

**JUMPTV INC.**

**ANNUAL INFORMATION FORM**

**MARCH 26, 2009**

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## **1. INTRODUCTION**

### **1.1 General Information**

Unless otherwise noted, information in this annual information form (“**AIF**”) is as at December 31, 2008. References in this AIF to “we”, “our”, “JumpTV” or the “Corporation” refer to JumpTV Inc. and include its subsidiaries, unless the context indicates otherwise.

For reporting purposes, JumpTV prepares consolidated financial statements in US dollars and in conformity with United States generally accepted accounting principles (“**GAAP**”).

Unless otherwise indicated, all references to “\$” or “dollars” in this AIF are expressed in U.S. dollars.

### **1.2 Information Incorporated by Reference**

Certain of the information contained in this AIF may be found in other documents filed by the Corporation with Canadian securities regulators, which documents the Corporation makes available via SEDAR and which can be accessed at [www.sedar.com](http://www.sedar.com). See also the section in this Annual Information Form entitled “Additional Information”.

### **1.3 Forward-Looking Information**

This AIF contains certain forward-looking statements. These statements relate to future events or future performance and reflect JumpTV’s expectations and assumptions regarding the growth, results of operations, performance and business prospects and opportunities of JumpTV and its subsidiaries. In some cases, forward-looking statements can be identified by terminology such as “may”, “would”, “could”, “will”, “should”, “expect”, “expects”, “plan”, “intend”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “pursue”, “continue”, “seek” or the negative of these terms or other similar expressions concerning matters that are not historical facts. In particular, statements regarding JumpTV’s objectives, plans and goals, including its future operating results, economic performance and subscriber recruitment efforts are or involve forward looking statements.

A number of factors could cause actual events, performance or results to differ materially from what is projected in the forward-looking statements. In evaluating these statements, readers should specifically consider various factors, including the risks referred to under “Risk Factors”, which may cause actual events, performance or results to differ materially from any forward-looking statement. Although the forward-looking statements contained in this AIF are based on what JumpTV considers to be reasonable assumptions based on information currently available to JumpTV, there can be no assurance that actual events, performance or results will be consistent with these forward-looking statements, and these assumptions may prove to be incorrect.

These forward-looking statements are made as of the date of this AIF and JumpTV does not intend, and does not assume any obligation, to update or revise them to reflect new events or circumstances other than as required under applicable laws. Readers are cautioned not to place undue reliance on forward-looking statements.

### **1.4 Reverse Takeover**

On October 20, 2008, JumpTV and NeuLion, Inc. (“**NeuLion**”) completed a reverse takeover transaction (the “**RTO**”). As a result of the RTO, the consolidated financial statements of JumpTV for the years ended December 31, 2008 and 2007 (the “**Financial Statements**”) reflect the assets, liabilities and results of operations of NeuLion, the accounting acquirer, prior to the RTO and only includes the assets, liabilities and results of operations of JumpTV, the legal acquirer, subsequent to the RTO (the “**Acquired Business**”). The consolidated financial statements are issued under the name of the legal parent (JumpTV), but are deemed to be a continuation of the accounting acquirer (NeuLion). As a result, readers are cautioned that the figures in this AIF reflect the Financial Statements and not the financial statements of JumpTV (the legal parent) for the years ended December 31, 2008 and 2007. See “General Development of the Business – Recent Acquisitions.”

## 2. **CORPORATE STRUCTURE**

### 2.1 **Name, Address and Incorporation**

JumpTV Inc. was incorporated in Canada under the *Canada Business Corporations Act* (the “**CBCA**”) on January 14, 2000, as amended by Articles of Amendment dated February 22, 2000, July 11, 2005, September 7, 2005, October 11, 2005, May 26, 2006, June 20, 2006 and July 20, 2006 and Articles of Arrangement dated July 7, 2006. On March 8, 2007, the Corporation changed its registered office and principal place of business from 161 Bay Street, P.O. Box 214, Suite 3840, Toronto, Ontario, Canada M5J 2S1 to 463 King Street West, 3<sup>rd</sup> Floor, Toronto, Ontario, Canada M5V 1K4.

The common shares of the Corporation (“**Common Shares**”) are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbol “JTV.”

The Corporation’s website may be accessed at [www.neulion.com](http://www.neulion.com). Information contained on the Corporation’s website or any of its subsidiaries’ or strategic partners’ websites is not part of this AIF, is not incorporated herein by reference and may not be relied upon by prospective purchasers for the purposes of determining whether to invest in securities of JumpTV.

