers of holders of Shares maintained by or on behalf of the Company; and

(C) Acquisitionco shall become the sole legal and beneficial holder of such Shares so transferred (free and clear of all Encumbrances) and shall be entered in the central securities registers of holders of Shares maintained by or on behalf of the Company;

(d) as a fourth step, contemporaneously:

(i) a fraction (equal to the Cash Consideration divided by 14.75) of each issued and outstanding Class A Share (other than those held by a Qualifying Holdco) shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any Encumbrances) without any further act or formality in exchange for the Cash Consideration;

(ii) a fraction (equal to the product of (i) the Share Consideration and (ii) 10.29, divided by 14.75) of each issued and outstanding Class A Share (other than those held by a Qualifying Holdco) shall be, and shall be deemed to be, irrevocably transferred to Stingray (free and clear of any Encumbrances) without any further act or formality in exchange for the Share Consideration and:

(A) holders of Class A Shares who are "Canadian" within the meaning of a direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the ***Broadcasting Act*** (Canada) will receive subordinate voting shares of Stingray; and

(B) holders of Class A Shares who are not "Canadian" within the meaning of a direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the ***Broadcasting Act*** (Canada) will receive variable subordinate voting shares of Stingray;

(iii) Acquisitionco and Stingray shall be added to the securities register maintained by or on behalf of the Company in respect of Class A Shares (other than those held by a Qualifying Holdco) showing Acquisitionco and Stingray as the sole legal and beneficial owners of Class A Shares free and clear of all Encumbrances;

(iv) a fraction (equal to the Cash Consideration divided by 14.75) of each issued and outstanding Common Share (other than those held by a Qualifying Holdco) shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any Encumbrances) without any further act or formality in exchange for the Cash Consideration;

(v) a fraction (equal to the product of (i) the Share Consideration and (ii) 10.29, divided by 14.75) of each issued and outstanding Common Share (other than those held by a Qualifying Holdco) shall be, and shall be deemed to be, irrevocably transferred to Stingray (free and clear of any Encumbrances) without any further act or formality in exchange for the Share Consideration and:

(A) holders of Common Shares who are "Canadian" within the meaning of a direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the ***Broadcasting Act*** (Canada) will receive subordinate voting shares of Stingray; and

(B) holders of Common Shares who are not "Canadian" within the meaning of a direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the ***Broadcasting Act*** (Canada) will receive variable subordinate voting shares of Stingray;

(vi) Acquisitionco and Stingray shall be added to the securities register maintained by or on behalf of the Company in respect of Common Shares (other than those held by a Qualifying Holdco) showing Acquisitionco and Stingray as the sole legal and beneficial owners of Common Shares free and clear of all Encumbrances;

(vii) with respect to each Class A Share and Common Share, each former Shareholder shall cease to be a registered or beneficial holder of Class A Shares (other than those held by a Qualifying Holdco) and Common Shares (other than those held by a Qualifying Holdco) and the name of

such holder shall be removed from the securities registers maintained by or on behalf of the Company;

(viii) a fraction (equal to the Cash Consideration divided by 14.75) of each issued and outstanding Qualifying Holdco Class A Shares of each Qualifying Holdco shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any Encumbrances) without any further act or formality in exchange for the Cash Consideration;

(ix) a fraction (equal to the product of (i) the Share Consideration and (ii) 10.29, divided by 14.75) of each issued and outstanding Qualifying Holdco Class A Shares of each Qualifying Holdco shall be, and shall be deemed to be, irrevocably transferred to Stingray (free and clear of any Encumbrances) without any further act or formality in exchange for the Share Consideration and:

(A) Qualifying Holdco Shareholders who are "Canadian" within the meaning of a direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the ***Broadcasting Act*** (Canada) will receive subordinate voting shares of Stingray; and

(B) Qualifying Holdco Shareholders who are not "Canadian" within the meaning of a direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the ***Broadcasting Act*** (Canada) will receive variable subordinate voting shares of Stingray;

(x) Acquisitionco and Stingray shall be added to the securities register maintained by or on behalf of the Qualifying Holdco in respect of Qualifying Holdco Class A Shares showing Acquisitionco and Stingray as the sole legal and beneficial owners of the Qualifying Holdco Class A Shares free and clear of all Encumbrances;

(xi) each Qualifying Holdco Shareholder shall cease to be a registered or beneficial holder of Qualifying Holdco Class A Shares and the name of such holder shall be removed from the securities registers maintained by or on behalf of the Qualifying Holdco;

(xii) a fraction (equal to the Cash Consideration divided by 14.75) of each issued and outstanding Qualifying Holdco Common Shares of each Qualifying Holdco shall be, and shall be deemed to be, irrevocably transferred to Acquisitionco (free and clear of any Encumbrances) without any further act or formality in exchange for the Cash Consideration;

(xiii) a fraction (equal to the product of (i) the Share Consideration and (ii) 10.29, divided by 14.75) of each issued and outstanding Qualifying Holdco Common Shares of each Qualifying Holdco shall be, and shall be deemed to be, irrevocably transferred to Stingray (free and clear of any

Encumbrances) without any further act or formality in exchange for the Share Consideration and:

(A) Qualifying Holdco Shareholders who are "Canadian" within the meaning of a direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the ***Broadcasting Act*** (Canada) will receive subordinate voting shares of Stingray; and

(B) Qualifying Holdco Shareholders who are not "Canadian" within the meaning of a direction from the Governor in Council of Canada to the Canadian Radio-television and Telecommunications Commission pursuant to the authority contained in the ***Broadcasting Act*** (Canada) will receive variable subordinate voting shares of Stingray;

(xiv) Acquisitionco and Stingray shall be added to the securities register maintained by or on behalf of the Qualifying Holdco in respect of Qualifying Holdco Common Shares showing Acquisitionco and Stingray as the sole legal and beneficial owners of the Qualifying Holdco Common Shares free and clear of all Encumbrances; and

(xv) each Qualifying Holdco Shareholder shall cease to be a registered or beneficial holder of Qualifying Holdco Common Shares and the name of such holder shall be removed from the securities registers maintained by or on behalf of the Qualifying Holdco.

Each holder of each Class A Share, Common Share, Qualifying Holdco Class A Share, Qualifying Holdco Common Share and Option, with respect to each step set out above applicable to such holder, shall be deemed, at the time such step occurs, to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer such Class A Share, Common Share, Qualifying Holdco Class A Share, Qualifying Holdco Common Share and Option in accordance with such step.

2.4 No Fractional Shares and Rounding of Cash Consideration

(a) In no event shall a Shareholder be entitled to a fractional Stingray Share. Where the aggregate number of Stingray Shares to be issued to a Shareholder pursuant to Section 2.3 would result in a fraction of a Stingray Share being issuable, (i) the number of Stingray Shares to be received by such Shareholder shall be rounded down to the nearest whole Stingray Share, and (ii) such Shareholder shall receive a cash payment (rounded down to the nearest cent) equal to the product of (A) $10.29 and (B) the fractional share amount.

(b) If the aggregate cash amount which a Shareholder is entitled to receive pursuant to Section 2.3 would otherwise include a fraction of $0.01, then the aggregate cash amount to which such Shareholder shall be entitled to receive shall be rounded up to the nearest whole $0.01.

2.5 U.S. Securities Laws

The Arrangement shall be structured such that, assuming the Final Order is obtained, the issuance of the Stingray Shares under the Arrangement will not require registration under the U.S. Securities Act in reliance on Section 3(a)(10) thereof.

2.6 Fully Paid Shares

All Stingray Shares issued pursuant to this Plan of Arrangement shall be fully paid and non-assessable, and Stingray shall be deemed to have received the full consideration therefor and as such consideration shall not be cash consideration, any such non-cash consideration shall have a value that is not less in value than the fair equivalent of the cash consideration that Stingray would have received had the applicable shares been issued for cash consideration.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

A registered holder of Shares immediately prior to the Effective Time may exercise rights of dissent ("**Dissent Rights**") in accordance with the procedures set out in section 190 of the CBCA, as modified by this Article 3, the Interim Order and the Final Order, with respect to such Shares in connection with the Arrangement, provided that notwithstanding section 190(5) of the CBCA, the written objection to the Arrangement Resolution contemplated by section 190(5) of the CBCA must be received by the Company by 5:00 p.m. (Halifax time) on the second Business Day immediately prior to the date of the Meeting. Each Dissenting Shareholder who is:

(a) ultimately entitled to be paid fair value for such holder's Shares, which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Final Order becomes effective, shall be deemed to have transferred such holder's Shares to Acquisitionco as of the Effective Time as set out in Section 2.3 hereof, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholder not exercised Dissent Rights in respect of such Shares; or

(b) ultimately not entitled, for any reason, to be paid such fair value for such Shares, shall be deemed to have participated in the Arrangement with respect to such Shares, as of the Effective Time, on the same basis as a holder of Shares to which Section 2.3 hereof applies.

3.2 Recognition of Dissenting Shareholders

(a) In no circumstances shall the Company, Stingray, Acquisitionco or any other person be required to recognize a Dissenting Shareholder as the holder of any Share in respect of which Dissent Rights have been validly exercised at and after the Effective Time, and the names of such Dissenting Shareholders shall be removed from the registers of Shares maintained by or on behalf of the Company as provided in Section 2.3(b).

(b) In addition to any other restrictions under Section 190 of the CBCA, (i) holders of securities convertible for Shares (including Options); and (ii) Shareholders who voted (or have instructed a proxyholder to vote) in favour of the Arrangement Resolution, shall not be entitled to exercise Dissent Rights.

ARTICLE 4
CERTIFICATES AND PAYMENTS

4.1 **Payment of Consideration**

(a) At or before the Effective Time, the Company will deposit or cause to be deposited with the Depositary cash in the aggregate amount sufficient to satisfy the payment obligations contemplated by Section 2.3(b)(i) for applicable Optionholders. Such amount will be held for the purpose of satisfying such obligations. The cash so deposited shall be held in a corporate interest bearing account and any interest earned on such funds will be for the account of the Company or its successors.

(b) At or before the Effective Time, Acquisitionco and Stingray will deposit or cause to be deposited with the Depositary cash and Stingray Shares in the aggregate amount sufficient to satisfy the payment obligations contemplated by Sections 2.3(d)(i), 2.3(d)(ii), 2.3(d)(iv), 2.3(d)(v), 2.3(d)(viii), 2.3(d)(ix), 2.3(d)(xii) and 2.3(d)(xiii) for all Shareholders. Such amount will be held for the purpose of satisfying such obligations. The cash so deposited shall be held in a corporate interest bearing account and any interest earned on such funds will be for the account of Acquisitionco or its successors.

(c) As soon as practicable following the later of the Effective Time and the delivery to the Depositary by or on behalf of a former holder of Shares of a duly completed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, including a certificate which immediately prior to the Effective Time represented the outstanding Shares that were transferred under Section 2.3 and such other documents and instruments as would have been required to effect such transfer under applicable securities transfer legislation, the CBCA and the articles of the Company after giving effect to Section 2.3, the former holder of such Shares (other than Dissenting Shareholders) will be entitled to receive the Consideration which such former holder is entitled to receive pursuant to Section 2.3, less any amounts withheld pursuant to Section 4.5.

