ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

of Stone Investment Group Limited to be held on

June 15, 2022 at 3:00 p.m. (Toronto time)

MANAGEMENT INFORMATION CIRCULAR

with respect to, among other things, a proposed

PLAN OF ARRANGEMENT

resulting in the acquisition of Stone Investment Group Limited

by Starlight Investments Capital LP

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* THE CONTINUANCE RESOLUTION AND THE ARRANGEMENT RESOLUTION.

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your financial, legal or other professional advisor. This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. If you have questions, you may contact the Corporation, by email at info@stoneco.com.

May 18, 2022

LETTER TO SHAREHOLDERS

May 18, 2022

To the Shareholders of Stone Investment Group Limited:

Re: Shareholders' Meeting – June 15, 2022 at 3:00 p.m. (Toronto time)

I write to you, on behalf of the board of directors (the "**Board**") of Stone Investment Group Limited (the "**Corporation**"), to invite you to attend an annual and special meeting of the holders of common shares ("**Common Shares**") of the Corporation (the "**Shareholders**"), which will be held virtually via live audio webcast, at 3:00 p.m. on June 15, 2022 (the "**Meeting**"). **Any shareholder who would like to attend the Meeting can join ELECTRONICALLY through Microsoft Teams. You must advise the Corporation of your intention to attend the Meeting not later than noon (Toronto Time) on June 10, 2022 by sending an email that includes your full name and contact information to info@stoneco.com, after which, a meeting link will be provided to you.**

On April 7, 2022, the Corporation entered into an arrangement agreement (the "**Arrangement Agreement**"), with Starlight Investments Capital LP ("**Starlight Capital**"), 13909841 Canada Inc. (the "**Purchaser**"), 13613429 Canada Inc. and Stone-SIG Acquisition Limited, pursuant to which the parties will effect an arrangement (the "**Arrangement**") by way of a plan of arrangement pursuant to Section 192 of the *Canada Business Corporations Act* (the "**Plan of Arrangement**"). As a result of the Arrangement, among other things, all of the issued and outstanding Common Shares will be acquired by the Purchaser from Shareholders, with Shareholders receiving $0.01 in cash (the "**Consideration**") for each Common Share.

I am pleased to advise you that the two independent directors of the Board (with myself being recused) (the "**Independent Directors**") have determined that the Arrangement is fair to the Shareholders from a financial point of view and that the Arrangement is in the best interests of the Corporation, the Shareholders and its other stakeholders, and the Board **UNANIMOUSLY RECOMMENDS** that Shareholders vote **FOR** the resolution approving the continuance of the Corporation under the *Canada Business Corporations Act* (the "**Continuance**") and the Arrangement . In reaching its unanimous recommendation, the Independent Directors considered, among other things, the following reasons:

- *Result of Robust Process*. The Arrangement is the result of an extensive and prolonged process of soliciting interest from a broad range of prospective lenders and, subsequent to those discussions, engagement with a number of prospective purchasers of the business. The Corporation began to consider a sale of the business in earnest following the maturity date on December 28, 2021 of the Corporation's $1,000 principal amount secured debentures (the "**Debentures**"). The Corporation engaged in discussions with a number of interested parties, and received proposals from four potential acquirers of the business. The Arrangement with Starlight Capital was ultimately determined to be the best available alternative for stakeholders of the Corporation, including the Shareholders. Throughout this process, the Corporation worked in consultation with, and with participation by, its legal and financial advisors.

- *Certainty of Value for Shareholders*. The Arrangement provides all Shareholders with cash consideration and represents the best alternative to a scenario in which the Corporation defaults on its $15 million obligation to holders of the Debentures. The Board has determined, in consultation with its financial adviser, that a default on the Debentures would likely result in no financial recovery for Shareholders.

- *Fairness Opinion.* WD Capital Markets Inc. provided an opinion (the "**Fairness Opinion**") to the Board that (i) the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders, and (ii) the holders of the Debentures and the holders of Common Shares, respectively, are better off under the Plan of Arrangement than if the Corporation were liquidated as, in each case, the estimated aggregate value of the consideration made available to them pursuant to the Plan of

Arrangement would, in the opinion of Fairness Adviser, exceed the estimated value they would receive in a liquidation.

- *Support of Shareholders*: All of the Corporation's directors and officers and a significant number of Shareholders, who collectively hold 16,607,034 Common Shares representing approximately 66.4% of the issued and outstanding Common Shares, have entered into voting and support agreements pursuant to which they each agreed, among other things and subject to the terms of their respective agreements, to vote all of the Common Shares held by them in favour of the Arrangement.

- *Best Alternative for Shareholders:* In the absence of a negotiated transaction, it appears likely that the Corporation would have defaulted on its obligations pursuant to the Debentures and would have been forced to file for protection under the *Companies' Creditors Arrangement Act* (Canada) or, in the absence of a restructuring under such filing, commence an orderly liquidation process, both of which would have likely resulted in zero value for the Shareholders. The Arrangement with Starlight Capital represents the best alternative among the various refinancing and sale alternatives considered by the Board. Furthermore, the Board remains able to respond to an unsolicited written acquisition proposal on the specific terms and conditions set forth in the Arrangement Agreement, affording the Corporation with the ability to respond to a superior offer should one emerge.

- *Liquidity for All Debentureholders*: The Arrangement ensures that, upon completion, all holders of Debentures will obtain liquidity for their investment, rather than only those holders that tendered to the Corporation's existing offer, which is an outcome that the Corporation has strived to achieve for Debentureholders for several years without success.

At the Meeting, you will be asked to consider and, if thought advisable, pass a special resolution (the "**Arrangement Resolution**") approving, among other things, the Arrangement, the Arrangement Agreement and the Plan of Arrangement, as more particularly described in the Circular. You will also be asked to consider and, if thought advisable, pass a special resolution (the "**Continuance Resolution**") approving the Continuance. **The Board UNANIMOUSLY RECOMMENDS that Shareholders vote FOR the Continuance Resolution and the Arrangement Resolution.**

To be effective, the Continuance Resolution must be approved by at least 66 2/3% of the votes cast by Shareholders present virtually or represented by proxy at the Meeting and the Arrangement Resolution must be approved by: (i) at least 66 2/3% of votes cast by Shareholders present virtually or represented by proxy at the Meeting; and (ii) a majority of the votes cast at the Meeting by Shareholders present virtually or represented by proxy at the Meeting excluding the votes cast in respect of Common Shares beneficially owned or over which control or direction is exercised by any persons whose votes must be excluded in accordance with MI 61-101 (the "**Required Approval**"). All of the directors and officers of the Corporation together with shareholders representing approximately 66.4% of the issued and outstanding Common Shares intend to vote their Common Shares **FOR** the Continuance Resolution and the Arrangement Resolution.

The attached notice of annual and special meeting (the "**Notice**") and management information circular ("**Circular**") contain a detailed description of the Arrangement and include certain other information to assist you in considering the matters to be voted upon at the Meeting. You are urged to carefully consider all of the information in the accompanying Notice and Circular, including the documents incorporated by reference therein. If you require assistance, you should consult your financial, legal, or other professional advisors.

Your vote is important regardless of the number of Common Shares you own.

If you have any questions or require more information regarding the Meeting, the Arrangement and the requisite approvals, please contact us by sending an email that includes your full name and contact information to info@stoneco.com.

On behalf of Corporation, I would like to thank all our shareholders for their ongoing support.

BY ORDER OF THE BOARD

"Richard G. Stone"
President and Chief Executive Officer

STONE INVESTMENT GROUP LIMITED

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that, pursuant to an interim order of the Ontario Superior Court of Justice (Commercial List) dated May 9, 2022, an annual and special meeting (the "**Meeting**") of the holders of common shares (the "**Shareholders**") of Stone Investment Group Limited (the "**Corporation**") will be held virtually via live audio webcast, at 3:00 p.m. on June 15, 2022 for the following purposes:

1. to consider and, if thought fit, to pass, with or without variation, a special resolution of the Shareholders approving, among other things, the continuance of the Corporation into the federal jurisdiction of Canada under the *Canada Business Corporations Act* (the "**CBCA**"), as more particularly described in the accompanying management information circular of the Corporation dated May 18, 2022 (the "**Circular**"), substantially in the form attached to the accompanying Circular as Schedule "B" (the "**Continuance Resolution**");
2. to consider and, if thought fit, to pass, with or without variation, a special resolution of the Shareholders approving, among other things, a plan of arrangement (the "**Arrangement**") under Section 192 of the CBCA, involving, among others, the Corporation and Starlight Investments Capital LP ("**Starlight Capital**"), as more particularly described in the accompanying Circular, substantially in the form attached to the accompanying Circular as Schedule "C" (the "**Arrangement Resolution**");
3. to receive the audited consolidated financial statements of the Corporation for the year ended September 30, 2021 and the report of the auditor's thereon;
4. to elect the directors of the Corporation to serve until the next annual general meeting;
5. to appoint BDO Canada LLP, Chartered Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration, as more particularly described in the accompanying Circular; and
6. to transact such further or other business as may properly come before the Meeting or any postponement or adjournment thereof.

The Circular contains the full text of the Continuance Resolution and the Arrangement Resolution and provides additional information relating to the matters to be addressed at the Meeting, including the Arrangement, and is deemed to form part of this notice.

Due to continuing concern over the COVID-19 pandemic and the risk of a return to physical distancing restrictions, this Meeting will be held as a virtual meeting only and Shareholders will not be permitted to attend the Meeting in person. The procedure for attending the Meeting electronically are set out in the paragraph immediately below. As a result of the restrictions, ALL SHAREHOLDERS ARE ENCOURAGED TO VOTE IN ADVANCE USING THE ENCLOSED FORM OF PROXY OR VOTING INSTRUCTION FORM ("VIF").

Any registered Shareholder who would like to virtually attend the Meeting can join ELECTRONICALLY through Microsoft Teams. Beneficial Shareholders (as defined below) who have not duly appointed themselves as proxyholder will be able to virtually attend the Meeting as guests, however they will not be able to participate or vote at the Meeting. You must advise the Corporation of your intention to attend the Meeting not later than noon (Toronto Time) on June 10, 2022 by sending an email that includes your full name and contact information to info@stoneco.com, after which, a meeting link will be provided to you.

In order to join the Meeting, once you have confirmed virtual attendance by email, you must also have Microsoft teams software downloaded to your computer, as well as the ability to communicate by microphone and/or webcam camera. *(A free version of Microsoft teams can be downloaded. Direct any browser to "teams.microsoft.com" and sign in to your Microsoft account. You can create an account for free if you don't already have one).*

Shareholders that attend electronically and that have not already voted by proxy will be permitted to vote their shares during the Meeting by requesting a ballot from the scrutineer at the start of the Meeting, provided they are registered Shareholders or duly appointed proxyholders, or, as Beneficial Holders (as defined below) that have duly appointed themselves as proxyholder and have received a medallion stamped form of proxy from their broker acceptable to the scrutineer.

If you are a registered Shareholder or duly appointed proxyholder, you may vote by internet or by telephone using the control number provided with your proxy, or alternatively by completing, dating, signing and returning the accompanying form of proxy in the enclosed envelope to be received by the transfer agent, not later than June 10, 2022 at 3:00 p.m. (Toronto time).

If your Common Shares are registered in the name of your broker or nominee (in which case, you are the "**Beneficial Holder**" of the Common Shares), you will receive the voting instruction form that has been provided by your broker, bank or other nominee. Completion of the form is similar to those shareholders who are registered.

Beneficial Holders who wish for their Common Shares to be voted at the Meeting are requested to complete, date, sign and return the enclosed VIF and deliver it by hand or by mail or by phone or via internet voting in accordance with the instructions set out in the VIF and the Circular.

The Board of the Corporation has established the record date for the Meeting as 5:00 p.m. (Toronto time) on May 16, 2022 (the "**Record Date**"). Only Shareholders of record at the close of business on the Record Date will be entitled to notice of the Meeting, or any adjournment or postponement thereof, and to vote at the Meeting. No Shareholder becoming a Shareholder of record after such time will be entitled to vote at the Meeting or any adjournment or postponement thereof.

The Board has fixed 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof as the time before which proxies to be used or acted upon at the Meeting or any adjournment or postponement thereof shall be deposited with the Corporation's registrar and transfer agent, Computershare Investor Services Inc., located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

Registered Shareholders who validly dissent in respect of the Continuance Resolution (the "Continuance Dissent Right") or in respect of the Arrangement Resolution (the "Arrangement Dissent Right"), will be entitled to be paid the fair value of their Common Shares. The dissent rights are described in the Circular. Failure to strictly comply with the dissent procedures set forth in Section 185 of the *Business Corporations Act* (Ontario) in respect of the Continuance Resolution and Section 190 of the CBCA in respect of the Arrangement Resolution, will result in the loss of any such dissent right. See "*Dissent Rights*" in the accompanying Circular.

DATED at Toronto, Ontario, this 18th day of May, 2022.

BY ORDER OF THE BOARD

"Jacques Boulet"
Jacques Boulet
Chairman of the Board of Directors

This document is important and requires your immediate attention. If you are in any doubt as to how to deal with it, you should consult your financial, legal or other professional advisor. This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. If you have questions, you may contact the Corporation, by email at info@stoneco.com.

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DEFINITIONS

"**Administrator**" means Sintra Corporation, the administrator of the SIG Debenture Offer.

"**Amalgamated SIG**" means the amalgamated entity following the Second Amalgamation.

"**Arrangement**" means an arrangement under 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 to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement, the Plan of Arrangement, the Interim Order or the Final Order.

"**Arrangement Agreement**" means arrangement agreement between the Corporation, Starlight Capital, the Purchaser, ArrangeCo and SSAL dated April 7, 2022, including all schedules annexed thereto, as may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

"**Arrangement Dissent Rights**" means the rights of registered existing Shareholders to dissent in connection with the Arrangement. See "*Dissent Rights – Arrangement Dissent Rights*" below

"**Arrangement Resolution**" means the special resolution of the Shareholders approving the Arrangement to be considered at the Meeting, substantially in the form of Schedule "C" hereto.

"**ArrangeCo**" means 13613429 Canada Inc., a wholly-owned subsidiary of SIG.

"**Articles of Arrangement**" means the articles of arrangement in respect of the Arrangement, required by the CBCA to be sent to and filed with the Director in compliance with the CBCA after the Final Order is made, which will include the Plan of Arrangement and otherwise be in a form and content satisfactory to the CBCA Applicants and the Purchaser, each acting reasonably.

"**Board**" means the board of directors of SIG as constituted from time to time.

"**Capitalight**" means IC Capitalight Corp.

"**CBCA**" means the *Canada Business Corporations Act*.

"**CBCA Applicants**" means, collectively, SIG, SSAL and ArrangeCo.

"**CBCA Proceedings**" means the proceedings commenced by the CBCA Applicants under Section 192 of the CBCA pursuant to the Plan of Arrangement.

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

"**Common Share**" means a common share in the capital of SIG or, following the First Amalgamation, Amalgamated SIG, and "Common Shares" means more than one or all of the issued and outstanding common shares in the capital of SIG or, following the First Amalgamation, Amalgamated SIG, as the context requires.

"**Consideration**" means $0.01 for each Common Share payable in cash as provided in the Plan of Arrangement.

"**Continuance**" means prior to the hearing for the Final Order the continuance of the Corporation and SSAL from the jurisdiction of Ontario into the jurisdiction of Canada and the registration of the Corporation and SSAL as CBCA corporations.

"**Continuance Dissent Right**" means the rights of registered existing Shareholders to dissent in connection with the Continuance. See "*Dissent Rights – Continuance Dissent Rights*" below.

"**Continuance Resolution**" means the special resolution of the Shareholders approving the Continuance to be considered at the Meeting, substantially in the form of attached as Schedule "B" hereto.

"**Corporation**" or "**SIG**" means Stone Investment Group Limited.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**COVID-19**" means SARS-CoV-2 or COVID-19, and any evolutions, mutations or variances thereof or related or associated epidemics, pandemics or disease outbreaks.

"Credit Agreement" means the credit agreement entered into between the Purchaser and SSAL on April 7, 2022 in connection with the Arrangement.

"**Debenture**" means a $1,000 principal amount secured debenture issued by SIG pursuant to the Trust Indenture, and "**Debentures**" means more than one or all of such debentures, as the context requires.

"**Debentureholder**" means the registered or beneficial holder of one or more Debentures and "**Debentureholders**" means more than one or all of such holders, as the context requires.

"**Debenture Repayment Amount**" means the principal amount of $1,000 per Debenture, plus accrued and unpaid interest thereon, including any Additional Interest (as defined in the Trust Indenture).

"**Deposited Debenture**" means a Debenture duly deposited to the SIG Debenture Offer and "**Deposited Debentures**" means more than one or all of the 6,464 Deposited Debentures, as the context requires.

"**deposited to the SIG Debenture Offer**" means a Debenture that is represented in a Letter of Transmittal signed by or on behalf of the Debentureholder and delivered to the Administrator of the Debenture Offer on behalf of SSAL and continues to be so held.

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

"**Dissent Rights**" means collectively the Arrangement Dissent Rights and the Continuance Dissent Rights.

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

"**Effective Time**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Fairness Adviser**" means WD Capital Markets Inc.

"**Fairness Opinion**" means the opinion of the Fairness Adviser to the effect that, as of the date of such opinion, the Consideration to be received by Shareholders is fair, from a financial point of view, to such holders.

"**Farber**" means Farber Corporate Finance Inc., financial adviser to the Corporation.

"**Final Order**" means the final order of the Court made pursuant to section 192 of the CBCA, with such hearing for the final order scheduled to take place on June 20, 2022 at 11:00 a.m. (Toronto time), in a form acceptable to SIG and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to both SIG and the Purchaser, each acting reasonably).

"**First Amalgamation**" means the amalgamation of SIG, SSAL and ArrangeCo pursuant to the Plan of Arrangement.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body,

commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision, authority or representative of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange.

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

"**Interim Order**" means an interim order of the Court made in the CBCA Proceedings providing for, among other things, the calling of a meeting of the Shareholders to vote on the Continuance Resolution and the Arrangement Resolution.

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

"**Letter of Transmittal**" means the letter of transmittal used by SSAL in connection with the SIG Debenture Offer and pursuant to which the Deposited Debentures were duly deposited pursuant to the SIG Debenture Offer.

"**Maturity Date**" means the maturity date of the Debentures, being December 28, 2021.

"**Meeting**" means the annual and special meeting of Shareholders to be held at 3:00 p.m. on June 15, 2022 virtually, or any adjournment or postponement thereof.

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

"**Minority Approval**" means the approval of the Arrangement Resolution by a simple majority of the votes cast at the Meeting by the Minority Shareholders pursuant to MI 61-101.

"**Minority Shareholders**" means all Shareholders other than Richard Stone.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Offer Document**" means the offer document sent to Debentureholders in connection with the SIG Debenture Offer dated November 29, 2021 and includes any supplements or amendments;

"**officer**" has the meaning set out in the *Securities Act* (Ontario).

"**Parties**" means Starlight Capital, the Purchaser, SIG, SSAL and ArrangeCo, and "**Party**" means any one of them as the context requires.

"**Payment Agent**" means Computershare Investor Services Inc., which shall act as payment agent to the Shareholders in relation to the Consideration owed pursuant to the Arrangement.

"**Person**" includes any individual, partnership, association, body corporate, trust, organization, estate, trustee, executor, administrator, legal representative, government (including any Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" and the "**Plan**" each means the plan of arrangement substantially in the form of Schedule "A", subject to any amendments or variations to such plan made in accordance with the Arrangement Agreement, the Interim Order or the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the CBCA Applicants and the Purchaser, each acting reasonably.

"**Preliminary Interim Order**" means the preliminary interim order of the Court dated December 27, 2021 providing for, among other things, a stay on any default, event of default or cross-default arising under the Debentures attached hereto as Schedule "F".

"**Purchaser**" means 13909841 Canada Inc., a wholly-owned subsidiary of Starlight Investments Capital LP.

"**Record Date**" means 5:00 p.m. on May 16, 2022.

"**Regulatory Approval**" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration or filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, or any notification to be delivered pursuant to applicable Law, in each case required in connection with the Arrangement, including the Key Regulatory Approvals.

"**Remaining Debenture**" means a Debenture not deposited to the SIG Debenture Offer and "**Remaining Debentures**" means more than one or all of the 5,536 Debentures not deposited to the SIG Debenture Offer, as the context requires.

"**Required Approval**" means (a) the approval of the Continuance Resolution by at least 66 2/3% of Shareholders present virtually or represented by proxy at the Meeting and (b) the approval of the Arrangement Resolution by at least 66 2/3% of votes cast by Shareholders present virtually or represented by proxy at the Meeting and by a simple majority of the votes cast at the Meeting by the Minority Shareholders present virtually or represented by proxy at the Meeting pursuant to MI 61-101.

"**Second Amalgamation**" means the amalgamation of Amalgamated SIG and the Purchaser pursuant to the Plan of Arrangement.

"**Securities Authorities**" means the Ontario Securities Commission and any other applicable securities commission or securities regulatory authority of a province or territory of Canada.

"**Securities Laws**" means the *Securities Act* (Ontario) and any other applicable Canadian provincial securities laws, rules and regulations and published policies thereunder.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained on behalf of the Securities Authorities.

"**Senior Management**" or "**senior management**" means, collectively, the President and Chief Executive Officer, the Vice President, Finance and the Chief Financial Officer of SIG.

"**Shareholder**" means the registered or beneficial holder of the Common Shares, as the context requires, and "**Shareholders**" means more than one or all of such holders, as the context requires.

"**SIG**" means Stone Investment Group Limited, also referred to as the Corporation.

"**SIG Debenture Offer**" means the offer by SSAL to acquire Debentures for cash consideration in the amount of the SIG Debenture Offer Price.

"**SIG Debenture Offer Price**" means $800 per Debenture.

"**SSAL**" means Stone-SIG Acquisition Limited.

"**Starlight Capital**" means Starlight Investments Capital LP.

"Stone Funds" means, collectively, each of the investment funds managed by the SIG Registered Entity in its capacity as a registered investment fund manager.

"**Supporting Shareholders**" means, collectively, those Shareholders who have entered into Voting Support Agreements, representing approximately 66.4% of the issued and outstanding Common Shares on the date of this Circular, and any other Shareholders who have entered into Voting Support Agreements from time to time, and "**Supporting Shareholder**" means any one of them.

"**Threshold**" means 7,293 Debentures for cash in the amount of $800 per Debenture.

"**Trust Indenture**" means a trust indenture dated December 28, 2006 between SIG, as issuer, and Computershare Trust Company of Canada, as trustee, which provides for the creation and issuance of the Debentures, as amended by (i) a first supplemental trust indenture dated June 29, 2009 (ii) a second supplemental trust indenture dated August 9, 2011 (iii) a third supplemental trust indenture dated August 23, 2016 and (iv) a fourth supplemental trust indenture dated November 24, 2021.

"**Voting Support Agreements**" means the voting support agreements (including all amendments thereto) between the Purchaser and the Supporting Shareholders setting forth the terms and conditions upon which they have agreed, among other things, to vote their Common Shares in favour of the Arrangement Resolution.

STONE INVESTMENT GROUP LIMITED

MANAGEMENT INFORMATION CIRCULAR

DATED MAY 18, 2022

INTRODUCTION

Information Contained in this Circular

No person has been authorized to give information or to make any representations in connection with the matters to be considered by the Shareholders herein other than those contained in this Circular and, if given or made, such information or representation should not be relied upon in making a decision as to whether to consent to or vote for the Arrangement Resolution and the Continuance Resolution or be considered to have been authorized by the Corporation.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisers as to the relevant legal, tax, financial or other matters in connection herewith.

The accompanying Forms of Proxy are for use by Shareholders, and Shareholders are encouraged to complete, sign and deposit such documents in accordance with the instructions set out therein. All costs of the solicitation for the Meeting will be borne by the Corporation. The Corporation will pay for the delivery of its proxy-related materials indirectly to all Beneficial Holders.

Descriptions in this Circular of the terms of the Arrangement Agreement, the Plan of Arrangement, the Credit Agreement and the Voting Support Agreements are summaries of the terms of those documents and are qualified in their entirety by such terms. Shareholders should refer to the full text of the Arrangement Agreement, the Plan of Arrangement, the Credit Agreement and the Voting Support Agreements for complete details of those documents. Those documents have been filed by the Corporation under its profile on SEDAR and are available at www.sedar.com. In addition, the Plan of Arrangement and the Arrangement are attached to this Circular.

The information contained in this circular is given as of May 11, 2022, except where otherwise noted.

Cautionary Statement Regarding Forward-Looking Information

Certain statements contained in this Circular and the information incorporated herein by reference constitute "forward-looking information" within the meaning of applicable Canadian Securities Laws (collectively, "**forward-looking statements**"), which are based upon the current internal expectations, estimates, projections, assumptions and beliefs of the Corporation's management. Statements concerning the Corporation's objectives, goals, strategies, intentions, plans, beliefs, assumptions, projections, predictions, expectations and estimates, and the business, operations, future financial performance and condition of the Corporation and all statements that are not historical facts are forward-looking statements. The use of words in this Circular such as "believe", "expect", "anticipate", "estimate", "intend", "may", "will", "would", "could", "plan", "create", "designed", "predict", "project", "seek", "ongoing", "increase", "upside" and similar expressions and the negative and grammatical variations of such expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Such forward-looking statements reflect the current beliefs of the Corporation's management based on information currently available to them, and are based on assumptions and are subject to risks and uncertainties. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in or implied by the forward-looking

statements. In addition, this Circular may contain forward-looking statements attributed to third-party industry sources.

By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections or other characterizations of future events or circumstances that constitute forward-looking statements will not occur. Such forward-looking statements in this Circular speak only as of the date of this Circular. Forward-looking statements in this Circular include, but are not limited to, statements with respect to:

- the performance of the Corporation's business and operations;
- the timing of, and matters to be considered at, the Meeting as well as with respect to voting at such Meeting;
- the Corporation's future liquidity and financial capacity;
- the Corporation's ability to satisfy its financial obligations in future periods;
- the Corporation's intention to reduce its debt and annual interest payments;
- the Corporation's filings with the Court and the ability to obtain the Final Order;
- failure to satisfy the conditions of the Plan in a timely manner or otherwise to complete the Plan;
- the expected structure and process for implementing the Plan;
- the expected effect of the Plan;
- the expenses associated with the Plan;
- the current and future marketability of the Corporation’s securities;
- the Corporation's future business plans and strategy;
- capital expenditures and the timing and method of financing thereof;
- the Corporation's ability to deliver sustained value for Shareholders; and
- expectations regarding the Corporation's ability to continue to operate more efficiently and remain adaptable to changes in its current business environment.

With respect to the forward-looking statements contained in this Circular, such statements are subject to certain risks, including those risks set forth below and in the "*Risk Factors*" section of this Circular, and the Corporation has made assumptions regarding, among other factors:

- the ability of the Corporation to significantly reduce its debt and annual interest payments through the implementation of the Plan and the terms of any such reduction;
- the ability of the Corporation to achieve its financial goals;
- the ability of the Corporation to operate in the ordinary course during the CBCA Proceedings, including with respect to satisfying obligations to service providers, suppliers, contractors and employees;
- the ability of the Corporation to receive all necessary Regulatory Approvals, Required Approvals, Court approval of the Final Order and other necessary stakeholder approvals in order to implement the Plan;

- the ability of the Corporation to continue as a going concern;
- the ability of the Corporation to continue to realize its assets and discharge its liabilities and commitments;
- the Corporation's future liquidity position, and access to capital, to fund ongoing operations and obligations (including debt obligations);
- the ability of the Corporation to stabilize its business and financial condition;
- the ability of the Corporation to implement and successfully achieve its business priorities;
- the ability of the Corporation to execute its long-term growth strategy in a timely manner or at all;
- the ability of the Corporation to maintain key partnerships now and in the future;
- the general regulatory environment in which the Corporation operates;
- the tax treatment of the Corporation, its securities or any income derived therefrom;
- the materiality of legal and regulatory proceedings;
- the timely receipt of any required Regulatory Approvals, including in respect of the Plan;
- the general economic, financial, market and political conditions impacting the industry and jurisdictions in which the Corporation operates;
- the ability of the Corporation to sustain or increase profitability, fund its operations with existing capital and/or raise additional capital to fund its operations;
- the ability of the Corporation to meet its financial forecasts and projections;
- future currency exchange and interest rates;
- the ability of the Corporation to generate sufficient cash flow from operations;
- the impact of competition;
- the ability of the Corporation to obtain and retain qualified staff, equipment and services in a timely and efficient manner (particularly in light of the Corporation's efforts to restructure its debt obligations);
- the ability of the Corporation to conduct operations in a safe, efficient and effective manner;
- the ability of the Corporation to retain members of the senior management team, including but not limited to, the officers of the Corporation; and
- the ability of the Corporation to successfully market its products and services.

Forward-looking statements contained in this Circular are based on the key assumptions described herein. Readers are cautioned that such assumptions, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this Circular as a result of numerous known and unknown risks and uncertainties and other factors. The Corporation cannot guarantee future results.

Forward-looking statements contained in this Circular are based on the Corporation's current plans, expectations, estimates, projections, beliefs and opinions and the assumptions relating to those plans, expectations, estimates, projections, beliefs and opinions may change. Management has included the summary of assumptions and risks related to forward-looking statements included in this Circular for the purpose of assisting the reader in understanding management's current views regarding those future outcomes. Readers are cautioned that this information may not be appropriate for other purposes. **Readers are cautioned that the lists of assumptions and risk factors contained herein are not exhaustive. Neither the Corporation nor any other person assumes responsibility for the accuracy or completeness of the forward-looking statements contained herein.**

Such forward-looking statements are made as of the date of this Circular and the Corporation disclaims any intention or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

All of the forward-looking statements made in this Circular are expressly qualified by these cautionary statements and other cautionary statements or factors contained herein, and there can be no assurance that the actual results or developments anticipated in or implied by such forward-looking statements will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Corporation.

Actual results, performance or achievements could differ materially from those anticipated in or implied by any forward-looking statement in this Circular, and, accordingly, investors should not place undue reliance on any such forward-looking statement. New factors emerge from time to time and the importance of current factors may change from time to time and it is not possible for the Corporation's management to predict all of such factors, or changes in such factors, or to assess in advance the impact of each such factors on the business of the Corporation or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement contained in this Circular.

Conventions

In this Circular, unless otherwise specified, all dollar amounts are expressed in Canadian dollars.

PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of the Corporation for use at the Meeting. References in this Circular to the Meeting include any adjournments or postponements thereof. It is expected that proxies will be solicited by mail and personally by employees of the Corporation.

Due to the ongoing health impact of the COVID-19 pandemic, we will be conducting the Meeting by electronic means only. The OBCA permits a corporation to hold the Meeting using electronic means provided the articles or by-laws of the Corporation permits such activity. However, due to the COVID-19 pandemic, and the resulting emergency situation, the Ontario government has temporarily suspended that requirement under the OBCA. Consequently, the OBCA now permits shareholder meetings to be held by electronic means for all corporations, despite any contrary provision in the constating documents of the Corporation. Further, the OBCA now permits a shareholder who, through those means, votes at the Meeting or establishes a communications link to the Meeting are deemed for the purposes of the OBCA to be present at the Meeting. The Corporation intends to rely on these provisions.

Due to continuing concern over the COVID-19 pandemic and the risk of a return to physical distancing restrictions, this Meeting will be held as a virtual meeting only and Shareholders will not be permitted to attend the Meeting in person. The procedure for attending the Meeting electronically are set out in the paragraph immediately below. As a result of the restrictions, ALL SHAREHOLDERS ARE ENCOURAGED TO VOTE IN ADVANCE USING THE ENCLOSED FORM OF PROXY OR VOTING INSTRUCTION FORM ("VIF").