At the Corporation’s annual and special meeting of shareholders to be held on May 13, 2009 (the “**Meeting**”), shareholders of the Corporation are being asked to consider, and, if appropriate, to approve, among others, resolutions relating to:

- a change of name of the Corporation from “JumpTV Inc.” to “NeuLion, Inc.”; and
- at any time from the date of the Meeting up to and including May 13, 2011, the Corporation to apply to the Director under the CBCA for a letter of satisfaction for the continuance of the Corporation out of the laws of Canada and the domestication of the Corporation under the laws of the State of Delaware and Section 388 of the General Corporation Law of the State of Delaware.

For more information regarding the business to be conducted at the Meeting, readers are referred to the management information circular of the Corporation prepared in connection with the Meeting, a copy of which will be available on SEDAR at [www.sedar.com](http://www.sedar.com) when it is mailed to shareholders. See also “Additional Information”.

## 2.2 Intercorporate Relationships

As at March 26, 2009, JumpTV had the following subsidiaries, all of which are wholly owned (directly or indirectly):

Name of Subsidiary	State or Country of Incorporation	Name Under Which Subsidiary Does Business
JumpTV Limited	United Kingdom	Inactive
Cycling Television Limited	United Kingdom	CyclingTV
JumpTV International FZ LLC	United Arab Emirates	JumpTV
JumpTV USA Inc.	Delaware	JumpTV
JumpTV USA Holdco, Inc.	Delaware	JumpTV
Sport International Group, LLC	Delaware	SportsYa
Deportes Ya, S.A.	Argentina	SportsYa
NeuLion, Inc.	Delaware	NeuLion
NeuLion China Co., Ltd.	China	NeuLion China
TV-Desi, Inc.	Delaware	TV-Desi
Talfazat, LLC	New York	Inactive

## 3. GENERAL DEVELOPMENT OF THE BUSINESS

### 3.1 Three-Year History

JumpTV is a leading Internet Protocol (“IP”) television company. It provides a comprehensive suite of technology and other services to sports and international content owners and aggregators, affording them an end-to-end enterprise “IPTV” solution. “IPTV” refers to the distribution over an IP network of streamed audio, video and other multimedia content, similar to television programming content, using industry-standard streaming protocols.

The Acquired Business completed two acquisitions in 2007:

- On August 31, 2007, the acquisition of the BroadBand Network business unit of XOS Technologies Inc., based in Sanford, Florida, was completed through an asset purchase agreement for \$60.2 million and the grant of 1,570,000 retention warrants and warrants to employees. The Corporation has integrated the operations related to content delivery/bandwidth, product development, advertising sales and general administration.
- On July 31, 2007, the acquisition of Cycling Television Limited, based in London, England, was completed through a share purchase agreement for a total of \$4.5 million, 50% in cash and 50% in

common stock. The Corporation has integrated the operations related to content delivery/bandwidth, product development and advertising.

Both of these transactions are considered transactions of the Acquired Business and are incorporated in the fair value of the Acquired Business on October 20, 2008.

On October 20, 2008, JumpTV and NeuLion completed the RTO (as described below), whereby NeuLion is considered the accounting acquirer and the financial information is considered a continuation of the NeuLion financial information. On the same date, the Corporation issued 10,000,000 Units (described below) to AvantaLion LLC (“AvantaLion”), an entity controlled by Mr. Wang, our Chairman and the spouse of the founder and CEO of NeuLion, and 1,000,000 Units (described below) to Mr. Paterson, our Vice Chairman.

### **3.2 Recent Acquisitions**

On October 20, 2008, JumpTV and NeuLion, an end-to-end IPTV service provider of live and on-demand sports, international and religious programming over the Internet to a computer and/or through a set top box (“STB”) to a television, completed the RTO. Under the terms of the Agreement and Plan of Merger, dated June 26, 2008, among NeuLion, JumpTV and JumpTV Acquisition Corp. (the “**Merger Agreement**”), JumpTV issued 49,577,427 Common Shares directly, as well as 1,840,097 Common Shares subject to a performance escrow relating to a prior acquisition, which represented approximately the entire issued and outstanding Common Shares of JumpTV prior to closing, to the securityholders of NeuLion in exchange for their NeuLion securities. Pursuant to the Merger Agreement, the Corporation also issued 5,000,000 warrants, fully vested and exercisable for two years at US\$0.63, and 2,700,000 employee stock options, vesting in equal monthly amounts over 48 months and exercisable for five years at US\$0.60, to employees of NeuLion who became employees of the Corporation.

On October 20, 2008, AvantaLion, an entity controlled by Charles B. Wang, our Chairman and the spouse of Nancy Li, our CEO and the founder and CEO of NeuLion, purchased 10,000,000 units from JumpTV's treasury at a price of CDN\$1.00 per unit. Each unit (a “Unit”) consisted of one Share, one-half of one Share purchase warrant exercisable at CDN\$1.25 and one-half of one Share purchase warrant exercisable at CDN\$1.50. The warrants partially comprising the Units are exercisable for a period of two years from the date of issuance. G. Scott Paterson, Vice Chairman, also purchased 1,000,000 Units on the same terms. The aggregate gross proceeds from the sale of Units were CDN\$11.0 million or US\$9.2 million.