(d) From and after the Effective Time, each certificate which immediately prior to the Effective Time represented Shares will be deemed after the time described in Section 2.3 to represent only the right to receive from the Depositary upon such surrender the Consideration in lieu of such certificate as contemplated in Section 4.1(b), or in the case of Dissenting Shareholders who are ultimately determined to be entitled to be paid fair value by Acquisitionco for the Shares in respect of which they have validly exercised Dissent Rights, the fair value of their Shares, less, in each case, any amounts withheld pursuant to Section 4.5.

(e) Subject to Section 4.3, the Company, Stingray and Acquisitionco will cause the Depositary, as soon as practicable following the later of the Effective Time and

the date of deposit by any former holder of Shares of the documentation required pursuant to Section 4.1(b), to:

(i) deliver or cause to be delivered to such former holder of Shares at the address specified in the Letter of Transmittal;

(ii) if requested by such former holder of Shares in the Letter of Transmittal, make available at the offices of the Depositary specified in the Letter of Transmittal for pick-up by such former holder of Shares; or

(iii) if the Letter of Transmittal neither specifies an address as described in Section 4.1(d)(i) nor contains a request as described in Section 4.1(d)(ii), deliver or cause to be delivered to such former holder of Shares at the address of such former holder as shown on the securities registers of the Company maintained by or on behalf of the Company immediately prior to the Effective Time,

a direct registration statement (DRS) representing the Stingray Shares and a cheque in the amount equal to the net cash payment to which such former holder of Shares is entitled to in accordance with the provisions hereof, less any amounts withheld pursuant to Section 4.5.

4.2 Lost Certificates

In the event any certificate, which immediately prior to the Effective Time represented any outstanding Shares that were acquired by Acquisitionco and Stingray pursuant to Section 2.3, has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the former holder of such Shares claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, the Consideration to which such holder is entitled pursuant to Section 2.3. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the former holder of such Shares will, as a condition precedent to the delivery thereof, give a bond satisfactory to the Depositary, Stingray, Acquisitionco and the Company in such sum as Stingray or Acquisitionco may direct or otherwise indemnify Stingray, Acquisitionco and the Company in a manner satisfactory to Stingray, Acquisitionco and the Company against any claim that may be made against Stingray, Acquisitionco or the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Extinction of Rights

If any former holder of Shares fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under Section 4.1 or Section 4.2 in order for such former holder to receive the Consideration which such former holder is entitled to receive pursuant to Section 2.3 on or before the date which is six (6) years after the Effective Date (the "**Final Proscription Date**"), then:

(a) such former holder's interest in the Cash Consideration which such former holder was entitled to receive shall be terminated as of the Final Proscription Date and such Cash Consideration shall be deemed to be owned by Acquisitionco;

(b) the Stingray Shares which such former holder was entitled to receive shall be automatically transferred to Stingray and the direct registration statements (DRS)

representing such Stingray Shares shall be delivered to Stingray by the Depositary for cancellation, and the interest of the former holder in such Stingray Shares to which it was entitled shall be terminated as of the Final Proscription Date; and

(c) any certificate representing Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to Stingray and Acquisitionco and will be cancelled. None of the Company, Stingray or Acquisitionco, or any of their respective successors, will be liable to any person in respect of any cash or Stingray Shares (including any cash or Stingray Shares previously held by the Depositary in trust for any such former holder) which is forfeited to Stingray and Acquisitionco or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

4.4 Dividends or Other Distributions

No dividends or distributions declared or made after the Effective Date with respect to Stingray Shares with a record date after the Effective Date will be payable or paid to the holder of any unsurrendered certificate or certificates which, immediately prior to the Effective Date, represented outstanding Shares unless and until the holder of such certificate shall have complied with the provisions of this Article 4. Subject to applicable Law and to Article 4 hereof, at the time of such compliance, there shall, in addition to the delivery of a direct registration statement (DRS) representing the Stingray Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Date theretofore paid with respect to such Stingray Shares.

4.5 Withholding Rights

Stingray, Acquisitionco, the Company and the Depositary shall be entitled to deduct and withhold from any consideration, dividend or other distribution otherwise payable to any person hereunder or under the Arrangement Agreement such amounts as Stingray, Acquisitionco, the Company or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under Canadian or United States tax laws or any other applicable Law. To the extent that the withheld amount may be reduced, Stingray, Acquisitionco, the Company and the Depositary, as the case may be, each acting reasonably, shall withhold on such lower amount. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes under this Plan of Arrangement or the Arrangement Agreement as having been paid to the person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Regulatory Authority.

ARTICLE 5
AMENDMENTS AND TERMINATION

5.1 Amendments to Plan of Arrangement

(a) The Company, Stingray and Acquisitionco reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification or

supplement must be (i) set out in writing, (ii) approved by Stingray, Acquisitionco and the Company in writing, (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to the Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Meeting (provided that Stingray and Acquisitionco shall have consented thereto in writing) with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Meeting (subject to the requirements of the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only if such amendment, modification or supplement (i) is consented to by each of the Company, Stingray and Acquisitionco, and (ii) if required by the Court, is consented to by the Shareholders voting in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by Stingray or Acquisitionco, provided that it concerns a matter which, in the reasonable opinion of Stingray or Acquisitionco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interests of any former Shareholders.

5.2 Termination

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 6
FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Company, Stingray and Acquisitionco shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

Appendix D

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Interim Order

See attached.

SUPREME COURT
OF NOVA SCOTIA
MAY 16 2018
HALIFAX, N.S.

2018 Hfx No. 476241

SUPREME COURT OF NOVA SCOTIA

BETWEEN:

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

APPLICANT

- and -

ALL HOLDERS OF CLASS A SUBORDINATE VOTING SHARES, CLASS B COMMON SHARES AND OPTIONS TO ACQUIRE CLASS A SUBORDINATE VOTING SHARES OF NEWFOUNDLAND CAPITAL CORPORATION LIMITED, AS OF CLOSE OF BUSINESS ON MAY 23, 2018

RESPONDENTS

SGD
K.C.
J.

INTERIM ORDER

BEFORE THE HONOURABLE JUSTICE Justice Kevin Coady **IN CHAMBERS:**

UPON MOTION made by Newfoundland Capital Corporation Limited (the "**Applicant**") for an Interim Order for advice and directions of this Honourable Court pursuant to Section 192 of the *Canada Business Corporations Act,* R.S.C. 1985, c. C-44, as amended, (the "**CBCA**") in connection with a proposed Arrangement (as defined herein) involving the Applicant, Stingray Digital Group Inc. ("**Stingray**"), 10643432 Canada Inc. ("**Acquisitionco**"), the holders of Class A subordinate voting shares ("**Class A Shares**") and Class B common shares ("**Common Shares**") of the Applicant (the "**Shareholders**") and the holders of options ("**Options**") to acquire Class A Shares (the "**Optionholders**") being heard this day;

AND UPON READING the *Ex Parte* Motion, and the affidavit of Scott G.M. Weatherby sworn May 11, 2018 and the exhibits appended thereto (the "**Affidavit**");

AND UPON HEARING the submissions of Colleen P. Keyes, counsel for the Applicant;

IT IS HEREBY ORDERED THAT:

DEFINITIONS

1. For the purposes of this Interim Order, all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the arrangement agreement dated May 2, 2018 among the Applicant, Stingray and Acquisitionco (the "**Arrangement Agreement**"). The form of the Arrangement Agreement, as filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") on May 9, 2018, which redacts certain information in accordance with applicable securities laws, is attached as **Exhibit A** to the Affidavit.

SPECIAL MEETING

2. The Applicant may call, hold and conduct a special meeting ("**Meeting**") of the Shareholders to be held on Wednesday, June 27, 2018 at Suite 900, 1959 Upper Water Street, Halifax, Nova Scotia, at 10:00 a.m. (Atlantic time) to:

   (a) consider pursuant to the Interim Order and, if thought advisable, to pass, with or without variation, a special resolution ("**Arrangement Resolution**"), which Arrangement Resolution is attached as **Exhibit E** to the Affidavit, to approve the Arrangement and all transactions contemplated therein; and

   (b) transact such other business as may properly come before the Meeting or any adjournment thereof.

3. The Meeting shall be called, held and conducted in accordance with the CBCA, the Notice (as defined below) which shall accompany the Circular (as defined below), and the articles and by-laws of the Applicant, subject to the rulings and directions ordered herein.

4. The Applicant, if it deems advisable, is authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders entitled to vote at such Meeting respecting the adjournment or postponement.

5. Notice of any such adjournment or postponement shall be given by news release, newspaper advertisement or by notice to the Shareholders by one of the methods specified in paragraph 10 of this Interim Order, as determined by the board of directors of the Applicant to be the most appropriate method of providing notice.

RECORD DATE

6. The record date (the "**Record Date**") for determining the Shareholders entitled to receive the Meeting Materials (as defined herein) and entitled to vote at the Meeting shall be the close of business on May 23, 2018.

7. Only the Shareholders whose names appear on the register of Shareholders maintained by AST Trust Company (Canada), the registrar and transfer agent of the Applicant, as at 5:00 p.m. (Atlantic time) on the Record Date will be entitled to receive the Meeting Materials and to vote at the Meeting.

MEETING MATERIALS

8. The following materials (collectively, the "**Meeting Materials**") shall be distributed to the Shareholders and the Optionholders as at the close of business on the Record Date, the directors of the Applicant (the "**Directors**") and to the Applicant's auditor (the "**Auditor**"):

   (a) a notice of Meeting ("**Notice**"), a proxy for use by the holders of Class A Shares (the "**Class A Share Proxy**") and a proxy for use by the holders of Common Shares (the "**Common Share Proxy**" and together with the Class A Share Proxy, the "**Proxies**"), in substantially the same forms as appear in **Exhibit B**, **Exhibit C** and **Exhibit D** to the Affidavit, respectively, (with such amendments, revisions or supplements thereto as counsel for the Applicant may advise are necessary or desirable, provided any such

amendments, revisions or supplements are not inconsistent with the terms of this Interim Order);

(b) a management information circular of the Applicant which shall be prepared in accordance with the CBCA and applicable securities laws (the "**Circular**").

ARRANGEMENT AMENDMENTS

9. The Applicant, Stingray and Acquisitionco are authorized to make such amendments, revisions or supplements to the Arrangement (including the Plan of Arrangement) as they may determine are appropriate, subject to the terms of the Arrangement Agreement and this Interim Order, without any additional notice to the Shareholders or the Optionholders, and the Arrangement as so amended, revised or supplemented, shall be the Arrangement to be submitted to the Meeting and the subject of the Arrangement Resolution.