Any registered Shareholder who would like to virtually attend the Meeting can join ELECTRONICALLY through Microsoft Teams. You must advise the Corporation of your intention to attend the Meeting not later than noon (Toronto Time) on June 10, 2022 by sending an email that includes your full name and contact information to info@stoneco.com. In order to join the Meeting, once you have confirmed virtual attendance by email, you must also have Microsoft teams software downloaded to your computer, as well as the ability to communicate by microphone and/or webcam camera. *(A free version of Microsoft teams can be downloaded. Direct any browser to "teams.microsoft.com" and sign in to your Microsoft account. You can create an account for free if you don't already have one).* **Beneficial Shareholders who have not duly appointed themselves as proxyholder will be able to virtually attend the Meeting as guests, however they will not be able to participate or vote at the Meeting.**

The Board has fixed May 16, 2022, 5:00 p.m. (Toronto time) as the Record Date, being the date for the determination of the registered holders of common shares of the Corporation entitled to receive notice of, and vote at, the Meeting. Duly completed and executed proxies must be received by Computershare Investor Services Inc., located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, the address indicated on the enclosed envelope, no later than 3:00 p.m. (Toronto time) on June 10, 2022, or not later than 48 hours (excluding Saturdays, Sundays or civic or statutory holidays in the City of Toronto, Ontario) before the Meeting or any respective adjournment or postponement thereof. As at the Record Date, a Shareholder will be entitled to one vote per every common share held, virtually or represented by proxy, at the Meeting. In the case of voting by proxy, the form of proxy must be properly executed and delivered.

Shareholders that attend electronically and that have not already voted by proxy will be permitted to vote their shares during the Meeting by requesting a ballot from the scrutineer at the start of the Meeting, provided they are registered Shareholders or duly appointed proxyholders, or, as Beneficial Holders (as defined below) that have duly appointed themselves as proxyholder and have received a medallion stamped form of proxy from their broker acceptable to the scrutineer.

If you are a registered Shareholder or duly appointed proxyholder, you may vote by internet or by telephone using the control number provided with your proxy, or alternatively by completing, dating, signing and returning the accompanying form of proxy – in the enclosed envelope to be received by the transfer agent, not later than 3:00 p.m. (Toronto time) on June 10, 2022.

If your Common Shares are registered in the name of your broker or nominee (in which case, you are the "**Beneficial Holder**" of the Common Shares), you will receive the voting instruction form that has been provided by your broker, bank or other nominee. Completion of the form is similar to those shareholders who are registered.

Beneficial Holders who wish for their Common Shares to be voted at the Meeting are requested to complete, date, sign and return the enclosed VIF and deliver it by hand or by mail or by phone or via internet voting in accordance with the instructions set out in the VIF and the Circular

Revocation and Appointment of Proxies

A person executing any enclosed form of proxy has the power to revoke it at any time insofar as it has not been exercised, by depositing a duly executed instrument in writing revoking the proxy at the registered office of the Computershare Investor Services Inc. at any time up to and including the last business day no later than 3:00 p.m. preceding the day of the Meeting or any adjournment or postponement thereof or with the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof or in any other manner permitted by law. The persons named in the enclosed form of proxy are directors or officers of the Corporation and are representatives of Management for the Meeting. **A holder of Common Shares has the right to appoint a person, other than those designated in the enclosed form of proxy, to attend, act and vote for him, her or it and on his, her or its behalf at the Meeting.** To exercise such right, the Shareholder may insert the name of the desired person (who need not be a Shareholder) in the blank space provided in the form of proxy or may complete another appropriate form of proxy, and in either case should deliver the completed proxy to the Corporation before the established deadline.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is important to many holders of Common Shares as not all holders of Common Shares hold their Common Shares in their own name.

Holders of Common Shares who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Holders**") should note that only proxies deposited by holders of Common Shares whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized or acted upon at the Meeting. If the Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the name of the Shareholder on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Holder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. Therefore, Beneficial Holders of Common Shares should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Holders of Common Shares in order to ensure that their Common Shares are voted at the Meeting. The purpose of the enclosed forms of proxy or other form of proxy supplied to a Beneficial Holder of Common Shares by its broker (or agent of the broker) is limited to instructing the registered holder of Common Shares (the broker or agent of the broker) how to vote on behalf of the Beneficial Holder of Common Shares. Many brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a VIF to the Beneficial Holders of Common Shares in respect of the Meeting and asks Beneficial Holders of Common Shares to return each such VIF to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the respective Meeting. **A Beneficial Holder of Common Shares receiving a VIF from Broadridge cannot use that VIF to vote Common Shares directly at the applicable Meeting – the VIF must be returned to Broadridge well in advance of the applicable Meeting as described in the VIF in order to have the Common Shares voted at that Meeting.**

Although a Beneficial Holder of Common Shares may not be recognized directly at the respective Meeting for the purposes of voting Common Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Holder of Common Shares may attend at the respective Meeting as proxy holder for the registered holder of Common Shares and vote the Common Shares in that capacity. A Beneficial Holder of Common Shares who wishes to attend

at the respective Meeting and indirectly vote their Common Shares as proxy holder for the registered holder of Common Shares should enter their own name in the blank space on the forms 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 broker (or agent), well in advance of the respective Meeting.

Voting of Common Shares Represented by Management Proxy

On any ballot that may be called for at the Meeting, the Common Shares represented by each properly executed proxy in favour of the persons designated in the enclosed form of proxy received by the Corporation will, subject to Section 114 of the OBCA, be voted or withheld from voting in accordance with the specifications given by the Shareholder. **In the absence of such specifications in an enclosed form of proxy where the Shareholder has appointed the persons whose names have been pre-printed in the enclosed form of proxy as the Shareholder's nominee at the Meeting, the Common Shares represented by such proxies will be voted FOR in respect of (i) the Continuance Resolution, (ii) the Arrangement Resolution, (iii) the election of the directors; and (iv) the appointment of auditors (including authorizing the directors to fix the auditors' remuneration).**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of meeting and any other matters which may properly come before the Meeting. Management knows of no such amendments or variations to matters identified in the notice of meeting or other matters to come before the Meeting. However, where a Shareholder has appointed the persons whose names have been pre-printed in the enclosed form of proxy as the Shareholder's nominee at the Meeting, if any amendments or variations to matters identified in the notice of meeting or other matters which are not now known to Management should properly come before the Meeting, the applicable enclosed form of proxy may be voted on such matters in accordance with the best judgment of the person voting the proxy.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

As at the Record Date, the Corporation has outstanding 25,028,571 Common Shares. Shareholders on the Record Date are entitled to receive notice of and to attend any meeting of Shareholders, including the Meeting, and are entitled to one vote per Common Share at each such meeting. The Corporation does not have issued or outstanding any other voting shares, or securities convertible or exchangeable into or exercisable for voting shares.

The required quorum at the Meeting shall be satisfied if two or more persons entitled to vote at the Meeting are present, virtually or represented by proxy at the outset of the Meeting.

Richard G. Stone, the President and Chief Executive Officer of the Corporation beneficially owns, directly or indirectly, or exercises control or direction over, 11,352,309 Common Shares (approximately 45.4% of the issued and outstanding Common Shares). No other Shareholder holds more than 10% of the outstanding Common Shares.

VOTING SUPPORT AGREEMENTS

The Purchaser has entered into voting support agreements with a number of Shareholders (collectively, the "**Voting Support Agreements**") in respect of 16,607,034 (representing approximately 66.4% of the outstanding Common Shares as of the Record Date). The Supporting Shareholders have agreed, subject to the terms of the Voting Support Agreement, to vote all of the Common Shares held by them in favour of the Continuance Resolution and the Arrangement Resolution. See "*DESCRIPTION OF THE ARRANGEMENT AND RELATED MATTERS – Minority Approval of the Arrangement*" for more information about the Minority Approval of the Arrangement.

SPECIAL BUSINESS OF THE MEETING

At the Meeting, Shareholders will be asked to, among other things, consider and, if deemed advisable, to pass, with or without variation, the Continuance Resolution to approve the Continuance and the Arrangement Resolution to approve the Arrangement. See "*ANNUAL BUSINESS OF THE MEETING*", below, for information on the annual matters to be considered at the Meeting.

To become effective, the Continuance Resolution must be approved by at least 66 2/3% of the votes cast by Shareholders present virtually or represented by proxy at the Meeting and the Arrangement Resolution must be approved by: (i) at least 66 2/3% of votes cast by Shareholders present virtually or represented by proxy at the Meeting; and (ii) a simple majority of the votes cast at the Meeting by the Minority Shareholders present virtually or represented by proxy at the Meeting pursuant to MI 61-101.

Prior to the hearing for the Final Order, it is anticipated that the Corporation will complete the Continuance. Thereafter, following the completion of the Continuance and obtaining the Final Order, the Plan will be implemented pursuant to the steps contained in the Plan and the Corporation will complete certain other related transactions as described herein. See "*DESCRIPTION OF THE ARRANGEMENT AND RELATED MATTERS*".

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* THE CONTINUANCE RESOLUTION AND THE ARRANGEMENT RESOLUTION.

Each of the Directors and officers intend to vote *FOR* the Continuance Resolution and the Arrangement Resolution. Unless otherwise directed, the persons designated by management of SIG in the form of proxy accompanying this Circular intend to vote *FOR* the Continuance Resolution and the Arrangement Resolution.

The Corporation reserves the right, in its sole discretion, to withdraw the Continuance Resolution and/or the Arrangement Resolution from being put before the Meeting. Pursuant to the Interim Order, the Corporation may seek Court approval of the Plan whether or not the Arrangement Resolution is passed by Shareholders at the Meeting and whether or not the Meeting is held.

DESCRIPTION OF THE ARRANGEMENT AND RELATED MATTERS

Background to the Arrangement

On April 7, 2022, the Corporation and Starlight Capital entered into the Arrangement Agreement and issued a joint-press release announcing the Arrangement. The following are the salient steps or events that occurred leading up to the execution of the Arrangement Agreement.

The Debentures

The maturity date of the Debentures occurred on December 28, 2021. In order to avoid defaulting on its obligation to repay the principal and accrued interest owning on the Debentures on the Maturity Date, SIG needed to refinance the Debentures prior to December 28, 2021 or, alternatively, extend the Maturity Date. SIG had previously extended the maturity of the Debentures on two prior occasions in 2011 and 2016. However, in 2016 SIG received significant opposition to the proposed extension from certain Debentureholders. While the vote to extend to the Maturity Date was successful in 2016, it was clear to SIG that any future extension proposal would likely face significant Debentureholder opposition and would require SIG to offer Debentureholders additional consideration in order to secure sufficient Debentureholder support for the extension.

Recognizing the impediments to another extension, since 2016 SIG has explored several different options to refinance the Debentures, including engaging with a significant number of commercial lenders to discuss the prospect of refinancing of all or a portion of the Debentures. Through these discussions, SIG determined that a refinancing of the entire amount of the outstanding Debentures could not be achieved on attractive terms. However, SIG believed that it may be able to partially refinance the Debentures in conjunction with an extension of the Maturity Date. This hybrid approach was deemed promising, as it would cater to Debentureholders who wished to liquidate their investment, while also allowing other Debentureholders to continue to hold the Debentures and enjoy SIG's quarterly interest payments. SIG determined to focus on maximizing the size of the financing it could arrange in order to offer Debentureholders the greatest liquidity opportunity pursuant to this hybrid approach.

SIG's search for a lender intensified as 2021 approached. SIG engaged Farber as its financial adviser to assist in identifying prospective lenders and to assist in structuring a transaction. Management entered into advanced discussions with a potential lender in early 2021, but ultimately failed to negotiate a financing on attractive terms. Following the collapse of these negotiations, SIG entered into discussions with Pivot Financial I Limited Partnership ("**Pivot**"). With the assistance of Farber, the parties arrived at a structure that consisted of a loan from Pivot to a subsidiary of SIG to fund the acquisition of a certain number of Debentures and the pledge of the acquired Debentures to Pivot as ongoing security for the loan. The arrangement required amendments to the Trust Indenture governing the Debentures in order to, among other things, extend the Maturity Date.

On November 29, 2021 after lengthy negotiations, SIG successfully entered into a credit agreement with Pivot. Immediately thereafter, SIG's wholly-owned subsidiary, SSAL, launched the SIG Debenture Offer to purchase 7,293 Debentures (the "**Threshold**") for $670.00 in cash per Debenture, all in accordance with the Offer Document and an accompanying transmittal letter sent to all Debentureholders. The Threshold represented the specific number of Debentures that was required by Pivot to be acquired pursuant to the SIG Debenture Offer in order to ensure that certain amendments to the Trust Indenture, including the extension of the Maturity Date, would be approved by the requisite two-thirds majority of votes cast in respect of the 12,000 issued and outstanding Debentures (7,293 Debentures, plus the 728 Debentures held by Richard Stone, totaled 8,021 Debentures, approximately 66.84% of the 12,000 Debentures issued and outstanding). Details of the proposed amendments were set forth in the Offer Document. Richard Stone, the founder and CEO of SIG and the largest Shareholder, did not deposit his Debentures to the SIG Debenture Offer. Given that Pivot would only finance the acquisition of 7,293 Debentures, Mr. Stone opted to leave the limited liquidity opportunity for the benefit of other Debentureholders. Instead, Mr. Stone pledged his Debentures to Pivot and entered into a voting agreement in respect of the pledged Debentures. Mr. Stone also pledged other personal assets in support of the Pivot loan in order to maximize the amount Pivot was prepared to lend.

Capitalight's Opposition and the Preliminary Interim Order

Subsequent to commencing the SIG Debenture Offer, SIG became aware that one of the Debentureholders, Capitalight, stood in opposition to extending the Maturity Date. It became apparent to SIG that Capitalight intended to use its best efforts to pressure SIG into default on its obligations under the Trust Indenture and, ultimately, to acquire SIG's business once in default without the payment of any consideration to the Shareholders.

In connection with its opposition, Capitalight responded to the SIG Debenture Offer by acquiring additional Debentures in private transactions and announcing its own offer to acquire Debentures at $700.00 in cash per Debenture. Over the course of December 2021, SIG and Capitalight both continued to increase their respective offers, ultimately culminating in SIG raising the SIG Debenture Offer to $800.00 in cash per Debenture on December 21, 2021, which stands as the current SIG Debenture Offer Price.

On December 21, 2021, Capitalight announced that it had taken up the Debentures tendered to its offer and communicated to the Corporation that its holdings, together with certain arrangements it had in place, were sufficient to prevent SIG from reaching the Threshold on the SIG Debenture Offer. SIG nevertheless continued to add to its list of Deposited Debentures in attempt to achieve the Threshold and protect the Shareholders and Debentureholders from the opportunistic attempts by Capitalight to cause SIG to default on the Debentures. SIG failed to reach the Threshold prior to the Maturity Date and, in order to avoid default and preserve Shareholder and Debentureholder value, the Corporation applied to the Court and obtained the Preliminary Interim Order under the CBCA on December 27, 2021, which is attached hereto as Schedule "F". The Preliminary Interim Order granted a stay of proceedings in favour of the Corporation and SSAL in respect of, among other things, events of default under the Debentures including the failure to make payment of all principal and interest owing under the Debentures due on the Maturity Date. The stay pursuant to the Preliminary Interim Order remains in effect today.

Shift from Debenture Focus to Sale of the Business

Following the issuance of the Preliminary Interim Order, the Board determined, in consultation with Farber, that SIG should not pursue a meeting of Debentureholders to amend the Maturity Date given Capitalight's demonstrated opposition and the related risk of the Debentures going into default. **A default would have resulted in no recovered value for the Shareholders, would likely result in diminished recovery for Debentureholders and would result in a significant operational disruption that would disadvantage investors in the Stone Funds.**

SIG used the time afforded by the stay of proceedings granted by the Court to explore other opportunities and avoid a default on the Debentures. It quickly became apparent to management and the Board that a sale of the business offered the greatest value and the greatest certainty of outcome for the Corporation and its stakeholders. Accordingly, since the Preliminary Interim Order was issued on December 27, 2021, the Corporation, through management, engaged in discussions with four bona fide parties regarding potential transactions. Three of those discussions resulted in term sheets, due diligence and further negotiations. Capitalight was one of the parties so engaged. Through the discussions, the Board remained engaged and was regularly briefed on progress, including the continuing actions of Capitalight. In particular, the Independent Directors undertook diligence and care to consider each prospective transaction on its merits and independent of any implications for Richard Stone as a Shareholder, Debentureholder and employee in the context of each given transaction. The four month process ultimately concluded with one clearly superior proposal to ensure value for the Company, the Shareholders and the Debentureholders.

The Starlight Capital Acquisition

The provisions of the Arrangement are the result of arm's length negotiations conducted between Starlight Capital and SIG and their respective representatives and advisors over a period of four months. The following is a summary of the material meetings, negotiations, discussions and actions between the parties that preceded the execution of the Arrangement Agreement.

Since its inception in 2018, Starlight Capital and Stone have been well-acquainted with each other and their respective investment approaches. Following the end of business day on December 23, 2021, representatives of SIG contacted representatives of Starlight Capital to explore a potential combination of the two businesses. On December 24, 2021, Starlight Capital and SIG entered into a confidentiality agreement and Starlight Capital commenced a due diligence review of SIG and its operations.

The parties continued discussions and on early January 2022, representatives of Starlight Capital and SIG held a meeting to discuss preliminary terms for a potential transaction.

On February 10, 2022, Starlight Capital presented SIG with a non-binding letter of intent (the "**LOI**"), pursuant to which Starlight Capital proposed to acquire SIG for $0.01 per Common Share and all of the Deposited Debentures for $800 per Debenture and the Remaining Debentures for $1,000 per Debenture, plus accrued and unpaid interest thereon, including any additional interest. The LOI contemplated, among other things, a 45 day exclusivity period during which SIG would be prohibited from engaging with other potential acquirers of the business to negotiate definitive documentation, along with an expense reimbursement fee and a termination fee payable to Starlight Capital, in each case, in the event the LOI was terminated in certain circumstances. Following receipt of the LOI, the Board convened and engaged in a lengthy discussion, including careful consideration of the risks and merits of agreeing to a non-binding letter of intent with an exclusivity period and potential fee events. The Board received input and advice from its Fairness Adviser and Bennett Jones LLP, its external legal counsel.

Ultimately, the Board decided that it should continue to negotiate with Starlight Capital and the other interested parties, but that it was premature to engage in exclusive negotiations with potential fee events. SIG communicated to Starlight Capital that its preference was to continue to work towards negotiating definitive documentation rather than agree to an exclusive, non-binding letter of intent which prohibited negotiations with other interest parties in order to maximize value for all stakeholders of the Corporation. The parties continued to negotiate definitive documentation in the ensuing months.

On March 15, 2022, Starlight Capital presented the Corporation with a draft arrangement agreement that contained several terms and conditions that, in the Board's opinion, were very favourable to the Purchaser, including, among others, a termination fee (the "**Termination Fee**") and an expense reimbursement fee (the "**Expense Reimbursement Fee**") payable to the Purchaser, in each case, in the event the agreement was terminated in certain circumstances. This draft arrangement agreement contained the same amounts payable to Shareholders and Debentureholders as those contained in the LOI. On March 17, 2022, the Corporation presented Starlight Capital with a revised draft of the arrangement agreement that significantly modified the terms and conditions to reduce, in its opinion, the previous imbalance in favour of the Purchaser, introduced new terms and conditions solely favourable to the Corporation, reduced the Termination Fee and narrowed the events in which the Termination Fee and Expense Reimbursement Fee would become payable to the Purchaser. Subsequently, the parties continued to trade revised drafts and representatives

of Starlight Capital and SIG had several calls to conduct additional negotiations. In several instances, the Corporation took a hardline approach on certain issues considered important to the Corporation and its stakeholders, and Starlight Capital accepted their position on certain points. On April 1, 2022, Starlight Capital presented SIG with an updated arrangement agreement whereby Starlight Capital accepted substantially all of the Corporation's revisions and Starlight Capital and SIG agreed on a Termination Fee amount of $1,000,000 and an Expense Reimbursement Fee amount of up to $750,000.

The Board met on April 6, 2022 with its legal and Fairness Adviser and, ultimately, decided that the transaction proposed by Starlight Capital represented the greatest value to the stakeholders of the Corporation and offered the greatest certainty of outcome. On April 7, 2022, the Corporation and Starlight Capital entered into the Arrangement Agreement and issued a joint-press release announcing the Arrangement. Pursuant to the Arrangement, Starlight Capital, through the Purchaser, a wholly-owned subsidiary of Starlight Capital, will, through a series of transactions, acquire the Corporation. As part of the transaction, Starlight Capital, through the Purchaser, replaced Pivot as the lender to SSAL and has agreed to advance funds to SSAL in order to allow it to acquire the 6,464 Deposited Debentures, to acquire all of the Common Shares for the Consideration and to redeem the remaining 5,536 Remaining Debentures pursuant to the terms of the Trust Indenture for $1,000 per Debenture, plus accrued and unpaid interest thereon, all pursuant to the terms of the Arrangement Agreement, as described in detail below – see "*The Arrangement Agreement*"**.** In addition, on April 7, 2022, the Parties entered into the Credit Agreement, a copy of which is available on SEDAR.

Principal Steps of Arrangement

Summary of the Transactions

The following is a summary of the material terms of the Plan. The description of the Plan, both below and elsewhere in the Circular, does not purport to be complete and is qualified in its entirety by the complete text of the Plan. Please refer to the Plan, which is attached to this Circular as Schedule "A", for a full description of the terms and conditions thereof.

Under the terms and subject to the conditions set forth in the Arrangement Agreement, there are three main transactions that will be completed in the sequence set out below:

1. SSAL will use cash to be advanced by Starlight Capital in the amount of $800 per Debenture to complete the purchase of the Deposited Debentures;

2. Starlight Capital will acquire all of the Common Shares in exchange for $0.01 per Common Share payable in cash pursuant to the Plan of Arrangement; and

3. The Corporation will pay, pursuant to the terms and conditions of the trust indenture governing the Debentures, the principal amount of $1,000 per Debenture, plus accrued and unpaid interest thereon, including any additional interest, to complete the repayment of the Remaining Debentures.

Effect of Arrangement

Following completion of the Arrangement and the related transactions, the successor corporation to the Corporation will be a wholly-owned subsidiary of Starlight Capital and no Debentures will remain outstanding. Only the Common Shares will be arranged under the Plan of Arrangement, the effect of which is to transfer all Common Shares to the Purchaser for the Consideration of $0.01 per Common Share. The Debentures will not be arranged. Instead, the Deposited Debentures will be repurchased pursuant to the SIG Debenture Offer immediately prior to the issuance of the Certificate of Arrangement and the Remaining Debentures will be paid out pursuant to section 2.17 of the Trust Indenture immediately following the change of control triggered by the acquisition of the Common Shares, all in accordance with the Plan of Arrangement.

Unanimous Recommendation of the SIG Board for Arrangement

The Board is comprised of three directors, including Mr. Stone and the two Independent Directors. Mr. Stone recused himself in respect of the consideration by the Board in respect of all material aspects of the SIG Debenture Offer and the Arrangement, with the result that these transactions were separately approved by the Independent Directors.

After consultation and careful consideration with SIG's outside legal counsel, with the Fairness Adviser and after receiving the Fairness Opinion, the Board and the Independent Directors of the Board determined that the Arrangement is fair to the Shareholders, from a financial point of view, and that the Arrangement is in the best interests of SIG, the Shareholders and its other stakeholders. Accordingly, the Independent Directors of the Board unanimously approved the Arrangement, and separately, the Board unanimously approved the Arrangement, and the Board as well as the Independent Directors of the Board unanimously recommends that Shareholders vote ***FOR*** the Arrangement Resolution.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* THE CONTINUANCE RESOLUTION AND THE ARRANGEMENT RESOLUTION.

See "*DESCRIPTION OF THE ARRANGEMENT AND RELATED MATTERS*" and "*ARRANGEMENT STEPS*" for additional detail regarding the Starlight Capital transaction.

A registered existing Shareholder has Arrangement Dissent Rights that arise in connection with the Arrangement. See "*Dissent Rights – Arrangement Dissent Rights*" below.

Reasons for the Arrangement

The Arrangement Agreement was the result of a lengthy arm's-length negotiation between the parties for four months. In reaching its conclusions and formulating its recommendation that Shareholders vote **FOR** the Continuance and the Arrangement Resolution, the Board reviewed and considered a significant amount of information and considered a number of factors relating to the Arrangement with the benefit of advice from its outside legal counsel, financial and other advisors and input from the Corporation's senior management team. The Board did not find it practicable to, and therefore did not, quantify or otherwise attempt to assign any relative weight to each specific factor or item of information considered in reaching their conclusions and recommendations. In negotiating the terms of the Arrangement Agreement, the Board considered various factors. **The following is a summary of the principal reasons for the recommendation of the Board that Shareholders vote FOR the Arrangement Resolution:**

- *Result of Robust Process*. The Arrangement is the result of an extensive and prolonged process of soliciting interest from a broad range of prospective lenders and, subsequent to those discussions, engagement with a number of prospective purchasers of the business. The Corporation began to consider a sale of the business in earnest following the Maturity Date. The Corporation engaged in discussions with a number of interested parties, and received proposals from four potential acquirers of the business. The Arrangement with Starlight Capital was ultimately determined to be the best available alternative for stakeholders of the Corporation, including the Shareholders. Throughout this process, the Corporation worked in consultation with, and with participation by, its legal and financial advisors.

- *Certainty of Value for Shareholders*. The Arrangement provides all Shareholders with cash consideration and represents the best alternative to a scenario in which the Corporation defaults on its $● million obligation to holders of the Debentures. The Board has determined, in consultation with its financial adviser, that a default on the Debentures would likely result in no financial recovery for Shareholders.

- *Fairness Opinion.* The Fairness Adviser provided the Fairness Opinion to the Board that (i) the consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders, and (ii) the holders of the Debentures and the holders of Common Shares, respectively, are

better off under the Plan of Arrangement than if the Corporation were liquidated as, in each case, the estimated aggregate value of the consideration made available to them pursuant to the Plan of Arrangement would, in the opinion of Fairness Adviser, exceed the estimated value they would receive in a liquidation.

- *Support of Shareholders*: All of the Corporation's directors and officers and a significant number of Shareholders, who collectively hold 16,607,034 Common Shares representing approximately 66.4% of the issued and outstanding Common Shares, have entered into voting and support agreements pursuant to which they each agreed, among other things and subject to the terms of their respective agreements, to vote all of the Common Shares held by them in favour of the Arrangement.

- *Best Alternative for Shareholders*: In the absence of a negotiated transaction, it appears likely that the Corporation would have defaulted on its obligations pursuant to the Debentures and would have been forced to file for protection under the *Companies' Creditors Arrangement Act* (Canada) or, in the absence of a restructuring under such filing, commence an orderly liquidation process, both of which would have likely resulted in zero value for the Shareholders. The Arrangement with Starlight Capital represents the best alternative among the various refinancing and sale alternatives considered by the Board. Furthermore, the Board remains able to respond to an unsolicited written Acquisition Proposal on the specific terms and conditions set forth in the Arrangement Agreement, affording the Corporation with the ability to respond to a superior offer should one emerge.

- *Liquidity for All Debentureholders*: The Arrangement ensures that, upon completion, all holders of Debentures will obtain liquidity for their investment, rather than only those holders that tendered to the Corporation's existing offer, which is an outcome that the Corporation has strived to achieve for Debentureholders for several years without success.

All of the directors of the Corporation (with Richard Stone recusing himself) voted to approve the Arrangement at the April 6, 2022 meeting of the Board.

To be effective, the Arrangement must be approved by the Shareholders in accordance with the Interim Order dated May 9, 2022 and by the Court pursuant to the Final Order. The Court has broad discretion under the CBCA when making orders with respect to arrangements. The Court, when hearing the application for the Final Order, will consider, among other things, the fairness of the Arrangement, from a substantive and procedural point of view. Proceeding under Section 192 of the CBCA allowed the parties to structure the Arrangement in a manner that would not have been practicable under other provisions of the CBCA.

In its review of the proposed terms of the Arrangement, the Board also considered a number of elements of the transaction that provided protection to the Shareholders:

(a) The Continuance Resolution and the Arrangement Resolution must be approved by not less than 66 2/3% of the votes cast by the Shareholders present virtually or represented by proxy and entitled to vote at the Meeting and the Arrangement Resolution by a simple majority of the votes cast at the Meeting by the Minority Shareholders present virtually or represented by proxy at the Meeting pursuant to MI 61-101.

(b) The Arrangement will only become effective if, after hearing from all interested persons who choose to appear before it, the Court determines that the Arrangement is fair and reasonable to the Shareholders.

(c) Registered holders of Common Shares who oppose the Arrangement may, upon compliance with certain conditions, exercise Dissent Rights and receive the fair value of their Common Shares in accordance with Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order.

In the course of its deliberations, the Board also considered a variety of risks, uncertainties and other potentially countervailing factors, including but not limited to the following (which are not necessarily presented in order of relative importance):

(d) If the Arrangement is not consummated or is delayed, there is a high likelihood that the Corporation would have to pursue a filing for protection under the *Companies' Creditors Arrangement Act* (Canada) or, in the absence of a restructuring under such filing, commencing an orderly liquidation process.

(e) There can be no assurance that the conditions to completion of the Arrangement in the Arrangement Agreement will be satisfied and, as a result, the Arrangement may not be consummated.

(f) Substantial time, effort and transaction costs are associated with entering into the Arrangement Agreement and completing the Arrangement, which could disrupt the operation of the Corporation's business.

(g) The Arrangement Agreement contains restrictions on the conduct of the Corporation's business prior to the completion of the Arrangement which could delay or prevent the Corporation from undertaking business opportunities, including the Corporation's ability to solicit Acquisition Proposals from third parties, that may arise pending the completion of the Arrangement.

See "Risk Factors" for further discussion of the risks associated with the Arrangement.

Fairness Opinion

The Fairness Adviser has provided the Board with: (i) the Fairness Opinion in respect of the Plan and the SIG Debenture Offer; and (ii) an opinion (the "**CBCA Opinion**", together with the Fairness Opinion, the "**Opinions**") in the form described in paragraph 4.04 of Industry Canada's Policy Statement 15-1 – Policy Concerning Arrangements under Section 192 of the CBCA dated January 4, 2010. Copies of the Opinions are attached as Schedule "H" to this Circular.

As set forth in the Opinions, the Fairness Adviser concludes that, as of the date of the Opinions:

(i) the existing Shareholders and Debentureholders, respectively, would be in a better position, from a financial point of view, under the Arrangement and associated Debenture purchases, than if SIG were liquidated; and

(iii) the Consideration and the consideration to be paid to the Debentureholders are fair from a financial point of view, to the existing Shareholders and Debentureholders, respectively.

The Opinions describe the scope of the review undertaken by the Fairness Adviser, the assumptions made by the Fairness Adviser, the limitations on the use of the Opinions, and the basis of the Fairness Adviser's fairness analysis for the purposes of the Opinions, among other matters. The summary of the Opinions set forth in this Circular is qualified in its entirety by reference to the full text of the Opinions. The Opinions were prepared at the request of the Board and are strictly for the use of the Board and do not constitute a recommendation to the Shareholders to approve the Plan. The Fairness Adviser has provided their written consent to the inclusion of the Opinions in this Circular.

The Fairness Adviser was formally engaged by SIG under the terms of an agreement between SIG and the Fairness Adviser effective January 17, 2022 to provide its views as the fairness of the Consideration and the Arrangement. The terms of the engagement agreement provide that Fairness Adviser will receive a fee for its services equal to $100,000. For each additional opinion provided by the Fairness Adviser or for any update to the opinion provided, a fee of $40,000 shall be payable. The Fairness Adviser is to be reimbursed for its reasonable out-of-pocket expenses and is to be indemnified by SIG in certain circumstances.