In accordance with SFAS 141, Business Combinations, the Corporation has determined that NeuLion was the accounting acquirer and accordingly has accounted for the RTO as a reverse takeover. Therefore, the financial statements for the years ended December 31, 2008 and 2007 reflect the assets, liabilities and results of operations of NeuLion, the accounting acquirer, and only include the assets, liabilities and results of operations of the Acquired Business subsequent to the RTO.

## **4. THE BUSINESS OF THE CORPORATION**

### **4.1 Overview**

JumpTV is a leading IP television company. It provides a comprehensive suite of technology and other services to sports and international content owners and aggregators, affording them an end-to-end enterprise “IPTV” solution. “IPTV” refers to the distribution over an IP network of streamed audio, video and other multimedia content, similar to television programming content, using industry-standard streaming protocols. By “end-to-end enterprise IPTV solution,” the Corporation means that it provides the following services:

- content management — encoding of various digital and analog TV and video formats
- subscriber management — managing subscriber access and control of subscriber accounts
- digital rights management — preserving the integrity of the content and protecting it from unauthorized access

- billing services — enabling customers to view subscription accounts and providing pay-per-view transactional billing, payment, processing and advertising insertion
- delivery — delivering of broadcasts anywhere, anytime through JumpTV’s IPTV service and infrastructure

JumpTV’s business objective is to enter into agreements with companies seeking private broadcasting services and to provide complete IPTV services to these companies.

## 4.2 Customer Relationships

### Customer Relationships

JumpTV has two types of relationships – business-to-consumer (“**B2C**”) and business-to-business (“**B2B**”).

The B2C relationships are more individual consumer oriented. JumpTV has signed distribution agreements with individual channel or content providers in exchange for royalty payments to such providers. JumpTV then markets the content on one (or more) of the targeted websites that the company has developed which is focused on a specific diaspora community (e.g. Talfazat, LLC for the Middle East community; TV-Desi, Inc. for the South Asian community), as well as the general JumpTV website for purchase by an end user. The Corporation often aggregates the content into bundles or packages of similar interest. The Corporation incurs marketing expenses in promoting the availability of the content. JumpTV expects to have this group of customer relationships migrate to a B2B relationship over time through partnerships and/or affiliates (partially or wholly owned) that group the content into similar interests.

The B2B relationships have been the focus of the Corporation in the past and are expected to be the focus in the future. A B2B relationship is focused on providing an end-to-end solution to a customer to enable that customer to provide IPTV to its end users. This type of relationship is different than above in that the B2B customer typically aggregates the content, negotiates the licensing rights and markets directly the availability of the content. This customer avails itself of the full services of the Corporation in delivery to its end users. This type of relationship is typical in the professional and sports properties and our agreements with Sky Angel U.S. LLC (“**Sky Angel**”), a faith-based-programming content provider.

The United States and Canada are the principal markets in which our sales occur.

## 4.3 Products

### *Sports Programming*

JumpTV offers live and on-demand sports content. JumpTV has content and distribution agreements with leading professional and collegiate sports properties. Amongst professional sports leagues, JumpTV counts the National Football League, the National Hockey League (“**NHL**”), the American Hockey League, and Universal Sports as clients. JumpTV also owns IPTV rights to distribute in North America live streaming broadcasts of South American Fédération Internationale de Football Association World Cup Qualifier games in 2009. JumpTV also operates a portfolio of sports-oriented web sites, including Jumptv.com, Sportsya.com, Cycling.tv and CollegeSportsDirect.com. On the collegiate landscape, JumpTV is the premier partner for National Collegiate Athletic Association colleges and universities, with agreements in place with approximately 170 colleges, universities or related sites.

### *Ethnic/International and Specialty Programming*

JumpTV also offers what is referred to in the industry as “ethnic television,” which JumpTV defines as television directed at a specific diaspora community, as determined by a shared nationality, language or culture, generally excluding communities for which English is the primary language. JumpTV has license agreements directly with television broadcasters (referred to as “channel partners”) representing approximately 160 channels in 35 countries that give the Corporation rights to stream, predominantly on an exclusive world-wide basis and generally for an initial four-year term, the channel partners’ live linear television feeds over the public Internet.

#### **4.4 Distribution Methods**

JumpTV distributes content through two primary distribution methods:

- Internet-connected browser-based devices such as personal computers, laptops and mobile devices; and
- Standard television through use of a JumpTV Internet-connected STB.