DISTRIBUTION OF NOTICE MATERIALS

10. A copy of the Notice of Application relating to the Final Application (defined below), a copy of this Interim Order and the Meeting Materials (collectively, the "**Notice Materials**") shall be distributed to the Shareholders, the Optionholders, the Directors and to the Auditor at least twenty-one (21) days prior to the date of the Meeting, excluding the date of distribution and the date of the Meeting, by one or more of the following methods:

(a) in the case of a registered Shareholder or an Optionholder, by prepaid ordinary mail, by courier, or by delivery in person, addressed to the Shareholder or Optionholder at his, her or its last known address as it appears on the registers of the Applicant as at the Record Date;

(b) in the case of a non-registered Shareholder, that is an objecting beneficial owner (as that term is used in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), by providing, at least four (4) business days prior to the twenty-first (21st) day prior to the Meeting, sufficient copies thereof to intermediaries and registered nominees to facilitate the broad distribution thereof to such non-registered Shareholders;

(c) in the case of a non-registered Shareholder that is a non-objecting beneficial owner (as that term is used in NI 54-101), by prepaid ordinary mail, by courier, or by delivery in person, addressed to such non-registered Shareholder at his, her or its last known address as it appears on the non-objecting beneficial owner list (as that term is used in NI 54-101) requested by the Applicant in connection with the Meeting;

(d) in the case of the Directors of the Applicant, by courier or by delivery in person or by facsimile or other electronic means (provided such persons have consented to delivery by facsimile or other electronic means), addressed or transmitted to each director at the address or facsimile number, as applicable, of each director; and

(e) in the case of the Auditor, by courier or by delivery in person or by facsimile or other electronic means (provided that the Auditor consents to delivery by facsimile or other electronic means), addressed or transmitted to the Auditor at the address or facsimile number, as applicable, of the Auditor.

11. The Notice Materials shall be posted on SEDAR at www.SEDAR.com at the same time that the Notice Materials are distributed pursuant to paragraph 10.

12. The Notice Materials shall be deemed, for the purposes of this Interim Order and the application (the "**Final Application**") for the final order (the "**Final Order**") to approve the Arrangement, to have been received on the following timeframes:

    (a) in the case of distribution by prepaid ordinary mail, three (3) business days after delivery thereof to the post office;

    (b) in the case of distribution by courier, one (1) business day after receipt by the courier;

    (c) in the case of distribution by delivery in person, upon receipt thereof by the intended addressee; and

    (d) in the case of distribution by facsimile or other electronic means, upon the transmission thereof.

13. Notice of amendments, updates or supplements to any of the information provided in the Notice Materials may be communicated to the Shareholders and Optionholders by news release, newspaper advertisement or by notice sent to the Shareholders and Optionholders by any of the methods set forth in paragraph 10 above as determined by the Directors to be the most appropriate method of providing notice.

14. Any amendments, updates or supplements to any of the information provided in the Notice Materials will be deemed to have been received within the times provided in paragraph 12, in the case of notice provided by mail, courier, delivery in person or delivery by facsimile or other electronic means and at the time of publication, in the case of notice provided by news release or newspaper advertisement.

PERMITTED ATTENDEES

15. The only persons entitled to attend the Meeting shall be:

    (a) the Shareholders or their respective proxyholders;

    (b) the Optionholders;

    (c) the Directors, the Auditor and the Applicant's officers and advisors;

    (d) the directors, officers and advisors of Stingray and Acquisitionco; and

    (e) other persons, with the permission of the chair of the Meeting.

QUORUM

16. A quorum of the Meeting shall twenty-five percent (25%) of the Shares entitled to be voted thereat being represented in person by a Shareholder or by a duly appointed proxyholder, in accordance with the by-laws of the Applicant.

17. If no quorum of the Shareholders is present within thirty (30) minutes of the appointed time of the Meeting, the Meeting shall stand adjourned to such day and time and at such place as may be appointed by the chair of the Meeting, and if at such adjourned meeting a quorum is not present, the Shareholders present, if at least two (2), shall be a quorum for all purposes.

SCRUTINEER

18. The scrutineer for the Meeting shall be AST Trust Company (Canada), acting through its representatives for that purpose, and the scrutineer shall be responsible to report to the chair of the Meeting on:

    (a) the deposit and validity of the Proxies received;

    (b) quorum of the Meeting; and

    (c) the polls taken or ballots cast, if any, at the Meeting.

PROXIES

19. The Applicant is authorized to use the form of Proxies in substantially the same form as attached as Exhibit C and Exhibit D to the Affidavit, subject to the Applicant's ability to insert or change dates, the time and location of the Meeting, and other relevant information in the final form of Proxies and to make other non-substantive changes and changes legal counsel may advise as are necessary or appropriate.

20. The Applicant is authorized, at its expense, to solicit Proxies directly and through its officers, directors and employees and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine, subject to the terms of the Arrangement Agreement and this Interim Order.

21. The procedures for the use of Proxies at the meeting shall be as set out in the Circular and in the form of Proxies and, for greater certainty, completed Proxies must be deposited with AST Trust Company (Canada) in the manner specified in the Circular, and on the form of Proxies by 10:00 a.m. (Atlantic time) on Monday, June 25, 2018, subject to the Applicant's discretion, should it deem it advisable to do so, to waive such time limits.

VOTING

22. The only persons entitled to be heard or to vote at the Meeting (as it may be adjourned or postponed) shall be the Shareholders as of the Record Date.

23. The holders of Class A Shares and the holders of Common Shares shall vote together.

24. Votes taken at the Meeting in respect of the Arrangement shall be on the basis that: (a) each holder of Class A Shares shall be entitled to one (1) vote for each Class A Share held by such holder, (b) each holder of Common Share shall be entitled to ten (10) votes for each Common Share held by such holder, and (c) subject to such further Order of this Honourable Court, the vote required to pass and approve the Arrangement Resolution shall be not less than sixty-six and two-thirds percent (66 2/3 %) of the votes cast by Shareholders present in person or represented by proxy at the Meeting, excluding spoiled, illegible, defective votes and abstentions.

DISSENT RIGHTS

25. A registered holder of Shares immediately prior to the Effective Time may exercise rights of dissent ("**Dissent Rights**") in accordance with the procedures set out in section 190 of the CBCA, as modified by Article 3 of the Plan of Arrangement, the Interim Order and the Final Order, with respect to such Shares in connection with the Arrangement, provided that notwithstanding section 190(5) of the CBCA, the written objection to the Arrangement Resolution contemplated by section 190(5) of the CBCA must be received by the Applicant by 5:00 p.m. (Halifax time) on the second Business Day immediately prior to the date of the Meeting.

26. Each Dissenting Shareholder who is:

(a) ultimately entitled to be paid fair value for such holder's Shares, which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Final Order becomes effective, shall be deemed to have transferred such holder's Shares to Acquisitionco as of the Effective Time as set out in Section 2.3 of the Plan of Arrangement, and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Dissenting Shareholder not exercised Dissent Rights in respect of such Shares; or

(b) ultimately not entitled, for any reason, to be paid such fair value for such Shares, shall be deemed to have participated in the Arrangement with respect to such Shares, as of the Effective Time, on the same basis as a holder of Shares to which Section 2.3 of the Plan of Arrangement applies.

INTERPRETATION

27. To the extent of any inconsistency or discrepancy with respect to the matters provided for in this Interim Order, as between this Interim Order and the articles or by-laws of the Applicant or the terms of any instrument creating or governing the Shares, this Interim Order shall prevail.

SUFFICIENCY OF NOTICE

28. Substantial compliance with paragraph 10 of this Interim Order shall constitute good and sufficient notice of the Meeting and the Final Application for the Final Order.

29. Accidental failure or omission by the Applicant to give notice of the Meeting and the Final Application for the Final Order to any one or more Shareholders, or the non-receipt of such notice, shall not invalidate the giving of notice under paragraph 10 of this Interim Order, shall not invalidate any resolution passed or proceedings taken at the Meeting, and shall not constitute a breach of this Interim Order.

EXTENSION FOR DEADLINE TO FILE AFFIDAVIT

30. Pursuant to Civil Procedure Rules Rule 2.03(1)(c) and 5.15, the deadline for the Applicant to file its final affidavit (which will provide the voting results from the Meeting), in connection with the Notice of Application scheduled to be heard on Tuesday, July 10, 2018, shall be extended to June 29, 2018.

APPLICATION FOR FINAL ORDER

31. Upon obtaining approval of the Arrangement from the Shareholders in the manner set forth in this Interim Order, the Applicant may make the Final Application to this Honourable Court for the Final Order on Tuesday, July 10, 2018 at 9:30 a.m. (Atlantic Time) or such later date as the Final Application may be adjourned to, for approval of the Arrangement.

32. The only persons entitled to notice of any further proceedings herein, including the Final Application for the Final Order and to appear and be heard thereon shall be:

(a) representatives of the Applicant;

(b) representatives of Stingray and Acquisitionco;

(c) the Director under the CBCA; and

(d) Shareholders and Optionholders who have filed responding materials in accordance with the Civil Procedure Rules of Nova Scotia (including compliance with the time limits specified therein) and this Interim Order and who have served such responding materials on the Applicant's solicitors for the purposes of this Application by delivering them by mail, courier or delivery in person to: Colleen P. Keyes, Stewart McKelvey, 900 – 1959 Upper Water Street, PO Box 997, Halifax, Nova Scotia, B3J 2X2 or by facsimile to: (902) 420-1417.

33. In the event that the hearing of the application for the Final Order on Tuesday, July 10, 2018 is adjourned, then only those Shareholders who filed and delivered responding materials in accordance with subparagraph 32(d) herein need be served and provided with notice of the adjourned hearing date.

DATED at Halifax, Nova Scotia this 16 day of May, 2018.

PROTHONOTARY

LORRAINE LUNN
Deputy Prothonotary

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing document, identified by the seal of the court, is a true copy of the original document on the file herein.

MAY 16 2018

Deputy Prothonotary

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LORRAINE LUNN
Deputy Prothonotary

Appendix E

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Notice of Application

See attached

2018

Hfx No. 476241

SUPREME COURT OF NOVA SCOTIA

BETWEEN:

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

APPLICANT

- and -

ALL HOLDERS OF CLASS A SUBORDINATE VOTING SHARES, CLASS B COMMON SHARES AND OPTIONS TO ACQUIRE CLASS A SUBORDINATE VOTING SHARES OF NEWFOUNDLAND CAPITAL CORPORATION LIMITED, AS OF CLOSE OF BUSINESS ON MAY 23, 2018

RESPONDENTS

NOTICE OF APPLICATION IN CHAMBERS

To: Each respondent who responds to the within Application in accordance with the directions set out in an Order of this Honourable Court to be dated on or about May 16, 2018, in connection with a proposed arrangement involving the Applicant, Stingray Digital Group Inc. and 10643432 Canada Inc., and the Respondents.

The Applicant requests an order against you

The Applicant is applying to a Judge in Chambers for an Order approving an arrangement (the "**Arrangement**") involving the Applicant and the Respondents under Section 192 of the *Canada Business Corporations Act,* R.S.C. 1985, c. C-44, as amended (the "**CBCA**").

