



**INSIDER TRADING AND BLACKOUT
PERIOD POLICY
STINGRAY DIGITAL GROUP INC.
APRIL 21, 2015**

INSIDER TRADING AND BLACKOUT PERIOD POLICY

STINGRAY DIGITAL GROUP INC.

APRIL 21, 2015

1. Introduction

1.1 Expectations

As a public company, Stingray Digital Group Inc. has internal guidelines to control transactions involving its securities by its directors, officers and employees to ensure they are aware of and comply with their legal obligations and the Corporation's policy with respect to "insider trading" and "tipping". The "Corporation", as used in this Policy, means Stingray Digital Group Inc. and its Subsidiaries (as defined in Section 2.3 below).

Each director, officer and employee is required to strictly abide by all applicable legal requirements and this Policy. The objectives of this Policy are to:

- (a) educate directors, officers and employees about their legal obligations with respect to insider trading and tipping; and
- (b) foster and facilitate compliance with applicable laws to prevent transactions by directors, officers and employees that would not be in full compliance with the legal requirements.

1.2 Scope of this Policy

This Policy applies to all directors, officers and employees of the Corporation and to their Family Members (as defined below). This Policy continues to apply to transactions in securities of the Corporation by directors, officers and employees of the Corporation and their Family Members and persons whose transactions in the Corporation's securities are directed by, or subject to, their control even after termination of employment by the Corporation. If such persons are in possession of Material Information (as defined below) which has not been generally disclosed when their employment is terminated, such persons may not purchase, sell, hedge or otherwise trade in securities of the Corporation until that information has become public or is no longer material.

This Policy is intended to supplement, and is not intended to replace, applicable securities legislation. Questions concerning this policy or applicable legal requirements should be directed to the Corporation's General Counsel.

**PLEASE REVIEW THIS POLICY CAREFULLY AND SIGN THE ATTACHED
CERTIFICATE OF COMPLIANCE AND RETURN IT TO THE
VICE-PRESIDENT, LEGAL AND REGULATORY AFFAIRS**

2. Legal Background

2.1 Insider Trading

- (a) Securities legislation prohibits any person in a “special relationship” with the Corporation from purchasing or selling securities issued by the Corporation, and also from engaging in various hedging and derivative transactions in respect of such securities, with knowledge of a material fact or material change (as defined in Section 2.3 below) with respect to the Corporation that has not been generally disclosed. This prohibited activity is commonly known as “insider trading”.
- (b) Under securities legislation, a person in a “special relationship” includes but is not limited to:
 - (i) a director, officer or employee of the Corporation;
 - (ii) any person or company who beneficially owns, directly or indirectly, more than 10% of the voting securities of the Corporation or who exercises control or direction over more than 10% of the votes attached to the voting securities of the Corporation or a combination of both carrying more than 10% of the votes attached to the voting securities of the Corporation;
 - (iii) a person or company that is proposing to make a take-over bid (as defined in the *Securities Act* (Ontario)) for the securities of the Corporation;
 - (iv) a person engaged in or who is proposing to engage in any business or professional activity with or on behalf of the Corporation, and includes, without limitation, a consultant;
 - (v) a director, officer or employee of a person mentioned in clause (iii) or clause (iv) above; and
 - (vi) a person that learns of a material fact or material change with respect to the Corporation from any other person who is in a special relationship with the Corporation, and knows or ought reasonably to have known that the other person is a person in such a relationship.

- (c) Securities legislation also prohibits any person in a “special relationship” with the Corporation from purchasing or selling the securities (or recommending or encouraging another person to purchase or sell) of any public company other than the Corporation when the person has knowledge of a material fact or material change regarding that other public company which has not been generally disclosed and which knowledge was gained:
 - (i) during the course of the person’s work at the Corporation;
 - (ii) because that person is in a special relationship under securities legislation with that other public company; or
 - (iii) because that person was “tipped” by another person who was in a special relationship under securities legislation with that other public company.

2.2 Tipping

Securities legislation prohibits a company or any person in a “special relationship” with an issuer from informing any other person, other than in the “necessary course of business”, of a material fact or material change in respect of the issuer before the material fact or material change has been generally disclosed. This prohibited activity is commonly known as “tipping”. Both the person who provides the information and the person who receives the information could be liable under securities laws if the person who receives the information purchases or sells securities of the issuer.

2.3 Definitions

- (a) **“Blacked-Out Employee”** means a director, officer or employee who is described in Section 3.3(a)(ii) of this Policy.
- (b) **“discretionary blackout periods”** are imposed by the Disclosure Committee of the Corporation from time to time on directors, officers and employees, in addition to the regularly scheduled blackout periods, following consultation with the Chief Executive Officer and Chief Financial Officer of the Corporation.
- (c) **“Family Member”** means, in relation to any director, officer or employee of the Corporation, any spouse, child, stepchild, grandchild, parent or stepparent, whether or not sharing the same household as the director, officer or employee, and others living in their households, and investment partnerships and other entities (including trusts and corporations) over

which such directors, officers or employees have or share voting or investment control.