Both of JumpTV’s distribution methods take advantage of an open IPTV network, the public internet. As a result, content delivered by JumpTV is available globally and is potentially unlimited in breadth.

#### **4.5 Revenue**

JumpTV earns revenue in four broad categories:

- Subscriber revenue consists of recurring revenue based on subscriber usage, bandwidth usage fees for the JumpTV infrastructure and/or technology usage fees based on the number of subscribers. The subscriber revenue is typically based on a monthly, quarterly or annual billing cycle to end users through our billing systems and can be either a fixed fee per user or a variable fee measured as a percentage of the end user pricing.
- eCommerce revenue consists of JumpTV services provided to its B2C content providers, which services include software applications for merchandising, ticketing for a content provider’s events and management of a content provider’s donor efforts. Included in eCommerce revenue is advertising revenue earned through the insertion of internet advertising on websites and in streaming video.
- Technology services revenue consists of the set up and maintenance services JumpTV provides related to our technology such as website (internet) or console (STB) design, user interface optimization and streaming configuration. Included in technology services revenue is the licensing of the technology required to convert, compress and transmit the video signals to our content distribution network and ultimately the end users.
- Equipment revenue consists of the sale of STBs to content partners and/or end users to enable the end user to receive the content over the internet and display the signal on a standard television.

#### **4.6 Competition**

JumpTV faces competition from other online content providers who also offer sports, entertainment, and/or international programming. In addition, there are multiple operators of pirated video content who stream content for which they have not received consent from the legal and beneficial owners of such content. Furthermore, there are multiple front end providers that provide a menu of links to streaming video content via websites on the Internet. These bootleggers and front-end providers have varying menus of ethnic content and offer such content at varying degrees of streaming quality. Moreover, certain IPTV service providers have an internal IP distribution strategy whereby they make their live linear feeds, as well as repurposed content, available through their own websites on a paid basis or free advertisement-supported basis.

New technologies and entrants could also have a material adverse effect on the demand for JumpTV's IPTV offerings. For example, fixed line telecommunications and mobile telephony companies who offer or plan to offer video services may be competitors to JumpTV. Together with other industry observers, JumpTV has witnessed and expects to witness the launch of various closed network IPTV services around the world. As they strive to maintain and grow their customer bases, fixed line telecommunications companies will likely see closed network IPTV as a central element of a "triple-play" strategy that will package telephone, television and Internet services in a single offering.

Finally, JumpTV may be placed at a competitive disadvantage to the extent that other video providers are able to offer programming in higher definition than JumpTV. While the Corporation expects that it will continue to offer its video content at increasingly higher streaming speeds, there can be no assurance that it will be able to compete effectively with high definition program offerings from other video providers.

To distinguish our product line from our competitors' offerings, we seek to be a "one-stop shopping" source for our customers. Our suite of technology and other services is directed at the entire spectrum of content aggregation and delivery. Our services include:

- content ingestion;
- web site design and hosting;
- live and on-demand streaming of content on multiple platforms;
- billing services;
- facilitating online merchandise sales;
- mobile features (streaming highlights, alerts, wallpaper and ring tones);
- online ticketing;
- auction engine (jerseys, tickets);
- social networking;
- customer and fan support; and
- marketing and advertising sales.

Many competitors in our markets offer far narrower choices of services than we offer. For example, some content providers deliver only their own content, while we offer the content of multiple providers. Or, an agency may provide only online ticketing services, while we also provide related online shopping and fan networking. We also provide the STBs used to view our content on a television set. We strive to meet every customer's needs at every level and partner with them across product lines and extensions.

#### **4.7 Intangible Properties**

It is JumpTV's policy to be globally compliant with intellectual property rights. Channel partners are contractually obligated to advise the Corporation when they schedule for airing content for which they do not hold the international distribution rights, to enable the Corporation to substitute compliant content in its place. The Corporation will rely significantly on its channel partners to ensure that the content it distributes does not infringe on the intellectual property rights of others.

#### **4.8 Seasonality**

Our sports content business is subject to fluctuation because demand for our sports programming corresponds to the lengths of the seasons of the sports for which we stream content.

#### 4.9 Economic Dependence

##### *Supplier Dependence*

The Corporation depends significantly upon TransVideo International, Ltd. (“**TransVideo**”), a related party, to provide the STBs used by the Corporation’s customers.

##### *Customer Dependence*

For the year ended December 31, 2008, three customers accounted for 54% of revenue as follows: 32%, 12% and 10%. For the year ended December 31, 2007, two customers accounted for 85% of revenue as follows: 68% and 17%. For the year ended December 31, 2006, four customers accounted for 72% of revenue as follows: 33%, 16%, 13% and 10%.