The Applicant started this Application by filing this notice on the date certified by the Prothonotary.

Grounds for order

The Applicant is applying for the Order on the following grounds:

1. under Section 192 of the CBCA, a corporation may apply to the Court for an Order sanctioning an arrangement respecting such corporation. The Applicant seeks an Order approving the Arrangement.

Evidence supporting application

The Applicant offers the following affidavits in support of the Application:

1. affidavits of officers of the Applicant to be sworn on or about June 21, 2018, and to be delivered before the deadlines provided in Civil Procedure Rule 5 – Application; and

2. such further affidavits as may be properly delivered prior to the Application.

You may participate
You may file with the Court a notice of contest, and any affidavits upon which you rely, no less than 5 days after this notice is delivered to you or you are otherwise notified of the Application. Filing the notice of contest entitles you to notice of further steps in the Application, including notice of further affidavits.

Time, date, and place
The application is to be heard by the Judge in Chambers at 9:30 a.m. (Atlantic) on July, 10, 2018, at the Halifax Law Courts, 1815 Upper Water Street, Halifax, Nova Scotia. You have the right to be present and to be represented by counsel or to act on your own. If you are not present, the Judge may proceed without you.

Possible order against you
The Judge may grant a final order on the Application without further notice to you if you fail to deliver your notice of contest on time, or if you or your counsel fails to appear in Chambers at the above time, date, and place.

Filing and delivering documents
Any documents you file with the court must be filed at the office of the Prothonotary, 1815 Upper Water Street, Halifax, Nova Scotia (telephone # 902-424-4900).

When you file a document you must immediately deliver a copy of it to the Applicants and each other party entitled to notice, unless the document is part of an *ex parte* motion, the parties agree delivery is not required, or a Judge orders it is not required.

Contact information
The Applicant designates the following address: Stewart McKelvey, Purdy's Wharf Tower I, 900-1959 Upper Water Street, Halifax, Nova Scotia, B3J 3N2, attention: Colleen Keyes.

Documents delivered to this address are considered received by the Applicant.
Further contact information is available from the Prothonotary.

Signature
Signed this 11th day of May, 2018.

Colleen P. Keyes
Stewart McKelvey
Counsel for the Applicant
Newfoundland Capital Corporation Limited

Prothonotary's certificate
I certify that this notice of application was filed with the Court on May 11, 2018.

PROTHONOTARY

KIMBERLEY WEBBER
Deputy Prothonotary

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Appendix F

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Pro Forma Financial Statements

INDEX TO *PRO FORMA* FINANCIAL STATEMENTS

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Stingray Digital Group Inc.
Pro Forma Consolidated Statements of Financial Position
As at December 31, 2017
(Unaudited)
(In thousands of Canadian dollars)

	Stingray Digital Group Inc.	Newfoundland Capital Corporation Limited	Pro Forma Adjustments	Note	Stingray Digital Group Inc. Pro Forma
Assets					
Current assets					
Cash and cash equivalents	$ 4,517	$ -	$ -	3 n)	$ 4,517
Trade and other receivables	32,124	41,248	-		73,372
Research and development tax credits	377	-	-		377
Income tax receivable	1,327	-	2,264	3 g)	3,591
Inventories	2,149	-	-		2,149
Other current assets	6,937	1,436	-		8,373
	47,431	42,684	2,264		92,379
Non-current assets					
Property and equipment	7,881	43,697	8,915	3 g)	60,493
Intangible assets, excluding broadcast licences	58,030	-	-		58,030
Broadcast licences	-	258,285	187,281	3 g)	445,566
Goodwill	95,205	20,015	85,569	3 g)	200,789
Investments	15,112	-	-		15,112
Investment in an associate	1,106	-	-		1,106
Investment in joint venture	796	-	-		796
Other non-current assets	949	2,309	-		3,258
Deferred tax assets	11,731	2,113	7,644	3 a) b) l)	21,488
Total assets	$ 238,241	$ 369,103	$ 291,673		$ 899,017
Liabilities and Equity					
Current liabilities					
Bank indebtedness	$ -	$ 1,584	$ (1,584)	3 g)	$ -
Accounts payable and accrued liabilities	31,776	21,373	-		53,149
Dividends payable	-	6,368	-		6,368
Deferred revenues	435	-	-		435
Current portion of other payables	27,667	-	-		27,667
Current portion of long-term debt	-	11,250	(11,250)	3 g)	-
Income taxes payable	2,310	1,412	-		3,722
	62,188	41,987	(12,834)		91,341
Non-current liabilities					
Revolving facility	26,633	-	192,507	3 e)	219,140
Term loan	-	-	149,003	3 f)	149,003
Long-term debt	-	98,545	(98,545)	3 g)	-
Other payables	15,337	-	22,531	3 l)	37,868
Other liabilities	-	12,305	-		12,305
Deferred tax liabilities	5,530	52,508	51,578	3 g)	109,616
Total liabilities	109,688	205,345	304,240		619,273
Shareholders' equity					
Share capital	146,339	32,892	140,924	3 a) b) c) d)	320,155
Contributed surplus	3,542	2,881	(2,881)		3,542
Deficit	(20,405)	128,239	(150,864)	3 g) l)	(43,030)
Accumulated other comprehensive income (loss)	(923)	(254)	254		(923)
Total equity	128,553	163,758	(12,567)		279,744
Total liabilities and equity	$ 238,241	$ 369,103	$ 291,673		$ 899,017

Stingray Digital Group Inc.
Pro Forma Consolidated Statements of Comprehensive Income
For the nine month period ended December 31, 2017
(Unaudited)
(In thousands of Canadian dollars, except per share amounts)

	Stingray Digital Group Inc.	Newfoundland Capital Corporation Limited	Reclassifications	Pro Forma Adjustments	Note	Stingray Digital Group Inc. Pro Forma
Revenues	$ 93,915	$ 134,137	$ -	$ -		$ 228,052
Music programming, cost of services and content	33,674	-	(33,674)	-		-
Selling and marketing	10,875	-	(10,875)	-		-
Research and development, support and information technology	8,508	-	(8,508)	-		-
General and administrative	22,617	-	(22,617)	-		-
Operation costs	-	88,530	75,674	-		164,204
Depreciation, amortization and write-off	15,674	3,593	-	223	3 j)	19,490
Net finance (income) expense	3,552	-	3,451	8,020	3 i)	15,023
Accretion of other liabilities	-	189	(189)	-		-
Interest expenses	-	3,262	(3,262)	-		-
Impairment charge	-	5,500	-	-		5,500
Change in fair value of investments	1,021	-	-	-		1,021
Business acquisition, integration, disposal and other expense (income)	-	161	-	-		161
Income (loss) before income taxes	(2,006)	32,902	-	(8,243)		22,653
Income taxes (recovery)	372	9,168	-	(2,187)	3 k)	7,353
Net income (loss)	$ (2,378)	$ 23,734	$ -	$ (6,056)		$ 15,300
Net income per share – Basic	(0.05)					0.22
Net income per share – Diluted	(0.05)					0.22
Weighted average number of shares – Basic	52,527,467			17,167,895	3 m)	69,695,362
Weighted average number of shares – Diluted	53,081,137			17,167,895	3 m)	70,249,032
Comprehensive income						
Net income (loss)	$ (2,378)	$ 23,734	$ -	$ (6,056)		$ 15,300
Other comprehensive income						
Items that may be reclassified to profit and loss						
Exchange differences on translation of foreign operations	(598)	-	-	-		(598)
Items that will not be reclassified to profit and loss						
Remeasurements of post-employment benefit obligations, net of tax	-	(227)	-	-		(227)
Total other comprehensive loss	(598)	(227)	-	-		(825)
Total comprehensive income	$ (2,976)	$ 23,507	$ -	$ (6,056)		$ 14,475

Stingray Digital Group Inc.
Pro Forma Consolidated Statements of Comprehensive Income
For the year ended March 31, 2017
(Unaudited)
(In thousands of Canadian dollars, except per share amounts)

	Stingray Digital Group Inc.	Newfoundland Capital Corporation Limited	Reclassifications	Pro Forma Adjustments	Note	Stingray Digital Group Inc. Pro Forma
Revenues	$ 101,501	$ 168,386	$ -	$ -		$ 269,887
Music programming, cost of services and content	35,270	-	(35,270)	-		-
Selling and marketing	12,338	-	(12,338)	-		-
Research and development, support and information technology	8,960	-	(8,960)	-		-
General and administrative	19,016	-	(19,016)	-		-
Operation costs	-	117,716	75,584	-		193,300
Depreciation, amortization and write-off	17,168	4,809	-	297	3 j)	22,274
Net finance (income) expense	2,036	-	5,010	9,996	3 i)	17,042
Accretion of other liabilities	-	292	(292)	-		-
Interest expenses	-	4,718	(4,718)	-		-
Change in fair value of investments	(408)	-	-	-		(408)
Business acquisition, integration, disposal and other expense (income)	-	(671)	-	-		(671)
Income before income taxes	7,121	41,522	-	(10,293)		38,350
Income taxes (recovery)	(3,596)	12,153	-	(2,729)	3 k)	5,828
Net income	$ 10,717	$ 29,369	$ -	$ (7,564)		$ 32,522
Net income per share – Basic	0.21					0.48
Net income per share – Diluted	0.21					0.48
Weighted average number of shares – Basic	51,242,611			17,167,895	3 m)	68,410,506
Weighted average number of shares – Diluted	51,497,510			17,167,895	3 m)	68,665,405
Comprehensive income						
Net income	$ 10,717	$ 29,369	$ -	$ (7,564)		$ 32,522
Other comprehensive income						
Items that may be reclassified to profit and loss						
Exchange differences on translation of foreign operations	(1,129)	-	-	-		(1,129)
Cash flow hedge, net of tax	-	(95)	-	-		(127)
Items that will not be reclassified to profit and loss						
Remeasurements of post-employment benefit obligations, net of tax	44	243	-	-		319
Total other comprehensive income (loss)	(1,085)	148	-	-		(937)
Total comprehensive income	$ 9,632	$ 29,517	$ -	$ (7,564)		$ 31,585

1. Proposed Acquisition of Newfoundland Capital Corporation Limited

On May 2, 2018, Stingray Digital Group Inc. (the “Corporation”) and 10643432 Canada Inc. (“Acquisitionco”), a wholly-owned subsidiary of the Corporation, entered into a definitive arrangement agreement (the “Arrangement Agreement”) with Newfoundland Capital Corporation Limited (“NCC”) whereby, subject to the terms and conditions of the Arrangement Agreement, the Corporation and Acquisitionco have agreed to acquire pursuant to a plan of arrangement (the “Arrangement”) under the *Canada Business Corporations Act* (“CBCA”) all of the (i) Class A subordinate voting shares of NCC and (ii) Class B common shares of NCC issued and outstanding immediately prior to the closing of the Arrangement, (the “Arrangement Closing”). Assuming the Arrangement becomes effective, the shareholders of NCC will receive (i) between 0.14294 and 0.15371 of a Subordinate Voting Share (or Variable Subordinate Voting Share, as applicable) of the Corporation; and (ii) between $13.17 and $13.28 in cash for each NCC Share held, based on the total number of NCC Shares outstanding on the date of the Arrangement Closing. Total consideration given for the acquisition of NCC (the “Acquisition”) amounts to $505,324 and is calculated with the most recent information available to the Corporation.