The Arrangement Agreement

The Purchaser has entered into Voting Support Agreements with a number of Shareholders in respect of 16,607,034 (representing approximately 66.4% of the outstanding Common Shares as of the Record Date). The Supporting Shareholders have agreed, subject to the terms of the Voting Support Agreement, to vote all of the Common Shares held by them in favour of the Continuance Resolution and the Arrangement Resolution. The following is a summary of the material terms of the Arrangement Agreement. The description of the Arrangement Agreement, both below and elsewhere in the Circular, does not purport to be complete and is qualified in its entirety by the complete text of the Arrangement Agreement. Please refer to the Arrangement Agreement, a copy of which is available on SEDAR.

The Arrangement Agreement sets out the terms of the Plan, including the Purchaser's acquisition of the Common Shares in exchange for the Consideration pursuant to the Plan of Arrangement. Moreover, it details the terms upon which:

a) subject to the Plan of Arrangement, and the issuance by the Court of the Interim Order and the Final Order, the Arrangement will be implemented;

b) the Purchaser will, following issuance by the Court of the Final Order, deposit in escrow with the Payment Agent sufficient funds to satisfy the Consideration;

c) the Purchaser will advance or cause to be advanced to SSAL the aggregate SIG Debenture Offer Price to allow SSAL to complete the purchase of the Deposited Debentures and thereafter surrender the acquired Deposited Debentures to Computershare Trust Company of Canada, as trustee, for cancellation; and

d) the Purchaser will advance to SIG the aggregate Debenture Repayment Amount to allow SIG to complete the repayment of the Remaining Debentures.

The Arrangement Agreement is subject to certain customary representations, warranties, covenants and conditions. It also contains non-solicitation provisions, which principally prohibit SIG from directly or indirectly:

a) soliciting, initiating, encouraging or otherwise facilitating any inquiry, proposal or offer that constitutes, or would reasonably be expected to constitute or lead to, an Acquisition Proposal (as defined in the Arrangement Agreement) or otherwise cooperating in any way with, or assisting or participating in, facilitating or encouraging, any effort or attempt by any other person to do or seek to do any of the foregoing;

b) entering into or otherwise engaging or participating in any discussions or negotiations with any person regarding, or providing information to any person with respect to, any inquiry, proposal or offer that constitutes or would reasonably be expected to lead to an Acquisition Proposal;

c) failing to unanimously recommend or withdrawing, amending, modifying or qualifying or publicly proposing or stating an intention to withdraw, amend, modify or qualify the recommendation of the Board that existing shareholders vote their Common Shares in favour of the Arrangement Resolution (a "**Change in Recommendation**");

d) accepting, approving, endorsing or recommending, or publicly proposing to accept, approve, endorse or recommend, or taking no position or remaining neutral with respect to any Acquisition Proposal; or

e) accepting, approving, endorsing, recommending, entering into or publicly proposing to enter into any contract (an "**Alternative Transaction Agreement**") in respect of an Acquisition Proposal.

Notwithstanding the aforementioned prohibitions, if SIG receives an unsolicited written Acquisition Proposal prior to the approval of the Arrangement Resolution, SIG may enter into, engage in, participate in, facilitate and maintain discussions or negotiations regarding such Acquisition Proposal and may provide copies of, access to or disclosure of confidential information, properties, facilities, or books or records of SIG or any of its subsidiaries. SIG's ability to do so under the Arrangement Agreement is conditioned upon, among other things, the Board determining in good faith,

after consultation with its financial and legal advisors, that the unsolicited Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal (as defined in the Arrangement Agreement).

In addition, the non-solicitation provisions under the Arrangement Agreement, do not prohibit the Board from complying with section 2.17 of *National Instrument 62-104 – Take-Over Bids and Issuer Bids* and similar provisions under securities laws. Similarly, the non-solicitation provisions do not prohibit the Board from calling or holding a meeting of the existing Shareholders requisitioned by such shareholders in accordance with SIG's constating documents.

Pursuant to the Arrangement Agreement, an Acquisition Proposal will not constitute a Superior Proposal unless it is an unsolicited *bona fide* written Acquisition Proposal made after the date of the Arrangement Agreement by a person who is an arm's length third party and which or in respect of, *inter alia*:

a) the Board, acting in good faith (after receipt of advice from its legal and financial advisors), determines is in the best interests of SIG and its stakeholders and is more favourable from a financial point of view to the existing Shareholders and the Debentureholders than the Arrangement and is reasonably capable of being consummated in accordance with its terms without undue delay;

b) is not subject to any diligence or access condition;

c) did not result from a breach of the Arrangement Agreement or a material breach of any agreement between the person making such Acquisition Proposal and SIG;

d) is an offer to purchase or otherwise acquire, directly or indirectly, not less than all of the Common Shares not owned by the person making such Acquisition Proposal or its affiliates or all or substantially all of the assets of SIG on a consolidated basis; and

e) is not subject to any financing condition and in respect of which adequate arrangements have been made to ensure that the required funds will be available to effect payment in full.

At anytime prior to obtaining approval of the Arrangement Resolution, the Board may enter into an Alternative Transaction Agreement with respect to a Superior Proposal, provided that, among other things:

a) the Board has determined in good faith, after consultation with its financial and legal advisors, that the proposed Acquisition Proposal constitutes a Superior Proposal;

b) SIG has provided the Purchaser with written notice of its intention to take such action (a "**Superior Proposal Notice**");

c) SIG has provided the Purchaser with a copy of any proposed definitive agreement for the Superior Proposal;

d) during the five business days following receipt by the Purchaser of the Superior Proposal Notice and a copy of the definitive agreement for the Superior Proposal (the "**Matching Period**"), the Purchaser has had the opportunity to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal, in accordance with the terms of the Arrangement Agreement;

e) at the end of the Matching Period, the Board has determined in good faith, after consultation with its financial and legal advisors (and taking into account any amendment or modification to the terms of the Arrangement or the Arrangement Agreement that the Purchaser has agreed in writing to make), that such Acquisition Proposal continues to constitute a Superior Proposal; and

f) prior to or concurrently with making a Change in Recommendation or entering into an Alternative Transaction Agreement, SIG terminates the Arrangement Agreement and pays $1 million by wire transfer of immediately available funds to the Purchaser (the "**Termination Fee**").

Subject to certain exceptions set out in the Arrangement Agreement, in the event that the Arrangement Agreement is terminated, SIG will be required to pay to the Purchaser all of the Purchaser's reasonable and documented out-of-pocket expenses incurred in connection with the Arrangement Agreement up to a maximum of $750,000 (the "**Expense Reimbursement Fee**"). If SIG becomes liable to pay the Termination Fee subsequent to having paid the Expense Reimbursement Fee, the amount of the Expense Reimbursement Fee will be credited against payment of the Termination Fee. The Terminate Fee is also payable to the Purchaser in certain other instances set out in the Arrangement Agreement.

The Arrangement is significantly complex in nature and has required the expenditure of substantial time, money and other resources of the Purchaser to finalize the Arrangement Agreement, and will require additional time, money and other resources to complete the implementation of the Arrangement. For this reason, the Applicants are of the view that the Termination Fee and Expense Reimbursement Fee (together, the "**Deal Protections**") are reasonable in the circumstances and strike an appropriate commercial balance between the potential adverse effects of the Deal Protections and the need to fairly compensate the Purchaser for the significant time, effort and cost it has incurred in connection with the Arrangement.

Releases and Waivers

The Plan of Arrangement includes releases in connection with its implementation in favour of the CBCA Applicants, the Purchaser and Starlight, and each of the foregoing persons' respective principals, members, managed accounts or funds, fund advisors, current and former directors and officers, employees, financial and other advisors, legal counsel and agents, each in their capacity as such (collectively, the "**Released Parties**").

Pursuant to the Plan of Arrangement, the Released Parties will be released and discharged from all present and future a actions, causes of action, damages, judgments, executions, obligations and Claims (as defined in the Plan) of any kind or nature whatsoever arising on or prior to the Effective Date in connection with the Common Shares, the Arrangement Agreement, the Plan and the transaction contemplated therein, the CBCA Proceedings, and any other actions, agreements, documents or matters related directly or indirectly to the foregoing. The Plan releases do not release any liabilities or claims attributable to any of the Released Parties' gross negligence, fraud or wilful misconduct as determined by the final, non-appealable judgment of a court of competent jurisdiction.

The Plan provides that, from and after the Effective Time, all Persons named or referred to in, or subject to, the Plan shall be deemed to have consented and agreed to all of the provisions of the Plan in its entirety. Without limiting the foregoing, pursuant to the Plan, all Persons shall be deemed to have:

(i) waived any and all defaults or events of default, third-party change of control rights or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to the Arrangement Agreement, the Arrangement, the Plan and the transactions contemplated therein, the CBCA Proceedings and any other proceedings commenced with respect to or in connection with the Plan and any and all amendments or supplements thereto. Any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection with any of the foregoing shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the CBCA Applicants and their respective successors and assigns from performing their obligations under the Plan or any contract or agreement entered into pursuant to, in connection with, or contemplated by, the Plan; and

(ii) agreed that if there is any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and any of the CBCA Applicants prior to the Effective Date and the provisions of the Plan, then the provisions of the Plan shall take precedence and priority and the provisions of such agreement or other arrangement are deemed to be amended to the extent necessary to conform with the provisions of the Plan.

Notwithstanding the above, nothing in the Plan, or any releases or waivers granted in connection therewith, shall affect the obligations of any of the CBCA Applicants to any employee thereof in their capacity as such, including any contract of employment between any Person and any of the CBCA Applicants.

Shareholders to Receive Consideration without Further Action Following the Arrangement

No later than 3 business days following the Effective Time, in accordance with the terms of the Plan, the Payment Agent shall issue to each existing Shareholder that is not a dissenting Shareholder, without any further action required from any existing Shareholder, the Consideration for the number of Common Shares held by each existing Shareholder as set out in SIG's shareholder register via cheque mailed by the Paying Agent to the registered address of each such existing Shareholder as set out in SIG's shareholder register, less any amounts withheld pursuant to Section 4.4 of the Plan. All share certificates representing such Common Shares shall be null and void following the Effective Time.

A letter of transmittal should only be completed by registered shareholders who want to update their address of record. A duly completed letter of transmittal must be completed letter of transmittal must be completed and delivered to SIG no later than 3 business days prior to the Effective Date to update such address.

Continuance of the Corporation from Ontario to Canada

Before the Corporation can proceed to close the Starlight Capital acquisition transactions, the Corporation will first complete the continuance from the OBCA to the CBCA.

Why is the Corporation Continuing from Ontario to Canada?

The Corporation was formed under and is governed by the OBCA. In late December 2021, the Corporation wished to avail itself of the arrangement provisions of the CBCA and the depth of experience of the Court in dealing with arrangements pursuant to the CBCA. In order to complete an arrangement pursuant to the CBCA, the Corporation must be subject to and governed by the CBCA. The Board believes that it is in the best interests of the Corporation and the Shareholders for the Corporation to continue as a CBCA corporation to effect the Plan pursuant to the CBCA.

How is Continuance from Ontario to Canada achieved?

The OBCA and the CBCA permit the Corporation to continue under the CBCA with the authority of a special resolution of the Shareholders, the endorsement of the Director (in accordance with the OBCA) and upon complying with certain procedures and filing certain forms, including the filing of articles of continuance.

The Effect of Continuance

Upon the completion of the Continuance, the Corporation's legal domicile will be Canada and it will no longer be subject to the provisions of the OBCA. The Corporation will be treated as if it had been incorporated under the CBCA. By operation of law under the CBCA, all of the assets, property, rights, liabilities and obligations of the Corporation immediately prior to the Continuance will continue to be the assets, property, rights, liabilities and obligations of the Corporation after the Continuance. Continuance under the CBCA will not affect the application to the Corporation of securities laws, regulations, rules and policies that presently apply.

Passing the Continuance Resolution

The Shareholders are being asked to approve the Continuance Resolution at the Meeting. The full text of the Continuance Resolution is set out in Schedule "B" to the Circular. In order to become effective, the Continuance Resolution must be approved by at least two-thirds (66⅔%) of all votes cast by Shareholders present virtually or by proxy at the Meeting. The Continuance Resolution is not subject to Minority Approval.

When will the Continuance be implemented?

If the Continuance Resolution is passed at the Meeting, it is intended that the Federal Articles of Continuance (defined below) will be filed prior to the Court hearing for the Final Order in respect of the Arrangement under the CBCA. That way, the Corporation will be subject to and governed by the CBCA when it is before the Court seeking the Final Order and when it subsequently files the Federal Articles of Arrangement pursuant to the CBCA to give effect to the Arrangement.

Federal Articles of Continuance

The proposed form articles of continuance (the "**Federal Articles of Continuance**") to be filed under the CBCA to effect the Continuance are attached as Schedule "D" to this Circular.

Description of the Material Differences between the OBCA and the CBCA

There are important differences between the OBCA and the CBCA concerning the qualifications of directors, location of shareholder Meeting, requirements for certain corporate procedures and certain shareholder remedies. The Shareholders will not lose or gain any significant rights or protections as a result of the Continuance. **Reference is made to Schedule "I" of this Circular for a summary comparison of certain provisions of the OBCA and the CBCA.**

If the Arrangement is approved and implemented, the Shareholders will no longer hold Common Shares and, consequently, will cease to be shareholders of the Corporation. It is expected that the Arrangement will be implemented following the satisfaction of any remaining conditions in the Arrangement Agreement and shortly following completion of the Continuance, at which time the differences between the OBCA and CBCA will cease to be relevant to the Shareholders voting at the Meeting.

Dissent Rights

A registered existing Shareholder has Dissent Rights that arise in connection with the Continuance. See "*DISSENT RIGHTS - Continuance Dissent Rights*" below.

Board Discretion

The Board may determine not to proceed with the Continuance at any time before the Meeting, or at any time after receiving approval of the Continuance Resolution at the Meeting but prior to the issuance of a certificate of continuance, without further action on the part of Shareholders.

Recommendation of the SIG Board for Continuance

After consultation and careful consideration with SIG's outside legal counsel, with the Fairness Adviser and after receiving the Fairness Opinion, the Board and the Independent Directors of the Board determined that the Continuance is in the best interests of SIG, the Shareholders and other stakeholders, which is required in order for the Arrangement to occur. Accordingly, the Independent Directors of the Board unanimously approved the Continuance, and separately, the Board unanimously approved the Continuance, and the Board as well as the Independent Directors of the Board unanimously recommend that Shareholders vote ***FOR*** the Continuance Resolution.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* THE CONTINUANCE RESOLUTION AND THE ARRANGEMENT RESOLUTION.

Required Approvals for the Arrangement

Court Approval

The Arrangement requires approval by the Court under the CBCA. On May 9, 2022, prior to the mailing of this Circular, the Corporation obtained the Interim Order from the Court providing for the calling and holding of the Meeting, and other procedural matters. A copy of the Interim Order is attached hereto as Schedule "E" and forms part of this Circular. The Originating Application for the Final Order is attached hereto as Schedule "G" and forms part of this Circular.

Subject to the terms of the Arrangement Agreement and the approval of the Arrangement Resolution and the Continuance Resolution, the hearing in respect of the Final Order is currently scheduled to take place on June 20, 2022 at 11:00 a.m. (Toronto time). At the hearing for the Final Order, the Court will consider, among other things, the fairness and reasonableness of the Plan, both from a substantive and procedural point of view, and the approval of the Arrangement Resolution by the Shareholders at the Meeting.

The Court may approve the Plan in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit.

Assuming the Final Order is granted and the other conditions to closing are satisfied or waived, it is anticipated that the following will occur substantially simultaneously: (i) the various documents necessary to consummate the Plan will be executed and delivered; (ii) Articles of Arrangement will be filed with the CBCA Director to give effect to the Plan; and (iii) the transactions provided for in the Plan will occur in the order and at the times indicated in the Plan.

Subject to the foregoing, it is expected that the Plan will occur as soon as practicable after the requisite approvals have been obtained. Subject to the satisfaction or waiver of applicable conditions, the Corporation is working to complete the Plan in June 2022.

Shareholder Approval

To become effective, the Continuance Resolution must be approved by at least 66 2/3% of the votes cast by Shareholders present virtually or represented by proxy at the Meeting and the Arrangement Resolution must be approved by: (i) at least 66 2/3% of votes cast by Shareholders present virtually or represented by proxy at the Meeting; and (ii) a simple majority of the votes cast at the Meeting by the Minority Shareholders present virtually or represented by proxy at the Meeting pursuant to MI 61-101.

The Purchaser has entered into Voting Support Agreements in respect of 16,607,034 (representing approximately 66.4% of the outstanding Common Shares as of the Record Date). The Supporting Shareholders have agreed, subject to the terms of the Voting Support Agreement, to vote all of the Common Shares held by them in favour of the Continuance Resolution and the Arrangement Resolution. Each of the officers and Directors have agreed to vote **FOR** the Continuance Resolution and the Arrangement Resolution.

The following is a summary of the material terms of the Voting Support Agreements. This summary does not purpose to be complete and is qualified in its entirety by the complete text of the Voting Support Agreement, a copy of which is available under the Corporation's SEDAR profile at www.sedar.com.

The Voting Support Agreement sets out the obligations and covenants of the Shareholders party thereto, including, among other things:

a) at any meeting of securityholders of SIG called to vote upon the Arrangement or at any adjournment or postponement thereof or in any other circumstances upon which a vote, consent or other approval with respect to the Arrangement is sought, such Shareholders shall cause its Common Shares to be counted as present for purposes of establishing quorum and shall vote its Common Shares in favour of the approval of the Arrangement and any other matter necessary for the consummation of the Arrangement;

b) at any meeting of securityholders of SIG or at any adjournment or postponement thereof or in any other circumstances upon which a vote, such Shareholder shall cause its Common Shares to be counted as present for purposes of establishing quorum and shall vote its Common Shares against any alternative transaction and/or any matter that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Arrangement (the "**Prohibited Matters**");

c) such Shareholder will immediately cease and cause to be terminated any existing solicitation, encouragement, discussion or negotiation commenced prior to the date of the Voting Support Agreement with any person (other than the Purchaser) by such Shareholder or, if applicable, any of its officers, directors, employees,

representatives or agents, with respect to any potential alternative transaction, whether or not initiated by the Shareholder or any of its officers, directors, employees, representatives or agents;

d) such Shareholder agrees not to, directly or indirectly, (i) sell, transfer, assign, grant a participation interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber (each, a "**Transfer**"), or enter into any agreement, option or other arrangement with respect to the Transfer of, any of its Common Shares to any person, other than to or for the benefit of the Purchaser, or (ii) grant any proxies or power of attorney, deposit any of its Common Shares into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to its Common Shares, other than pursuant to the Voting Support Agreement;

e) such Shareholder shall not take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of the Arrangement;

f) the Shareholder shall, as a holder of Common Shares, cooperate with SIG and the Purchaser to successfully complete the Arrangement; and

g) the Shareholder shall not exercise any rights of appraisal or rights of dissent with respect to the Arrangement that the Shareholder may have.

Key Regulatory Approvals

The acquisition of control of SIG by Starlight Capital will result in the indirect change of control of Stone Asset Management Limited ("**SAM**"), a wholly-owned subsidiary of Stone that is registered under securities legislation across Canada. The indirect change of control of SAM is subject to the non-objection (the "**Non-Objection**") of the Canadian securities regulators pursuant to the requirements of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. The Non-Objection must be obtained before the Arrangement can become effective. As of the date of this Circular, SAM has filed its application to the Canadian securities regulators.

In addition, notice of the change of control of SAM in its capacity as the investment fund manager of the Stone mutual funds, is required to be given to investors in the Stone mutual funds pursuant to National Instrument 81-102 *Investment Funds* and such notice has been delivered as of the date of this Circular.

Minority Approval of the Arrangement

Business Combination Under MI 61-101

As a reporting issuer, the Corporation is, among other things, subject to MI 61-101. MI 61-101 regulates certain types of transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a majority of security holders (excluding persons who are "interested parties" as defined in MI 61-101), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections afforded by MI 61-101, apply to, among other transactions, "business combinations (as defined in MI 61-101) which may terminate the interests of security holders without their consent.

If any of the "related parties" (as defined in MI 61-101) of the Corporation is entitled to receive, directly or indirectly, as a consequence of the transaction, consideration per equity security that is not identical in amount and form to the general body of holders in Canada of securities of the same class ("Different Consideration") or a "collateral benefit" (as defined in MI 61-101), the Arrangement will constitute a "business combination" for the purposes of MI 61-101 and the Arrangement Resolution will require "minority approval" in accordance with MI 61-101. If "minority approval" is required, the Arrangement Resolution must be approved by a majority of Shareholders, excluding those votes beneficially owned, or over which control or direction is exercised, by the "related parties" of the Corporation who can be considered to be receiving a Different Consideration or a "collateral benefit" in connection with the Arrangement, or "joint actors" (as defined in MI 61-101) of such related parties. This approval is in addition to the requirement that the Arrangement Resolution must be approved by at least 66⅔% of the votes cast by Shareholders present virtually or represented by proxy at the Meeting and entitled to vote. To the Corporation’s knowledge, no

related party of the Corporation will be receiving Different Consideration or is a joint actor of the Purchaser. In addition, other than as set out below with respect to the Corporation's Chief Executive Officer, no related party will (or may) be receiving a collateral benefit in relation to the Arrangement.

Possible Collateral Benefit to Richard Stone

A "collateral benefit", as defined in MI 61-101, includes any benefit that a "related party" of the issuer (which includes the directors and senior officers of the issuer) is entitled to receive, directly or indirectly, as a consequence of the transaction, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, director or consultant of the issuer. However, MI 61-101 excludes from the meaning of "collateral benefit" certain benefits to a related party received solely in connection with the related party's services as an employee, director or consultant of an issuer or an affiliated entity of the issuer or a successor to the business of the issuer where, among other things, (a) 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, (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner, (c) full particulars of the benefit are disclosed in the disclosure document for the transaction, and (d) at the time the transaction was agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than 1% of the outstanding shares of the issuer.

As the Chief Executive Officer of the Corporation, and a Shareholder of approximately 45.4% of the outstanding Common Shares, Richard Stone is a "related party" of the Corporation as that term is used in MI 61-101. Mr. Stone also beneficially owns, or has control or direction over, 728 Debentures. As disclosed, Mr. Stone did not deposit his Debentures to the SIG Debenture Offer, choosing instead to leave the limited liquidity opportunity for the benefit of the other Debentureholders (see "*DESCRIPTION OF THE ARRANGEMENT AND RELATED MATTERS – Background To The Arrangement*"). As a result, if the Arrangement is approved and becomes effective, Mr. Stone will have his Debentures paid out along with all other Remaining Debentures pursuant to section 2.17 of the Trust Indenture as a direct consequence of the change of control triggered by the Purchaser acquiring all of the Common Shares pursuant to the Plan. While the Debentures held by Mr. Stone will be treated in an identical manner to the Debentures held by all other Debentureholders, not all Shareholders hold Debentures, and it is arguable that this result could be a collateral benefit to Mr. Stone, despite the fact that he is being treated in the same way as any other Debentureholder holding Remaining Debentures. Accordingly, the Corporation has determined to seek Minority Approval of the Arrangement by having the Minority Shareholders approve the Arrangement Resolution by a simple majority vote at the Meeting.

Exclusion of Votes for Minority Approval

The Corporation will exclude the votes in respect of the 11,352,309 Common Shares held or controlled Mr. Stone for the purposes of the Minority Approval. On that basis, the Common Shares available to be voted in respect of the Minority Approval will be 13,676,262 Common Shares (*i.e.*, 25,028,571 Common Shares less Mr. Stone's 11,352,309 Common Shares).

Voting Support Agreements in respect of the Minority Approval

The Purchaser holds the voting entitlement in respect of 16,607,034 Common Shares (representing approximately 66.4% of the issued and outstanding Common Shares) pursuant to the Voting Support Agreements. Excluding the Voting Support Agreement entered into with Richard Stone, the Purchaser holds the voting entitlement in respect of 5,254,725 Common Shares, which represents 38% of the 13,676,262 Common Shares held by the Minority Shareholders. The Purchaser intends to exercise the voting entitlement in respect of such 5,254,725 Common Shares in favour of passing the Arrangement Resolution in connection with the Minority Approval.

Caution in respect of Minority Approval

Minority Shareholders are reminded that the likely consequence of a failure to obtain Minority Approval is default under the Debentures, which carries with it a significant risk of receivership for the Corporation. Given the

Corporation's failure to resolve the extension of the Debentures prior to the Maturity Date, there will be no recovery of value for the Shareholders in a default scenario and the Debentures will be compromised. By comparison, if the Minority Approval is obtained and the transactions contemplated by the Arrangement Agreement are completed, the Shareholders will receive the Consideration, the Deposited Debentures will be purchased and the Corporation will pay, pursuant to the terms and conditions of the trust indenture governing the Debentures, the principal amount of $1,000 per Remaining Debenture, plus accrued and unpaid interest thereon. See "*DESCRIPTION OF THE ARRANGEMENT AND RELATED MATTERS – Recommendation of the Board*", ABOVE.

Exemption from Formal Valuation Requirement of MI 61-101

MI 61-101 requires, subject to certain exemptions, that a formal valuation be obtained for a "business combination " under section 4.3 of MI 61-101. The Corporation is exempt from the requirement to obtain a formal valuation with respect to the Recapitalization Transaction under section 4.4(a) of MI 61-101 on the basis that no securities of the Corporation are listed on any stock exchange. MI 61-101 requires the Corporation to disclose any "prior valuations" (as defined in MI 61-101) of the Corporation or its material assets or securities made within the 24-month period preceding the date of this Circular. After reasonable inquiry, neither the Corporation nor any director or officer of the Corporation has knowledge of any such "prior valuation".

Prior Offers for Common Shares

Disclosure is also required for any *bona fide* prior offer for the Common Shares during the 24 months before entry into the Plan of Arrangement. As mentioned in this Circular, Capitalight was one of the parties so engaged following the stay of proceedings granted by the Court. We note that the limited disclosure of specific terms of *bona fide* prior offers is a result of certain obligations under confidentiality agreements with other parties.

Recommendation of the Board

After consultation and careful consideration with SIG's outside legal counsel, with the Fairness Adviser and after receiving the Fairness Opinion, the Board and the Independent Directors of the Board determined that the Arrangement and the Continuance is fair to the Shareholders, from a financial point of view, and that the Arrangement and Continuance is in the best interests of SIG, the Shareholders and its other stakeholders. Accordingly, the Independent Directors of the Board unanimously approved the Arrangement and the Continuance, and separately, the Board unanimously approved the Arrangement and the Continuance, and the Board as well as the Independent Directors of the Board unanimously recommend that Shareholders vote ***FOR*** the Arrangement Resolution and the Continuance Resolution.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE *FOR* THE CONTINUANCE RESOLUTION AND THE ARRANGEMENT RESOLUTION.

ARRANGEMENT STEPS

The following is a summary of the material terms of the Plan. The description of the Plan, both below and elsewhere in the Circular, does not purport to be complete and is qualified in its entirety by the complete text of the Plan. Please refer to the Plan, which is attached to this Circular as Schedule "A", for a full description of the terms and conditions thereof.

Pursuant to the Plan, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order in five minute increments (unless otherwise indicated) and at the times set out in the Plan, without any further act or formality required on the part of any Person, except as may be expressly provided in the Plan:

(a) The Deposited Debentures shall be purchased by SIGAL in accordance with the terms of the Debenture Offer in exchange for the payment of the Debenture Offer Price, and the Deposited Debentures shall be cancelled following such purchase.

(b) SIG, SIGAL and ArrangeCo shall be, and shall be deemed to be, amalgamated and continued as one corporation ("**Amalgamated SIG**") under the CBCA in accordance with the following:

(i) Registered Office. The registered office of Amalgamated SIG shall be located in the City of Toronto in the Province of Ontario. The address of the registered office of Amalgamated SIG shall be: 276 King St. W, Suite 203, Toronto, Ontario M5V 1J2;

(ii) Restrictions on Business. There shall be no restrictions on the business that Amalgamated SIG may carry on;

(iii) Articles. The articles of SIG, as in effect immediately prior to the First Amalgamation, shall be deemed to be the articles of Amalgamated SIG;

(iv) Directors. Amalgamated SIG shall have a minimum of 1 director and a maximum of 15 directors, until changed in accordance with the CBCA. Until changed by shareholders of Amalgamated SIG, or by the directors of Amalgamated SIG in accordance with the CBCA, the directors of SIG, as in effect immediately prior to the First Amalgamation shall be deemed to be the directors of Amalgamated SIG;

(i) Shares. All shares of SIGAL and ArrangeCo shall be cancelled without any repayment of capital in respect thereof; no shares will be issued by Amalgamated SIG in connection with the First Amalgamation and all shares of SIG prior to the First Amalgamation shall be unaffected and shall continue as shares of Amalgamated SIG;

(ii) Stated Capital. The stated capital account of the shares of Amalgamated SIG will be equal to the stated capital account in respect of the Common Shares immediately prior to the First Amalgamation;

(iii) By-laws. The by-laws of SIG, as in effect immediately prior to the First Amalgamation, shall be deemed to be the by-laws of Amalgamated SIG;

(iv) Effect of Amalgamation. Subject to releases referred to in Section 6.1 of the Plan, the provisions of subsection 186(a) to (g) of the CBCA shall apply to the First Amalgamation with the result that:

(A) the amalgamation of the amalgamating corporations and their continuance as one corporation becomes effective;

(B) the property of each amalgamating corporation continues to be the property of Amalgamated SIG;

(C) Amalgamated SIG continues to be liable for the obligations of each amalgamating corporation;

(D) an existing cause of action, claim or liability to prosecution is unaffected;

(E) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation may be continued to be prosecuted by or against Amalgamated SIG;

(F) a conviction against, or ruling, order or judgment in favour of or against, an amalgamating corporation may be enforced by or against Amalgamated SIG; and

(G) the Articles of Arrangement are deemed to be the articles of incorporation of Amalgamated SIG and the Certificate of Arrangement is deemed to be the certificate of incorporation of Amalgamated SIG.

(c) Each Dissent Share shall be, and shall be deemed to be, without any further act or formality, transferred to and acquired by the Purchaser (free and clear of all hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests), and the Purchaser shall thereupon by obligated to pay, for each Dissent Share so transferred, the amount therefor determined and payable in accordance with Section 9.1 of the Plan, and:

(i) such Dissenting Shareholders shall cease to be holders of Common Shares and to have any rights as holders of such Common Shares other than the right to be paid fair value by the Purchaser for such Dissent Shares as set out in Section 9.1 of the Plan;

(ii) such Dissenting Shareholders' names shall be removed from the register of the Common Shares maintained by or on behalf of SIG; and

(iii) the Purchaser shall be deemed to be the transferee of such Dissent Shares (free and clear of all hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests) and shall be entered as such in the register of the Common Shares maintained by or on behalf of SIG.

(d) All of the Common Shares held by Existing Shareholders (excluding any Dissent Shares) shall be, and shall be deemed to be, without any further act or formality, transferred to and acquired by the Purchaser (free and clear of all hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests), and each Existing Shareholder shall be entitled to receive from the Payment Agent (on behalf of the Purchaser), for each Common Share so transferred, the Cash Consideration less any amounts withheld pursuant to Section 4.4 of the Plan, and:

(i) such Existing Shareholders shall cease to be holders of Common Shares and to have any rights as holders of such Common Shares other than the right to be paid the Cash Consideration in accordance with this Plan;

(ii) such Existing Shareholders' names shall be removed from the register of the Common Shares maintained by or on behalf of SIG; and

(iii) the Purchaser shall be deemed to be the transferee of such Common Shares (free and clear of all hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests) and shall be entered as such in the register of the Common Shares maintained by or on behalf of SIG.

(e) Amalgamated SIG shall repay the Remaining Debentures pursuant to Section 2.17 of the Trust Indenture by payment of the Debenture Repayment Amount.

(f) The releases referred to in Section 6.1 of the Plan shall become effective.