#### 4.10 Employees

As of March 15, 2009, JumpTV had 237 total employees, all of whom were full-time employees. A breakdown by department is as follows:

<u>Department</u>	<u>Numbers</u>
Senior Leadership .....	3
Business Operations.....	77
Sales .....	81
Research and Development .....	57
Finance, Human Resources and Legal .....	19
<b>Total</b> .....	<u>237</u>

#### 4.11 Risk Factors

*An investment in our Shares is highly speculative and involves a high degree of risk. The following are specific and general risks that could affect JumpTV. If any of the circumstances described in these risk factors actually occur, or if additional risks and uncertainties not presently known to JumpTV or that JumpTV does not currently believe to be material in fact occur, our business, financial condition or results of operations could be materially adversely affected. In that event, the trading price of our Common Shares could decline, and you may lose part or all of your investment. In addition, these factors represent risks and uncertainties that could cause actual results to differ materially from those implied by forward-looking statements contained herein.*

##### *Regulatory Risks*

*Governments and regulatory authorities in some jurisdictions in which our subscribers reside or JumpTV content originates may impose rules and regulations requiring licensing for distribution of IPTV content over the Internet.*

Regulatory schemes can vary significantly from country to country. JumpTV may be subject to broadcasting or other regulations in countries in which it has subscribers or from which its channel partners distribute their live linear feeds to JumpTV and may not be aware of those regulations or their application to JumpTV. Further, governments and regulatory authorities in many jurisdictions regularly review their broadcasting rules and policies, including the application of those rules and policies to new and emerging media.

Traditional over-the-air and cable television broadcasting businesses are generally subject to extensive government regulation and significant regulatory oversight in most jurisdictions, including many of the countries from which JumpTV’s channels originate and many of the countries into which JumpTV distributes its content to subscribers. Regulations typically govern the issuance, amendment, renewal, transfer and ownership of over-the-air broadcast licenses, cable franchise licenses, competition and cross ownership and sometimes also govern the timing

and content of programming, the timing, content and amount of commercial advertising and the amount of foreign versus domestically produced programming. In many jurisdictions, including Canada and the United States, there are also significant restrictions on the ability of foreign entities to own or control traditional over-the-air television broadcasting businesses. JumpTV is not aware of any regulations in any of the jurisdictions in which its subscribers reside that would require JumpTV to be licensed to distribute content over the public Internet.

*Governments and regulatory authorities in some jurisdictions in which our subscribers reside may impose rules and regulations affecting the content distributed over IPTV.*

In the United States, JumpTV may fall within the statutory definition of a multichannel video program distributor (“**MVPD**”), making it subject to the provisions of the Communications Act of 1934, as amended, and Federal Communications Commission (“**FCC**”) regulations applicable to MVPDs. In August 2008, the FCC sought comments regarding whether regulatory fees should be imposed on IPTV service. The FCC, however, has not ruled whether providers of IPTV content over the public Internet are MVPDs, and as such, we do not consider that the statutory and regulatory requirements of MVPDs apply to JumpTV. If we were found to be an MVPD, we would be required to scramble any sexually explicit programming we distributed, close caption programs we offered subscribers, comply with certain FCC advertising regulations and be subject to the FCC’s equal employment opportunity rules, but we would not be subject to licensing or rate regulation or be required to secure approval to deliver IPTV content over the public Internet to subscribers residing in the United States.

A European Union directive, entitled the “Audiovisual and Media Services Directive,” was adopted on December 19, 2007. This directive could subject IPTV service providers and content, including subscription-based IPTV content that is distributed over the public Internet in the United Kingdom and other European Union member states, to regulatory requirements. European Union member states have until December 19, 2009 to implement this directive. Whether JumpTV will be subject to such requirements is currently unclear.

The service will be regulated if it is an on-demand service which contains primarily programs. The services will be regulated in the member state in which the service provider is established (for example where it has its head office and editorial control is exercised), but the service will be able to be received freely throughout the other European Union member states.

The United Kingdom has announced that:

- (a) It will adopt a co-regulatory structure with an industry regulator having primary responsibility over content issues and the Advertising Standards Association will regulate advertising on voice on demand services;
- (b) The Office of Communications (“**Ofcom**”) will have backstop powers to regulate both content and advertising on such services;
- (c) It will be up to the industry regulator to issue guidance on what on demand services fall within its regulatory scope.

If JumpTV merely provides access but does not exercise editorial control over the content of a voice on demand service, it will not be regulated. Ofcom will not regulate JumpTV’s streamed or web cast services over the Internet.