The Corporation will finance the Acquisition through the net proceeds of (i) a public offering of 7,981,000 subscription receipts (the "Subscription Receipts") of the Corporation at a price $10.40 per subscription receipt contemplated by prospectus (the "Offering") for aggregate gross proceeds of $83,002, (ii) a private placement with CDP Investissements inc. (the “Private Placement Subscriber”), a wholly-owned subsidiary of Caisse de dépôt et placement du Québec pursuant to which the Private Placement Subscriber will purchase an aggregate of 3,846,100 Subscription Receipts at a price of $10.40 per subscription receipt for aggregate gross proceeds of $39,999 (the "Concurrent Private Placement"), (iii) the exercise of 1,452,850 Subscription Rights for the purchase of the corresponding number of Pre-emptive Subscription Receipts (the “Pre-emptive Rights Exercise”) at a price of $10.40 per Pre-emptive Subscription Receipt for aggregate proceeds to the Corporation of $15,110 and (iv) funds drawn from the new credit facilities to be provided by National Bank of Canada, as administrative agent, for a syndicate of financial institutions, consisting of a secured revolving credit facility in the maximum amount of $300,000 (the "Revolving Facility") and a non-revolving term facility in the maximum principal amount of $150,000, (the "Term Loan" and, collectively with the “New Credit Facilities”).

2. Basis of Preparation

The accompanying unaudited pro forma consolidated financial statements of the Corporation have been prepared by Management of the Corporation to give effect to the Acquisition, the Offering, the Concurrent Private Placement, the Pre-emptive Rights Exercise and the New Credit Facilities. In Management’s opinion, these unaudited pro forma consolidated financial statements include all material adjustments necessary for a fair presentation in accordance with international Financial Reporting Standards ("IFRS").

The unaudited pro forma consolidated financial statements are not necessarily indicative of the operating results or financial condition that would have been achieved if the Acquisition had been completed on the dates or for the periods presented, nor do they purport or project the results of operations or financial position of the combined entities for any future period or as of any future date.

The pro forma adjustments and purchase price allocation have been determined from information available to the Management of the Corporation at this time. Accordingly, the purchase price allocation is subject to material changes.

The unaudited pro forma consolidated financial statements of the Corporation have been compiled from and include:

(In thousands of Canadian dollars)

i. The unaudited pro forma consolidated statement of financial position as at December 31, 2017 which has been prepared from the unaudited interim consolidated statement of financial position of the Corporation and the audited consolidated statement of financial position of NCC as at December 31, 2017 and the pro forma assumptions and adjustments, as set out in Note 3.

ii. The unaudited pro forma consolidated statement of comprehensive income for the nine month period ended December 31, 2017 which has been prepared from the unaudited consolidated statement of comprehensive income of the Corporation for the nine month period ended December 31, 2017, the audited consolidated statement of comprehensive income of NCC for the year ended December 31, 2017, the unaudited consolidated statement of comprehensive income of NCC for the three month period ended March 31, 2017, and the pro forma assumptions and adjustments, as set out in Note 3.

iii. The unaudited pro forma consolidated statement of comprehensive income for the year ended March 31, 2017 which has been prepared from the audited consolidated statement of comprehensive income of the Corporation for the year ended March 31, 2017, the audited consolidated statement of comprehensive income of NCC for the year ended December 31, 2017, the unaudited consolidated statements of comprehensive income of NCC for the three month periods ended March 31, 2017, and 2016, and the pro forma assumptions and adjustments, as set out in Note 3.

3. Pro Forma Assumptions and Adjustments

The unaudited pro forma consolidated statement of financial position as at December 31, 2017, the unaudited pro forma consolidated statement of comprehensive income for the nine month period ended December 31, 2017 and the unaudited pro forma consolidated statement of comprehensive income for year ended March 31, 2017 give effect to the Acquisition, the Offering, the Concurrent Private Placement, the Pre-emptive Rights Exercise and the New Credit Facilities as if they had occurred on December 31, 2017 and April 1, 2017 and April 1, 2016, as applicable, respectively.

Financing of the acquisition:

	Note		Amount
Aggregate purchase price		**$**	**505,324**
Financing			
Subscription Receipts issued to the Public	3 a)		83,002
Concurrent Private Placement	3 b)		39,999
Pre-emptive Subscription Receipts (exchangeable into Multiple Voting Shares)	3 c)		15,110
New Equity issued to NCC Shareholders	3 d)		40,007
New Revolving Facility	3 e)		220,607
Settlement of Existing Revolving Facility	3 e)		(26,633)
New Term Loan	3 f)		150,000
Financing costs, Subscription Receipts issue costs and transactions costs	3 a) b) e) f) g)		(16,768)
Total financing (net of financing, issuance and transaction costs)		**$**	**505,324**

a) On May 2, 2018, the Corporation announced the Offering of 7,981,000 Subscription Receipts, each of which will entitle the holder thereof to receive, upon the Arrangement Closing, one Subordinate Voting Share (or Variable Subordinate Voting Share as applicable) of the Corporation. The Subscription Receipts will be issued at a price of $10.40 per Subscription Receipt for aggregate gross proceeds of $83,002. The net proceeds to the Corporation will be approximately $78,913 after deducting the total underwriting fee and other transaction costs of approximately $4,090. The increase to share capital will be $80,013 after adjustment for deferred income tax of $1,100. The Corporation has granted the underwriters an overallotment option to purchase up to an additional 1,197,150 Subscription Receipts at a price of $10.40 per Subscription Receipt, representing

maximum additional gross proceeds of approximately $12,450. These unaudited pro forma financial statements do not reflect the exercise of the over-allotment option.

b) On May 2, 2018, the Corporation announced the Concurrent Private Placement with Private Placement Subscriber whereby the Private Placement Subscriber will purchase an aggregate of 3,846,100 Subscription Receipts at a price of $10.40 per Subscription Receipt for aggregate gross proceeds of $39,999. The net proceeds to the Corporation will be approximately $38,205 after deducting the total capital commitment fee payment and other transaction costs of approximately $1,794. The increase to share capital will be $38,687 after adjustment for deferred income tax of $482. The Corporation has granted to the Private Placement Subscriber an additional subscription option to purchase up to an additional 576,915 Subscription Receipts at a purchase price of $10.40 per Subscription Receipt, representing maximum additional gross proceeds of approximately $6,000. The unaudited pro forma consolidated statement of financial position does not reflect the exercise of the additional subscription option.

c) As a result of the Offering and the Concurrent Private Placement, the holders of Multiple Voting Shares will be issued Rights to Subscribe (as defined herein) for that number of subscription receipts of the Corporation (the “Pre-emptive Subscription Receipts”) exchangeable into Multiple Voting Shares of the Corporation, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the total voting rights (on a fully-diluted basis) associated with the then outstanding Multiple Voting Shares. Each Pre-emptive Subscription Receipt entitles the holder thereof to receive, upon the satisfaction of certain conditions and without payment of additional consideration or further action, one Multiple Voting Share for each Pre-emptive Subscription Receipt held of the Corporation. Certain members of the Boyko Group (as defined in the prospectus) have indicated to Stingray their intention of exercising 1,452,850 Subscription Rights for the purchase of the corresponding number of Pre-emptive Subscription Receipts (the “Pre-emptive Rights Exercise”) at a price of $10.40 per Pre-emptive Subscription Receipt for aggregate proceeds to the Corporation of $15,110. No commission or other fee will be paid to the Underwriters or any other underwriter or agent in connection with the Pre-emptive Rights Exercise.

d) Assuming the Arrangement becomes effective, the shareholders of NCC will receive (i) between 0.14294 and 0.15371 of a Subordinate Voting Share (or Variable Subordinate Voting Share, as applicable) of the Corporation; and (ii) between $13.17 and $13.28 in cash for each NCC Share held, based on the total number of NCC Shares outstanding on the date of the Arrangement Closing. For the purpose of the unaudited pro forma consolidated statement of financial position, the Corporation estimated an issuance of 3,887,945 Subordinate Voting Share of the Corporation at a price of $10.29, representing an amount of share capital of $40,007 to be issued on the date of the Arrangement closing. No commission or other fee will be paid to the Underwriters or any other underwriter or agent in connection with the Arrangement Agreement.

e) On May 2, 2018, pursuant to a commitment letter (the "Commitment Letter"), the Corporation obtained a commitment from National Bank Financial Inc., as sole lead arranger and sole bookrunner (in such capacity, the "Arranger") for a 3-year revolving facility in the principal amount of up to $300,000 (the “Revolving Facility”). The Revolving Facility may be drawn in Canadian dollars in the form of prime rate loan or bankers' acceptance, in US dollars in the form of US base rate loan or LIBOR loan, or in Euro and British Pound in the form of LIBOR loan and in Australian dollars in the form of BBSY loan. The Revolving Facility will bear interest at the reference rate plus an applicable margin which will be determined with the Net Debt to EBITDA ratio of the Corporation. The applicable margin for borrowings in the form of prime rate loan or US base rate loan will range from 0.375% to 2.00%. The applicable margin for borrowings in the form of bankers' acceptance, LIBOR loan, BBSY loan and letters of credit will range from 1.375% to 3.00%. The maturity date of the Revolving Facility is 3 years from the closing date, with possibly of annual extension options. For the purpose of the pro forma consolidated statement of comprehensive income, the reference rate was assumed to be 4.11%. The Corporation expects to draw $220,607 on the Revolving Facility. Financing fees of $1,467 related to the Revolving Facility will be netted against the Revolving Facility and amortized over the remaining life of the Revolving Facility, which is 36 months. The Corporation’s existing Revolving facility will

(In thousands of Canadian dollars)

be concurrently refinanced, as such, an amount of $26,633 was netted against the new Revolving Facility in the proforma consolidated statement of financial position.

f) Under the Commitment Letter, the Arranger has also provided a commitment to the Corporation for a 3-year non-revolving facility in the principal amount of $150,000 (the "Term Loan"). The Term Loan is available through a single draw on the date of closing of the acquisition in Canadian dollars in the form of prime rate loan or bankers' acceptance. The Term Loan will bear interest at the reference rate plus an applicable margin which will be determined with the Net Debt to EBITDA ratio of the Corporation. The applicable margin for borrowings in the form of prime rate loan will range from 0.375% to 2.00%. The applicable margin for borrowings in the form of bankers' acceptance will range from 1.375% to 3.00%. The maturity date of the Term Loan is 3 years from the closing date. For the purpose of the pro forma consolidated statement of comprehensive income, the reference rate was assumed to be 4.11%. The Corporation expects to draw $150,000 on the Term Loan. Financing fees of $997 related to the Term Loan will be netted against the Term Loan and amortized over the life of the Term Loan using the effective interest rate method over duration of the Term Loan.