(g) Amalgamated SIG and the Purchaser shall be, and shall be deemed to be, amalgamated and continued as one corporation ("**Amalco**") under the CBCA in accordance with the following:

(i) Name. The name of Amalco shall be "Starlight Capital Corporation";

(ii) Registered Office. The registered office of Amalco shall be located in the City of Toronto in the Province of Ontario. The address of the registered office of Amalco shall be: 1400 - 3280 Bloor Street West, Centre Tower, Toronto, Ontario M8X 2X3;

(iii) Restrictions on Business. There shall be no restrictions on the business that Amalco may carry on;

(iv) Articles. The articles of the Purchaser, as in effect immediately prior to the Second Amalgamation, shall be deemed to be the articles of Amalco;

(v) Directors. Amalco shall have a minimum of 1 director and a maximum of 15 directors, until changed in accordance with the CBCA. Until changed by shareholders of Amalco, or by the directors of Amalco in accordance with the CBCA, the directors of the Purchaser, as in effect immediately prior to the Second Amalgamation shall be deemed to be the directors of Amalco;

(vi) Shares. All shares of Amalgamated SIG shall be cancelled without any repayment of capital in respect thereof; no shares will be issued by Amalco in connection with the Second Amalgamation and all shares of the Purchaser prior to the Second Amalgamation shall be unaffected and shall continue as shares of Amalco;

(vii) Stated Capital. The stated capital account of the shares of Amalco will be equal to the stated capital account in respect of the common shares of the Purchaser immediately prior to the Second Amalgamation;

(viii) By-laws. The by-laws of the Purchaser, as in effect immediately prior to the Second Amalgamation, shall be deemed to be the by-laws of Amalco;

(ix) Effect of Amalgamation. Subject to releases referred to in Section 6.1 of the Plan, the provisions of subsection 186(a) to (g) of the CBCA shall apply to the Amalgamation with the result that:

(A) the amalgamation of the amalgamating corporations and their continuance as one corporation becomes effective;

(B) the property of each amalgamating corporation continues to be the property of Amalco;

(C) Amalco continues to be liable for the obligations of each amalgamating corporation;

(D) an existing cause of action, claim or liability to prosecution is unaffected;

(E) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation may be continued to be prosecuted by or against Amalco;

(F) a conviction against, or ruling, order or judgment in favour of or against, an amalgamating corporation may be enforced by or against Amalco; and

(x) the Articles of Arrangement are deemed to be the articles of incorporation of Amalco and the Certificate of Arrangement is deemed to be the certificate of incorporation of Amalco.

DISSENT RIGHTS

Continuance Dissent Rights

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 such holder's Common Shares and is qualified in its entirety by the reference to the text of Section 185 of the OBCA, which is attached to this Circular as Schedule "J". A dissenting Shareholder who intends to exercise the Continuance Dissent Rights should carefully consider and comply with the provisions of Section 185 of the OBCA. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.

A registered existing Shareholder is entitled, in addition to any other rights the holder may have, to dissent and to be paid by the Corporation the fair value of the Common Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last business day before the day on which Continuance Resolution was adopted.

Only registered existing Shareholders may dissent. Persons who are beneficial existing Shareholders who wish to dissent should be aware that they may only do so through the registered existing Shareholder. Accordingly, a beneficial Shareholder desiring to exercise Continuance Dissent Rights must make arrangements for the Common Shares beneficially owned by such beneficial Shareholder to be registered in the name of such beneficial Shareholder prior to the time the written objection to the Continuance Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered existing Shareholder to dissent on behalf of the beneficial Shareholder.

A dissenting Shareholder must send to the Corporation a written objection to the Continuance Resolution from which such Shareholder is dissenting (the "**OBCA Dissent Notice**"), which OBCA Dissent Notice must be received by the Corporation, 276 King Street West, Suite 203 Toronto, ON, M5V 1J2, Attention: Chief Executive Officer, no later than 3:00 p.m. on the last business day immediately before the Meeting (or if the Meeting is adjourned or postponed, no later than 24 hours before the adjourned or postponed Meeting). The OBCA does not provide, and the Corporation will not assume, that a vote against the Continuance Resolution constitutes an OBCA Dissent Notice. A registered existing Shareholder may not exercise the right to dissent in respect of only a portion of such holder's Shares, but may dissent only with respect to all of the Common Shares held by the holder.

On the Continuance becoming effective, or upon the making of an agreement between the Corporation and the Dissenting Shareholder as to the payment to be made by the Corporation to the Dissenting Shareholder, or the pronouncement of a Court Order, whichever first occurs, the dissenting Shareholder will cease to have any rights as a Shareholder other than the right to be paid the fair value of such dissenting Shareholder's Common Shares in the amount agreed to between the Corporation and the dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the dissenting Shareholder may withdraw such holder's dissent, or if the Continuance has not yet become effective the Corporation may rescind the Continuance Resolution, and, in either event, the dissent and appraisal proceedings in respect of that dissenting Shareholder will be discontinued.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of their Common Shares. Section 185 of the OBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each dissenting Shareholder who is considering the right to dissent and appraisal should carefully consider and comply with the provisions of that section, the full text of which is set out in Schedule "J", to this Circular and consult their own legal adviser. It is strongly encouraged that any Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the provisions of the OBCA, may prejudice such Shareholder's right to dissent.

Arrangement Dissent Rights

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 such holder's Common Shares and is qualified in its entirety by the reference to the text of Section 190 of the CBCA, which is attached to this Circular

as Schedule "K". A dissenting Shareholder who intends to exercise the Arrangement Dissent Rights should carefully consider and comply with the provisions of Section 190 of the CBCA. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.

A registered existing Shareholder is entitled, in addition to any other rights the holder may have, to dissent and to be paid by the Corporation the fair value of the Common Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last business day before the day on which Arrangement Resolution was adopted.

Only registered existing Shareholders may dissent. Persons who are beneficial existing Shareholders who wish to dissent should be aware that they may only do so through the registered existing Shareholder. Accordingly, a beneficial Shareholder desiring to exercise the Arrangement Dissent Rights must make arrangements for the Common Shares beneficially owned by such beneficial Shareholder to be registered in the name of such beneficial Shareholder 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 existing Shareholder to dissent on behalf of the beneficial Shareholder.

A dissenting Shareholder must send to the Corporation a written objection to the Arrangement Resolution from which such Shareholder is dissenting (the "**CBCA Dissent Notice**"), which CBCA Dissent Notice must be received by the Corporation, 276 King Street West, Suite 203 Toronto, ON, M5V 1J2, Attention: Chief Executive Officer, no later than 3:00 p.m. on the last business day immediately before the Meeting (or if the Meeting is adjourned or postponed, no later than 24 hours before the adjourned or postponed Meeting). The CBCA does not provide, and the Corporation will not assume, that a vote against the Arrangement Resolution constitutes a CBCA Dissent Notice. A registered existing Shareholder may not exercise the right to dissent in respect of only a portion of such holder's Shares, but may dissent only with respect to all of the Common Shares held by the holder.

On the Arrangement becoming effective, or upon the making of an agreement between the Corporation and the dissenting Shareholder as to the payment to be made by the Corporation to the dissenting Shareholder, or the pronouncement of a Court Order, whichever first occurs, the dissenting Shareholder will cease to have any rights as a Shareholder other than the right to be paid the fair value of such dissenting Shareholder's Common Shares in the amount agreed to between the Corporation and the dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the dissenting Shareholder may withdraw such holder's dissent, or if the Arrangement has not yet become effective the Corporation may rescind the Arrangement Resolution, and, in either event, the dissent and appraisal proceedings in respect of that dissenting Shareholder will be discontinued.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of their Common Shares. Section 190 of the CBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each dissenting Shareholder who is considering the right to dissent and appraisal should carefully consider and comply with the provisions of that section, the full text of which is set out in Schedule "K", to this Circular and consult their own legal adviser. It is strongly encouraged that any Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the provisions of the CBCA, may prejudice such Shareholder's right to dissent.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN THE ARRANGEMENT

In considering the Arrangement and the recommendation of the Board with respect to the Arrangement Resolution and Continuance Resolution, Shareholders should be aware that certain directors and certain executive officers of SIG have interests in connection with the Arrangement and the Continuance that may present them with actual or potential conflicts of interest in connection with the Arrangement. The Board is aware of these interests and considered them along with other matters described above under. These interests and benefits are described below.

Ownership of SIG Common Shares & Debentures

As of the Record Date, to the knowledge of SIG, the directors and officers of SIG, collectively own, control or direct, in the aggregate, 13,079,808 Common Shares, representing approximately 52% of the outstanding Common Shares.

All of the Common Shares held by the directors and officers of SIG will be treated in the same manner under the Arrangement as the Common Shares held by every other Shareholder. **The directors and executive officers of SIG intend to vote their Common Shares FOR the Arrangement Resolution and the Continuance Resolution**. As at the date of this Circular, to the knowledge of SIG, the directors and officers of SIG, as a group, do not beneficially own, or control or direct, directly or indirectly, any securities of the Purchaser or Starlight Capital.

As of the Record Date, to the knowledge of SIG, the directors and officers of SIG, collectively own, control or direct, in the aggregate, 728 Debentures, representing approximately 6% of the outstanding Debentures. None of the Debentures held by any director or officer are Deposited Debentures and 728 are Remaining Debentures. All Deposited Debentures and all Remaining Debentures held by the directors and officers of SIG will be treated in the same manner under the Arrangement as the Deposited Debentures and Remaining Debentures, respectively, held by every other Debenture holder.

The Common Shares, Deposited Debentures and Remaining Debentures held by each current director and executive officer of SIG are set out in the table below:

	Number of Common Shares and Consideration to be Received for Common Shares	Number of Deposited Debentures and amount to be received as a result of the Arrangement	Number of Remaining Debentures and amount to be received as a result of the Arrangement (1)
Richard G. Stone	11,352,309 $113,523	- $-	228 $290,816
James A. Elliott	1,437,294 $14,373	- $-	- $-
Jacques Boulet	290,205 $2,902	- $-	- $-
Special Pension Plan for Richard Stone	-		508 $637,755

(1) Assumes repayment of the $1,000 principal amount plus accrued interest of 275.51 as of the close of June 30, 2022

Change of Control Payments

There are no lump sum change of control payments being made to any director or executive officer of the Corporation as a result of the Arrangement.

Certain employment agreements with executive officers of the Corporation provide that if such executive officer's employment is terminated after a change of control, or in certain cases within the first 12 months the departure of the officer as a result of an event considered "good reason", such executive officer will be entitled to continuance in salary up to a specified length of time.

Directors' and Officers' Indemnity

The Purchaser has agreed in the Arrangement Agreement to honour all rights to indemnification existing on the date of the Agreement in favour of the current and former directors and officers of SIG and its subsidiaries pursuant to the SIG's constating documents, the CBCA or any indemnity agreements with such persons, and acknowledges that such rights, to the extent that they have been so disclosed, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six years following the Effective Date.

RISK FACTORS

In evaluating the Arrangement Resolution and Continuance Resolutions, Shareholders should carefully consider the following risk factors relating to the Continuance and Arrangement before making a decision

regarding approving the Continuance Resolution and the Arrangement Resolution. These risk factors are not a definitive list of all risk factors associated with the Continuance and the Arrangement. Additional risks and uncertainties, including those currently unknown to, or considered immaterial by, SIG may also adversely affect the Continuance and the Arrangement.

The completion of the Plan may not occur

The Corporation will not complete the Plan unless and until all conditions precedent are satisfied or waived, including but not limited to the approval of Shareholders of the Plan pursuant to the Continuance Resolution and the Arrangement Resolution, obtaining the Final Order and obtaining the Non-Objection.

In the event the Plan is not successful, the Corporation will be required to evaluate all of its options and alternatives related to any future Court proceedings or other alternatives to address key liquidity and debt leverage matters which exist today. An immediate effect of a potential non-completion of the Plan is the default of the Debentures, as the Maturity Date will not have been extended. In the event of a default, the value available to stakeholders may be significantly less than the value as of the date hereof. There is significant risk that there may be no recovery of any kind, or amount available for, those parties which are lower in the priority waterfall in such circumstances.

Even if the Plan is completed, it may not be completed on the schedule described in this Circular.

Conditions precedent to the completion of the Arrangement

Completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of SIG's control, including, without limitation, the requisite approval of Shareholders, the receipt of the Final Order and the Non-Objection. In addition, completion of the Arrangement by Purchaser is conditional on, among other things, there having not occurred any Material Adverse Effect. There can be no certainty, nor can SIG or Purchaser provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived, and as such, completion of the Arrangement is uncertain.

Restrictions on SIG's ability to take certain action

While the Arrangement is pending, SIG is restricted, without the consent of Purchaser, from, among other things, taking specified actions outside of the usual, regular and ordinary course of business consistent with past practice and in material compliance with applicable Laws, until the Arrangement is completed. These restrictions may delay or prevent SIG from pursuing attractive business opportunities that may arise prior to completion of the Arrangement. In addition, while the terms of the Arrangement Agreement permit SIG to consider other proposals, the Arrangement Agreement restricts SIG from soliciting third parties to make an Acquisition Proposal. Further, the Arrangement Agreement requires that in order to constitute a Superior Proposal, among other conditions, such Acquisition Proposal must result in a transaction more favourable from a financial point of view to Shareholders and Debentureholders than the Arrangement.

SIG could be required to be required to pay the Termination Fee and Expense Reimbursement Fee if the Arrangement Agreement is terminated in certain circumstances and the Termination Fee and Expense Reimbursement Fee may discourage other parties from attempting to acquire SIG.

Pursuant to the Arrangement Agreement, SIG will be required to pay the Termination Fee of $1,000,000 and the Expense Reimbursement Fee of up to $750,000 to the Purchaser in the event the Arrangement Agreement is terminated in certain circumstances, as described in the section of this Circular. The Termination Fee and the Expense Reimbursement Fee may discourage other parties from attempting to enter into a business transaction with SIG, even if those parties would otherwise be willing to offer greater value than that offered pursuant to the Arrangement Agreement. In addition, payment of such amounts may have a material adverse effect on the business and affairs of SIG. Even if the Arrangement Agreement is terminated without payment of the Termination Fee, SIG may be required to pay the Termination Fee to the Purchaser in the future in certain circumstances.

Securityholders will no longer hold an interest in SIG following the Arrangement

Following the Arrangement, Shareholders will no longer hold any of the Common Shares will forego any future increase in value that might result from future growth and the potential achievement of the SIG's long-term plans.

The Arrangement Agreement may be terminated in certain circumstances

Each of Starlight Capital and SIG has the right, in certain circumstances, to terminate the Arrangement Agreement in certain circumstances, including in circumstances outside the control of SIG, such as the Required Approvals not being obtained. Accordingly, there is no certainty, nor can SIG provide any assurance, that the Arrangement Agreement will not be terminated by either Starlight Capital or SIG before the completion of the Arrangement. Failure to complete the Arrangement could negatively impact the trading price of the SIG Shares or otherwise adversely affect the business of SIG.

Potential effect of the Plan of Arrangement

There can be no assurance as to the effect of the announcement of the Plan on the Corporation's relationships with its investors, clients or service providers, nor can there be any assurance as to the effect on such relationships of any delay in the completion of the Plan, or the effect of the Plan being completed under the CBCA. To the extent to which any of these events results in the tightening of payment or credit terms, increase in redemptions, or the loss of a major customer or lender, or of multiple other customers or lenders, this could have a material adverse effect on the Corporation's business, financial condition, liquidity and results of operations. Similarly, current and prospective employees of the Corporation may experience uncertainty about their future roles with the Corporation until the Corporation's strategies with respect to such employees are determined and announced. This may adversely affect the Corporation's ability to attract or retain key employees in the period until the Plan is completed or thereafter. The risk, and material adverse effect, of such disruptions could be exacerbated by any delay in the consummation of the Plan.

The Corporation has incurred and will incur significant transaction-related costs

The Corporation expects to incur a number of non-recurring costs associated with the Plan before, at, and after its closing. The Corporation will also incur transaction fees and costs. Certain costs related to the Plan, such as legal, accounting and certain financial adviser fees, must be paid by the Corporation even if the Plan is not completed. If the Plan is not consummated, the Corporation will bear some or all of these costs without recognizing any of the anticipated benefits of the Plan.

The pending Arrangement may divert the attention of the Corporation's Management

The pendency of the Plan could cause the attention of the Corporation's management to be diverted from the day-to-day operations and customers or suppliers may seek to modify or terminate their business relationships with the Corporation. These disruptions could be exacerbated by a delay in the completion of the Plan and could have an adverse effect on the business, operating results or prospects of the Corporation regardless of whether the Plan is ultimately completed.

SHAREHOLDERS ARE URGED TO VOTE *FOR* THE CONTINUANCE RESOLUTION AND ARRANGEMENT RESOLUTION IN ORDER TO RECEIVE THE CONSIDERATION AND AVOID ALL OTHER CIRCUMSTANCES WHICH ARE UNLIKELY TO PROVIDE ANY CONSIDERATION OR BENEFIT TO THE SHAREHOLDERS OR STAKEHOLDERS.

SECURITIES LAWS CONSIDERATIONS

The Purchaser is not a reporting issuer in any province or territory in Canada. Following completion of the Arrangement, subject to applicable Law, the Purchaser will, as soon as possible, apply to have SIG cease to be a reporting issuer in each of the jurisdictions in Canada in which it is a reporting issuer.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes, as of the date hereof, the principal Canadian federal income tax considerations of the Arrangement generally applicable to a beneficial owner of Common Shares who, at all relevant times, for purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"): (i) is or is deemed to be a resident of Canada; (ii) deals at arm's length with the Corporation, the Purchaser and Starlight Capital; (iii) is not affiliated with the Corporation, the Purchaser or Starlight Capital; and (iv) holds its Common Shares as capital property (a "**Holder**").

Generally, the Common Shares will be capital property to a Holder for purposes of the Tax Act provided the Holder does not use or hold the shares in the course of carrying on a business of trading or dealing in securities or as part of an adventure in the nature of trade. Certain Holders whose Common Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to make the irrevocable election permitted by subsection 39(4) of the Tax Act to have their Common Shares (and any other "Canadian security", as defined in the Tax Act) owned by such Holder in the taxation year in which the election is made and in all subsequent taxation years, to be deemed to be capital property. **Holders should consult with and rely upon their own tax advisors as to whether they hold their Common Shares as capital property and whether this election is available or advisable in their particular circumstances.**

This summary is not applicable to a Holder: (i) that is a "financial institution" for purposes of certain rules in the Tax Act referred to as the mark-to-market rules; (ii) an interest in which is a "tax shelter investment"; (iii) that reports its "Canadian tax results" in a currency other than Canadian currency; (iv) that is a "specified financial institution"; (v) that is a "foreign affiliate" of a taxpayer resident in Canada; (vi) that has entered into a "derivative forward agreement" or a "synthetic disposition arrangement" with respect to such Holder's Common Shares; (vii) that is a partnership for Canadian federal income tax purposes; or (viii) that is exempt from tax under Part I of the Tax Act (all such terms as defined in the Tax Act). **Such Holders should consult with and rely upon their own tax advisors to determine the tax consequences to them of the Arrangement.**

This summary is based on the current provisions of the Tax Act, the regulations thereunder, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and an understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes that the Tax Proposals will be enacted in the form proposed. No assurances can be given that the Tax Proposals will be enacted as proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or any changes in the administrative practices or assessing policies of the CRA. This summary does not take into account tax legislation of any province, territory or foreign jurisdiction, which may differ from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice or representations to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. No advance income tax ruling has been applied for or obtained from the CRA to confirm the tax consequences of any of the transactions described herein. Accordingly, Holders should consult with and rely upon their own tax advisors for advice with respect to the tax consequences to them of the Arrangement, having regard to their own particular circumstances.

Amalgamation of SIG, SSAL and ArrangeCo

As a result of the First Amalgamation, a Holder should be deemed to dispose of its Common Shares of SIG for proceeds of disposition equal to the Holder's adjusted cost base of its Common Shares of SIG immediately before the First Amalgamation. The Holder should be deemed to have acquired the Common Shares of Amalgamated SIG at a cost equal to the Holder's cost of its Common Shares of SIG immediately

before the First Amalgamation. As a result, a Holder should not realize any gain (or loss) as a result of the First Amalgamation.

Disposition of Common Shares Pursuant to the Arrangement

Pursuant to the Arrangement, a Holder will dispose of its Common Shares to the Purchaser in exchange for cash. The Holder will realize a capital gain (or capital loss) equal to the amount by which the cash received for such Common Shares, net of any reasonable costs of disposition, exceeds (or is less than) the Holder's aggregate adjusted cost base of the Common Shares. The Holder's adjusted cost base of its Common Shares will include all amounts paid or payable by the Holder for the Common Shares, subject to certain adjustments under the Tax Act. See "*Taxation of Capital Gains and Capital Losses*" below for a general discussion of the treatment of capital gains and losses under the Tax Act.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year must be included in the Holder's income for the year, and one-half of any capital loss (an "**allowable capital loss**") realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year (subject to and in accordance with rules contained in the Tax Act). Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

A Holder that, throughout the relevant taxation year, is a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act), including any taxable capital gains. Such additional tax may also apply to a Holder if it is a "substantive CCPC" (as defined in the Tax Proposals contained in the 2022 Canadian Federal Budget) with respect to a taxation year which ends on or after April 7, 2022, in accordance with the Tax Proposals contained in the 2022 Canadian Federal Budget.

The amount of any capital loss realized by a Holder that is a corporation on the disposition or deemed disposition of a share may be reduced by the amount of certain dividends previously received (or deemed to be received) by such Holder on such share (or, in certain circumstances, another share where the share has been acquired in exchange for such other share) to the extent and under circumstances prescribed by the Tax Act. Similar rules may apply where a Holder is a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. **Holders to whom these rules may be relevant should consult their own tax advisors**.

Capital gains realized by an individual or trust, other than certain specified trusts, may give rise to a liability for minimum tax as calculated under the detailed rules set out in the Tax Act.

Allowable Business Investment Loss

To the extent a Holder realizes a capital loss on a disposition of Common Shares, it may be possible for the Holder to claim the loss as an "allowable business investment loss", and thereby deduct the amount of the loss against income from any source. Generally, the Tax Act permits a capital loss realized on the disposition of shares of a "small business corporation," as defined in the Tax Act, to qualify as a "business investment loss". One-half of a business investment loss qualifies as an allowable business investment loss, and can be deducted against income from all sources in the taxation year in which the loss arises. An allowable business investment loss that cannot be deducted in the taxation year in which it arises is treated

as a non-capital loss which may be carried back three years and forward ten years to be deducted in calculating taxable income of such other years. Any such loss that is not deducted by the end of the ten-year carry-forward period is then treated as a net capital loss so that it can be carried forward indefinitely to be deducted against taxable capital gains. In general, a small business corporation is a "Canadian-controlled private corporation," as defined in the Tax Act, all or substantially all of the fair market value of the assets of which is attributable to assets used principally in an active business carried on primarily in Canada or shares or debts of connected small business corporations or a combination of the two. For the purposes of determining a business investment loss, a corporation that was a small business corporation at any time in the 12 months before the disposition of the share will be considered to be a small business corporation.

Whether and to what extent a particular Holder will be entitled to treat a capital loss realized on a disposition of Common Shares as an allowable business investment loss will depend on the facts and circumstances regarding the Corporation. Holders are advised to consult their own tax advisors for specific advice as to whether this treatment will be available having regard to their particular circumstances.

Dissenting Holders

A Holder who has validly exercised Continuance Dissent Rights (a "**Continuance Dissenting Holder**") with respect to its Common Shares will transfer its Common Shares to the Corporation and will be entitled to be paid the fair value of such Common Shares. A Continuance Dissenting Holder will be deemed to have received a taxable dividend equal to the amount, if any, by which the amount received for the Common Shares (less the amount in respect of interest, if any, awarded by a court) exceeds the paid-up capital of such shares (as determined under the Tax Act).

Where a Continuance Dissenting Holder is an individual, any deemed dividend will be included in computing such Continuance Dissenting Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from taxable Canadian corporations. Taxable dividends received or deemed to be received by individuals (other than certain trusts) may give rise to alternative minimum tax under the Tax Act. **Continuance Dissenting Holders should consult their own advisors with respect to the potential application of alternative minimum tax.**

In the case of a Continuance Dissenting Holder that is a corporation, any deemed dividend will be included in income and generally will be deductible in computing taxable income. However, in some circumstances, the amount of any such deemed dividend realized by a corporation may be treated as proceeds of disposition or a capital gain and not as a dividend, under subsection 55(2) of the Tax Act. **Continuance Dissenting Holders that are corporations should consult their own tax advisors in this regard.**

A Continuance Dissenting Holder that is a "private corporation" (as defined in the Tax Act) or a "subject corporation" (as defined for purposes of Part IV of the Tax Act) may be liable for additional refundable Part IV tax on any dividend received or deemed to be received on the Common Shares, to the extent such dividend is deductible in computing the Continuance Dissenting Holder's taxable income for the taxation year.

A Continuance Dissenting Holder will also be considered to have disposed of its Common Shares for proceeds equal to the amount paid to such Continuance Dissenting Holder less the amount in respect of interest, if any, awarded by a court and the amount of any deemed dividend. A Continuance Dissenting Holder will realize a capital gain (or capital loss) to the extent that such proceeds, net of any reasonable costs of disposition, exceed (or are less than) the aggregate adjusted cost base to the Continuance Dissenting Holder of the Common Shares immediately before the disposition. See "*Taxation of Capital Gains and*

Capital Losses" above for a general discussion of the treatment of capital gains and losses under the Tax Act.

A Holder who validly exercises Arrangement Dissent Rights in respect of the Arrangement (an "**Arrangement Dissenting Holder**") and who is entitled to be paid fair value for its Common Shares will be deemed to have transferred its Common Shares to the Purchaser and will be entitled to receive a payment from the Purchaser of an amount equal to the fair value of such Arrangement Dissenting Holder's Common Shares. Such Arrangement Dissenting Holder will realize a capital gain (or capital loss) equal to the amount by which the payment (other than any portion thereof that is in respect of interest ordered by a court), net of any reasonable costs of disposition, exceeds (or is less than) the aggregate adjusted cost base to the Arrangement Dissenting Holder of such Common Shares. See "*Taxation of Capital Gains and Capital Losses*" above for a general discussion of the treatment of capital gains and losses under the Tax Act.

Any interest ordered by a court to a Continuance Dissenting Holder or an Arrangement Dissenting Holder (in either case, a "**Dissenting Holder**") will be included in the Dissenting Holder's income for purposes of the Tax Act.

A Dissenting Holder that is throughout the relevant taxation year a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act), including any taxable capital gains. Such additional tax may also apply to a Dissenting Holder if it is a "substantive CCPC" (as defined in the Tax Proposals contained in the 2022 Canadian Federal Budget) with respect to a taxation year which ends on or after April 7, 2022, in accordance with the Tax Proposals contained in the 2022 Canadian Federal Budget.

Holders who are considering exercising their Dissent Rights should consult with and rely upon their own tax advisors with respect to the Canadian federal income tax consequences of exercising Dissent Rights having regard to their own particular circumstances, as the exercise of Dissent Rights could have adverse tax implications to such Holders.

ANNUAL BUSINESS OF THE MEETING

Presentation of the Financial Statements and Auditor's Report

The financial statements for the Corporation, the auditor's report thereon, as well as management's discussion and analysis for the fiscal year ended September 30, 2021, are contained in the audited consolidated financial statements of the Corporation for the year ended September 30, 2021 and will be presented to shareholders at the Meeting, but no vote with respect thereto is required. This financial information has been filed on SEDAR at www.sedar.com as part of the Corporation's continuous disclosure requirements.

Election of Directors

The directors of the Corporation are authorized to determine by resolution the number of directors to be elected from time to time within the minimum of one and maximum of ten directors provided for by the articles of the Corporation. The current number of directors consists of four members, with incumbent directors numbering three members, with one seat vacant. The three nominees listed below are each proposed to be re-elected as a director of the Corporation to serve until the next annual meeting of shareholders or until his or her successor is elected. Both Jacques R. Boulet and Mark Lerohl are independent directors, and therefore represent a majority of the incumbent directors.

Richard G. Stone – existing Director
Jacques R. Boulet – existing Director
Mark Lerohl – existing Director*

*Mr. Lerohl was recently appointed by the board of directors to fill the vacancy as a result of the resignation of Hari Panday.

More information on each of the nominees for election is set forth under the heading "*Nominees for Election to the Board of Directors*".

Management does not contemplate that any of the said nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. Each director elected will hold office until the annual meeting next following his or her election or until his or her successor is elected or appointed unless his or her office is earlier vacated.

Appointment of Auditors

The Audit Committee of the Corporation's Board of Directors (the "**Audit Committee**") has recommended to the Board of Directors that it propose to shareholders that BDO Canada LLP ("**BDO**") be re-appointed as Auditors of the Corporation and to authorize the directors to fix the remuneration of the Auditors. It is proposed that the persons named in the enclosed form of proxy which accompanies this Circular, intend to vote to appoint the firm of BDO, BDO was first appointed as auditors of the Corporation on June 30, 2006.

The aggregate fees billed by the Corporation's external auditors during the past three financial years ended September 30 were as follows:

Fiscal Year Ended September 30	Audit Fees[(1)] ($)	Audit Related Fees ($)	Tax Fees[*] ($)	All Other Fees[(2)] ($)
2021	92,500	15,000	7,750	10,300
2020	87,500	4,500	7,450	12,630
2019	94,000	10,000	7,200	11,120

* Preparation of tax returns

(1) includes subsidiaries

(2) Includes administration charges and CPAB fees as applicable.

Nominees for Election to the Board of Directors

The following table sets forth certain information in respect of the nominees for election to the Board, including the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of such persons as of the date of this Circular.

Name, Offices Held and Place of Residence	Present Principal Occupation	Year First Became a Director	Common Shares
Richard G. Stone Ontario, Canada	Chief Executive Officer of the Corporation	2006	11,352,309
Jacques R. Boulet[(1)] Ontario,	Financial Coach, consultant	2006	290,205
Mark Lerohl	Founder and Managing Partner of First Tracks Capital Inc. , a private investment firm focused on making growth equity investments	2018[(2)]	

(1) Chairman and Chair of the Audit Committee, and member of the Compensation Committee and the Corporate Governance Committee during the reporting period.

(2) Mr. Lerohl first became a director in 2018, but ceased to be director on November 26, 2019. Mr. Lerohl was recently re-appointed by the board of directors to fill the vacancy as a result of the resignation of Hari Panday.

Richard G. Stone: Mr. Stone has extensive experience involving the creation, promotion, operation and management of a wide variety of investment funds and tax-deferred limited partnerships over the past 30 years. He serves as a director of the Corporation, is CEO of the Corporation, and was formerly Chairman. He is also the President, Chief Investment Officer, CEO and a director of Stone Asset Management Limited, the investment management subsidiary of the Corporation. Mr. Stone founded the predecessor of the Corporation, Stone & Co. Limited, in 1994, which amalgamated with the Corporation on October 1, 2015.

Jacques R. Boulet: Mr. Boulet has been a Financial Coach since 2006 and also provides services as an independent consultant. He currently provides life insurance advisory services through the Financial Horizons Group. Up to December of 2012, he was also a mutual fund representative with Equity Associates Inc. (2006 – 2012), IPC Investment Corporation (2000 – 2006), and CEO/President of Sutherland Investment Corporation, a mutual fund dealer (1985 – 2000). Mr. Boulet is a Certified General Accountant, holds an ICD.D designation from the Institute of Corporate Directors, a CFP designation from the Financial Planning Standards Council, has earned the CSC designation from the Canadian Securities Institute and has also completed the Officers', Partners' and Directors' Course offered by the Canadian Securities Institute.