In Canada, the Canadian Radio-television and Telecommunications Commission (“**CRTC**”) recently held public hearings with respect to, among other things, two exemption orders. The first is an exemption order for new media broadcasting undertakings in Public Notice 1999-197, which exempted from regulation, without terms or conditions, all new media broadcasting undertakings (defined as those undertakings that provide broadcasting services delivered and accessed over the Internet) that operate in whole or in part in Canada, and certain other related orders. The second is an exemption order for mobile television broadcasting undertakings which exempted from regulation broadcasting undertakings that provide television programming received by way of mobile devices. The CRTC asked parties to comment on whether the exemption orders for new media broadcasting undertakings and

mobile television broadcasting undertakings continue to be appropriate and whether new measures and/or regulatory amendments were required. The deadline for final reply was March 27, 2009. A decision is expected in summer 2009.

Except as otherwise described, while JumpTV is not aware of any proposed regulatory initiatives regulating IPTV content in any of the jurisdictions in which its subscribers reside, we cannot assure you that regulations or orders will not be amended in the future in a manner that requires JumpTV to modify or block content in particular jurisdictions in order to continue distributing its IPTV services to subscribers in those jurisdictions or that otherwise affects JumpTV's operations in a materially adverse manner.

*JumpTV's business may be adversely affected by foreign import, export and currency regulations and global economic conditions.*

JumpTV's current and future development opportunities partly relate to geographical areas outside of the United States and Canada. There are a number of risks inherent in international business activities, including government policies concerning the import and export of goods and services, costs of localizing products and subcontractors in foreign countries, costs associated with the use of foreign agents, potentially adverse tax consequences, limits on repatriation of earnings, the burdens of complying with a wide variety of foreign laws, nationalization and possible social, labor, political and economic instability. There can be no assurance that such risks will not adversely affect JumpTV's business, financial condition and results of operations.

Furthermore, a small portion of JumpTV's expenditures and revenues will be in currencies other than the U.S. dollar. JumpTV's foreign exchange exposure may vary over time with changes in the geographic mix of its business activities. Foreign currencies may be unfavorably impacted by global developments, country specific events and many other factors. As a result, JumpTV's future results may be adversely affected by significant foreign exchange fluctuations.

#### *Other Risks*

*The global economic crisis could result in decreases in customer traffic and otherwise adversely affect the Corporation's business and financial results and have a material adverse effect on JumpTV's liquidity and capital resources.*

The global economy, including the U.S. economy, is experiencing a severe recession. As a business that is dependent upon consumer discretionary spending, JumpTV faces a challenging fiscal 2009 because its customers may have less money for discretionary spending as a result of job losses, foreclosures, bankruptcies, reduced access to credit and sharply falling home prices. Any resulting decreases in customer traffic and revenue will negatively impact our financial performance because reduced revenue results in smaller profit margins. Additionally, many of the effects and consequences of the economic recession are currently unknown; any one or all of them could potentially have a material adverse effect on our liquidity and capital resources, including our ability to raise additional capital if needed, or otherwise negatively impact our business and financial results.

*JumpTV may need additional financing to fund its continued growth, which may not be available.*

JumpTV's ability to increase revenue will depend in part on its ability to continue growing the business by maintaining and increasing its subscriber base, which may require significant additional capital that may not be available to JumpTV. JumpTV may need additional financing due to future developments, changes in its business plan or failure of its current business plan to succeed, which could result from increased marketing, distribution or programming costs. JumpTV's actual funding requirements could vary materially from its current estimates. If additional financing is needed, JumpTV may not be able to raise sufficient funds on favorable terms or at all. If JumpTV issues Shares in the future, such issuance will result in the then-existing shareholders sustaining dilution to their relative proportion of the equity in JumpTV. If JumpTV fails to obtain any necessary financing on a timely basis, then its ability to execute the current business plan may be limited, and its business could be adversely affected.

*JumpTV is an early-stage enterprise with a short operating history, which makes it difficult to evaluate JumpTV's prospects.*

JumpTV is still in the early stage of building out its business. Many of the expenses, problems and delays encountered by an enterprise in its early stage may be beyond JumpTV's control. As an early-stage enterprise, JumpTV expends significant funds on:

- marketing;
- building its subscriber management systems;
- programming and website development;
- maintaining adequate video-streaming and database software;
- pursuing and maintaining content distribution agreements with its content partners; and
- acquiring and maintaining Internet distribution rights to its content.

From JumpTV's inception, it has incurred substantial net losses, and JumpTV expects to continue operating at a loss in the near future. If JumpTV is ultimately unable to generate sufficient revenue to become profitable and have sustainable positive cash flows, its investors could lose their investment.

JumpTV may also encounter certain problems or delays in building its business, including those related to:

- regulatory policies and compliance;
- marketing;
- consumer acceptance of Internet based television;
- unsuccessful commercial launches of new programming content;
- costs and expenses that exceed current estimates;
- financing needs; and
- the construction, integration, testing or upgrading of the JumpTV distribution infrastructure and other systems.