Purchase price allocation:

g) The following table reflects the effect of NCC's preliminary purchase price allocation. The Corporation will purchase all of the outstanding shares of NCC for total consideration of $505,324. The transaction costs related to the Acquisition are estimated at $8,420 before tax (tax impact of $2,264 presented in income tax receivable of the unaudited pro forma consolidated statement of financial position), are non-recurring items that result from the transaction and have been recognized as an adjustment to cash and retained earnings in the unaudited pro forma consolidated statement of financial position as at December 31, 2017.

		Preliminary
Assets acquired :		
Trade and other receivables	$	41,248
Other current assets		1,436
Property and equipment		52,612
Broadcast licence		445,566
Goodwill		105,584
Other assets		2,309
Deferred tax assets		2,113
		650,868
Liabilities assumed :		
Accounts payable and accrued liabilities		21,373
Dividends payable		6,368
Income tax payable		1,412
Other payables		12,305
Deferred tax liabilities		104,086
		145,544
Net assets acquired at fair value	$	505,324
Consideration given :		
Cash		353,938
New Equity issued		40,007
Debt repayment		111,379
	$	505,324

(In thousands of Canadian dollars)

The above represents Management's preliminary assessment of the total consideration, net assets acquired and liabilities assumed. The fair value allocation of the purchase price will be finalized after the values of consideration, assets and liabilities have been definitively determined. Accordingly, the above fair value allocation is subject to change and such change may be material.

h) The deferred income tax liability recorded in conjunction with the fair value of the Broadcast licence and certain tangible assets as a result of the purchase price allocation for the Acquisition is $51,578 and was based on an estimated effective tax rate of approximately 26.3%.

Other Pro Forma adjustments:

i) For the nine month period ended December 31, 2017, the effect of the issuance of the New Credit Facilities on the Finance expenses (income) amounted to $8,020, including $11,968 of new interest expense, and elimination of Stingray existing interest expense of $1,070, and NCC existing interest expense of $2,878. For the year ended March 31, 2017, the effect of the issuance of the New Credit Facilities on the Finance expenses (income) amounted to $9,996, including $15,762 of new interest expense, and elimination of Stingray existing interest expense of $1,170, and of NCC existing interest expense of $4,596. Per the Arrangement, the existing NCC long-term debt will be assumed by the Corporation upon closing of the Acquisition and immediately repaid (Note 3 g)). For the purpose of the pro forma consolidated statement of comprehensive income, NCC' interest expense has been eliminated.

j) For the purpose of the preliminary purchase price allocation, fair value adjustments were recognized on certain tangible assets. The amortization expense has been adjusted to record the additional amortization of tangible assets acquired as a result of the Acquisition (see Note 3(g)). The additional amortization expense for the nine month period ended December 31, 2017 amounted to $223 (for the year ended March 31, 2017 - $297). Broadcast licences are deemed indefinite life assets since they are renewed every seven years without significant cost, with the chance that the renewal will be denied assessed as unlikely; therefore, there is no foreseeable limit to the period over which broadcast licences are expected to generate net cash flows for the Corporation.

k) Adjustments to income tax recovery in the amount of $2,187 for the nine months period ended December 31, 2017 ($2,729 for the year ended March 31, 2017) to reflect, where required, the impact on income taxes of the adjustments described in note 3i) and j).

l) Upon the Arrangement Closing, Management estimates that the Canadian Radio-television and Telecommunications Commission ("CRTC") will require the Corporation to pay tangible benefits corresponding to an amount of approximately $30,497 million, payable over a seven-year period in equal annual amounts. The Corporation recognized another payable of $22,531 million in the unaudited pro forma consolidated statement of financial position, which reflects the fair value of the payment stream using a discount rate of 10.0%, which is the Corporation estimated effective interest rate plus a risk premium. The Corporation recorded a deferred tax asset of $6,061 related to the CRTC tangible benefits.

m) The basic and diluted net income per share has been calculated based on the following basic and diluted weighted average number of the Corporation common shares outstanding adjusted as follows:

(number of shares, except per share amount)	Nine months ended December 31, 2017	Year ended March 31, 2017
Basic weighted-average number of shares per the Corporation audited consolidated financial statements	52,527,467	51,242,611
Issuance of share (Note 3 a), b), c) and d))	17,167,895	17,167,895

(In thousands of Canadian dollars)

Pro forma basic weighted-average number of shares	69,695,362	68,410,506
Effect of dilutive securities	553,670	254,899
Pro forma diluted weighted-average number of shares	70,249,032	68,665,405
Pro forma net income per share attributable to shareholders		
Basic	$0.22	$0.48
Diluted	$0.22	$0.48

n) Net adjustment to cash:

	Note		Amount
Subscription Receipts issued to the Public	3 a)	$	83,002
Concurrent Private Placement	3 b)		39,999
Pre-emptive Subscription Receipts (exchangeable into Multiple Voting Shares)	3 c)		15,110
New Revolving Facility	3 e)		220,607
Settlement of Existing Revolving Facility	3 e)		(26,633)
New Term Loan	3 f)		150,000
Financing costs, Subscription Receipts issue costs and transactions costs	3 a) b) e) f) g)		(16,768)
Consideration given for the Acquisition of NCC (cash and debt repayment)	3 g)		(465,317)
Net adjustment to cash		$	-

o) Although the Corporation believes cost savings and other synergies will be realized following the business combination, there can be no assurance that these cost savings or any other synergies will be achieved in full or at all and accordingly, have not been reflected in the unaudited pro forma consolidated statements of comprehensive income.

Appendix G

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Section 190 of the CBCA

190(1) Right to dissent

Subject to Sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

(a) amend its articles under Section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

(b) amend its articles under Section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;

(c) amalgamate otherwise than under Section 184;

(d) be continued under Section 188;

(e) sell, lease or exchange all or substantially all its property under Subsection 189(3); or

(f) carry out a going-private transaction or a squeeze-out transaction.

190(2) Further right

A holder of shares of any class or series of shares entitled to vote under Section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

190(2.1) If one class of shares

The right to dissent described in Subsection (2) applies even if there is only one class of shares.

190(3) Payment for shares

In addition to any other right the shareholder may have, but subject to Subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under Subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

190(4) No partial dissent

A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

190(5) Objection

A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in Subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

190(6) Notice of resolution

The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in Subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

190(7) Demand for payment

A dissenting shareholder shall, within twenty days after receiving a notice under Subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

190(8) Share certificate

A dissenting shareholder shall, within thirty days after sending a notice under Subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

190(9) Forfeiture

A dissenting shareholder who fails to comply with Subsection (8) has no right to make a claim under this section.

190(10) Endorsing certificate

A corporation or its transfer agent shall endorse on any share certificate received under Subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

190(11) Suspension of rights

On sending a notice under Subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

(a) the shareholder withdraws that notice before the corporation makes an offer under Subsection (12),

(b) the corporation fails to make an offer in accordance with Subsection (12) and the shareholder withdraws the notice, or

(c) the directors revoke a resolution to amend the articles under Subsection 173(2) or 174(5), terminate an amalgamation agreement under Subsection 183(6) or an application for continuance under Subsection 188(6), or abandon a sale, lease or exchange under Subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

190(12) Offer to pay

A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in Subsection (7), send to each dissenting shareholder who has sent such notice

(a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or

(b) if Subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

190(13) Same terms

Every offer made under Subsection (12) for shares of the same class or series shall be on the same terms.

190(14) Payment

Subject to Subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under Subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

190(15) Corporation may apply to court

Where a corporation fails to make an offer under Subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.

190(16) Shareholder application to court

If a corporation fails to apply to a court under Subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

190(17) Venue

An application under Subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

190(18) No security for costs

A dissenting shareholder is not required to give security for costs in an application made under Subsection (15) or (16).

190(19) Parties

On an application to a court under Subsection (15) or (16),

(a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and

(b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

190(20) Powers of court

On an application to a court under Subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

190(21) Appraisers

A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

190(22) Final order

The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

190(23) Interest

A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

190(24) Notice that Subsection (26) applies

If Subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under Subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

190(25) Effect where Subsection (26) applies

If Subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under Subsection (24), may

(a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

190(26) Limitation

A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Appendix H

NEWFOUNDLAND CAPITAL CORPORATION LIMITED

Fairness Opinion

See attached

May 1, 2018

The Special Committee of the Board of Directors
NEWFOUNDLAND CAPITAL CORPORATION LIMITED
8 Basinview Drive
Dartmouth, Nova Scotia
B3B 1G4

To the Special Committee of the Board of Directors:

Blair Franklin Capital Partners Inc. ("Blair Franklin") understands that Newfoundland Capital Corporation Limited ("NCC" or the "Corporation") intends to enter into a definitive arrangement agreement with Stingray Digital Group Inc. and a wholly-owned subsidiary (collectively, "Stingray" or the "Acquiror") under which Stingray will acquire all of the Corporation's outstanding Class A Subordinate Voting Shares ("Class A Shares") and Class B Common Shares ("Common Shares") (Collectively, the "Shares") for $14.75 per Share, payable through a combination of cash and shares of the Acquiror (the "Arrangement").

We further understand that the Steele Family (the "Controlling Shareholder"), which represents approximately 87% of the outstanding Shares and 93% of the voting interest in the Corporation, has entered into irrevocable voting support agreements in favour of the Arrangement. Under the Arrangement, the Controlling Shareholder and all other NCC shareholders (collectively, the "Shareholders") will receive per Share, depending on the amount of Shares outstanding at closing, consideration consisting of (i) between $13.17 and $13.28 in cash, and (ii) between 0.14294 and 0.15371 either in Stingray subordinate voting shares or variable subordinate voting shares (the "Stingray Shares"), as applicable (the "Consideration").

A Special Committee of independent directors of the Corporation (the "Special Committee") has retained Blair Franklin, on a fixed fee basis, to provide its opinion as to the fairness to the Shareholders, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement (the "Opinion"). Blair Franklin has not been asked to prepare, and has not prepared, a formal valuation of NCC and the Opinion should not be construed as such.

Engagement of Blair Franklin

Blair Franklin was initially contacted with respect to submitting its credentials for a potential independent advisory assignment on May 9, 2017. Blair Franklin was formally engaged by the Special Committee pursuant to an engagement agreement dated May 16, 2017 (the "2017 Engagement Agreement") (see Background to the Arrangement). Blair Franklin received $350,000 for its work under the 2017 Engagement Agreement.

Blair Franklin was re-engaged by the Special Committee on April 23, 2018 pursuant to a revised engagement agreement (the "Engagement Agreement"). The Engagement Agreement provides for the payment to Blair Franklin of a fixed fee in respect of the preparation and delivery of the Opinion. Blair Franklin's fees are not contingent on the completion of the Arrangement, or any other transaction of the Corporation or on the conclusions reached herein. Under the terms of the Engagement Agreement, Blair Franklin has received fixed milestone payments of $150,000 for work completed prior to rendering the Opinion, and will receive $25,000 from the Corporation for rendering the Opinion. In addition, Blair Franklin is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by the Corporation in certain circumstances.