Mark Lerohl: Mr. Lerohl is the President and Chief Executive Officer of CleanDesign Income Corp., a clean technology investment company he founded in 2020. Mark is the Founder and Managing Partner of First Tracks Capital Inc., and a private investment firm focused on making growth equity investments. Previously he served as President and CEO of Radar Capital Inc., a venture capital financier. Mr. Lerohl focused on servicing Canadian private equity firms with Macquarie Capital Markets Canada as Senior Vice President from October 2011 to September 2013. Prior thereto, he spent more than a decade dedicated to investment banking.

Mr. Lerohl is a director of Luna Pharmaceuticals Inc. (Premama), BonneO, Mitigokaa Development Corp., and Radar Capital Inc.

Mr. Lerohl holds an MBA from the Ivey Business School at Western University and a BSc. in math and economics from the University of Alberta. He is a CFA charter member.

The following Directors serve as directors for other reporting issuers:

Name	Name of Reporting Issuer
Richard G. Stone	Eloro Resources Ltd. (TSX Venture Exchange, formerly the CVE).
Jacques R. Boulet	Stone Corporate Funds Limited ("**SCFL**"), a mutual fund corporation distributing securities by simplified prospectus in all provinces and territories of Canada. SCFL is a wholly-owned subsidiary of Stone Investment Group Limited

Compensation and Attendance of the Board of Directors

For the reporting period each director of the Corporation who was not a salaried officer or employee of the Corporation was entitled to receive an annual retainer of $40,000 payable quarterly, with no further fees for meeting fees or committee fees except the Chairman. The Chairman is entitled to an additional $10,000 per annum. The Board may award special remuneration such as chairing additional committees, serving on the board of an affiliate, or to any Director undertaking any special services on the Corporation's behalf other than services ordinarily required of a Director. Directors are reimbursed for traveling and other expenses properly incurred by them in attending Meeting of Shareholders or of the Board or any committee thereof or otherwise in the performance of their duties.

Director Compensation

Name	Fees Earned [(1)] & [(2)] ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total 2021 ($)

Jacques R. Boulet	80,000	–	–	–	–	80,000
Hari Panday	45,000	–	–	–	–	45,000
Richard G. Stone	–	–	–	–	–	–
Mark Lerohl	–	–	–	–	–	–

(1) Richard G. Stone does not receive compensation for serving as a director. Compensation executive officers receive is derived from their capacities as executive officers of the Corporation which is provided separately in the "*Summary Compensation Table*" under "*Statement of Executive Compensation*".

(2) Jacques R, Boulet Hari Panday served as directors for the full 2021 fiscal period ending September 30, 2021. Mr. Boulet also serves as director for Stone Corporate Funds Limited, a mutual fund corporation which is a reporting issuer with continuous filing obligations for the Dividend Growth Class. Mr. Panday subsequently ceased to be director on February 18, 2022.

Attendance

The following table is a summary of the attendance record of the directors in fiscal 2021. For periods served refer to note (2) above.

Director	Board Meeting Attended	Audit Committee Meeting Attended
Jacques R. Boulet	6/6	4/4
Hari Panday	6/6	4/4
Richard G. Stone	6/6	4/4

Indebtedness of Directors and Officers

As of the date hereof, no directors or executive officers of the Corporation are indebted to the Corporation.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as described below, no person proposed to be nominated for election as a director at the Meeting is or has been, within the preceding ten years, as an executive officer or director of any company that, while that person was acting in such capacity:

(i) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days;

(ii) was subject to an order that was issued after that person ceased to be a director or officer, in the company being the subject of a cease trade or similar order that denied that company access to any exemption under securities legislation for a period of more than 30 consecutive days, which resulted from an event that occurred while that person acted in the capacity as director or officer;

(iii) been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors; or

(iv) become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appoint to hold his or her assets.

Interest of Informed Persons in Material Transactions

Except as otherwise disclosed herein, since October 1, 2020, no informed person of the Corporation, nominee for election as a director of the Corporation, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

Existing directors and officers of the Corporation, beneficially own, directly or indirectly, or exercise control or direction over less than 4.5% of the outstanding Debentures of the Corporation.

Statement of Executive Compensation

Compensation Discussion & Analysis

The Corporation's executive officers are currently compensated by Stone Investment Group Limited and Stone Asset Management Limited, a wholly owned subsidiary of the Corporation, with aggregate amounts disclosed in the accompanying table.

There are currently no material termination provisions with regard to any of the contracts pursuant to which the executive officers of the Corporation are compensated.

The Compensation Committee had undertaken study and comparison of market compensation packages for a revision to the compensation strategy, including change of control agreements.

Compensation of Executive Officers – Objectives

The objectives of the Corporation's compensation program are to attract, retain and inspire performance of members of senior management of a quality and nature that will enhance the sustainable profitability and growth of the Corporation.

Compensation of Named Executive Officers – Key Components

Guided by its executive compensation principles and policies, the Compensation Committee of the Board considers several components in reviewing the Corporation's executive compensation program. The specific rationale, design, determination of amounts and related information regarding each of these components are outlined below.

For the financial year ended September 30, 2020, the Corporation's executive compensation program consisted of the following elements: base salary, annual performance-based cash bonuses, retirement benefits (RRSP and Individual Pension Plan Benefits) and an employee share ownership plan. Benefits and perquisites generally comprise a small portion of an Named Executive Officer's (a "**NEO**") total annual compensation. The Corporation's strategy is to provide an overall competitive total compensation package.

Compensation Element	Description
Base Salary	Base salaries form an essential element of the Corporation's compensation plan as they are the base measure to compare and remain competitive relative to peer companies. Base salaries are fixed and therefore not subject to uncertainty and are used as the base to determine other elements of compensation and benefits. The purpose is to attract, motivate and retain employees.
Annual Performance Bonus	Annual performance-based cash bonuses are a variable element of compensation designed to reward the Corporation's executive officers for maximizing the overall annual performance of the Corporation. These bonuses capture quantitative and qualitative assessments of performance.

Compensation Element	Description
Retirement Benefits	The RRSP program allows employees to contribute amounts to their retirement savings plans which are matched by the Corporation, up to certain limits and subject to the annual limitations established each year by tax legislation. Participation in the plans is voluntary. The Corporation has established an Individual Pension Plan for the Chief Executive Officer to replace the Corporation's RRSP contributions paid.
Employee Share Ownership Plan	The Corporation has an employee share purchase plan which is intended to attract and retain employees as well as encourage employees to acquire an ownership interest in the Corporation. Participation in this plan is voluntary and is available to all employees who have completed one year of service.

Base Salary

The Corporation pays its NEOs a base salary as a means to provide a non-performance based element of compensation that is certain and predictable and is generally competitive with market practices. Base salaries are reviewed annually based on a review of each of the NEOs' roles and responsibilities. The determination of each NEO's base salary is subjective and not formulaic and is determined based upon a number of factors including the position, experience and performance of each NEO, taking into account the size, position and profitability of the Corporation.

Annual Performance Bonus

Annual performance bonuses are paid to management and employees on a discretionary basis and are based on individual performance. Factors considered in allocating bonuses to individuals include, but are not necessarily limited to, the following:

- Contribution to the profitability of the Corporation
- Contribution to new business development
- Contribution to investment performance
- Contribution to growth and prosperity of the Corporation
- Contribution to the Corporation as a whole
- Leadership

Retirement Benefits

The Corporation matches employees' contributions to their RRSP up to certain limits and subject to the annual limitations established each year by tax legislation. Participation in the plans is voluntary.

The Corporation has established an Individual Pension Plan for Richard G. Stone, the President and CEO, in accordance with the provisions of income tax legislation. An Individual Pension Plan is a defined benefit pension plan which provides the participant a defined pension upon retirement.

Employee Share Ownership Plan

The Corporation established an employee share purchase plan which is intended to attract and retain employees as well as encourage employees to acquire an ownership interest in the Corporation. Participation in this plan is voluntary and is available to all employees who have completed one year of service.

Summary Compensation Table

The following table sets out the annual and long-term compensation for the services of each of the Named Executive Officers during the financial years ended September 30, 2021, 2020 and 2019 and includes compensation paid from Stone Investment Group. Limited and or Stone Asset Management Limited.

Name and Principal Position	Year	Salary ($)	Share Based Awards ($)	Option Based Awards ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value[1] ($)	All Other Compensation ($)[2]	Total Compensation ($)
					Annual Incentive Plans ($)	Long-Term Incentives/ Retention ($)			
Richard G. Stone President & CEO	2021	566,477	-	-	-	-	30,362	612	597,451
	2020	560,838	-	-	-	-	37,182	1,039	599,059
	2019	556,663	-	-	-	-	37,530	1,548	595,741
James A. Elliott CFO	2021	266,939	-	-	-	-	-	8,195	275,134
	2020	264,295	-	-	-	-	-	8,195	272,490
	2019	262,327	-	-	-	-	-	8,195	270,522
Ragen Mangal Vice President Finance	2021	218,721	-	-	-	-	-	9,638	228,359
	2020	213,690	-	-	-	-	-	9,638	223,328
	2019	194,600	-	-	-	-	-	9,548	221,648

1. Payments made by the Corporation to the pension plan on behalf of the named executive officer.
2. Miscellaneous amounts under group plans and amounts paid by the Corporation to match individual RRSP contributions.

Pension Plan Benefits

The following table sets out all pension plan benefits at the end of the financial year ended September 30, 2021 held by each of the Named Executive Officers. The pension plan adopted is an Individual Pension Plan, established in accordance with income tax legislation, which provides for formula-based funding on maximum statutory pensionable annual earnings which is slightly in excess of the maximum 2021 earnings for RRSPs, adjusted for inflation. (The maximum pensionable earnings limitation imposed on RRSP contributions is effectively $151,278 and regarding CPP for 2021 was approximately $61,600.)

Name and Principal Position	Number of years credited service (#)	Annual Benefits Payable ($)		Opening present value of defined benefit obligation ($)	Compensatory change ($)	Non-Compensatory Change ($)	Closing present value of defined benefit obligation (asset) ($)
		At year end	At age 65				
Richard G. Stone President & CEO	17	n/a	n/a	52,205	30,362	(227,377)	(144,810)

Corporate Governance Practices

The Board and senior management of the Corporation consider good corporate governance to be central to the effective operation of the Corporation. As part of the Corporation's commitment to effective corporate governance, the Board, with the assistance of the Audit Committee, Corporate Governance Committee and Compensation Committee, monitors changes in legal requirements and best practices.

The Board, together with the Corporation, has adopted policies on board governance matters applicable to all directors of the Corporation. The Board has also adopted a Mandate for the Board (the "**Board Mandate**"), which documents the Board's Corporate Governance Guidelines.

The Board has responsibility for the stewardship of the Corporation. The Board's key functions are to oversee the direction of corporate strategy, supervise risk management, and evaluate the performance of the Corporation and its senior management. In performing these tasks the Board acts independently from Management. All directors are nominated on the basis of experience and professional expertise.

Set out below is a description of certain corporate governance practices of the Corporation, including information required by the National Instrument 58-101 – *Corporate Governance*.

Composition of the Board

The Board provides for four members. An "independent director" is a director who is independent of Management and free from any direct or indirect material relationship with the Corporation. Of the four positions held during 2021, one position remained vacant and two directors were considered to be unrelated and independent. The two Independent Directors were: Jacques R. Boulet and Hari Panday

At the May 12, 2021 Annual General Meeting, the following three directors re-elected were:

Jacques Boulet	Independent	Chairman of the Board, Chair of Audit Committee, Compensation Committee	Financially Literate
Hari Panday	Independent	Chair of Governance Committee	Financially Literate
Richard G. Stone			Financially Literate

Independence from Management

The Corporation has in place appropriate structures and procedures to ensure that the Board can function independently of Management. The Board provides leadership for the independent directors through participation in Meeting of the Board, strategy sessions, and the mandates of the Audit Committee, Corporate Governance Committee and Compensation Committee. The external members of the Board meet on occasion without Management or pursuant to in camera sessions. In addition, Board independence is ensured as each of the Audit Committee, Corporate Governance Committee and Compensation Committees is comprised with a majority of independent directors. Further, the outside directors of the Corporation have unrestricted, direct access to the Corporation's executives and external auditors.

Mandate of the Board

The Board is responsible for the supervision of the management of the Corporation's business and affairs. The Board is required to carry out its duties with a view to the best interests of the Corporation and with the objective of enhancing shareholder value. Management must seek Board approval for the annual business and financial plan of the Corporation and, in addition, must seek Board approval for material acquisitions. To assist it in fulfilling this responsibility, the Board has recognized its responsibility in the following areas:

(a) the adoption, with Management, of a strategic planning process and the strategic plan; (b) the identification of the principal risks of the Corporation's business and monitoring the implementation of appropriate systems to manage these risks; (c) succession planning, including appointing, training and monitoring senior management; (d) maintaining a communications policy to facilitate communications with shareholders and others involved with the Corporation; and (e) the integrity of the Corporation's internal control and management information systems.

The Board will meet at least four times per calendar year; additional Meeting are called as necessary upon the state of the Corporation's affairs and in light of opportunities or risks which the Corporation faces.

Position Descriptions

The Chief Executive Officer's objectives are discussed with the Board from time to time. These objectives include the general mandate to develop the annual business and financial plan including the capital- spending plan. The Board determines the objectives of the Chief Executive Officer and reviews the corporate objectives for which the Chief Executive Officer has responsibility. Written position descriptions have been developed for the Chairman of the Board and for the chairs of the Audit, Governance and Compensation Committees. The Chairman of the Board is responsible

for setting the agenda for, and chairing Meeting of, the Board. The primary role and responsibility of the chairs of the Audit, Governance, Compliance and Compensation Committees, and if created, the Special Committee is to (i) ensure that each committee fulfills its role or mandate, as determined by the Board, (ii) chair Meeting of the Committee, (iii) report thereon to the Board and (iv) act as a liaison between the Committee and the Board and, if applicable or necessary, to executive management of the Corporation.

Orientation and Continuing Education

The Corporate Governance Committee is responsible for overseeing the orientation and continuing education of the Board. The Chairman of the Board reviews with each new member certain historical information and materials regarding the Corporation, information on the role of the Board and its committees; senior management reviews the legal obligations of a Director of the Corporation. The Corporation conducts an informal orientation and education program for new independent directors. All independent Board members have full access to Management at all times. The CEO and the CFO provide the Board members with information on industry and regulatory changes on an ongoing basis. Directors are encouraged to participate in courses designed specifically for corporate directors. In addition, individual Directors can engage, in appropriate circumstances, outside advisers at the Corporation's expense with the approval of the Chairman of the Board.

Ethical Business Conduct

The Board has adopted a written Code of Business Conduct and Ethics (the "**Code**") for the Corporation's directors, officers and employees that describes the Board's expectations for the conduct of such persons in their dealings on behalf of the Corporation. The Code is designed to promote a culture of ethical conduct with the Corporation. Employees who violate the Code may face disciplinary actions, including dismissal.

All directors, officers and employees are provided a copy of the Code annually and they undertake annually, in writing, to abide by the Code. The CEO reports any violation of the Code to the Board.

In addition, in order to ensure independent judgment in considering transactions or agreements in which a director/officer has a material interest, all related party transactions are approved by the independent directors and all payments under related party transactions are approved by the Board.

Nomination of Directors

The Corporate Governance Committee is responsible for: (i) reviewing and determining criteria for identifying potential nominees to the Board, by regularly assessing the competencies and skills as a whole the Board should possess and the competencies and skills each director possesses, (ii) considering the competencies and skills the Board considers necessary for the Board as a whole to possess, the competencies and skills the Board considers each existing director possess and the competencies and skills each potential nominee to the Board, will bring to the Board.

Committees

The Board has provided for three standing committees: the Audit Committee, the Corporate Governance Committee and the Compensation Committee. The Board may establish special committees such as the one previously established during fiscal 2016 to address the December 2016 debenture maturity and extension considerations. The members of each Committee currently are the external board members. All members of each Committee are financially literate and at least one member has accounting or related financial management experience.

Audit Committee

The Audit Committee is chaired by Jacques Boulet. The mandate of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, and the Corporation's process for monitoring compliance with laws and regulations governing financial disclosure matters. The Audit Committee reviews the Corporation's annual and quarterly interim financial statements. The Committee discusses the Corporation's financial affairs and results with its external auditors on an annual basis

and with members of Management on a quarterly basis to assist it in the effective discharge of its duties. The mandate of the Audit Committee includes (a) reviewing the Corporation's financial reporting in connection with the annual audit and the preparation of financial statements and management's discussion and analysis thereof; (b) reviewing the Corporation's financial policies and procedures; (c) reviewing audit plans of the external auditors; (d) meeting with the external auditors independently of Management; and (e) reviewing policies and procedures for managing principal risks.

Corporate Governance Committee

The Corporate Governance Committee is chaired by Hari Panday. The Corporate Governance Committee is responsible for developing the Corporation's corporate governance guidelines. This includes approving the Corporation's Code of Business Conduct and Ethics. The Corporate Governance Committee is responsible for monitoring the size and composition of the Board; nominating directors; and the orientation and continuing education of the Board. The Corporate Governance Committee is also responsible for assessing Board effectiveness, committee effectiveness and the contributions of individual Directors.

Compensation Committee

The Compensation Committee is chaired by Jacques Boulet. The Compensation Committee is responsible making recommendations to the Board with respect to the remuneration of executive officers of the Corporation. As part of its mandate, the Compensation Committee reviews the design and effectiveness of the Corporation's overall compensation plan. In doing so, the Compensation Committee takes into account factors such as the Corporation's performance and operating criteria, industry standards with respect to compensation levels of persons holding comparable positions at comparable companies, compensation levels in previous years, in the case of the directors, the performance of the Board as a whole, as well as other factors that may be relevant from time to time.

Audit Committee

Under National Instrument 52-110 - *Audit Committee* ("**NI 52-110**"), the Corporation is required to include in this Circular the disclosure required under Form 52-110F2 with respect to the audit committee of the Board (the "**Audit Committee**"), including the composition of the Audit Committee, the text of the Audit Committee mandate (attached to this Circular as Schedule "L"), and the fees paid to the external auditor.

Composition of the Audit Committee

The following Directors are currently the members of the Audit Committee:

Name	Independence[(1)]	Financial Literacy[(2)]
Jacques R. Boulet[(3)]	Independent	Financially Literate
Mark Lerohl	Independent	Financially Literate

(1) Pursuant to NI 52-110, an audit committee member is independent if he or she has no direct or indirect "material relationship" (as such term is defined in NI 52-110) with the issuer.

(2) Pursuant to NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

(3) Mr. Boulet is the Chair of the Audit Committee.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Corporation is relying upon the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a "venture issuer" with respect to Part 5 (Reporting Obligations) of NI 52-110 and therefore is not obligated to file an Annual Information Form.

The Corporation is relying upon the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a "venture issuer" and is exempt from the requirements of Part 3 (Composition of Audit Committee) of NI 51- 102.

The Corporation has not relied on an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions) of NI 52-110, which permits a securities regulatory authority or regulator to grant an exemption from the requirements of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in Schedule "L" attached to this Circular.

TRUSTEE

The Trustee under the Trust Indenture is Computershare Trust Company of Canada, a trust company incorporated under the laws of Canada and having an office in the City of Toronto in the Province of Ontario. Computershare may be contacted as follows:

Computershare Trust Company of Canada
100 University Avenue
8th Floor, North Tower
Toronto ON M5J 2Y1

Attention: Manager, Corporate Trust
Telephone: 1-800-564-6253

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for the Corporation's most recently completed financial year. PDF copies of this Circular and audited consolidated annual financial statements of the Corporation as at and for the year ended September 30, 2021, and related MD&A, may be obtained without charge by writing or providing an email to the Chief Financial Officer of the Corporation through info@stoneco.com.

The contents and the sending of this Circular have been approved by the Chairman of the Board of Directors of the Corporation.

Dated as of May 18, 2022

Toronto, Ontario

"Jacques R. Boulet"
Chairman

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

Court File No.: CV-21-00674449-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC., AND INVOLVING THOSE AFFILIATED ENTITIES SET OUT ON SCHEDULE "A" HERETO

PLAN OF ARRANGEMENT

May 18, 2022

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PLAN OF ARRANGEMENT

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan, unless otherwise stated:

"**Additional Interest**" has the meaning given to that term in the Trust Indenture;

"**Administrator**" means Sintra Capital Corporation;

"**Amalco**" has the meaning given to it in Section 5.3(g);

"**Amalgamated SIG**" has the meaning given to it in Section 5.3(b);

"**Applicants**" means, collectively, SIG, SIGAL and ArrangeCo;

"**ArrangeCo**" means 13613429 Canada Inc.;

"**Arrangement**" means the arrangement under section 192 of the CBCA on the terms and subject to the conditions set out in this Plan, subject to any amendments, modifications and/or supplements thereto made in accordance with the Arrangement Agreement and this Plan, or otherwise with the consent of the Applicants and the Purchaser, each acting reasonably;

"**Arrangement Agreement**" means the Arrangement Agreement (including all schedules attached thereto) among the Applicants, Starlight Investments Capital LP and the Purchaser dated April 7, 2022, as it may be amended, modified and/or supplemented from time to time;

"**Articles of Arrangement**" means the articles of arrangement of the Applicants in respect of the Arrangement, in form and substance satisfactory to the Applicants and the Purchaser, that are required to be filed with the CBCA Director in order for the Arrangement to become effective on the Effective Date;

"**Business Day**" means any day, other than a Saturday, Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario;

"**Canadian Dollars**" or "**$**" means the lawful currency of Canada;

"**Cash Consideration**" means the $0.01 in cash payable for each Common Share;

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

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

"**CBCA Proceedings**" means the proceedings commenced by the Applicants under the CBCA in connection with this Plan;

"**Certificate of Arrangement**" means the certificate(s) giving effect to the Arrangement, to be issued by the CBCA Director pursuant to section 192(7) of the CBCA upon receipt of the Articles of Arrangement in accordance with section 262 of the CBCA;

"**Circular**" means the management information circular of SIG dated May 18, 2022, as it may be amended, modified and/or supplemented from time to time, subject to the terms of the Interim Order or other Order of the Court;

"**Claim**" means any right or claim of any Person that may be asserted or made in whole or in part against the applicable Persons, or any of them, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty), by reason of any right of setoff, counterclaim or recoupment, or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim made or asserted against the applicable Persons, or any of them, through any affiliate, subsidiary, associated or related Person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative or regulatory tribunal), cause or chose in action, whether existing at present or commenced in the future;

"**Common Shares**" means common shares in the capital of SIG;

"**Court**" means the Ontario Superior Court of Justice (Commercial List);

"**Debenture Letter of Transmittal**" means the letter of transmittal used by SIGAL in connection with the Debenture Offer and pursuant to which the Deposited Debentures were duly deposited pursuant to the Debenture Offer;

"**Debenture Offer**" means the offer by SIGAL to acquire Debentures for cash consideration in the amount of the Debenture Offer Price;

"**Debenture Offer Price**" means $800 per Debenture being offered for the principal amount owing under the Debentures (and not the unpaid interest);

"**Debenture Repayment Amount**" means the principal amount of $1,000 per Debenture, plus accrued and unpaid interest thereon, including any Additional Interest;

"**Debentureholders**" means the registered or beneficial holders of the Debentures, as the context requires;

"**Debentures**" means the $1,000 principal amount secured debentures issued by SIG pursuant to the Trust Indenture;

"**Deposited Debentures**" means the Debentures duly deposited to the Debenture Offer;

"**deposited to the Debenture Offer**" means a Debenture that is represented in a Debenture Letter of Transmittal signed by or on behalf of the Debentureholder and delivered to the Administrator of the Debenture Offer on behalf of SIGAL and continues to be so held;

"**Dissent Rights**" has the meaning specified in Section 9.1;

"**Dissent Shares**" means Common Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly exercised Dissent Rights;

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

"**Effective Date**" means the date shown on the Certificate of Arrangement issued by the CBCA Director;

"**Effective Time**" means 12:01 a.m. (Eastern Time) on the Effective Date, or such other time as the Applicants and the Purchaser may agree, each acting reasonably;

"**Existing Shareholders**" means holders of the Existing Shares;

"**Existing Shares**" means all Common Shares outstanding immediately prior to the Effective Time;

"**Final Order**" means the Order of the Court approving the Arrangement under section 192 of the CBCA, which shall include such terms as may be necessary or appropriate to give effect to the Arrangement and this Plan, in form and substance satisfactory to the Applicants and the Purchaser, each acting reasonably,

"**First Amalgamation**" means the amalgamation of SIG, SIGAL and ArrangeCo pursuant to Section 5.3(b);

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision,

authority or representative of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange;

"**Interim Order**" means the interim order of the Court in respect of the Applicants granted on May 9, 2022, which, among other things, approves the calling of, and the date for, the Shareholders' Meeting, as such order may be amended from time to time in a manner acceptable to the Applicants and the Purchaser, each acting reasonably;

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise;

"**Order**" means any order entered by the Court in the CBCA Proceedings;

"**Payment Agent**" means Computershare Investor Services Inc. or such other entity SIG and the Purchaser may appoint as payment agent in connection with this Plan.

"**Person**" includes any individual, partnership, association, body corporate, trust, organization, estate, trustee, executor, administrator, legal representative, government (including any Governmental Entity), syndicate or other entity, whether or not having legal status;

"**Plan**" means this plan of arrangement and any amendments, modifications and/or supplements hereto made in accordance with the terms hereof;

"**Purchaser**" means 13909841 Canada Inc.;

"**Purchaser Advisors**" means Borden Ladner Gervais LLP;

"**Record Date**" means 5pm ET on May 16, 2022;

"**Released Claims**" means, collectively, the matters that are subject to release and discharge pursuant to Section 6.1;

"**Released Parties**" means the Applicants, the Existing Shareholders, the Purchaser, Starlight Investments Capital LP and each of the foregoing persons' respective principals, members, managed accounts or funds, fund advisors, current and former directors and officers, employees, financial and other advisors, legal counsel and agents, each in their capacity as such;

"**Second Amalgamation**" means the amalgamation of Amalgamated SIG and the Purchaser pursuant to Section 5.3(g);

"**Shareholders' Arrangement Resolution**" means the resolution of the Existing Shareholders relating to the Arrangement to be considered at the Shareholders' Meeting, substantially in the form included as part of Appendix "A" to the Circular;

"**Shareholders' Meeting**" means the meeting of the Existing Shareholders as of the Record Date called and held pursuant to the Interim Order for the purpose of considering and voting on the Shareholders' Arrangement Resolution, and to consider such other matters as may properly come before such meeting and includes any adjournment(s) or postponement(s) of such meeting;

"**SIG**" means Stone Investment Group Limited;

"SIGAL" means Stone-SIG Acquisition Limited; and

"**Trust Indenture**" means that certain trust indenture dated December 28, 2006 between SIG, as issuer, and Computershare Trust Company of Canada, as trustee, which provides for the creation and issuance of the Debentures, as amended by: (i) a first supplemental trust indenture dated June 29, 2009; (ii) a second supplemental trust indenture dated August 9, 2011; (iii) a third supplemental trust indenture dated August 23, 2016; and (iv) a fourth supplemental trust indenture dated November 24, 2021.

1.2 Certain Rules of Interpretation

For the purposes of this Plan:

(a) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, restated or supplemented in accordance with its terms;

(b) The division of this Plan into articles and sections is for convenience of reference only and does not affect the construction or interpretation of this Plan, nor are the descriptive headings of articles and sections intended as complete or accurate descriptions of the content thereof;

(c) The use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;

(d) The words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but is not limited to" and "including but not limited to", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;

(e) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;

(f) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Governmental Entity includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation; and

(g) References to a specific Recital, Article or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas references to the terms "this Plan", "hereof", "herein", "hereto", "hereunder" and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto.

1.3 Governing Law

This Plan shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

1.4 Currency

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, Canadian Dollars.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 Time

Time shall be of the essence in this Plan. Unless otherwise specified, all references to time expressed in this Plan and in any document issued in connection with this Plan mean local time in Toronto, Ontario, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day.

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan constitutes an Arrangement under Section 192 of the CBCA and is made pursuant to, and is subject to the provisions of, the Arrangement Agreement.

2.2 Binding Effect

At the Effective Time, this Plan and the Arrangement shall, without any further authorization, act or formality on the part of any person, become effective and be binding upon the Purchaser, the Applicants, the Payment Agent, all registered and beneficial holders of Common Shares, including Dissenting Shareholders, the registrar and transfer agent in respect of the Common Shares and Debentures, and all other persons.

2.3 Effect of this Arrangement

The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions in Section 5.3 has become effective in the sequence and at the times set out therein.

ARTICLE 3
TREATMENT OF AFFECTED PARTIES

3.1 Treatment of Existing Shareholders

On the Effective Date, and in accordance with the times, steps and in the sequence set forth in Section 5.3, each Existing Shareholder shall receive the Cash Consideration for each Common Share held as of the Record Date, subject to reduction for withholding taxes by the Payment Agent as set out in Section 4.4.

3.2 Unaffected Obligations

This Plan and the Arrangement shall not, and shall not be deemed to, alter any of the terms of the Debentures, alter any of SIG's obligations under or in respect of the Debentures or the Trust Indenture or the rights of any holders of any of the Debentures thereunder.

ARTICLE 4
ISSUANCES, DISTRIBUTIONS AND PAYMENTS

4.1 Payment of Cash Consideration

(a) Following the granting of the Final Order by the Court, and in any event not later than the last Business Day prior to the filing of the Articles of Arrangement, the Purchaser shall deposit, or arrange to be deposited for the benefit of Existing

Shareholders, cash with the Payment Agent in an amount equal to the aggregate Cash Consideration payable to the Existing Shareholders in accordance with this Plan and the terms of the Arrangement Agreement.

(b) No later than 3 Business Days following the Effective Time, in accordance with the terms of this Plan, the Payment Agent shall issue to each Existing Shareholder that is not a Dissenting Shareholder, without any further action required from any Existing Shareholder, the Cash Consideration for the number of Common Shares held by each Existing Shareholder as set out in SIG's shareholder register via cheque mailed by the Paying Agent to the registered address of each such Existing Shareholder as set out in SIG's shareholder register, less any amounts withheld pursuant to Section 4.4.

(c) Each certificate (or other evidence of ownership, if applicable) that immediately prior to the Effective Time represented Common Shares shall, following the Effective Time, be deemed to be surrender to SIG and cancelled and represent only the right to receive the Cash Consideration as contemplated in Section 4.1(b) (provided that the holder of such certificate (or other evidence of ownership, if applicable) was the holder of record on SIG's shareholder register on the Effective Date) or, in the case of Dissenting Shareholders, be paid fair value by the Purchaser for Dissent Shares as set out in Section 9.1 less any amounts withheld pursuant to Section 4.4.

(d) On the sixth anniversary of the Effective Date, any certificate (or other evidence of ownership, if applicable) formerly representing Common Shares shall cease to represent a claim by or interest of any former holder of Common Shares of any kind or nature, including an entitlement to the Cash Consideration and on such date, all Cash Consideration to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser and shall be paid over by the Payment Agent to or as directed by the Purchaser.

(e) Any payment made by way of cheque by the Payment Agent pursuant to this Plan that has not been deposited as of, or has been returned to the Payment Agent on or prior to, or that otherwise remains unclaimed as of, in each case, the sixth anniversary of the Effective Date and any right or claim to payment hereunder that remains outstanding on the day prior to the sixth anniversary of the Effective Date, shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Common Shares pursuant to this Plan and shall terminate and be deemed to be surrendered and forfeited to the Purchaser for no consideration.

(f) No holder of Common Shares shall be entitled to receive any consideration with respect to such Common Shares other than any consideration such holder is entitled to receive in accordance with Section 5.3 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 Change of Registered Address

An Existing Shareholder that wants to change its registered address as set out in SIG's shareholder register must complete and deliver a letter of transmittal to SIG no later than 3 Business Days prior to the Effective Date.

4.3 No Liability in respect of Deliveries

None of the Applicants, nor their respective directors or officers, shall have any liability or obligation in respect of any deliveries, directly or indirectly, from, as applicable, the Payment Agent, in each case to the ultimate beneficial recipients of any consideration payable or deliverable by the Applicants pursuant to this Plan.