Delays in the timely design, construction, deployment and commercial operation of JumpTV's business, and consequently the achievement of positive cash flow, could result from a variety of causes, many of which are beyond JumpTV's control. Substantial delays in any of these matters could delay or prevent JumpTV from achieving profitable operations.

*JumpTV may have difficulty and incur substantial costs in scaling and adapting its existing systems architecture to accommodate increased traffic, technology advances or customer requirements.*

JumpTV's future success will depend on its ability to adapt to rapidly changing technologies, to adapt its services to evolving industry standards and to improve the performance and reliability of its services. The IPTV industry and the Internet and the video entertainment industries in general are characterized by rapid technological change, frequent new product innovations, changes in customer requirements and expectations and evolving industry standards. There is no assurance that one or more of the technologies utilized by JumpTV will not become

obsolete or that JumpTV's services will be in demand at the time they are offered. If JumpTV or its suppliers are unable to keep pace with technological and industry changes, JumpTV's business may be unsuccessful.

In the future, JumpTV may be required to make changes to its systems architecture or move to a completely new architecture. To the extent that demand for JumpTV's services, content and other media offerings increases, it will need to expand its infrastructure, including the capacity of its hardware servers and the sophistication of its software. If it is required to switch architectures, JumpTV may incur substantial costs and experience delays or interruptions in its service. These delays or interruptions in its service may cause users and customers to become dissatisfied and move to competing providers of IPTV services. An unanticipated loss of traffic, increased costs, inefficiencies or failures to adapt to new technologies or user requirements and the associated adjustments to its systems architecture could harm JumpTV's operating results and financial condition.

JumpTV depends on third parties to develop technologies used in key elements of IPTV services. More advanced technologies that JumpTV may wish to use may not be available to it on reasonable terms or in a timely manner. Further, JumpTV's competitors may have access to technologies not available to JumpTV, which may enable its competitors to offer entertainment products of greater interest to consumers or at more competitive costs.

*Demand for IPTV may be insufficient for us to achieve and sustain profitability.*

IPTV is an emerging service. Potential customers of JumpTV may be slow to adopt, or may refuse to adopt, the Internet as the medium through which they receive television programming. We cannot estimate with any certainty the potential subscriber demand for our service or our ability to satisfy that demand. Among other things, subscriber acceptance of our service will depend upon:

- whether we acquire, market and distribute high-quality programming consistent with subscribers' tastes;
- the willingness of subscribers to pay pay-per-view or subscription fees to obtain our service;
- the cost and availability of technology, such as computer hardware and high-speed Internet connections, that are required to utilize our service;
- our ability to develop and introduce new services that offer enhanced performance and functionality, in a timely manner, in response to changing market conditions, customer requirements or our competitors' technological advances;
- the acceptance of our subscriber management systems; and
- the marketing and pricing strategies that we employ relative to those of our competitors.

Our results of operations will depend largely upon our ability to increase our subscriber base while maintaining our preferred pricing structure, managing costs and controlling subscriber churn rates. If demand for our service does not develop as expected, then we may not be able to generate enough revenue to generate positive cash flow or achieve and sustain profitability.

Our objective is to acquire and maintain programming that sustains loyal audiences in or across various demographic groups. The attractiveness of our content offerings and our ability to retain and grow the audiences for our programs will be an important factor in our ability to sell subscriptions and advertising. Our content offerings may not attract or retain the number of subscribers that we anticipate and some content may offend or alienate subscribers that are outside of the target audience for that content. There can be no assurance that our content offerings will enable us to retain our various audiences. If we lose the rights to distribute any specific programming or channels and fail to attract comparable programming with similar audience loyalty, the attractiveness of our service to subscribers or advertisers could decline and our business could be adversely affected.

*JumpTV operates in competitive and evolving markets.*

JumpTV operates in competitive and evolving markets locally, nationally and globally. These markets are subject to rapid technological change and changes in customer preferences and demand. In seeking market acceptance, JumpTV will encounter competition for both subscribers and advertising revenue from many sources, including other IPTV services, direct broadcast satellite television services and digital and traditional cable systems that carry sports and ethnic television programming. Traditional cable and satellite television already has a well-established and dominant market presence for its services, and Internet portals, video file-sharing service providers and other third-party providers of video content over the Internet may distribute ethnic video content. Many of these competitors have substantially greater financial, marketing and other resources than JumpTV. As the IPTV market grows (resulting from higher bandwidths, faster modems and wider programming selections), an increasing number of Internet-based video program offerings will be available to current and potential customers of JumpTV. In addition, JumpTV's competitors, in both the traditional satellite and cable television broadcasting and IPTV markets, could exclusively contract with sports and ethnic content providers that are not under contract with JumpTV, creating significant competition in both the sports and ethnic programming and IPTV markets. JumpTV's revenue could be materially adversely affected if it is unable to compete successfully with traditional and other emerging providers of video programming services.