Relationship with Related Parties

Blair Franklin is not an insider, associate or affiliate (as such terms are defined in the Securities Act (Ontario)) of NCC, Stingray or any of their respective associates or affiliates (the "Interested Parties"). Blair Franklin has not provided any financial advisory services or participated in any financing involving NCC, Stingray or any of their respective associates or affiliates within the past twenty-four months, other than services provided under the Engagement Agreement or under the 2017 Engagement Agreement. There are no other understandings, agreements, or commitments between Blair Franklin and any of the Interested Parties with respect to any current or future business dealings which would be material to the Opinion.

Blair Franklin believes that it is "independent" (as such term is used in Part 6 of MI 61-101) of all interested parties subject to the Arrangement and that it has disclosed to the Special Committee all material facts known to it that could reasonably be considered to be relevant to its independence status under Part 6 of MI 61-101.

Credentials of Blair Franklin

Blair Franklin is an independent investment bank providing a full range of financial advisory services related to mergers and acquisitions, divestitures, minority investments, fairness opinions, valuations and financial restructurings. Blair Franklin has been a financial advisor in a significant number of transactions throughout Canada and North America involving public and private companies in various industry sectors and has extensive experience in preparing fairness opinions in transactions similar to the Arrangement.

The Opinion expressed herein is the opinion of Blair Franklin as a firm and the form and content herein has been approved for release by a committee of our principals, each of whom is experienced in mergers and acquisitions, divestitures, restructurings, minority investments, capital markets, fairness opinions and valuation matters.

Scope of Review

In preparing the Opinion, Blair Franklin has reviewed and relied upon, among other things:

1. Discussions with the management of NCC ("Management") including COO Ian Lurie, and CFO Scott Weatherby as well as with the financial advisor to NCC;
2. Discussions with the Special Committee and counsel to the Special Committee;
3. Certain financial analyses and forecasts prepared by Management;
4. Access to a datasite containing non-public material relating to NCC including financial details, forecasts, regional and segment information, tax information, contracts, HR matters, legal matters and other items;
5. Audited financial statements and related MD&A of NCC for the last five years ended December 31;
6. Most recent Management Information Circular and Annual Information Form of NCC;
7. Unaudited quarterly reports and related MD&A of NCC for the three, six and nine-month periods ended March 31, June 30, and September 30, respectively for the last three years;
8. Unaudited year-to-date results and related materials for NCC as of March 31, 2018;
9. Certain regulatory filings and related material for NCC for the last five years;
10. Certain non-public information related to real property holdings of NCC;
11. Audited financial statements and related MD&A of Stingray for the last three years ended March 31;
12. Unaudited quarterly reports and related MD&A of Stingray for the three, six and nine-month periods ended June 30, September 30, and December 31, respectively for the last three years;
13. Most recent Management Information Circular and Annual Information Form of Stingray;
14. Press releases issued by NCC and Stingray for the past three years;
15. Public information relating to the business, operations, financial performance and share price trading history of NCC and Stingray and other selected public entities whose businesses we believe to be relevant;
16. Shareholder and insider information published by SEDI;

17. Comparable trading multiples and precedent transaction multiples for selected companies and transactions considered relevant;
18. Research reports based upon public information prepared by industry analysts;
19. Industry and financial market information;
20. Executed non-binding letter of intent between Stingray and NCC dated April 24, 2018 (the "Letter of Intent");
21. Successive drafts of the arrangement agreement to be entered into as part of Arrangement;
22. Various documents prepared by Stingray and its advisors related to the financing of the Arrangement; and
23. Such other information, documentation, analyses and discussions that we considered relevant in the circumstances.

Blair Franklin has not independently verified any of the assumptions contained in the financial information publicly disclosed by NCC or provided by its representatives.

Blair Franklin has conducted such analyses, investigations and testing of assumptions as were considered by Blair Franklin to be appropriate in the circumstances for the purposes of arriving at its opinion as to the fairness to the Shareholders, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement.

Prior Valuations

The President & CEO and the CFO & Corporate Secretary of the Corporation, have represented to Blair Franklin that, to the best of their knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to the Corporation or any its subsidiaries, material assets or liabilities that have been prepared in the 24 months preceding the date hereof and which have not been provided to Blair Franklin.

Assumptions and Limitations

The Opinion is subject to the assumptions, explanations and limitations hereinbefore described and as set forth below.

We have not been asked to prepare, and have not prepared, a formal valuation or appraisal of the Corporation or any of their respective securities or assets and this Opinion should not be construed as such. We have, however, conducted such analyses as we considered necessary in the circumstances. In addition, the Opinion is not, and should not be construed as, advice as to the price at which the Shares may trade at any time. Blair Franklin was not engaged to review any legal, tax or regulatory aspects of the Arrangement and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Corporation and its legal advisors

with respect to such matters. Blair Franklin was not requested to solicit, and did not solicit, interest from other parties with respect to any alternative transaction or arrangement.

With the Special Committee's approval and as provided in the Engagement Agreement, Blair Franklin has relied upon, without independent verification, the completeness, accuracy and fair presentation in all material respects of all financial information and the completeness and accuracy of the other information, data, advice, opinions and representations obtained by it from public sources, Management and affiliates and advisors, or otherwise (collectively, the "Information"). Blair Franklin has assumed that the historical information included in the Information did not omit to state any material fact or any fact necessary to be stated or necessary to make that Information not misleading in light of the circumstances in which it was made. This Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as described herein, Blair Franklin has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information. With respect to the forecasts, projections or estimates provided to Blair Franklin and used in the analysis supporting the Opinion, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of Management as to the matters covered thereby at the time of preparation and, in rendering the Opinion, we express no view as to the reasonableness of such forecasts or budgets or the assumptions on which they are based.

Senior officers of the Corporation have represented to Blair Franklin in a letter of representatives delivered as at the date hereof, among other things, that (i) the Information provided orally by, or in writing by, the Corporation or any of its subsidiaries or its agents to Blair Franklin relating to the Corporation for the purpose of preparing this Opinion was, at the date that the Information was provided to Blair Franklin, and is, at the date hereof, together with all other documents which have been filed by the Corporation in compliance with its obligations under applicable securities laws (and to the extent not superseded by a subsequent filing), complete, true and correct in all material respects and did not and does not contain any untrue statement of a material fact in respect of the Corporation or the Arrangement and did not and does not omit to state a material fact in respect of the Corporation or the Arrangement necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; and that (ii) since those dates on which the Information was provided to Blair Franklin, except as was disclosed in writing to Blair Franklin, or as publicly disclosed, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Corporation and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.

Blair Franklin has made several assumptions in connection with its Opinion that it considers reasonable, including that, the conditions required to implement the

Arrangement will be met. In preparing the Opinion, we have assumed that the executed agreements regarding the Arrangement will not differ in any material respect from the forms that we reviewed, and that the Arrangement will be consummated in accordance with the terms and conditions of the latest draft of the arrangement agreement as of May 1, 2018 without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The Opinion is rendered on the basis of the securities markets, economic, financial and general business conditions prevailing as at the date hereof and the conditions, financial and otherwise, of the Corporation and its affiliates, as they were reflected in the Information and as they were represented to Blair Franklin in discussions with Management. In its analyses and in preparing the Opinion, Blair Franklin made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of Blair Franklin or any party involved in the Arrangement.

The Opinion has been provided to the Special Committee and to the Board of Directors of NCC for their exclusive use only in considering the Arrangement and may not be used or relied upon by any other person without the express prior written consent of Blair Franklin. The Opinion does not constitute a recommendation as to how any shareholder of the Corporation should vote or act on any matter relating to the Arrangement. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to Blair Franklin) in disclosure documents and the filing of such disclosure documents and the Opinion on SEDAR and the submission by the Corporation of the Opinion to any relevant court or regulatory agency in connection with the approval of the Arrangement, the Opinion is not to be disclosed, summarized or quoted from without the prior written consent of Blair Franklin.

Blair Franklin believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by us, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily amenable to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. This opinion letter should be read it its entirety.

The Opinion is given as of the date hereof and Blair Franklin disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of Blair Franklin after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Blair Franklin reserves the right to change, modify or withdraw the Opinion.

All amounts herein are expressed in Canadian dollars, unless otherwise stated.

Overview of the Corporation

NCC owns and operates Newcap Radio which is one of Canada's largest radio broadcasters with 101 broadcast licenses consisting of 72 radio stations and 29 repeating signals across Canada. The Corporation creates content for its radio stations and primarily generates revenue through advertisements broadcasted through such channels.

The Corporation is comprised of two main types of assets: (i) radio stations and related assets (the "Radio Assets") which generate the significant majority of the Corporation's cash flows; and (ii) a number of disparate real estate assets, including the Glynmill Inn, which are largely unrelated to NCC's core business (the "Non-Radio Assets").

Background to the Arrangement

The Corporation was first approached by the Acquiror in March of 2017. As a result of this approach, NCC's financial advisor initiated an informal process and reached out to a number of potential purchasers. No parties contacted expressed an acceptable interest in acquiring the Corporation. Through successive negotiations with Stingray, a price of $14.75 per Share comprised of $13.30 in cash and $1.45 in Stingray Shares was agreed to and a non-binding letter of intent was executed on May 26, 2017. In June 2017, Stingray determined not to proceed with the proposed transaction at that time.

In March 2018, NCC's financial advisor met with Stingray to discuss industry events. At the meeting, Stingray expressed continued interest in acquiring NCC. On April 20, 2018, Stingray submitted a letter of intent outlining the general terms of the Arrangement. After some negotiation on certain terms, both the Acquiror and the Corporation executed the Letter of Intent on April 24, 2018.

Trading History of Newfoundland Capital Corporation Shares

NCC's Class A Shares are listed on the Toronto Stock Exchange (the "TSX") under the symbol NCC.A. The following table sets forth, for the periods indicated, low and high closing prices of the Class A Shares on the TSX and the total volumes traded on the TSX and other exchanges. NCC's Common Shares are also listed on the TSX under the symbol NCC.B but are 97.7% owned by the Controlling Shareholder and have extremely limited trading activity.

Due to the limited volume and float of the Shares, Blair Franklin has not relied on the trading value of NCC.A or NCC.B in arriving at its views.

Figure 1 – NCC.A Historical Trading Prices & Volumes

		TSX Price		
		Low	**High**	**Volume**
2017	January	9.80	10.70	80,732
	February	9.75	10.45	58,512
	March	9.25	10.00	120,676
	April	9.71	10.80	60,106
	May	9.55	10.99	84,924
	June	10.30	10.93	68,116
	July	10.55	11.22	110,140
	August	10.95	12.58	70,564
	September	11.94	12.59	104,520
	October	12.10	13.25	118,734
	November	12.17	13.21	147,082
	December	12.39	13.55	353,182
2018	January	12.76	13.80	89,456
	February	12.76	13.80	49,972
	March	12.30	13.35	397,458
	April	11.87	13.60	121,674

Fairness Considerations

In support of the Opinion, Blair Franklin has performed certain financial analyses with respect to NCC, based on those methodologies and assumptions that we considered appropriate in the circumstances.