4.4 Withholding Rights

The Applicants, the Payment Agent and the Purchaser shall be entitled to deduct and withhold from any consideration or other amount deliverable or otherwise payable to any Person hereunder such amounts as the Applicants or the Payment Agent may be required to deduct or withhold with respect to such payment under the *Income Tax Act* (Canada), or any provision of any applicable federal, provincial, state, local or foreign tax law or treaty, in each case, as amended. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the relevant Person in respect of which such deduction and withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity by the Applicants or the Payment Agent, as applicable.

ARTICLE 5
IMPLEMENTATION

5.1 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of any of the Applicants will occur and be effective as of the Effective Date (or such other date as the Applicants and the Purchaser may agree, in accordance wit this Plan), and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Final Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the Applicants. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Applicants, as applicable.

5.2 Fractional Interests

All payments made in cash pursuant to this Plan shall be made in minimum increments of $0.01, as applicable, and the amount of any payments to which a Person may be entitled to under this Plan shall be rounded down to the nearest multiple of $0.01, as applicable.

5.3 Effective Date Transactions

Commencing at the Effective Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order in five minute chronological increments (unless otherwise indicated) and in the sequence set out in this Section 5.3 (or in such other manner or sequence or at such other time or times as the Applicants and the Purchaser may agree, each acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

(a) The Deposited Debentures shall be purchased by SIGAL in accordance with the terms of the Debenture Offer in exchange for the payment of the Debenture Offer Price, and the Deposited Debentures shall be cancelled following such purchase.

(b) SIG, SIGAL and ArrangeCo shall be, and shall be deemed to be, amalgamated and continued as one corporation ("**Amalgamated SIG**") under the CBCA in accordance with the following:

(i) Registered Office. The registered office of Amalgamated SIG shall be located in the City of Toronto in the Province of Ontario. The address of the registered office of Amalgamated SIG shall be: 276 King St. W, Suite 203, Toronto, Ontario M5V 1J2;

(ii) Restrictions on Business. There shall be no restrictions on the business that Amalgamated SIG may carry on;

(iii) Articles. The articles of SIG, as in effect immediately prior to the First Amalgamation, shall be deemed to be the articles of Amalgamated SIG;

(iv) Directors. Amalgamated SIG shall have a minimum of 1 director and a maximum of 15 directors, until changed in accordance with the CBCA. Until changed by shareholders of Amalgamated SIG, or by the directors of Amalgamated SIG in accordance with the CBCA, the directors of SIG, as in effect immediately prior to the First Amalgamation shall be deemed to be the directors of Amalgamated SIG;

(i) Shares. All shares of SIGAL and ArrangeCo shall be cancelled without any repayment of capital in respect thereof; no shares will be issued by Amalgamated SIG in connection with the First Amalgamation and all shares of SIG prior to the First Amalgamation shall be unaffected and shall continue as shares of Amalgamated SIG;

(ii) Stated Capital. The stated capital account of the shares of Amalgamated SIG will be equal to the stated capital account in respect of the Common Shares immediately prior to the First Amalgamation;

(iii) By-laws. The by-laws of SIG, as in effect immediately prior to the First Amalgamation, shall be deemed to be the by-laws of Amalgamated SIG;

(iv) Effect of Amalgamation. Subject to releases referred to in Section 6.1, the provisions of subsection 186(a) to (g) of the CBCA shall apply to the First Amalgamation with the result that:

(A) the amalgamation of the amalgamating corporations and their continuance as one corporation becomes effective;

(B) the property of each amalgamating corporation continues to be the property of Amalgamated SIG;

(C) Amalgamated SIG continues to be liable for the obligations of each amalgamating corporation;

(D) an existing cause of action, claim or liability to prosecution is unaffected;

(E) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation may be continued to be prosecuted by or against Amalgamated SIG;

(F) a conviction against, or ruling, order or judgment in favour of or against, an amalgamating corporation may be enforced by or against Amalgamated SIG; and

(G) the Articles of Arrangement are deemed to be the articles of incorporation of Amalgamated SIG and the Certificate of Arrangement is deemed to be the certificate of incorporation of Amalgamated SIG.

(c) Each Dissent Share shall be, and shall be deemed to be, without any further act or formality, transferred to and acquired by the Purchaser (free and clear of all hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests), and the Purchaser shall thereupon by obligated to pay, for each Dissent Share so transferred, the amount therefor determined and payable in accordance with Section 9.1 of the Plan, and:

(i) such Dissenting Shareholders shall cease to be holders of Common Shares and to have any rights as holders of such Common Shares other than the right to be paid fair value by the Purchaser for such Dissent Shares as set out in Section 9.1 of the Plan;

(ii) such Dissenting Shareholders' names shall be removed from the register of the Common Shares maintained by or on behalf of SIG; and

(iii) the Purchaser shall be deemed to be the transferee of such Dissent Shares (free and clear of all hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests) and shall be entered as such in the register of the Common Shares maintained by or on behalf of SIG.

(d) All of the Common Shares held by Existing Shareholders (excluding any Dissent Shares) shall be, and shall be deemed to be, without any further act or formality, transferred to and acquired by the Purchaser (free and clear of all hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests), and each Existing Shareholder shall be entitled to receive from the Payment Agent (on behalf of the Purchaser), for each Common Share so transferred, the Cash Consideration less any amounts withheld pursuant to Section 4.4 of the Plan, and:

(i) such Existing Shareholders shall cease to be holders of Common Shares and to have any rights as holders of such Common Shares other than the right to be paid the Cash Consideration in accordance with this Plan;

(ii) such Existing Shareholders' names shall be removed from the register of the Common Shares maintained by or on behalf of SIG; and

(iii) the Purchaser shall be deemed to be the transferee of such Common Shares (free and clear of all hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests) and shall be entered as such in the register of the Common Shares maintained by or on behalf of SIG.

(di) Amalgamated SIG shall repay the Remaining Debentures pursuant to Section 2.17 of the Trust Indenture by payment of the Debenture Repayment Amount.

(dii) The releases referred to in Section 6.1 of the Plan shall become effective.

(diii) Amalgamated SIG and the Purchaser shall be, and shall be deemed to be, amalgamated and continued as one corporation ("**Amalco**") under the CBCA in accordance with the following:

(i) Name. The name of Amalco shall be "Starlight Capital Corporation";

(ii) Registered Office. The registered office of Amalco shall be located in the City of Toronto in the Province of Ontario. The address of the registered office of Amalco shall be: 1400 - 3280 Bloor Street West, Centre Tower, Toronto, Ontario M8X 2X3;

(iii) Restrictions on Business. There shall be no restrictions on the business that Amalco may carry on;

(iv) Articles. The articles of the Purchaser, as in effect immediately prior to the Second Amalgamation, shall be deemed to be the articles of Amalco;

(v) Directors. Amalco shall have a minimum of 1 director and a maximum of 15 directors, until changed in accordance with the CBCA. Until changed by shareholders of Amalco, or by the directors of Amalco in accordance with the CBCA, the directors of the Purchaser, as in effect immediately prior to the Second Amalgamation shall be deemed to be the directors of Amalco;

(vi) Shares. All shares of Amalgamated SIG shall be cancelled without any repayment of capital in respect thereof; no shares will be issued by Amalco in connection with the Second Amalgamation and all shares of the Purchaser prior to the Second Amalgamation shall be unaffected and shall continue as shares of Amalco;

(vii) Stated Capital. The stated capital account of the shares of Amalco will be equal to the stated capital account in respect of the common shares of the Purchaser immediately prior to the Second Amalgamation;

(viii) By-laws. The by-laws of the Purchaser, as in effect immediately prior to the Second Amalgamation, shall be deemed to be the by-laws of Amalco;

(ix) Effect of Amalgamation. Subject to releases referred to in Section 6.1, the provisions of subsection 186(a) to (g) of the CBCA shall apply to the Amalgamation with the result that:

(A) the amalgamation of the amalgamating corporations and their continuance as one corporation becomes effective;

(B) the property of each amalgamating corporation continues to be the property of Amalco;

(C) Amalco continues to be liable for the obligations of each amalgamating corporation;

(D) an existing cause of action, claim or liability to prosecution is unaffected;

(E) a civil, criminal or administrative action or proceeding pending by or against an amalgamating corporation may be continued to be prosecuted by or against Amalco;

(F) a conviction against, or ruling, order or judgment in favour of or against, an amalgamating corporation may be enforced by or against Amalco; and

(x) the Articles of Arrangement are deemed to be the articles of incorporation of Alamco and the Certificate of Arrangement is deemed to be the certificate of incorporation of Amalco.

5.4 Calculations

Unless otherwise specified herein, all amounts of consideration to be received under this Plan will be calculated and rounded down to the nearest cent ($0.01). All calculations and determinations made by the Applicants for the purposes of this Plan shall be conclusive, final and binding, absent manifest error.

5.5 Transfers Free and Clear

Any transfer of Common Shares pursuant to the Arrangement shall be free and clear of any hypothecs, liens, Claims, encumbrances, charges, adverse interests or security interests.

ARTICLE 6
RELEASES

6.1 Release of Released Parties

At the applicable time pursuant to Section 5.3(f), each of the Released Parties shall be released and discharged from any and all present and future actions, causes of action, damages, judgments, executions, obligations and Claims of any kind or nature whatsoever arising on or prior to the Effective Date in connection with the Existing Shares, the Arrangement Agreement, this Plan, the CBCA Proceedings, the transactions contemplated herein, and any other actions, agreements, documents or matters related directly or indirectly to the foregoing, provided that nothing in this paragraph shall release or discharge (i) any of the Released Parties from or in respect of their respective obligations under this Plan, the Arrangement Agreement or any Order or document ancillary to any of the foregoing, or (ii) any Released Party from liabilities or claims attributable to such Released Party's fraud, gross negligence or wilful misconduct, as determined by the final, non-appealable judgment of a court of competent jurisdiction. The foregoing release shall not be construed to prohibit a party in interest from seeking to enforce the terms of this Plan or any contract or agreement entered into pursuant to, in connection with or contemplated by this Plan.

6.2 Injunctions

All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Date, with respect to any and all Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever of any Person against the Released Parties, as applicable; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties; (iii) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties or their property; or (iv) taking any actions to interfere with the implementation or consummation of this Plan or the transactions contemplated hereunder; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Plan or any document, instrument or agreement executed to implement, or otherwise to be executed and delivered in connection with, this Plan.

ARTICLE 7
CONDITIONS PRECEDENT

7.1 Conditions Precedent to Implementation of this Plan

The implementation of this Plan shall be conditional upon the fulfillment, satisfaction or waiver of the following conditions precedent:

(a) SIG and SIGAL shall have been continued under the CBCA prior to the Effective Date;

(b) all of the all conditions precedent contained in Article 6 of the Arrangement Agreement shall have been satisfied or waived in accordance Section 6.4 thereof; and

(c) the Court shall have granted the Final Order.

ARTICLE 8
EFFECTIVENESS AND PARAMOUNTCY

8.1 Effectiveness

This Plan will become effective in the sequence described in Section 5.3 on the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, and shall be binding on and enure to the benefit of the Applicants, all Existing Shareholders, Debentureholders, the Released Parties and all other Persons named or referred to in, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns. The Articles of Arrangement shall be filed and the Certificate of Arrangement shall be issued in each case with respect to the Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions in Section 5.3 has become effective in the sequence set forth therein. No portion of this Plan shall take effect with respect to any party or Person until the Effective Time.

8.2 Paramountcy

From and after the Effective Time: (a) this Plan shall take precedence and priority over any and all Common Shares issued prior to the Effective Time; (b) the rights and obligations of the holders of Common Shares (other than the Purchaser or any of its affiliates), the Applicants, the Purchaser, the Payment Agent and any transfer agent, payment agent or depositary therefor in relation thereto, shall be solely as provided for in this Plan and the Arrangement Agreement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Common Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 9
DISSENT RIGHTS

9.1 Dissent Rights

(a) Each registered Existing Shareholder may exercise rights of dissent ("**Dissent Rights**") with respect to the Common Shares held by such Existing Shareholder in connection with the Arrangement pursuant to and in the manner set forth in Section

190 of the CBCA, as modified by the Interim Order and this Section 9.1, provided that, notwithstanding Section 190(5) of the CBCA, the written objection to the Shareholders' Arrangement Resolution contemplated by Section 190(5) of the CBCA must be received by SIG not later than 3:00 p.m. preceding the date of the Shareholders' Meeting (as it may be adjourned or postponed from time to time). Dissenting Shareholders who duly exercise such Dissent Rights and who:

(i) are ultimately determined to be entitled to be paid fair value (as determined as of the close of business on the day before the Shareholders' Arrangement Resolution was adopted) from the Purchaser for the Dissenting Shares in respect of which they have exercised Dissent Rights, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be deemed to have irrevocably transferred such Dissent Shares to the Purchaser pursuant to Section 5.3(c) in consideration of such fair value, and shall (other than Section 5.3(c)) be deemed not to have participated in the transactions in Article 5; or

(ii) are ultimately not entitled, for any reason, to be paid by the Purchaser the fair value for their Dissent Shares, shall be deemed to have participated in the Arrangement in respect of those Common Shares on the same basis as a non-dissenting Existing Shareholder and shall be entitled to receive only the Cash Consideration from the Purchaser in the same manner as such non-dissenting Existing Shareholders.

(b) In no event shall the Purchaser or SIG or any other person be required to recognize a Dissenting Shareholder as a registered or beneficial owner of Common Shares or any interest therein (other than the rights set out in this Section 9.1) at or after the Effective Time, and as at the Effective Time the names of such Dissenting Shareholders shall be deleted from the central securities register of SIG.

For greater certainty, in addition to any other restrictions in the Interim Order and under Section 190 of the CBCA, Existing Shareholders who vote or have instructed a proxyholder to vote their Common Shares in favour of the Shareholders' Arrangement Resolution shall not be entitled to exercise Dissent Rights.

ARTICLE 10
GENERAL

10.1 Deemed Consents, Waivers and Agreements

At the Effective Time:

(a) each Existing Shareholder and the Purchaser shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety;

(b) each Applicant, Existing Shareholder and the Purchaser shall be deemed to have executed and delivered to the other parties all consents, releases, assignments and

waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety; and

(c) all consents, releases, assignments and waivers, statutory or otherwise, required from any Person to implement and carry out this Plan in its entirety shall be deemed to have been executed and delivered to the Applicants.

10.2 Waiver of Defaults

From and after the Effective Time, all Persons named or referred to in, or subject to, this Plan shall be deemed to have consented and agreed to all of the provisions of this Plan in its entirety. Without limiting the foregoing, from and after the Effective Time, all Persons shall be deemed to have:

(a) waived any and all defaults or events of default, third-party change of control rights or any non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, lease, licence, guarantee, agreement for sale or other agreement, written or oral, in each case relating to the Arrangement Agreement, the Arrangement, this Plan, the transactions contemplated hereunder, the CBCA Proceedings and any other proceedings commenced with respect to or in connection with this Plan and any and all amendments or supplements thereto. Any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection with any of the foregoing shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Applicants and their respective successors and assigns from performing their obligations under this Plan or any contract or agreement entered into pursuant to, in connection with, or contemplated by, this Plan; and

(b) agreed that if there is any conflict between the provisions of any agreement or other arrangement, written or oral, existing between such Person and any of the Applicants prior to the Effective Date and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are deemed to be amended accordingly,

provided, however, that notwithstanding any other provision of this Plan, nothing herein shall affect the obligations of any of the Applicants to any employee thereof in their capacity as such, including any contract of employment between any Person and any of the Applicants.

10.3 Compliance with Deadlines

The Applicants have the right to waive strict compliance with any deadlines for the submissions of forms or other documentation pursuant to this Plan, and shall be entitled to waive any deficiencies with respect to any forms or other documentation submitted pursuant to this Plan.

10.4 Deeming Provisions

In this Plan, all deeming provisions are not rebuttable and are fully and finally conclusive and irrevocable.

10.5 Modification of Plan

Subject to the terms and conditions of the Arrangement Agreement, including any notices, consents and deliveries required thereunder:

(a) the Applicants and the Purchaser reserve the right to amend, restate, modify and/or supplement this Plan at any time and from time to time, provided that (except as provided in subsection (d) below) any such amendment, restatement, modification or supplement must be agreed to in writing by each of the Purchaser and the Applicants, each acting reasonably, then (i) filed with the Court and, if made following the Shareholders' Meeting, approved by the Court, and (ii) communicated to the Existing Shareholders in the manner required by the Court (if so required);

(b) any amendment, modification or supplement to this Plan if agreed to by the Purchaser and the Applicants, each acting reasonably, may be proposed by the Purchaser or the Applicants at any time prior to or at the Shareholders' Meeting, with or without any prior notice or communication (other than as may be required under the Interim Order), and if so proposed and accepted at the Shareholders' Meeting, shall become part of this Plan for all purposes;

(c) any amendment, modification or supplement to this Plan that is approved or directed by the Court following the Shareholders' Meeting will be effective only if: (i) it is agreed to in writing by each of the Purchaser and the Applicants, each acting reasonably, and (ii) if required by the Court, by some or all of the Existing Shareholders voting in the manner directed by the Court; and

(d) any amendment, modification or supplement to this Plan may be made following the Shareholders' Meeting by the Applicants and the Purchaser without requiring filing with, or approval of, the Court, provided that it concerns a matter which is of an administrative nature and is required to better give effect to the implementation of this Plan and is not materially adverse to the financial or economic interests of any of the Existing Shareholders.

10.6 Notices

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail or email addressed to the respective parties as follows:

(a) if to the Applicants, at:

Stone Investment Group Limited
c/o Bennett Jones LLP
100 King St W Suite 3400
Toronto, ON M5X 1A4

Attention: Peter Dunne, Kris Hanc and Mike Shakra
Email: dunnep@bennettjones.com
hanck@bennettjones.com
shakram@bennettjones.com

(b) if to the Purchaser, at:

c/o Borden Ladner Gervais LLP
22 Adelaide St W Suite 3400
Toronto, ON M5H 4E3

Attention: Jason Saltzman
Email: jsaltzman@blg.com

or to such other address as any party above may from time to time notify the others in accordance with this Section 10.6. In the event of any strike, lock-out or other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery or by email and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption, unless actually received, shall be deemed not to have been given or made. Any such notices and communications so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of emailing, provided that such day in either event is a Business Day and the communication is so delivered or emailed before 5:00 p.m. on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. The unintentional failure by the Applicants to give a notice contemplated hereunder to the Purchaser shall not invalidate this Plan or any action taken by any Person pursuant to this Plan.

10.7 Consent of Purchaser

For the purposes of this Plan any matter requiring the agreement, waiver, consent or approval of the Purchaser shall be deemed to have been agreed to, waived, consented to or approved by the Purchaser if such matter is agreed to, waived, consented to or approved in writing by any of the Purchaser Advisors on behalf of the Purchaser provided that such Purchaser Advisor confirms in writing (which can be by way of e-mail) that it is providing such agreement, consent, waiver or approval on behalf of the Purchaser.

10.8 Further Assurances

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, subject to the terms of the Arrangement Agreement, each of the Persons named or referred to in, affected by or subject to, this Plan will 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 to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

SCHEDULE "A"
LIST OF NON-APPLICANT AFFILIATED ENTITIES
INVOLVED IN CBCA PROCEEDINGS

1. Stone Asset Management Limited

2. Stone Corporate Funds Limited

SCHEDULE "B"
CONTINUANCE RESOLUTION

"**BE IT RESOLVED**, as a special resolution that:

1. the continuance of Stone Investment Group Limited (the "**Corporation**") into the federal jurisdiction of Canada under the *Canada Business Corporations Act* (the "**CBCA**") be and is authorized and approved;

2. the Corporation make an application to the Director (the "**CBCA Director**") appointed under the *Canada Business Corporations Act* (the "**CBCA**") for a certificate of continuance continuing the Corporation as a corporation to which the CBCA applies and in connection therewith make an application to the Registrar of Corporations, Ontario (the "**OBCA Registrar**") for authorization to apply for a certificate of continuance under the CBCA and for a certificate of discontinuance under the OBCA;

3. the articles of continuance of the Corporation shall be in the form attached to the SIG Circular, with such technical amendments, deletions or alterations as may be considered necessary or advisable by any officer of the Corporation in order to ensure compliance with the provisions of CBCA, as the same may be amended, and the requirements of the CBCA Director thereunder;

4. subject to the issuance of such certificate of continuance by the CBCA Director and the OBCA Registrar providing a certificate of discontinuance, and without affecting the validity of the incorporation or existence of the Corporation by and under its articles or of any act done thereunder, the Corporation is authorized to approve and adopt, in substitution for the existing articles of the Corporation, the articles of continuance attached to the SIG Circular, with any amendments, deletions or alterations made pursuant to paragraph 3;

5. subject to the issuance of such certificate of continuance by the CBCA Director and the OBCA Registrar providing a certificate of discontinuance, the Corporation is authorized to approve and adopt the New By-Laws in the form attached to the SIG Circular;

6. the board of directors of the Corporation is authorized, in its sole discretion, to abandon the application for a certificate of continuance continuing the Corporation as a corporation to which the CBCA applies, or determine not to proceed with the continuance, without further approval of the shareholders of the Corporation any time prior to the endorsement by the CBCA Director of a certificate of continuance; and

any officer or director of the Corporation is authorized, for and on behalf of the Corporation, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this special resolution and the matters authorized hereby including, without limitation, the execution and filing of articles of continuance and any forms prescribed or contemplated by the CBCA with the CBCA Director and the execution and filing with the OBCA Registrar of an application to continue in another jurisdiction and evidence of the continuation under CBCA and delivery of such documents or instruments and the taking of any such actions necessary for the OBCA Registrar to issue a certificate of discontinuance under the OBCA."

SCHEDULE "C"
ARRANGEMENT RESOLUTION

Arrangement Resolution

"BE IT RESOLVED as a Special Resolution that:

1. the arrangement (as the same may be, or may have been, amended, modified or supplemented, the "**Arrangement**") pursuant to Section 192 of the Canada Business Corporations Act (the "**CBCA**") of Stone Investment Group Limited (the "**Corporation**"), Stone-SIG Acquisition Limited (the "**Offeror**") and 13613429 Canada Inc. ("**ArrangeCo**"), as more particularly described and set forth in the Plan of Arrangement set forth in the Circular, be and is hereby authorized, approved and adopted;

2. the Plan of Arrangement, as it has been or may be amended, modified or supplemented in accordance with the Plan of Arrangement, is hereby authorized, approved and adopted;

3. notwithstanding the passing of this resolution or the passing of similar resolutions or the approval of the Ontario Superior Court of Justice (Commercial List), the board of directors of the Corporation, without further notice to, or approval of, the Shareholders and/or Debentureholders of the Corporation, are hereby authorized and empowered to: (i) amend the Plan of Arrangement, to the extent permitted by their respective terms; and (ii) subject to the terms of the Plan of Arrangement, to determine not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the CBCA;

4. the board of directors of the Corporation shall have the right to revoke or delay the implementation of the foregoing resolutions for any reason whatsoever in its sole and absolute discretion if it considers such course of action to be in the best interests of the Corporation and the shareholders of the Corporation; and

5. any officer or director of the Corporation is hereby authorized and directed to execute and to cause to be executed or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as such individual may, in his or her sole discretion, determine to be necessary to carry out the intent of this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing."

SCHEDULE "D"
FEDERAL ARTICLES OF CONTINUANCE

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

Canada Business Corporations Act (CBCA)
FORM 11
ARTICLES OF CONTINUANCE
(Section 187)

1 - Corporate name

Stone Investment Group Limited

2 - The province or territory in Canada where the registered office is situated (do not indicate the full address)

Ontario

3 - The classes and any maximum number of shares that the corporation is authorized to issue

See attached schedule / Voir l'annexe ci-jointe

4 - Restrictions, if any, on share transfers

None.

5 - Minimum and maximum number of directors (for a fixed number of directors, indicate the same number in both boxes)

Minimum number 1 **Maximum number** 10

6 - Restrictions, if any, on the business the corporation may carry on

None.

7 a) - If change of name effected, previous name

7 b) - Details of incorporation

8 - Other provisions, if any

See attached schedule / Voir l'annexe ci-jointe

9 - Declaration

I hereby certify that I am a director or an authorized officer of the corporation continuing into the CBCA.

Print name	Signature
Richard G. Stone	

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

SCHEDULE

THE CLASSES AND THE MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE

The Corporation is authorized to issue one class of shares, to be designated as "Common Shares", in an unlimited number.

The Common Shares shall have attached thereto the following rights:

1. to vote at any meeting of shareholders of the Corporation;
2. to receive any dividend declared by the Corporation; and
3. to receive the remaining property of the Corporation on dissolution.

SCHEDULE

OTHER PROVISIONS

The directors of the Corporation may from time to time:

(a) borrow money on the credit of the Corporation;

(b) issue, reissue, sell or pledge debt obligations of the Corporation, including bonds, debentures, notes or other evidences of indebtedness or guarantees of the Corporation, whether secured or unsecured;

(c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person, including any individual, partnership, association, body corporate or personal representative;

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation; or

(e) delegate to one or more directors, a committee of directors or one or more officers of the Corporation as may be designated by the directors, all or any of the powers conferred by the foregoing clauses of this Paragraph to such extent and in such manner as the directors shall determine at the time of each such delegation.

SCHEDULE "E"
INTERIM ORDER

Court File No.: CV-21-00674449-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 9th
	)	
JUSTICE CONWAY	)	DAY OF MAY, 2022

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC., AND INVOLVING THOSE AFFILIATED ENTITIES SET OUT ON SCHEDULE "A" HERETO

Applicants

INTERIM ORDER

THIS MOTION made by Stone Investment Group Limited ("**SIG**"), Stone-SIG Acquisition Limited ("**SSAL**"), and 13613429 Canada Inc. (collectively with SIG and SSAL, the "**Applicants**"), for an interim order for advice and directions pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") was heard this day via videoconference.

ON READING the Notice of Motion, the Notice of Application issued on December 26, 2021, the affidavits of Richard Stone sworn December 26, 2021, May 2, 2022 and May 5, 2022 (the "**May 5 Affidavit**") and the exhibits thereto, including the plan of arrangement (the "**Plan of Arrangement**") substantially in the form attached as Schedule "A" to the Applicants' draft management information circular (the "**Information Circular**"), which is attached as Exhibit "A"

to the May 5 Affidavit, and the affidavit of Joshua Foster sworn May 6, 2022 and the exhibit thereto, and on hearing the submissions of counsel for the Applicants, the Purchaser, and those other parties present, and on being advised that the Director appointed under section 260 of the CBCA (the "**Director**") does not consider it necessary to appear.

Definitions

1. **THIS COURT ORDERS** that capitalized terms used and not specifically defined herein shall have the meanings ascribed to them in the Information Circular or the Plan of Arrangement, as applicable.

Service

2. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

The Meeting

3. **THIS COURT ORDERS** that, notwithstanding anything contained in the articles or the by-laws of the Applicants, in light of the COVID-19 pandemic, the Applicants shall be authorized to: (i) hold the Meeting (as defined below) by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the Meeting; and (ii) change the location or method of holding the Meeting (including by holding a physical, virtual or hybrid Meeting) through the issuance of a press release containing the updated details of the date, time and place of the Meeting.

4. **THIS COURT ORDERS** that the Applicants are permitted to call, hold and conduct a meeting of the Existing Shareholders as of the Record Date, to be held electronically or telephonically, at 3:00 p.m. (Toronto time) on June 15, 2022 (the "**Meeting**"), in order for the Existing Shareholders to consider and, if determined advisable, pass a resolution authorizing, adopting and approving, with or without variation: (i) the Federal Continuance (the "**Federal Continuance Resolution**"); and (ii) the Arrangement and the Plan of Arrangement (the "**Shareholders' Arrangement Resolution**", and together with the Federal Continuance Resolution, the "**Resolutions**").

5. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with (i) the *Business Corporations Act*, R.S.O. 1990, c. B. 16, as amended (the "**OBCA**") as it relates to the Federal Continuance Resolution, (ii) the *Canada Business Corporations Act*, R.S.C. 1985, c.C-44 (the "**CBCA**") as it relates to the balance of the issues on the agenda including the Shareholders' Arrangement Resolution, if the Federal Continuance Resolution is approved, (iii) the by-laws of SIG, (iv) the ruling and directions of the Chair, (v) this Interim Order and (vi) the notice of Meeting which accompanies the Information Circular (the "**Notice of Meeting**"), subject to what may be provided hereafter (including, without limitation, paragraph 9 of this Interim Order) and subject to further order of this Court.

6. **THIS COURT ORDERS** that the record date (the "**Record Date**") for determination of the Existing Shareholders entitled to notice of, and to vote at, the Meeting, shall be 5:00 p.m. (Toronto time) on May 16, 2022.

7. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

(a) the Existing Shareholders as of the Record Date (subject to paragraph 25 of this Order), or their respective proxyholders, and their respective legal counsel;

(b) the officers, directors, auditors and advisors of the Applicants;

(c) the Director; and

(d) other persons who may receive the permission of the Chair of the Meeting.

8. **THIS COURT ORDERS** that the Applicants may transact such other business at the Meeting as is contemplated in the Information Circular, or as may otherwise be properly brought before the Meeting.

Chair and Quorum

9. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by the Applicants and that the quorum at the Meeting shall be satisfied if two or more persons entitled to vote at the Meeting are present, virtually or represented by proxy at the outset of the Meeting.

Amendments to the Arrangement and Plan of Arrangement

10. **THIS COURT ORDERS** that the Applicants are authorized to make, subject to the terms of paragraph 11 below and the Plan of Arrangement, and the prior written consent of the Purchaser in accordance with the terms of the Arrangement Agreement, such amendments, modifications and/or supplements to the Arrangement and Plan of Arrangement as they may determine without any additional notice to the Existing Shareholders, or other interested parties entitled to receive

notice under paragraphs 15 to 19 of this Interim Order, and the Arrangement and Plan of Arrangement, as so amended, modified and/or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Existing Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications and/or supplements to the Arrangement and Plan of Arrangement may be made following the Meeting, but shall be subject to the terms of the Plan of Arrangement and, if appropriate, further direction by this Court at the hearing for the final order approving the Arrangement (the "**Final Order**").

11. **THIS COURT ORDERS** that, if any amendments, modifications and/or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 10 above, would, if disclosed, reasonably be expected to affect an Existing Shareholder's decision to vote for or against the Resolutions, notice of such amendment, modification and/or supplement shall be distributed prior to the Meeting by press release, newspaper advertisement, prepaid ordinary mail, email or by the method most reasonably practicable in the circumstances, as the Applicants may determine.

Amendments to the Information Circular

12. **THIS COURT ORDERS** that the Applicants are authorized, subject to the prior written consent of the Purchaser in accordance with the terms of the Arrangement Agreement, to make such amendments, revisions and/or supplements to the draft Information Circular as they may determine and the Information Circular, as so amended, revised and/or supplemented, shall be the Information Circular to be distributed in accordance with paragraphs 15 to 19 of this Interim Order.

Adjournments and Postponements

13. **THIS COURT ORDERS** that, subject to the prior written consent of the Purchaser in accordance with the terms of the Arrangement Agreement, the Applicants are authorized, if they deem advisable, to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening such Meeting or first obtaining any vote of the Existing Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as the Applicants may determine is appropriate in the circumstances.

14. **THIS COURT ORDERS** that any adjournment or postponement of the Meeting shall not have the effect of modifying the Record Date for persons entitled to receive notice of or vote at the Meeting. At any subsequent reconvening of an adjourned or postponed Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convened Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the adjourned or postponed Meeting.