- (d) “**generally disclosed**” information has been “generally disclosed” if: (i) the information has been disseminated in a manner calculated to effectively reach the marketplace; and (ii) public investors have been given a reasonable amount of time to analyze the information.
- (e) “**Insider**” means a director or officer who is described in Section 3.3(a)(i) of this Policy.
- (f) “**material change**”, in relation to the affairs of the Corporation, means a change in the business, operations or capital of the Corporation that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Corporation and includes a decision to implement such a change made by (i) the board of directors of the Corporation or (ii) senior management of the Corporation in the belief that confirmation of the decision by the board of directors of the Corporation is probable.
- (g) “**material fact**”, in relation to securities issued or proposed to be issued by the Corporation, means a fact that would reasonably be expected to have a significant effect on the market price or value of such securities.
- (h) “**Material Information**” means any information relating to the business and affairs of the Corporation that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the securities issued by the Corporation. Material Information includes both material changes and material facts. (See attached Schedule A for examples of potential Material Information.)
- (i) “**regularly scheduled blackout period**” means a period beginning on the last day of each quarter and ending on the close of the first business day following the day on which the Corporation releases its related annual or quarterly financial results.
- (j) “**Subsidiary**” in relation to the Corporation means any other corporation of which the Corporation owns, whether directly or through one or more intermediary entities, voting securities to which are attached the right to vote more than 50% of the total voting rights in respect of the election of directors of such other corporation and includes also any partnership or other unincorporated association in which the Corporation has a controlling interest, whether held directly or through intermediary entities.

3. Obligations

3.1 Obligations on All Directors, Officers and Employees

- (a) Directors, officers, employees and their Family Members are prohibited from purchasing or selling securities of the Corporation, and from engaging in hedging transactions in respect thereof, while in possession of Material Information with respect to the Corporation which has not been generally disclosed.
- (b) Directors, officers, employees and their Family Members are prohibited from purchasing or selling securities of another public company while in possession of undisclosed Material Information regarding that public company which knowledge was gained during the course of the director's, officer's or employee's work at the Corporation.
- (c) Directors, officers, employees and their Family Members are prohibited from informing other persons or companies of Material Information regarding the Corporation before that Material Information has been generally disclosed, unless, in the case of directors, officers and employees, the director, officer or employee discloses that Material Information in the "necessary course of the Corporation's business".
- (d) Directors, officers, employees and their Family Members are prohibited from informing other persons or companies of Material Information regarding a public company where the director, officer or employee has gained knowledge of Material Information regarding that public company in the course of their work at the Corporation before that Material Information has been generally disclosed, unless, in the case of directors, officers and employees, the director, officer or employee discloses that Material Information in the "necessary course of the Corporation's business".

The "necessary course of business" exception is a limited one and exists so as not to unduly interfere with the Corporation's ordinary business activities. The exception could cover communications that are required to be made to further the business purposes of the Corporation with:

- (i) vendors, suppliers or strategic partners on issues such as research and development, sales and marketing and supply contracts;
- (ii) employees, officers, consultants and board members;
- (iii) lenders, legal counsel, underwriters, auditors, and financial and other professional advisors to the Corporation;

- (iv) parties to various types of negotiations with the Corporation; or
- (v) government agencies and non-governmental regulators.

Directors, officers and employees of the Corporation should contact the General Counsel for any questions concerning the obligations above. (See also the Corporation's Corporate Disclosure Policy for additional information).

3.2 Prohibitions Against Short Selling and Certain Options Trading

In addition to the obligations set forth in Section 3.1 above, directors, officers and employees of the Corporation and their Family Members shall not engage in the short selling of, or sell call options or buy put options in respect of, the securities of the Corporation.

3.3 Additional Obligations on Insiders and Blacked-Out Employees

Additional obligations are imposed on directors, officers and employees of the Corporation who are Insiders and Blacked-Out Employees, in the manner described in this Section 3.3.

(a) *Definitions*

(i) Who is an Insider?

The following individuals are Insiders of the Corporation:

- directors and officers (including consultants who perform the services of an officer) of the Corporation; and
- directors and officers of Subsidiaries of the Corporation.

(ii) Who is a Blacked-Out Employee for the purposes of regularly scheduled blackout periods?

The following are Blacked-Out Employees of the Corporation for the purposes of regularly scheduled blackout periods:

- all Insiders and their Family Members; and
- all employees who are notified by the Disclosure Committee that they have been designated as Blacked-Out Employees in respect of such periods, and their Family Members.

- (iii) Who is a Blacked-Out Employee for the purposes of discretionary blackout periods?

The following are Blacked-Out Employees of the Corporation for the purposes of regularly scheduled blackout periods:

- all Insiders and their Family Members; and
- all employees who are notified by the Disclosure Committee that they have been designated as Blacked-Out Employees in respect of such periods, and their Family Members.