The primary methodologies employed by Blair Franklin in evaluating the Radio Assets consisted of a discounted cash flow analysis (the "DCF Approach"), an analysis of comparable trading multiples (the "Comparable Company Approach"), and an analysis of precedent transaction multiples (the "Precedent Transaction Approach"). All three of these approaches are discussed in detail below. In the context of the Opinion, Blair Franklin has considered the DCF Approach as the principal financial analytical methodology.

The implied enterprise value determined for the Radio Assets under each of the three methodologies was adjusted for the Corporation's net debt, the estimated value of the Non-Radio Assets, and other items to arrive at a range of implied prices per Share for the Shares.

In reviewing the Non-Radio Assets, Blair Franklin considered, among other things:

- Capitalization rates for comparable properties within the region;
- Various tax assessed property values;
- Transaction multiples for small regional hotels comparable to the Glynmill Inn; and
- Macroeconomic factors within the appropriate regions.

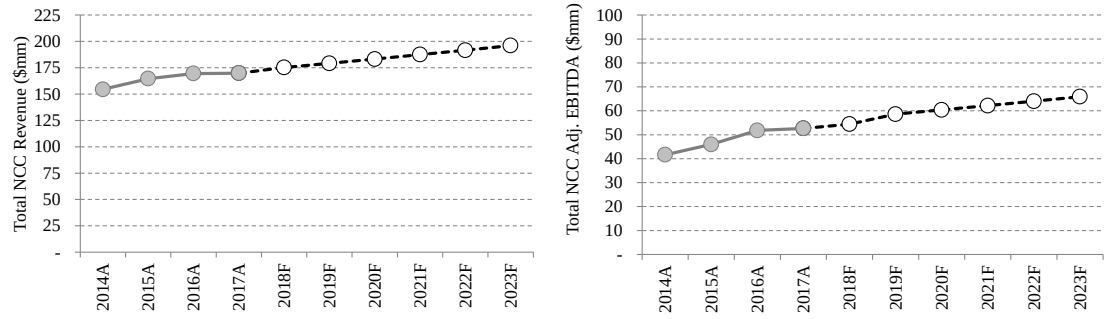
DCF Approach

Blair Franklin's DCF Approach involved the development of a forecast of cash flows to the Corporation from the Radio Assets. Blair Franklin created a detailed forecast which included assumptions regarding macroeconomic conditions, market specific conditions, and Corporation specific factors. Assumptions were developed through an independent analysis of historical performance, discussions with Management on the future outlook of each distinct market, and an analysis of underlying economic factors of such markets. Blair Franklin has also reviewed and evaluated in detail Management's 2018 Budget and long-term forecast which were created in December of 2017. Blair Franklin's outlook varied from market to market; however, in general, the forecast assumes that:

- The Canadian radio market will remain stable over the long-term;
- There will be continued growth in revenue in certain major urban centers;
- There will be flat revenue growth in less populous cities and communities with lower economic growth; and
- NCC will be able to continue to increase profitability through a focus on cost containment.

Overall, the assumptions employed to create the forecast result in radio revenue growing at or near inflation (approximately 2% annually), with EBITDA slightly outpacing revenue growth due to margin improvements resulting from various cost measures adopted throughout the forecast period.

Figure 2 - Total NCC Revenue and Adjusted EBITDA



Notes:
- Includes all NCC revenues and EBITDA (Radio and Non-Radio)
- Includes financial performance from NCC radio station acquisitions
- EBITDA adjusted for business acquisition costs, integration costs, disposal costs, other income, and accretion of other liabilities

In addition to the annual cash flows generated by the Radio Assets, Blair Franklin estimated a range of potential synergies that could be achieved through the Arrangement or a similar transaction with another party. Such synergies include certain public company costs, various back-office costs (accounting, human resources, etc.), head office employee costs, occupancy costs, corporate travel and other expenses. The low end of Blair Franklin's estimated synergy range assumes approximately $7 million in cost synergies with no revenue synergies, while the high end of the range assumes $8 million

of cost synergies in addition to $5 million of revenue synergies. The cost of achieving such synergies has also been included in the forecast cash flows. Blair Franklin has assumed the synergies and associated costs are shared equally between NCC and the Acquiror in its analysis.

As part of its DCF Approach, Blair Franklin also considered the CRTC tangible benefits payments that would result from the Arrangement as well as similar payments associated with previously announced and closed NCC acquisitions. The tangible benefits payments related to the Arrangement were assumed to be shared equally between NCC and the Acquiror, while payments related to historical NCC acquisitions are borne solely by the Corporation in the analysis.

At the end of the forecast period, Blair Franklin has applied a terminal multiple reflective of precedent transactions involving large, diversified portfolios of radio assets which were observed as part of the Precedent Transaction Approach described below. Based on this analysis, Blair Franklin selected a range of terminal Enterprise Value to EBITDA ("EV/EBITDA") multiples of 8.0x – 10.0x.

All cash flows discussed above as well as the terminal value were discounted at an estimated Weighted Average Cost of Capital ("WACC") for the Corporation. In developing an estimate for the Corporation's WACC, Blair Franklin employed the capital asset pricing model to determine the cost of equity. Key assumptions included:

- Average of observed Beta's for Canadian media companies (NCC's Beta was not considered due to the limited liquidity in the Shares);
- The Government of Canada 10 year bond yield;
- Standard market risk premium; and
- Applicable small cap premium

NCC's cost of debt was estimated based on the Corporation's currently outstanding floating credit facilities which were swapped to fixed rates as part of the analysis. Capital structure was adjusted to reflect leverage levels consistent with the Corporation's historical capital structure and comparable companies. Based on this analysis and the assumptions above, Blair Franklin applied a WACC range of 6.5% to 8.0%.

Blair Franklin also considered the potential timing of closing for the Arrangement. Among other conditions of closing is the receipt of CRTC approval. Blair Franklin reviewed a variety of precedent transactions in the radio industry which required CRTC approval and also held discussions with Management as to their views on the timing required to receive CRTC approval and close. Based on our review, for the purposes of our analysis, Blair Franklin has assumed a close of December 31, 2018.

Based on the assumptions and methodologies described above, the DCF Approach implied a price per Share of between $11.25 and $15.00.

Table 1: DCF Approach Sensitivity

Sensitivity	Change in Implied Per Share Price
+ / - 0.25% WACC	~$0.20
+ / - 0.5x Terminal Multiple	~$0.60

Comparable Company Approach

Blair Franklin has reviewed the EV/EBITDA multiples of publicly-traded radio broadcasting companies. Due to the absence of publicly traded Canadian firms where radio comprises a majority of the cash flow, Blair Franklin has focused largely on companies with significant exposure to radio based in the United States including Beasley Broadcast Group Inc., Salem Media Group Inc., Emmis Communications Corp., Entercom Communications Corp., Townsquare Media Inc., and Saga Communications Inc. We note that such companies are not directly comparable to NCC due to a variety of differences including regulatory regimes and demographics.

In its analysis, Blair Franklin observed EV/EBITDA trading multiples between 6.5x and 13.7x with an average of 7.8x. Following a review of the features of the underlying companies including historical and expected growth rates as well as EBITDA margins, Blair Franklin has applied a multiple range between 7.5x to 9.5x to NCC's trailing twelve month Adjusted EBITDA (as at December 31, 2017).

Based on the assumptions and methodologies described above, the Comparable Company Approach implied a price per Share of between $11.09 and $15.03.

Due to the difficulties in finding relevant, domestic, pure-play comparable companies, Blair Franklin has placed limited weight on the Comparable Company Approach in considering fairness. Blair Franklin would also note that this methodology does not reflect the control premium that is typically earned in an acquisition or similar arrangement.

Precedent Transaction Approach

Blair Franklin has reviewed the EV/EBITDA multiples observable in previous transactions involving Canadian radio stations since 2000. Many of these transactions involved individual stations or small portfolios of stations which are not directly comparable to NCC's large portfolio of stations diversified across Canada.

Table 2 - Precedent Transaction Summary

Precedent Transactions	Average EV / EBITDA Multiple Observed
Since 2000	10.6x
Over Past 10 Years	9.2x
Over Past 5 Years	8.6x
Large Portfolios Over Past 10 Years	9.9x

Blair Franklin's analysis focused on a few of the large transactions of diversified portfolios with enterprise values greater than $300 million that have been completed over the last 10 years. Some of these transactions included non-radio assets, however, the multiples considered reflect "radio only" to the extent such information can be reasonable discerned and were obtained through public disclosure or through information gained through Blair Franklin's previous assignments. The average EV/EBITDA multiple for these larger transactions was 9.9x. Blair Franklin considered each of these transactions and the merits of the targets relative to the Corporation including:

- The general state of the radio industry environment at announcement;
- The size of the business;
- EBITDA margins;
- Historical and forecast growth;
- Geographic diversification;
- Whether the radio transaction was part a broader media transaction;
- The number of eligible industry buyers at announcement;
- Ability to gain synergies (some private companies had no public company costs to eliminate);
- The growth or perceived threat of digital advertising at announcement; and
- The likelihood that regulatory agencies would require a partial divestiture of certain of the acquired assets in order to abide by market concentration limits.

Reflective of this analysis, Blair Franklin has applied a range of 8.5x to 10.5x to NCC's trailing twelve month Adjusted EBITDA (as of December 31, 2017). Based on the assumptions and methodologies described above, the Precedent Transaction Approach implied an approximate price per Share of between $13.06 and $17.00.

Due to the difficulties in finding recent, diversified portfolio precedent transactions, Blair Franklin has placed limited weight on the Precedent Transaction Approach in considering fairness.

Other Factors Considered

Blair Franklin has considered a number of other factors in arriving at the Opinion including:

- Potential changes in the price of the Stingray Shares and trading multiple following an announcement of the Arrangement, which may have an impact on the Consideration received by the Shareholders;
    - We note that a 25% change in the price of the Stingray Shares would affect the Consideration by approximately 2.5%;
- Stingray's pro-forma capital structure and transaction financing arrangements;
- The deal protections as described in successive drafts of the agreements governing the Arrangement;
- Information provided by Management and their financial advisor regarding any third party interest in the Corporation; and
- Regulatory market concentration limits and restrictions on non-domestic ownership of media assets and the associated effect on the availability of potential acquirors of the Corporation.

Conclusion

Based upon and subject to the foregoing and such other matters as we considered relevant, Blair Franklin is of the opinion that, as of the date hereof, the Consideration to be received by the Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

Yours very truly,

Blair Franklin Capital Partners Inc.

BLAIR FRANKLIN CAPITAL PARTNERS INC.