Notice of Meeting and Solicitation Process

15. **THIS COURT ORDERS** that, to effect notice of the Meeting, the Applicants shall send the Information Circular (including the Notice of Meeting, the Notice of Application, the Preliminary Interim Order and this Interim Order), the form of proxy, a letter of transmittal and voting information form ("**VIF**"), which shall provide instructions for how a beneficial Existing Shareholder can instruct its intermediary to vote its Existing Shares at the Meeting, along with such amendments or additional documents as the Applicants may determine are necessary or desirable and not inconsistent with the terms of this Interim Order (collectively, the "**Meeting Package**") to:

(a) the registered Existing Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

i) by pre-paid ordinary or first-class mail to the addresses of the Existing Shareholders as they appear on the books and records of SIG, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of SIG;

ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

iii) by email or electronic transmission to any Existing Shareholder, who is identified to the satisfaction of SIG, who requests such transmission in writing;

(b) the non-registered beneficial Existing Shareholders by providing sufficient copies of the Meeting Package to applicable intermediaries (or their agents) in a timely manner, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*; and

(c) the respective directors and auditors of the Applicants, and to the Director, by delivery in person, by recognized courier service, by pre-paid ordinary mail, first-class mail, email or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting;

and for the avoidance of doubt, all Meeting Packages and all other communications or documents to be sent pursuant to this Interim Order shall be distributed by or on behalf of the Applicants.

16. **THIS COURT ORDERS** that, the Applicants are hereby directed to distribute the Meeting Package to the Debentureholders by any method permitted for notice to Existing Shareholders as set forth in paragraph 15, above, concurrently with the distribution described in paragraph 15 of this Interim Order. Distribution to the Debentureholders shall be to their addresses as they appear on the books and records of the Applicants or its registrar and transfer agent at the close of business on the Record Date.

17. **THIS COURT ORDERS** that accidental failure or omission by the Applicants, any applicable proxy mailing service providers, intermediaries, or any other person referenced in this

Interim Order to give notice of the Meeting or to distribute the Meeting Packages to any person entitled by this Interim Order to receive notice of the Meeting or the Meeting Packages, or any failure or omission to give such notice or deliver such package as a result of events beyond the reasonable control of the Applicants, or the non-receipt of such notice or non-delivery of such Meeting Packages shall not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of the Applicants, the Applicants shall use their reasonable commercial efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

18. **THIS COURT ORDERS** that in the event of a postal strike, lockout or event, including events related to or arising as a result of the COVID-19 pandemic, that prevents, delays or otherwise interrupts mailing or delivery of the Meeting Packages pursuant to paragraph 15 of this Interim Order, the issuance of a press release containing the details of the date, time and place of the Meeting, steps that may be taken by Existing Shareholders to deliver and transmit proxies, and that the Information Circular will be provided by email or other electronic means or by courier upon request made by an Existing Shareholder, will be deemed good and sufficient service upon the Existing Shareholders of the Meeting Packages, and shall be deemed to satisfy the requirements of section 135 of the CBCA and sections 96 and 112 of the OBCA.

Electronic Posting

19. **THIS COURT ORDERS** that, as soon as practicable after receipt of the Meeting Packages pursuant to paragraph 15 above, SIG shall post an electronic copy of the Meeting Package on its website, all in accordance with this Interim Order.

Sufficient Notice and Service

20. **THIS COURT ORDERS** that distribution of the Meeting Packages pursuant to paragraphs 15 to 19 of this Interim Order shall constitute notice of the Meeting and the Record Date and good and sufficient service of the within Application upon the persons described in paragraphs 15 to 19 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Packages or any portion thereof need be made, or notice given or other material served in respect of these proceedings, the Meeting and/or the Record Date to such persons or to any other persons (whether pursuant to the OBCA, the CBCA or otherwise), except to the extent required by paragraph 11 above.

Amendments to the Meeting Package

21. **THIS COURT ORDERS** that the Applicants are hereby authorized to make such amendments, revisions or supplements to the Meeting Packages as the Applicants may determine are necessary or desirable and not inconsistent with the terms of this Interim Order ("**Additional Information**"), and that, subject to paragraph 11, notice of such Additional Information may be distributed by press release, newspaper advertisement, pre-paid ordinary mail or by such other method most reasonably practicable in the circumstances, as the Applicants may determine.

Voting by Proxy and VIFs

22. **THIS COURT ORDERS** that the Applicants are authorized to use the forms of proxy and voting instructions, include the VIFs, along with, subject to the Arrangement Agreement, such amendments and additional documents as the Applicants may determine are necessary or desirable and not inconsistent with the terms of this Interim Order. The Applicants are authorized, at their expense, to solicit proxies, directly or through their officers, directors or employees, and through any applicable proxy or solicitation service, and such other agents or representatives as the Applicants may retain for that purpose, and by mail or such other forms of personal or electronic communication as they may determine. The Applicants may waive generally, in their discretion, the time limits set out in the Information Circular for the deposit or revocation of proxies and/or the delivery of completed proxies, as applicable, if the Applicants deem it advisable to do so.

23. **THIS COURT ORDERS** that in order to cast a vote at the Meeting, the Existing Shareholders must submit or cause to be submitted to the Applicants' transfer agent prior to 3:00 p.m. (Toronto time) on June 10, 2022, or such later date as may be agreed by the Applicants in the event that the Meeting is postponed or adjourned (the "**Voting Deadline**"), their duly completed proxies or VIF, as applicable, in accordance with the instructions contained therein. The Applicants' transfer Agent shall provide the proxies received from Existing Shareholders together with a summary thereof to the Applicants or the Applicants' proxy agent as soon as practicable following the Voting Deadline.

24. **THIS COURT ORDERS** that, notwithstanding paragraph 23, the Applicants shall have the discretion to accept for voting purposes any duly completed proxy filed at the Meeting prior to the commencement of the Meeting and the Applicants are hereby authorized to use reasonable discretion as to the adequacy of compliance with respect to the manner in which any proxy or is completed and executed, or electronically submitted, and may waive strict compliance with the requirements in connection with the requirements in connection with the deadlines imposed in connection therewith.

25. **THIS COURT ORDERS** that any beneficial Existing Shareholder that wishes to attend the Meeting in person (or, in the case of an electronic meeting, vote its Common Shares at the Meeting) or appoint another person as proxy (other than as contemplated by the instructions contained in the proxy) shall be required to contact the Applicants' transfer agent and shall be required to complete separate documentation in accordance with the instructions provided by the Applicants' transfer agent for purposes thereof.

26. **THIS COURT ORDERS** that registered Existing Shareholders shall be entitled to revoke their proxies (i) in respect of the Federal Continuance Resolution, in accordance with sections 110(4) and (4.1) of the OBCA, (ii) in respect of the Shareholders' Arrangement Resolution and the balance of issues on the agenda, in accordance with section 148(4) of the CBCA, or (ii) in any other manner permitted by law.

27. **THIS COURT ORDERS** that paragraphs 22 to 27 hereof, and the instructions contained in the proxies shall govern the submission of proxies.

Voting

28. **THIS COURT ORDERS** that the only persons entitled to vote in person, electronically or by proxy on the Resolutions, or such other business as may be properly brought before the Meeting, shall be those Existing Shareholders as at the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Resolutions.

29. **THIS COURT ORDERS** that votes shall be taken at the Meeting in respect of the Resolutions and any other items of business affecting the Applicants properly brought before the Meeting on the basis of one vote per Common Share held by the applicable Existing Shareholder as at the Record Date.

30. **THIS COURT ORDERS** that in order for the Plan of Arrangement to be considered to have been approved at the Meeting, subject to further Order of this Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of: (i) at least two-thirds ($66^{2}/_{3}\%$) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by the Existing Shareholders; and (ii) a simple majority of the votes cast by Existing Shareholders present or in person or represented by proxy at the Meeting excluding the votes required to be excluded for majority of the minority approval at the Meeting pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. The vote set out above shall be sufficient to authorize the Applicants, to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Arrangement Agreement, Plan

of Arrangement and Information Circular, as they may be amended, revised and/or supplemented pursuant to the terms of the Arrangement Agreement, Plan of Arrangement and this Interim Order or further Order of the Court, without the necessity of any further approval by the Existing Shareholders (subject to the Plan of Arrangement and this Interim Order), subject only to final approval of the Arrangement by this Court and the satisfaction or waiver of the conditions to the Plan of Arrangement pursuant to its terms.

31. **THIS COURT ORDERS** that in order for the Federal Continuance to be considered to have been approved at the Meeting, subject to further Order of this Court, the Continuance Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of at least two-thirds ($66^{2}/_{3}$%) of the votes cast in respect of the Continuance Resolution at the Meeting in person or by proxy by the Existing Shareholders.

Dissent Rights

32. **THIS COURT ORDERS** that each Existing Shareholder shall be entitled to exercise Arrangement Dissent Rights in connection with the Shareholders' Arrangement Resolution in accordance with section 190 of the CBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 190(5) of the CBCA, any Existing Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Shareholders' Arrangement Resolution to the Applicants in the form required by section 190 of the CBCA and the Arrangement Agreement, which written objection must be received by the Applicants no later than 5:00 p.m. (Toronto time) on the last business day immediately preceding the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the CBCA. For purposes of these proceedings, the "court" referred to in section 190 of the CBCA is this Court.

33. **THIS COURT ORDERS** that each Existing Shareholder shall be entitled to exercise Continuance Dissent Rights in connection with the Continuance Resolution in accordance with section 185 of the OBCA, without modification by this Interim Order.

34. **THIS COURT ORDERS** that any Existing Shareholder who duly exercises Arrangement Dissent Rights set out in paragraph 32 above and who:

(a) is ultimately determined by this Court to be entitled to be paid fair value for his, her or its Common Shares, shall be deemed to have transferred such Common Shares as of the Effective Time, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to the Purchaser in consideration for a payment of cash from the Purchaser equal to such fair value; or

(b) is for any reason ultimately determined by this Court not to be entitled to be paid fair value for his, her or its Common Shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Existing Shareholder,

but in no case shall the Applicants, the Purchaser or any other person be required to recognize such Existing Shareholders as holders of Common Shares at or after the date upon which the Arrangement becomes effective and the names of such Existing Shareholders shall be deleted from SIG's register of holders of Common Shares at that time.

Hearing of Application for Approval of the Arrangement

35. **THIS COURT ORDERS** that following the Meeting, the Applicants may apply to this Court for final approval of the Arrangement (the "**Final Order Application**"); provided that notwithstanding the foregoing, the Applicants shall not be required to hold the Meeting in order to seek final approval of the Arrangement at the Final Order Application.

36. **THIS COURT ORDERS** that, promptly following the granting of this Interim Order, the Applicants shall issue a press release concerning the granting of the Interim Order and the anticipated Final Order Application, including the relief to be sought at the Final Order Application. The Applicants shall serve the materials filed by the Applicants in support of the Final Order Application only on those persons on the service list in this proceeding or who served and filed a Notice of Appearance in accordance with paragraph 38 hereof.

37. **THIS COURT ORDERS** that (i) the distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraphs 15 to 19 hereof, and (ii) the additional actions described in paragraph 36 above, shall constitute good and sufficient service of the Notice of Application, this Interim Order and the Final Order Application on all interested persons and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 38 below.

38. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for the Applicants as soon as reasonably practicable, and, in any event, no less than five (5) business days before the hearing of the Final Order Application at the following addresses, with a copy to the service list in these proceedings:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario
M5X 1A4 Canada

Attention: Mike Shakra / Jesse Mighton / Joshua Foster
Email: shakras@bennettjones.com / mightonj@bennettjones.com / fosterj@bennettjones.com

39. **THIS COURT ORDERS** that, subject to further order of this Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(a) the Stone Group Entities;

(b) the Director;

(c) the Existing Shareholders;

(d) the Purchaser;

(e) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 (the "**Rules of Civil Procedure**"); and

(f) the respective legal counsel to the parties listed in (a)-(d) above.

40. **THIS COURT ORDERS** that any materials to be filed by the Applicants in support of the Final Order Application may be filed up to one day prior to the hearing of the Final Order Application without further order of this Court.

41. **THIS COURT ORDERS** that in the event the Final Order Application does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons on the service list in this proceeding or who served and filed a Notice of Appearance in accordance with paragraph 38 hereof shall be entitled to be given notice of the adjourned date.

Variance

42. **THIS COURT ORDERS** that the Applicants shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.

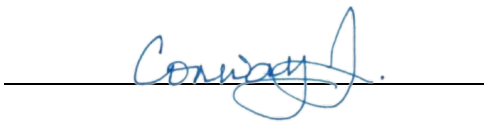
Precedence

43. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order, the Information Circular, the provisions of the OBCA, the provisions of the CBCA or any of the articles or by-laws of the Applicants, this Interim Order shall govern.

General

44. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of any other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

45. **THIS COURT ORDERS** that this Interim Order and all of its provisions are effective from the date that it is made without any need for entry and filing.



SCHEDULE "A"
LIST OF NON-APPLICANT AFFILIATED ENTITIES
INVOLVED IN THESE PROCEEDINGS

1. Stone Asset Management Limited

2. Stone Corporate Funds Limited

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC.

Court File No.: CV-21-00674449-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced in Toronto

INTERIM ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

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Lawyers for the Applicants

SCHEDULE "F"
PRELIMINARY INTERIM ORDER

Court File No.:_____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	**)**	**MONDAY, THE 27th**
	)	
JUSTICE CONWAY	**)**	**DAY OF DECEMBER, 2021**

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC., AND INVOLVING THOSE AFFILIATED ENTITIES SET OUT ON SCHEDULE "A" HERETO

Applicants

PRELIMINARY INTERIM ORDER

THIS MOTION, made by Stone Investment Group Limited ("**SIG**"), Stone-SIG Acquisition Limited ("**SSAL**"), and 13613429 Canada Inc. ("**Arrangeco**" and collectively with SIG and SSAL, the "**Applicants**"), for a preliminary interim order in connection with an arrangement (the "**Arrangement**") pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), including a stay of proceedings, was heard this day heard by videoconference.

ON READING the Notice of Motion dated December 26, 2021 and filed with the Court on December 27, 2021, the Notice of Application dated and filed with the Court on December 26, 2021, the affidavit of Richard Stone sworn December 26, 2021, together with the exhibits attached thereto, and on hearing the submissions of counsel for the Applicants;

DEFINITIONS

1. **THIS COURT ORDERS** that capitalized terms used herein and not otherwise defined have the meanings given to them in Schedule "B" hereto.

STAY OF PROCEEDINGS

2. **THIS COURT ORDERS** that, from 12:01 a.m. (Toronto time) on the date of this Order and until further order of this Court, no right, remedy or proceeding, including, without limitation, any right to terminate, demand, accelerate, set off, amend, declare in default or take any other action under or in connection with any loan, note, commitment, contract or other agreement, at law or under contract, including the Debenture Documents, may be exercised or proceeded with by: (i) any of the Debentureholders; (ii) any administrative agent, collateral agent, indenture trustee or similar person in respect of the Debenture Documents or (iii) any person that is party to or a beneficiary of any other loan, note, commitment, contract or other agreement with one or more of the Stone Group Entities, against or in respect of any of the Stone Group Entities, or any of the present or future property, assets, rights or undertakings of any of the Stone Group Entities, of any nature in any location, whether held directly or indirectly by any of the Stone Group Entities by reason of:

(a) any of the Applicants having made an application to this Court pursuant to section 192 of the CBCA or any related provision under applicable provincial legislation;

(b) any of the Stone Group Entities being a party to or involved in these proceedings or the Arrangement;

(c) any of the Stone Group Entities taking any step contemplated by or related to these proceedings or the Arrangement;

(d) any default or event of default under the Debenture Documents;

(e) any default, event of default or cross-default arising in connection with the Debenture Documents;

(f) the provisions of this Order or any other order in these proceedings or any ancillary proceedings; or

(g) any default, event of default or cross-default arising under any agreement to which any Stone Group Entity is a party as a result of any default or event of default under the Debenture Documents or any other circumstance listed above,

in each case except with the prior consent of the Applicants or leave of this Court.

Notice of Proceedings

3. **THIS COURT ORDERS** that, subject to further order of this Court, the only persons entitled to notice of and to appear and be heard at subsequent motions within these proceedings shall be:

(a) the Stone Group Entities and their counsel;

(b) legal counsel to each of the Debentureholders;

(c) the Trustee and its legal counsel;

(d) the CBCA Director; and

(e) any interested person who has served and filed a Notice of Appearance in accordance with the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194 (the "**Rules of Civil Procedure**") and this Order.

4. **THIS COURT ORDERS** that any Notice of Appearance served in these proceedings shall be served electronically on the solicitors for the Applicants as soon as reasonably practical at the following email address:

Bennett Jones LLP
Attention: Mike Shakra, Jesse Mighton, and Joshua Foster
Email: shakram@bennettjones.com / mightonj@bennettjones.com / fosterj@bennettjones.com

Comeback Hearing

5. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to bring a motion before this Court on seven (7) business days' notice to the Applicants and any other party or parties likely to be affected by the order to be sought by such interested party.

E-Service Protocol

6. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission.

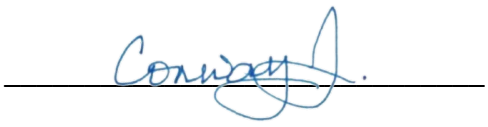
7. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Applicants are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to interested parties at their respective addresses as last shown on the records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (a) if sent by courier, on the next business day following the date of forwarding thereof, (b) if delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered, and (c) if sent by ordinary mail, on the third business day after mailing.

8. **THIS COURT ORDERS** that the Applicants and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to interested parties and their advisors, as applicable. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants as may be necessary or desirable to give effect to this Order, or to assist the Applicants and their agents in carrying out the terms of this Order.

10. **THIS COURT ORDERS** that the Applicants be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

11. **THIS COURT ORDERS** that this Order and all of its provisions are effective from the date that it is made without any need for entry and filing.



SCHEDULE "A"
LIST OF NON-APPLICANT AFFILIATED ENTITIES INVOLVED IN THESE PROCEEDINGS

1. Stone Asset Management Limited
2. Stone Corporate Funds Limited

SCHEDULE "B"
DEFINED TERMS

"**CBCA Director**" means the director appointed pursuant to Section 260 of the CBCA.

"**Debenture Documents**" means the Indenture and any and all security granted thereunder and all documents related to such security, and all other documents contemplated by or ancillary to the Debentures.

"**Debentureholders**" means, collectively the holders of Debentures.

"**Debentures**" means the 7.5% senior secured debentures issued pursuant to the Indenture.

"**Indenture**" means that certain Trust Indenture between SIG and the Trustee dated December 28, 2006, as amended pursuant to that certain First Supplemental Trust Indenture dated June 29, 2009, that certain Second Supplemental Trust Indenture dated August 9, 2011, that certain Third Supplemental Trust Indenture dated August 23, 2016, and that certain Fourth Supplemental Trust Indenture dated November 24, 2021.

"**Stone Group Entities**" means, collectively, SIG, SSAL, Arrangeco, and those entities listed in Schedule "A" hereto.

"**Trustee**" means Computershare Trust Company of Canada, in its capacity as Trustee under the Indenture.

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC.

Court File No.:_____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding Commenced in Toronto

PRELIMINARY INTERIM ORDER

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
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Mike Shakra (LSO# 64604K)
Jesse Mighton (LSO# 62291J)
Joshua Foster (LSO# 79447K)

Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicants

SCHEDULE "G"
ORIGINATING APPLICATION

Court File No.: CV-21-0067449-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC., AND INVOLVING THOSE AFFILIATED ENTITIES SET OUT ON SCHEDULE "A" HERETO

STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC.

Applicants

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicants appears on the following page.

THIS APPLICATION will come on for a hearing

☐ In person

☐ By telephone conference

☒ By video conference

at the following location:

by Zoom video conference the details of which are more fully set out in Schedule "B" hereto, on December 27, 2021, at 10:00 a.m.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of

appearance, serve a copy of the evidence on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: December 26, 2021

Issued by: _____
Local Registrar

Address of court office: 330 University Avenue, 9th Floor
Toronto, ON M5G 1R7

TO: **THE ATTACHED SERVICE LIST**

Court File No.:_____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC., AND INVOLVING THOSE AFFILIATED ENTITIES SET OUT ON SCHEDULE "A" HERETO

STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC.

SERVICE LIST

As at December 26, 2021	
BENNETT JONES LLP Suite 3400, One First Canadian Place P.O. Box 130 Toronto, ON, M5X 1A4 *Counsel to the Applicants*	**Kris Hanc** (416) 777-7395 hanck@bennettjones.com **Mike Shakra** (416) 777-6236 shakram@bennettjones.com **Jesse Mighton** (416) 777-6255 mightonj@bennettjones.com **Joshua Foster** (416) 777-7906 fosterj@bennettjones.com
COMPUTERSHARE TRUST COMPANY OF CANADA 100 University Avenue 9th Floor, North Tower Toronto, ON, M5J 2Y1 *The Indenture Trustee*	**Lisa Kudo** (416) 263-9324 lisa.kudo@computershare.com

MILLER THOMSON LLP Scotia Plaza 40 King Street West, Suite 5800 Toronto, ON, M5H 3S1 *Counsel to the Indenture Trustee*	**Alfred Apps** (416) 595-8199 aapps@millerthomson.com **Margaret Shodeinde** (416) 595-2960 mshodeinde@millerthomson.com
BLAKES, CASSELS & GRAYDON LLP 199 Bay Street Suite 4000, Commerce Court West Toronto, ON, M5L 1A9 *Counsel to IC Capital Corporation and IC Capitalight Corp.*	**Andrea Laing** (416) 863-4159 andrea.laing@blakes.com **Linc Rogers** (416) 863-4168 linc.rogers@blakes.com **Alex Moore** (416) 863-2754 alex.moore@blakes.com
CASSELS BROCK & BLACKWELL LLP Suite 2100, Scotia Plaza 40 King Street West Toronto, ON, M5H 3C2 *Counsel to Pivot Financial I Limited Partnership*	**Jason Arbuck** (416) 860-6889 jarbuck@cassels.com
THE DIRECTOR UNDER THE CANADA BUSINESS CORPORATIONS ACT Compliance & Policy Directorate Corporations Canada C.D. Howe Building West Tower, 7th Floor 235 Queen Street Ottawa, ON K1A 0H5	**Genevieve Gobeil** (343) 548-4702 genevieve.gobeil@ised-isde.gc.ca

EMAIL ADDRESS LIST

dunnep@bennettjones.com; hanck@bennettjones.com; shakram@bennettjones.com; mightonj@bennettjones.com; fosterj@bennettjones.com; lisa.kudo@computershare.com; aapps@millerthomson.com; mshodeinde@millerthomson.com; andrea.laing@blakes.com; linc.rogers@blakes.com; alex.moore@blakes.com; jarbuck@cassels.com; genevieve.gobeil@ised-isde.gc.ca

APPLICATION

1. THE APPLICANTS MAKE THIS APPLICATION FOR:

(a) a preliminary interim order (the "**Preliminary Interim Order**") pursuant to section 192(4) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**") in connection with a proposed arrangement (the "**Arrangement**") with respect to Stone Investment Group Limited ("**SIG**"), Stone-SIG Acquisition Limited ("**SSAL**"), and 13613429 Canada Inc. ("**ArrangeCo**" and collectively with SIG and SSAL, the "**Applicants**"), including a stay of proceedings;

(b) an interim order pursuant to section 192(4) of the CBCA to address the calling, holding and conducting of meetings of the affected stakeholders to consider and vote on the Arrangement and other related relief (the "**Interim Order**");

(c) a final order approving the Arrangement pursuant to sections 192(3) and 192(4) of the CBCA (the "**Final Order**"); and

(d) such further and other relief as this Honourable Court may deem just.

2. THE GROUNDS FOR THIS APPLICATION ARE:

General

(a) SIG is a corporation governed by the *Business Corporations Act*, R.S.O. 1990, c. B.14, as amended (the "**OBCA**");

(b) SSAL is a corporation governed by the OBCA;

(c) ArrangeCo is a corporation governed by the CBCA;

(d) SIG is party to that certain Trust Indenture dated December 28, 2006, as amended pursuant to that certain First Supplemental Trust Indenture dated June 29, 2009, that certain Second Supplemental Trust Indenture dated August 9, 2011, that certain Third Supplemental Trust Indenture dated August 23, 2016, and that certain Fourth Supplemental Trust Indenture dated November 24, 2021, and providing for the issuance of up to $12,000,000 principal amount of 9.0% senior secured debentures (as amended, the "**Indenture**", the debentures issued thereunder, the "**Debentures**", and the holders of such Debentures, the "**Debentureholders**");

(e) the maturity date of the Debentures is December 28, 2021 (the "**Maturity Date**");

(f) SSAL has secured the irrevocable commitment of a majority of the Debentureholders to effect certain fundamental changes to the Debentures, including an extension of the Maturity Date, and intends to acquire such Debentures in exchange for cash;

(g) the Applicants wish to effect such fundamental changes in the nature of an arrangement under the provisions of the CBCA;

(h) it is intended that SIG will be amalgamated with ArrangeCo and be continued under the CBCA pursuant to the Arrangement, and therefore these proceedings have been commenced and relief relating to the Arrangement is requested pursuant to the CBCA;

(i) in order to avoid an event of default under the Indenture, the Applicants are seeking the Preliminary Interim Order at this time to stabilize business operations and

maintain the status quo while the terms of the Arrangement are finalized, definitive documentation giving effect to the Arrangement is completed, and meetings of affected stakeholders are convened;

(j) the requested Preliminary Interim Order (if granted), including the stay of proceedings, will also allow the Applicants time to continue discussions with certain of their stakeholders to attempt to garner additional support for the Arrangement and resolve certain concerns raised by stakeholders in a consensual manner;

(k) all statutory requirements under section 192 of the CBCA have or will have been satisfied by the hearing of the within Application;

(l) it is not practicable for the Applicants to effect the Arrangement under any other provision of the CBCA;

(m) this Application has been put forward in good faith and the proposed Arrangement is in the best interests of the Applicants and their stakeholders;

(n) the requested provisions of the Preliminary Interim Order relating to a stay of proceedings are within the scope of section 192(4) of the CBCA and are reasonable in the circumstances;

(o) the directions set forth in the Preliminary Interim Order (if granted), the Interim Order (if granted), and the requisite approval of the affected stakeholders will be followed and obtained by the hearing of the within Application;

(p) this Notice of Application and the Preliminary Interim Order (if granted) will be sent to all of those parties listed in this Notice of Application;

(q) certain of the Debentureholders and shareholders of the Applicants are resident outside of Ontario and will be served pursuant to the terms of the Preliminary Interim Order (if granted) or other order for advice and directions granted by this Court and Rule 17.02(n) of the *Rules for Civil Procedure*, R.R.O. 1990, Reg. 194 (the "**Rules**");

(r) Rules 1.04, 1.05, 3.02, 3.03, 14.05, 17.02, 37, 38, and 39 of the Rules;

(s) section 192 of the CBCA; and

(t) such further and other grounds as counsel may advise and this Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Application:

(a) the Affidavit of Richard Stone sworn December 26, 2021, and the exhibits attached thereto;

(b) any further affidavits to be sworn on behalf of the Applicants, together with any exhibits thereto, if any, in connection with a Motion for the Interim Order and for the Final Order; and

(c) such further and other evidence as counsel may advise and this Honourable Court may permit.

December 26, 2021

BENNETT JONES LLP
One First Canadian Place
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Lawyers for the Applicants

SCHEDULE "A"
LIST OF NON-APPLICANT AFFILIATED ENTITIES INVOLVED IN THESE PROCEEDINGS

1. Stone Asset Management Limited
2. Stone Corporate Funds Limited

SCHEDULE "B"
VIDEOCONFERENCE DETAILS

Join Zoom Meeting

https://us02web.zoom.us/j/89262517670?pwd=S1R6SVI5K2NTWmMwMnhNNkdFUVpYUT09

Meeting ID: 892 6251 7670
Passcode: 882887

One tap mobile
+16465588656,,89262517670#,,,,*882887# US (New York)
+16699009128,,89262517670#,,,,*882887# US (San Jose)
Dial by your location
+1 646 558 8656 US (New York)
+1 669 900 9128 US (San Jose)
+1 253 215 8782 US (Tacoma)
+1 301 715 8592 US (Washington DC)
+1 312 626 6799 US (Chicago)
+1 346 248 7799 US (Houston)

Meeting ID: 892 6251 7670
Passcode: 882887
Find your local number: https://us02web.zoom.us/u/keDnZ70Fjf

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED, AND RULES 14.05(2) AND 14.05(3) OF THE *RULES OF CIVIL PROCEDURE*

AND IN THE MATTER OF A PROPOSED ARRANGEMENT OF STONE INVESTMENT GROUP LIMITED, STONE-SIG ACQUISITION LIMITED AND 13613429 CANADA INC.

Court File No.: CV-21-00674449-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

NOTICE OF APPLICATION

BENNETT JONES LLP
One First Canadian Place
Suite 3400, P.O. Box 130
Toronto, Ontario
M5X 1A4

Mike Shakra (LSO# 64604K)
Jesse Mighton (LSO# 62291J)
Joshua Foster (LSO# 79447K)

Tel: 416-863-1200
Fax: 416-863-1716

Lawyers for the Applicants

SCHEDULE "H"
FAIRNESS OPINION AND CBCA OPINION

WD Capital Markets

365 Bay St. Suite, 805, Toronto, Ontario, M5H2V1 (416) 847-6904 www.wdcapital.ca

April 11th, 2022

The Board of Directors of
Stone Investment Group Limited

To the Board of Directors:

WD Capital Markets Inc. ("**WDC**", "**us**", or "**we**") understands that Stone Investment Group Limited and certain of its affiliates and subsidiaries (collectively, "**SIG**", the "**Company**" or "**you**") are contemplating effecting a restructuring transaction (the "**Restructuring Transaction**") pursuant to, among other things, a plan of arrangement (the "**Plan of Arrangement**") under Section 192 of the *Canada Business Corporations Act* (the "**CBCA Proceedings**"). The objective of the Restructuring Transaction is to address the Company's 12,000 issued and outstanding Senior Secured Debentures (the "**Debentures**" and holders thereof, the "**Debentureholders**") and cancel the Company's 25,028,571 issued and outstanding common shares (the "**Existing Common Shares**" and the holders thereof, the "**Existing Shareholders**"). The Restructuring Transaction, if consummated and approved, would result in, among other things:

(i) 6,464 of the Debentures that have been tendered and remain deposited pursuant to the offer launched on November 29, 2021 by Stone-SIG Acquisition Limited (the "**Deposited Debentures**") being purchased for $800 per Debenture and cancelled (the "**Cash Offer**" and the transaction in connection therewith, the "**Deposited Debenture Transaction**");

(ii) the purchase of the Existing Common Shares for $0.01 (the "**Existing Shareholder Consideration**") per Existing Common Share (the "**Share Transaction**"); and

(iii)the repayment in full of the 5,536 Debentures that will remain outstanding following completion of the Deposited Debenture Transaction (the "**Remaining Debentures**") for approximately $1,275 per Remaining Debenture (the "**Remaining Debenture Repurchase**"), representing the face value of each Remaining Debenture plus any accrued or additional interest up to the date of closing of the Remaining Debenture Repurchase.

The Deposited Debenture Transaction and the Remaining Debenture Repurchase are collectively referred to hereinafter as the "**Debenture Purchases**". In connection with the Restructuring Transaction, the Board of Directors of the Company (the "**Board**") has requested opinions in customary form which confirm that:

(i) the Restructuring Transaction is fair, from a financial point of view, to the Company (the "**Fairness Opinion**"); and

(ii) the holders of the Debentures and the holders of the Existing Common Shares would be in a better position under the Restructuring Transaction than if the Company were liquidated and the estimated aggregate value of the consideration made available to them pursuant to the Restructuring Transaction would, in the opinion of WDC, exceed the estimated value they would receive in a liquidation (the "**CBCA Opinion**" and, collectively with the Fairness Opinion, the "**Opinions**").