(b) *Additional Obligations on Insiders*

(i) Insider Reports

Under securities laws, Insiders are required to file a report (an “**Insider Report**”) with securities regulators any time their direct or indirect beneficial ownership of or control or direction over securities (including stock options) of the Corporation (including derivatives thereof) changes, including any time they trade such securities. This is a broad obligation and Insiders must file an Insider Report electronically through the System for Electronic Disclosure by Insiders (“**SEDI**”) within five days after each such change.

If you are an Insider and make a trade or your beneficial ownership of or control or direction over securities of the Corporation otherwise changes (including the grant or the exercise of stock options), you are personally responsible for filing accurate and timely Insider Reports. Insiders are required to provide a copy of all Insider Reports to the General Counsel of the Corporation concurrent with their filing to regulatory authorities.

Insiders of the Corporation are also required to promptly update their profile on SEDI following any change of name, address, relationship with the Corporation or other change in personal information.

Securities legislation exempts some Insiders from filing Insider Reports. For example, the following individuals may not be required to file Insider Reports: (1) directors of subsidiaries that are not major subsidiaries (as defined) of the reporting issuer and who do not in the normal course have access to material facts or changes concerning the reporting issuer prior to public dissemination, and

(2) senior officers who are not the chief executive officer, chief financial officer or chief operating officer of the reporting issuer or in charge of a major business unit of the reporting issuer or a material subsidiary and who do not in the normal course have access to material facts or changes concerning the reporting issuer prior to public dissemination. Please contact the General Counsel to determine the availability of an exemption in a particular case.

(ii) Approval from General Counsel

All Insiders and their Family Members must obtain prior approval from the General Counsel any time they wish to trade in any of the securities of the Corporation. At least three business days' prior notice must be provided in advance of the proposed trade.

(c) *Obligations of Blacked-Out Employees*

During regularly scheduled or discretionary blackout periods, the affected Blacked-Out Employees cannot:

- (a) purchase, sell, hedge or otherwise trade in any securities of the Corporation;
- (b) exercise stock options; or
- (c) purchase, sell or otherwise trade in restricted shares, restricted share units, SARs or any other security, the market price of which varies with the market price of securities of the Corporation, or any other right or obligation to purchase or sell securities of the Corporation.

3.4 Waiver

Notwithstanding any of the prohibitions contained in Section 3.3, the General Counsel may, at its discretion, waive the prohibitions contained in Section 3.3 in exceptional circumstances, provided that the person seeking the waiver does not have any undisclosed Material Information and that making such an exception would not violate any applicable securities laws. The General Counsel will report any such waivers to the board of directors (the "**Board**") of the Corporation at the next regularly scheduled meeting of the Board.

3.5 Potential Dismissal, Civil and Criminal Penalties

The consequences of prohibited insider trading, tipping, short selling or a failure to file an insider report where required on a timely basis can be severe and may include dismissal, fines, civil remedies and criminal sanctions.

3.6 Certificate of Compliance

Upon the implementation of this Policy, and the implementation of each amendment, supplement or modification to this Policy or replacement of this Policy, each director, officer and employee of the Corporation shall promptly complete and return to the Vice-President, Legal and Regulatory Affairs a Certificate of Compliance in the form attached as Schedule B.

INSIDER TRADING AND BLACKOUT PERIODS
QUICK REFERENCE LIST

DO NOT TRADE IN SECURITIES OF THE CORPORATION OR OF ANOTHER PUBLIC COMPANY WHEN YOU:

- know Material Information about the Corporation which has not been generally disclosed and disseminated to the public;
- know Material Information about another public company which has not been generally disclosed and disseminated to the public and you learned of such Material Information because of your business or dealings with the Corporation;
- are subject to a blackout period;
- have not obtained prior written approval to trade, where required; or
- have received any other notice from the General Counsel that you cannot trade in securities.

SCHEDULE A

Excerpt from s. 4.3 of National Policy 51-201: Examples of Potentially Material Information

The following are examples of information that could be Material Information as they may result in, or may reasonably be expected to result in, a significant change in the market price or value of any of the securities of the Corporation:

Changes in Corporate Structure

- changes in share ownership that may affect control of the Corporation
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in Capital Structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in the Corporation's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Corporation's assets
- any material change in the Corporation's accounting policy

Changes in Business and Operations

- any development that affects the Corporation's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives

- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of the Corporation's CEO, CFO, COO or president (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officer, directors and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Corporation's securities or their movement from one quotation system or exchange to another

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

Changes in Credit Arrangements

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the Corporation's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

SCHEDULE B

CERTIFICATE OF COMPLIANCE

I _____ hereby certify that I have read,
(Print name)

understand and will comply with the terms of the Insider Trading and Blackout Period Policy of Stingray Digital Group Inc. dated April 21, 2015.

Date: _____

Signature: _____

Title: _____

If you have any questions about this Policy, please contact Lloyd Feldman

Lloyd Feldman
Stingray Digital Group Inc.
790 Wellington
Montréal, Québec
Canada H3C 1T4
Phone: (514) 664-1244
E-mail: lfeldman@stingray.com