We note that the consideration provided for Share Transaction and the Debenture Purchases shall be directly or indirectly payable by Starlight Investment Capital LP, or an affiliated company thereof (the "**Purchaser**").

We also note that while the Debenture Purchases are integral to the Restructuring Transaction, only the Existing Common Shares are to be arranged pursuant to an arrangement under the Plan of Arrangement (the "**Arrangement**"). The Debenture Purchases will be completed in accordance with the Plan of Arrangement.

Engagement of WDC

WDC was formally engaged by the Board to provide the Opinions pursuant to an engagement agreement dated January 17th, 2022 (the "**Engagement Agreement**").

Pursuant to the terms of the Engagement Agreement, WDC has not been engaged to prepare a formal valuation of any of the assets, shares, liabilities or other securities involved in the Restructuring Transaction and the Opinions should not be construed as such. The terms of the Engagement Agreement provide that WDC is to be paid fixed fees for its services, including a fixed fee that is payable for the Opinions. No portion of the fee payable to WDC is contingent in any respect on completion of the Transaction or upon the conclusions reached in the Opinions. Upon rendering the Opinions, no additional fees will be payable to WDC under the Engagement Agreement. SIG has also agreed to reimburse WDC for reasonable out-of-pocket expenses and to indemnify WDC in respect of certain liabilities which may be incurred by it in connection with the use of the Opinions by SIG and the Board.

Credentials

WDC is an independent, partner-owned, Canadian investment banking advisory firm which specializes in providing financial advisory services advisory to private and public corporations, including, but not limited to valuations, liquidations, debt and equity placements counsel, and M&A advisory services. The Opinions expressed herein represent the opinions of WDC as of the date hereof and the form and content herein have been approved by a group of WDC's directors and officers, each of whom is experienced in mergers and acquisitions, divestitures, valuations, liquidations and fairness opinions.

Independence of WDC

WDC confirms that (i) neither WDC nor any of its affiliated entities is an associated entity or affiliated entity or insider of the Company, or its respective associates or affiliates; (ii) prior to the date hereof, it has not been engaged as financial advisor to the Company; and, (iii) during the term of its Engagement, WDC will not be engaged by the Company as a financial advisor in respect of the Transaction (other than the Engagement) or any other matter.

WDC is also independent of the parties who have entered into the Arrangement Agreement with the Company as of the date of the public announcement of the Arrangement Agreement, including the Purchaser, as such parties have been identified to WDC by Bennett Jones LLP, counsel to the Company.

As an independent investment banking advisory firm, WDC does not act on behalf of clients as a trader or underwriter of securities, although it may take principal positions on its own behalf from time to time. WDC has confirmed that it does not have a principal position in the Company or its affiliates. In the future, in the ordinary course of its business, WDC may provide investment banking services to the Company or its respective associates or affiliates. Except as expressed herein, there are no understandings, agreements or commitments between WDC and the Company or any of its respective associates or affiliates with respect to any future business dealings.

Scope of Review

In connection with the Opinions, WDC reviewed, considered and relied upon (without attempting to verify independently the completeness, accuracy or fair presentation thereof) or carried out, amongst other things, the following:

1. the Motion Record dated December 26th, 2021, and exhibits thereto;

2. the Preliminary Interim Order dated December 27th, 2021, the Court's Endorsement issued in connection therewith and associated press releases;

3. a draft Interim Order for the proposed Arrangement;

4. a substantially final draft CBCA Plan of Arrangement;

5. a substantially final draft Arrangement Agreement between the Company and the Purchaser (the "**Arrangement Agreement**"), including a draft Disclosure Letter, draft Management Information Circular, and exhibits and schedules thereto;

6. a substantially final draft Credit Agreement between the Company and the Purchaser;

7. Term sheets and credit agreements for credit facilities from alternate prospective purchasers and lenders to the Company;

8. the SIG Trust Indenture dated December 28th, 2006, and various Supplemental Trust Indentures entered into between June 29, 2009 and November 24th, 2021;

9. the Letter of Transmittal for Deposits of Debentures of the Company pursuant to the Cash Offer;

10. subsequent announcements of extensions for acceptance of the Cash Offer ;

11. Various announcements regarding offers to purchase the Debentures made by third party Debentureholders;

12. a Confidential Information Memorandum prepared by Farber Group, dated February 2021, for proposed refinancing of the Debentures;

13. the Initial Public Offering Prospectus for the Company dated December 20th, 2006;

14. a review of current debt capital markets, and equity capital market conditions, particularly as they relate to the refinancing of debenture instruments similar to the Debentures;

15. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of the Company relating to the business, operations and financial condition of the Company;

16. discussions with management of the Company relating to the Company's current business plan, operational threats and opportunities; the prospects of a process to identify feasible alternative transactions to the proposed Arrangement and associated Debenture Purchases, including a sale of the Company; and discussions relating to the consequences of completing the Restructuring Transaction and of not completing the Restructuring Transaction;

17. other information prepared by the Company which WDC considered relevant for the purposes of completing the Opinions;

18. such other corporate, industry and financial market information, investigations, reports and analyses as WDC considered relevant in the circumstances; and

19. discussions with legal counsel to the Company and board of directors of the Company.

WDC had full access to and the cooperation of the Company and its advisors and was not, to the best of its knowledge, denied access to any information under the Company's control requested by WDC.

Approach to Fairness

For the purposes of the Fairness Opinion, we considered that the Arrangement and associated Debenture Purchases would be fair, from a financial point of view, to SIG, if the Arrangement and associated Debenture Purchases:

- provide the Company with a more appropriate capital structure, by reducing the Company's total debt obligations;
- reduce the risk that the Company's cash flow from operations and available liquidity would be insufficient to provide adequate funds to finance operating expenditures and continue to service or repay its matured debt; and
- are better than other known, feasible alternatives, based on the above criteria.

In preparing the Fairness Opinion, WDC has relied upon the discussions, documents and materials referred to under the "Scope of Review", reviewed with SIG's management known, feasible alternative transactions available to the Company, and considered a number of factors including, but not limited to:

- despite the Company's ability to maintain, and more recently grow AUM, Revenue, and EBITDA, the Company faces challenges to reaching higher levels of growth, specifically the need to make substantially higher investments in: marketing, sales team growth, investment team growth, and development/launch of new products;
- these challenges have made it difficult for the Company to achieve higher levels of EBITDA and cashflow from operations, which in turn have made the Company's current capital structure and debt load unsustainable, and the repayment of the Company's Debentures not possible; and
- the Company has the opportunity, at this time, to effect the Restructuring Transaction, with the approval of a majority of Existing Shareholders and in accordance with applicable laws and the terms of the Debenture Purchases that, if completed would:
    a. provide the Company with a greatly improved capital structure, by reducing or eliminating the total amount of debt outstanding, and
    b. vastly reduce the risk that the Company's cash flow from operations and available liquidity would be insufficient to provide adequate funds to finance the operating expenditures necessary to execute its operating strategy and repay the Debentures.
- WDC and the Company are not aware of any feasible alternative transactions that are superior to the outcome achieved under the Arrangement and associated Debenture Purchases.

Assumptions and Limitations

This Fairness Opinion is rendered on the basis of securities market, economic and general business and financial conditions prevailing as at the date hereof and the condition and prospects, financial and otherwise, of SIG as reflected in the information and documents reviewed by us and as represented to us in our discussions with the senior management of SIG. In our analyses, numerous assumptions were made with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of any party involved.

WDC has assumed and relied upon the accuracy, completeness and fair presentation of all of the financial and other information, data, advice, other materials, representations and opinions (the "**Disclosure**") received from SIG or its consultants or advisors or otherwise pursuant to our engagement, and the Opinions are conditional upon such completeness, accuracy and fairness. WDC has not attempted to verify independently the accuracy or completeness of any such Disclosure.

Certain senior officers of SIG have represented to us that, among other things, the information, data, budgets, Company generated reports, evaluations, representations and other material, financial or otherwise (other than forecasts and projections) (collectively, the "**Information**") provided to us on behalf of SIG relating to SIG, any of its subsidiaries or the Arrangement Agreement, was, on the applicable dates of the Information, true and correct in all material respects when taken together, and did not contain any untrue statement of a material fact in respect of the Company, its subsidiaries or the Arrangement Agreement and, to the best of their knowledge, information and belief, since the applicable dates of the Information, except as disclosed to WDC, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business or operations of SIG or any of its subsidiaries, and there has been no change of any material facts which is of a nature so as to render the Information, taken as a whole, untrue or misleading in any material respect. With respect to any forecasts and projections included in the Information provided to WDC and used in our analyses, we have assumed that they have been, as at the date they were prepared, reasonably prepared and reflect the best currently available estimates and judgments of the senior management of SIG as to the matters covered thereby and using the identified assumptions, and in rendering the Fairness Opinion, we express no view as to the reasonableness of such forecasts or projections or the assumptions on which they are based.

In preparing the Fairness Opinion, we have assumed that any material contracts to be executed in connection with the Arrangement will not differ in any material respect from any of such material contracts that we reviewed, and that all conditions precedent to the completion of the Arrangement and associated Debenture Purchases can be satisfied in the time required and that all financings, consents, permissions, exemptions or orders of third parties and relevant authorities will be obtained, without material adverse condition or qualification, and that the Restructuring Transaction can proceed as scheduled and without material additional cost to SIG or liability of SIG to third parties. WDC has also assumed that the description of the Restructuring Transaction in the Plan of Arrangement and Arrangement Agreement describes all material terms of agreements that relate to the Restructuring Transaction that are to be drafted subsequent to the announcement of the Arrangement and associated Debenture Purchases. WDC was not retained to review any legal (including those under the CBCA), tax or regulatory aspects of the Arrangement and associated Debenture Purchases and this opinion does not address any of such matters. We have relied, without independent verification, on the assessments by the Company and its legal and tax advisors with respect to such matters.

WDC has not been engaged to provide and has not provided: (i) an opinion as to the relative fairness of the Arrangement and associated Debenture Purchases among and between the Debentureholders and Existing Shareholders; (ii) an opinion as to the fairness of the process leading up to the Arrangement or associated Debenture Repurchases; (iii) a formal valuation or appraisal of SIG or any of its securities or assets or the securities or assets of SIG's associates or affiliates (nor have we been provided with any such detailed valuation); (iv) an opinion concerning the future trading price of any of the securities of SIG, or of securities of its associates or affiliates following the completion of the Arrangement or associated Debenture Purchases; (v) an opinion as to the ability of SIG after the implementation of the Arrangement or associated Debenture Purchases to repay (or refinance) the principal amount of its indebtedness (after giving effect to the Arrangement or associated Debenture Purchases); or (vii) a recommendation to any Existing Shareholders as to whether or not the Existing Commons Shares or should be held, or sold or to use the voting rights provided in respect of the Arrangement to vote for or against the Arrangement or to vote for or against certain steps necessary to implement the Arrangement; and the Opinions should not be construed as such.

The Opinions are being provided to the Board for its exclusive use only in considering the Arrangement and associated Debenture Purchases and may not be relied upon by any other person, used for any other purpose or published or disclosed to any other person without the prior written consent of WDC. Our Opinions are not intended to be and do not constitute a recommendation to the Board, the Debentureholders or the Existing

Shareholders.

WD believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying our Opinions. The preparation of the Opinions is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry this out could lead to undue emphasis on any particular factor or analysis.

Fairness Opinion

In arriving at the Fairness Opinion, WDC did not attribute any particular weight to any consideration, but rather made qualitative judgments based upon its experience in rendering such opinions and on prevailing circumstances, including current market conditions and overall financial analyses. Further, the Fairness Opinion addresses the Arrangement and associated Debenture Purchases as a whole, and not any particular element of the Arrangement and associated Debenture Purchases.

The assessment of fairness, from a financial point of view, must be determined in the context of the particular Restructuring Transaction. In preparing the Fairness Opinion, WDC relied upon and considered the discussions, documents and materials referred to under "Scope of Review", reviewed with senior management of the Company and its advisors feasible alternatives available to the Company, and considered, among other things, the following matters:

- The Arrangement, and associated Debenture Purchases are the result of review of alternatives in the market over multiple years, with analysis conducted at each juncture with respect to the fairness of such alternatives to the Company, its Existing Shareholders and the Debentureholders, as applicable.
- Key considerations in opting to proceed with the Arrangement and associated Debenture Purchases included:
    a. the overall reduction in the debt burden afforded by each alternative considered, and the resulting operating resources and runway provided to the Company to grow its business,
    b. the total financial economics provided to the Debentureholders and the Existing Shareholders with each alternative,
    c. the likelihood that any such economics offered may be fully realized upon by an Existing Shareholder or Debentureholder due to the specific terms and conditions associated with any of the alternatives considered, and
    d. the ability of the Company to confirm the financial resources available to the respective parties to successfully execute on any such alternatives presented.
- The consideration proposed in conjunction with the Deposited Debenture Transaction and Remaining Debenture Repurchase, being all cash payments of $800.00 and approximately $1275 per Debenture respectively, from all respects appear to be far superior to any other alternatives reviewed to date, more specifically:
    a. the consideration put forth by the Purchaser is payable 100% in cash at closing, providing Debentureholders with maximum liquidity, without the requirement to stage or defer their payout, and/or accept other non-cash forms of consideration (i.e., illiquid stock issued from treasury of the purchasing entity), and
    b. the consideration payable in connection with both the Deposited Debenture Transaction and the Remaining Debenture Repurchase appears to be a premium to the prevailing market value of the Debentures, which have been independently valued at an amount equivalent to $605 per Debenture in 2021, when AUM, Revenue, and EBITDA levels at the

Company were not materially different than current levels and the Debentures were not in default and had not matured.

- The proposed $0.01 per common share payment to the Existing Shareholders appears to be more than the amount payable in other alternative transactions, and very likely to be more than would be received in a liquidation scenario.
- WDC has reviewed in detail multiple potential alternatives presented to the Company in recent months, and based on WDC's analysis thereof, has concluded that none of these alternatives is better than the Arrangement and the associated Debenture Purchases.
- the Arrangement and associated Debenture Purchases, if completed:

    a. provides the Company with an improved capital structure, by reducing the total amount of debt outstanding, and

    b. reduces the risk that the Company's cash flow from operations and available liquidity would be insufficient to provide adequate funds to finance the operating expenditures necessary to execute its operating strategy, and ultimately repay its debt

(the above considerations, the "**Fairness Opinion Considerations**").

Fairness Opinion Conclusion

Based upon and subject to the foregoing, WDC is of the Opinion that the Arrangement, the Deposited Debenture Transaction and the Remaining Debenture Repurchase are fair, from a financial point of view, to the Company.

CBCA OPINION

Terms of Reference

Innovation, Science and Economic Development Canada's Policy Statement 15.1 – "Policy Concerning Arrangements Under Section 192 of the CBCA" dated January 4, 2010 provides certain guidelines regarding opinions to be obtained from a financial adviser where a corporation seeks to implement a plan of arrangement pursuant to Section 192 of the CBCA. In that context, you have asked us to provide the CBCA Opinion.

CBCA Opinion Considerations

In arriving at the CBCA Opinion, WDC did not attribute any particular weight to any consideration, but rather made qualitative judgments based upon its experience in rendering such opinions and on prevailing circumstances, including current market conditions and overall financial analyses. Further, the CBCA Opinion addresses the Arrangement as a whole, and not any particular element of the Arrangement.

The assessment of the position of a security holder or fairness to a security holder, from a financial point of view, must be determined in the context of the particular transaction. In preparing the CBCA Opinion, WDC relied upon and considered the discussions, documents and materials referred to under "Scope of Review", reviewed with senior management of the Company and its advisors feasible alternatives available to the Company, and considered, among other things, the following matters:

- the foregoing Fairness Opinion Considerations; and

- a liquidation process would likely have a negative impact on the going concern enterprise value of the Company and its Debentures as a result of:
    a. prospective financiers and purchasers being aware of the accelerated time frame for the process;
    b. lack of preparedness/ability to run a proper sale process, particularly given Covid-19 related limitations on travel for management and site visits;
    c. a negative impact on the day-to-day business as clients, suppliers, and employees react to protect their interests;
    d. potentially heavy redemption of fund assets caused by a general lack of confidence in the viability of the business by asset managers, fund investors and other Company supporters in the market;
    e. a lack of operational and regulatory continuity resulting from the likely termination or resignation of key managers and executives of the Company—positions which require regulatory registration and other certifications for portfolio management;
    f. the potential termination of key fund sub-advisory arrangements that are viewed to be closely tied to relationships with existing Company management and executives, resulting in further redemption of fund assets;
    g. significant incremental costs as senior secured "debtor-in-possession" financing would likely be required to fund operations during any liquidation or related insolvency process; and
    h. significant legal and financial advisory costs being incurred to implement the liquidation, further reducing amounts available to Debentureholders and Existing Shareholders.

CBCA Opinion Conclusion

Based upon and subject to the foregoing, WDC is of the Opinion that:

- the Existing Shareholders and Debentureholders provided the Existing Shareholder Consideration and the consideration payable under the Debenture Purchases (the "**Debentureholder Consideration**"), respectively, would be in a better position, from a financial point of view, under the Arrangement and associated Debenture Purchases, than if the Company were liquidated; and

- the Existing Shareholder Consideration and the Debentureholder Consideration are fair from a financial point of view, to the Existing Shareholders and Debentureholders, respectively.

Yours truly,

WD Capital Markets Inc.

WD CAPITAL MARKETS INC.

SCHEDULE "I"
MATERIAL DIFFERENCES BETWEEN THE OBCA AND THE CBCA

In general terms, the CBCA provides shareholders substantively the same rights as are available to shareholders under the OBCA, including rights of dissent and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences concerning the qualifications of directors, location of shareholder meetings, requirements for certain corporate procedures and certain shareholder remedies. The Shareholders will not lose or gain any significant rights or protections as a result of the Continuance. **The following is a summary comparison of certain provisions of the OBCA and the CBCA. This summary is not intended to be exhaustive and is qualified in its entirety by the full provisions of the CBCA and OBCA, as applicable.**

Amendments to the Charter Documents

There are no significant differences between the CBCA and the OBCA with respect to the charter documents for companies governed by those statutes.

Constitutional Jurisdiction

Other significant differences in the statutes arise from the differences in the constitutional jurisdiction of the federal and provincial governments. For example, a CBCA corporation has the capacity to carry on business throughout Canada as a right. An OBCA company is only allowed to carry on business in another province where that other province allows it to register to do so. A CBCA corporation is subject to provincial laws of general application, but a province cannot pass laws directed specifically at restricting a CBCA corporation's ability to carry on business in that province. If another province so chooses, however, it can restrict an OBCA company's ability to carry on business within that province. Also, a CBCA corporation will not have to change its name if it wants to do business in a province where there is already a corporation with a similar name, whereas an OBCA company may not be allowed to use its name in that other province if that name, or a similar one, is already in use.

Registered Office

Under the CBCA, the registered office must be in the province specified in the articles and may be relocated to a different province by special resolution of the shareholders or relocated within the same province by resolution of the directors.

Under the OBCA, the registered office must be situated in Ontario and may be relocated to a different municipality within Ontario by special resolution of the shareholders or relocated within the same municipality by resolution of the directors.

Rights of Dissent

The OBCA provides that shareholders, including beneficial holders, who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is available to shareholders, whether or not their shares carry the right to vote, where the company proposes to:

1. amend its articles to add, remove or change any provisions restricting or constraining the issue, transfer or ownership of shares of that class;

2. amend its articles to add, remove or change any restriction upon the business or businesses that the company may carry on;

3. amalgamate with another company (other than for vertical or horizontal short-form amalgamations);

4. be continued under the laws of another jurisdiction;

5. sell, lease or exchange all or substantially all its property; or

6. carry out a going-private transaction.

The CBCA contains a similar dissent remedy, provided however, that in addition to the foregoing, the CBCA expressly provides for dissent rights with respect to a squeeze-out transaction.

Oppression Remedies

Under both the CBCA and the OBCA, a shareholder, beneficial shareholder, former shareholder or beneficial shareholder, director, former director, officer or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of offering corporation under the OBCA, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where, in respect of a company or any of its affiliates, any act or omission of a company or its affiliates effects a result, the business or affairs of a company or its affiliates are or have been exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer.

The OBCA allows a court to grant relief where a prejudicial effect to the shareholder is merely threatened, whereas the CBCA only allows a court to grant relief if the effect actually exists (that is, it must be more than merely threatened).

Under the CBCA, such remedy is also available to the CBCA Director appointed under Section 260 of the CBCA.

Shareholder Derivative Actions

A broad right to bring a derivative action is contained in each of the CBCA and the OBCA and this right extends to officers, former shareholders, directors or officers of a company or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, both statutes permit derivative actions to be commenced in the name and on behalf of a company or any of its subsidiaries.

Under the CBCA and OBCA, a condition precedent to a complainant bringing a derivative action is that the complainant has given at least 14 days' notice to the directors of the corporation of the complainant's intention to make an application to the court to bring such a derivative action. However, under the OBCA, a complainant is not required to give notice to the directors of the corporation of the complainant's intention to make an application to the court to bring a derivative action if all of the directors of the corporation are defendants in the action.

Under the CBCA, the CBCA Director appointed under Section 260 of the CBCA may also commence a derivative action.

Shareholder Proposals and Shareholder Requisitions

Both statutes provide for shareholder proposals. Each statute contains certain requirements with respect to, among other things, the content, timing and delivery of proposals. Moreover, each statute includes provisions which allow a corporation to refuse to process a proposal in similar circumstances.

Under the CBCA, a shareholder entitled to vote at a meeting of shareholders may (i) submit notice of a proposal to the corporation, and (ii) discuss at the meeting any matter in respect of which such shareholder would have been entitled to submit a proposal. The registered or beneficial shareholder must either: (i) have owned for at least six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least $2,000, or (ii) have the support of persons who, in the aggregate, have owned for at least six months not less than 1% of the total number of voting shares or voting shares with a fair market value of at least $2,000.

Under the OBCA, proposals may be submitted by both registered and beneficial shareholders who are entitled to vote at a meeting of shareholders.

Both statutes provide that holders of not less than 5% of the outstanding voting shares may requisition a meeting of shareholders, and permit the requisitioning registered shareholder to call the meeting where the board of directors of the company does not do so within the 21 days following the company's receipt of the shareholder meeting requisition.

Notice-and-Access

Both statutes permit the use of the notice-and-access delivery system ("**Notice-and-Access**") under National Instrument 51-102 – *Continuous Disclosure Obligations* and National Instrument 54-101 – *Communication with Beneficial Owners of Securities of Reporting Issuer*. However, the CBCA currently requires companies to seek exemptive relief from the CBCA Director under Sections 151(1) and 156 of the CBCA, which exempt a company from the requirement to send a proxy circular to shareholders, duties related to intermediaries and the requirement to send annual financial statements to shareholders in order to use Notice-and-Access. Under the OBCA, companies are not required to obtain such exemptive relief in order to use Notice-and-Access.

Place of Meeting

Under the OBCA, subject to the articles of the corporation, and any unanimous shareholders agreement, a shareholders' meeting may be held in or outside Ontario (including outside Canada) as determined by the directors, or in the absence of such a determination, at the place where the registered office of the corporation is located.

Subject to certain exceptions, the CBCA provides that Meeting of shareholders shall be held at the place within Canada provided in the by-laws or, in the absence of such provision, at the place within Canada that the directors determine.

Virtual or hybrid shareholder Meeting, which are comprised of both an in-person and virtual element, are both permitted under the OBCA and CBCA, unless the articles or by-laws of a company state otherwise.

The Corporation may hold virtual or hybrid shareholder Meeting following the Continuance in order to provide a safe forum in light of the ongoing public health concerns posed by COVID-19 and to allow for greater shareholder participation in such Meeting.

Directors

Under the CBCA, at least one-quarter of the directors must be resident Canadians, unless the corporation has less than four directors, in which case at least one director must be a resident Canadian. Subject to certain exceptions, an individual must be a Canadian citizen or permanent resident ordinarily resident in Canada to be considered a resident Canadian under the CBCA.

Ontario's Bill 213 – *The Better for People, Smarter for Business Act, 2020* ("**Bill 213**"), which was proclaimed into force on July 5, 2021, amended the OBCA by, among other things, eliminating the requirement that 25% of the directors of an Ontario corporation be "resident Canadians" within the meaning of the OBCA, therefore are no longer any director residency requirements under the OBCA. Was proclaimed into force on July 5, 2021.

Under the OBCA, at least one-third of the members of the board of directors cannot be officers or employees of the company or its affiliates. Under the CBCA, the requirement is that at least two of the directors cannot be officers or employees of the company or its affiliates. The Corporation is also subject to applicable securities law and stock exchange requirements with respect to director independence.

SCHEDULE "J"
OBCA RIGHTS OF DISSENTING SHAREHOLDERS

Rights of dissenting shareholders

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181;

(d.1) be continued under the *Co-operative Corporations Act* under section 181.1;

(d.2) be continued under the *Not-for-Profit Corporations Act, 2010* under section 181.2; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1); 2017, c. 20, Sched. 6, s. 24.

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) 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 or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) 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 (6) 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 the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, 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. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11); 2011, c. 1, Sched. 2, s. 1 (9).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10). R.S.O. 1990, c. B.16, s. 185 (14); 2011, c. 1, Sched. 2, s. 1 (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

(a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or

(b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

(a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Offer to pay

(15) 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 (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) 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. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) 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 the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The 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. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The 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. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; 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. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) 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, after the payment, would 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. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).

SCHEDULE "K"
CBCA DISSENT RIGHTS

- **190 (1)** 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.

- **Marginal note:Further right**

(2) 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.

- **Marginal note:If one class of shares**

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

- **Marginal note:Payment for shares**

(3) 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.

- **Marginal note:No partial dissent**

(4) 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.

- **Marginal note:Objection**

(5) 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.

- **Marginal note:Notice of resolution**

(6) 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.

- **Marginal note:Demand for payment**

(7) 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.

- **Marginal note:Share certificate**

(8) 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.

- **Marginal note:Forfeiture**

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

- **Marginal note:Endorsing certificate**

(10) 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.

- **Marginal note:Suspension of rights**

(11) 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.

- **Marginal note:Offer to pay**

(12) 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.

- **Marginal note:Same terms**

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

- **Marginal note:Payment**

(14) 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.

- **Marginal note:Corporation may apply to court**

(15) 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.

- **Marginal note:Shareholder application to court**

(16) 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.

- **Marginal note:Venue**

(17) 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.

- **Marginal note:No security for costs**

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

- **Marginal note:Parties**

(19) 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.

- **Marginal note:Powers of court**

(20) 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.

- **Marginal note:Appraisers**

(21) 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.

- **Marginal note:Final order**

(22) 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.

- **Marginal note:Interest**

(23) 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.

- **Marginal note:Notice that subsection (26) applies**

(24) 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.

- **Marginal note:Effect where subsection (26) applies**

(25) 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.

- **Marginal note:Limitation**

(26) 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.

SCHEDULE "L"
AUDIT COMMITTEE MANDATE

1. Introduction

1.1 The Audit Committee assists the Board of Directors in fulfilling its oversight responsibilities for the audit process, the financial reporting process, the systems of internal control over financial reporting, and the Corporation's process for monitoring compliance with applicable laws and regulations.

1.2 This mandate (the "**Mandate**") has been adopted to govern the composition, mandate, responsibilities and authority of the Audit Committee (the "**Committee**") of the Corporation.

2. Composition

2.1 The Board of Directors shall appoint the members of the Committee and shall appoint the Committee's chair.

2.2 The Committee shall be composed of at least two directors, of which the majority shall be independent, in accordance with any applicable regulatory requirements.

2.3 Not less than fifty percent of the members of the Committee shall constitute a quorum, either in person or via teleconference, video-conference or internet-based conference, shall constitute a quorum, however at least two directors shall be required for a quorum.

2.4 Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee upon ceasing to be a director or upon ceasing to be independent.

3. Responsibilities

3.1 The Committee is responsible for recommending to the Board the external auditor (the "**Auditor**") to be nominated for appointment by the shareholders of the Corporation for purposes of issuing the Auditor's report or performing other audit, review or attest services for the Corporation and the compensation of the Auditors.

3.2 The Committee is directly responsible for overseeing the work of the Auditor including the resolution of disagreements between management of the Corporation.

3.3 The Committee shall ensure that the Corporation instructs the Auditor to report directly to the Committee. The Committee is responsible for ensuring the independence of the Auditor.

3.4 On an annual basis, the Committee shall obtain a formal written statement from the Auditor delineating all relationships between the Auditors and the Corporation and confirming the independence of the Auditor.

3.5 The Committee must pre-approve all non-audit services to be provided by the Auditor to the Corporation or entities controlled by the Corporation. The Committee may, in accordance with securities regulations, delegate to one or more Committee members the authority to pre-approve non-audit services to be provided by the Auditor.

3.6 The Committee shall review the Corporation unaudited interim and audited annual financial statements, Management's Discussion and Analysis ("**MD&A**") and any related press releases prior to public disclosure of such information.

3.7 The Committee shall meet with the Auditor prior to the commencement of each annual audit to review the audit plan.

3.8 The Committee shall meet with representatives of the Auditor and with the Corporation's management to assess and understand the annual audited statements and the results of the audit including, but not limited to:

(a) that the Corporation's system of internal controls and financial reporting systems are adequate to produce fair and complete disclosure of its financial results;

(b) that the Corporation's reporting is complete and fairly presents its financial condition in accordance with generally accepted accounting principles;

(c) that accounting judgments and estimates used by management are reasonable and do not constitute earnings management;

(d) that risk management policies are in place to identify and reduce significant financial and business risks; and,

(e) that the Corporation has a system to ensure compliance with applicable laws, regulations and policies.

3.9 As part of the annual review described above, the Committee shall:

(a) Meet with management in the absence of the Auditors.

(b) Meet with the Auditors in the absence of management.

(c) Review the quarterly and annual Chief Executive Officer and Chief Financial Officer certifications on financial statements and controls required by securities regulations.

(d) Review with management and the Auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.

(e) Review with management and the Auditor any significant financial reporting issues discussed during the fiscal period and the method of resolution.

(f) Review any problems experienced by the Auditor in performing the annual audit or quarterly procedures, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management.

(g) Obtain an explanation from management of all significant variances between comparative reporting periods.

(h) Review the post-audit or management letter, containing the recommendations of the Auditor, and management's response and subsequent follow up to matters raised by the Auditors.

(i) Review any evaluation of internal controls by the Auditor, together with management's response.

3.10 The Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection 3.4, and must periodically assess the adequacy of those procedures.

3.11 The Committee must establish procedures for:

(a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

3.12 The Committee must review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former Auditor of the Corporation and entities controlled by the Corporation.

3.13 Reporting Responsibilities:

(a) Report to the Board of Directors about Committee activities, issues and related recommendations.

(b) Provide an open avenue of communication between the Auditor and the Board of Directors.

(c) Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by any applicable regulatory requirements.

3.14 Other Responsibilities

(a) Approve all loans and loan guarantees granted by the Corporation to officers of the Corporation.

(b) Institute and oversee special investigations as needed.

(c) Review and assess the adequacy of the Committee mandate annually, requesting Board of Directors approval for proposed changes.

(d) Evaluate the Committee's effectiveness in fulfilling its mandate on an annual basis.

(e) Confirm annually to the Board of Directors that all responsibilities outlined in this mandate have been carried out.

4. Meeting

4.1 The Committee shall meet no less than four times per year, with authority to convene additional Meeting as circumstances require. The Committee shall invite members of management of the Corporation, the auditors and others to attend Meeting and provide pertinent information, as necessary.

5. Authority of the Committee

5.1 Subject to prior consultation with the Chief Executive Officer, the Committee is authorized to: (i) retain independent counsel and other advisers it determines necessary to carry out the Committee's duties and responsibilities; (ii) set and require the Corporation to pay the compensation and expenses for any advisers engaged by the Committee; and (iii) communicate directly with the employees of the Corporation (including employees of entities controlled by the Corporation) and the Auditor.