*JumpTV relies on its partners for the provision of its content.*

JumpTV's success as a business depends significantly on its relationships with its channel partners. JumpTV enters into channel partner agreements to acquire the Internet distribution rights to sports and ethnic content. JumpTV's success as a business depends on the cooperation, good faith, programming and overall success of its content partners in providing marketable television programming. Because of JumpTV's dependency on its content partners, should a content partner's business suffer as a result of increased competition, increased costs of programming, technological problems, regulatory changes, adverse effects of litigation or other factors, JumpTV's business may suffer as well.

Furthermore, a failure by a content partner to perform its obligations under its agreement could have detrimental financial consequences for JumpTV's business. The agreements are for various terms and have varying provisions regarding renewal or extension. If JumpTV is unable to renew or extend these agreements at the conclusion of their respective terms, JumpTV may not be able to obtain substitute programming, or substitute programming may not be comparable in quality or cost to its existing programming, which could materially adversely affect JumpTV's business, financial condition and results of operations.

*JumpTV does not have exclusive Internet distribution rights to all of its content and the cost of renewing such rights or obtaining such rights for new content may be higher than expected.*

Many of JumpTV's content partner agreements give JumpTV the exclusive Internet distribution rights to the related channels. If these channels are offered elsewhere on the Internet on more attractive terms, JumpTV could lose these subscribers, which would have an adverse effect on its results of operations.

JumpTV must negotiate with potential content partners to acquire the Internet distribution rights for its television programming. In addition, JumpTV will need to renew its agreements with existing content partners. JumpTV anticipates that, as the IPTV market grows, license fees relating to Internet distribution rights for television programming (including sports and ethnic television programming), or for the rights to substitute advertising into the live video streamers of the content, will increase. License fees payable under the content partner agreements may be significantly more costly to renew than anticipated.

In addition, some of the existing content partner agreements that give JumpTV exclusive Internet distribution rights have renewal mechanisms that are tied to JumpTV's ability to generate specified revenue share amounts or specified subscriber numbers in respect of particular channels. If JumpTV is unable to meet these targets, then JumpTV may have to renegotiate the content partner agreements when they come up for renewal or may lose one or more of its exclusive licenses. Renegotiated license fees may be more expensive than anticipated.

JumpTV may be unable to obtain its television programming consistently at a cost that is reasonable or appealing to its customers, which may adversely affect JumpTV's marketing efforts, reputation, brand and revenue.

*There is uncertainty relating to the ability of JumpTV to enforce its rights under the content partner agreements.*

Many of the content partner agreements for ethnic programming are with foreign entities and are governed by the laws of foreign jurisdictions. If a content partner breaches a content partner agreement, then JumpTV will incur the additional costs of determining its rights and obligations under the agreement under applicable foreign laws and enforcing the agreement in a foreign jurisdiction. Many of the jurisdictions to which content partner agreements are subject do not have sophisticated and/or impartial legal systems and JumpTV may face practical difficulties in enforcing any of its rights in such jurisdictions. JumpTV may not be able to enforce such rights or may determine that it would be too costly to enforce such rights. In addition, many of the content partner agreements contain arbitration provisions that govern disputes under the agreements and there is uncertainty with respect to the enforceability of such arbitration provisions under the laws of related foreign jurisdictions. If a dispute were to arise under a content partner agreement and the related arbitration provision was not effective, then JumpTV would be exposed to the additional costs of settling the dispute through traditional legal avenues rather than through an arbitration process.

*JumpTV's business may be impaired by third-party intellectual property rights in the programming content of its content partners.*

JumpTV relies on its content partners to secure the primary rights to redistribute programming and other content over the Internet. There is no assurance that the content partners have successfully licensed all relevant programming components that are necessary for Internet re-distribution. Other parties may claim certain intellectual property rights in the content that JumpTV licenses from its content partners. For example, content partners may not have sufficient rights in the underlying content to license distribution rights to their content to JumpTV, or a content partner may not identify programming that JumpTV is not permitted to distribute in time for JumpTV to stop distribution of the offending programming. In addition, as the IPTV market grows, advertisers may begin to attempt to enforce intellectual property rights in advertisements included in JumpTV's content partners' programming, and JumpTV may inadvertently infringe the intellectual property rights of such advertisers by distributing such advertisements over the Internet or by inserting its own advertising in replacement of such advertisements.

In the event that the content partners are in breach of the distribution rights related to specific programming and other content, JumpTV may be required to cease distributing or marketing the relevant content to prevent any infringement of related rights, and may be subject to claims of damages for infringement of such rights. JumpTV may also be required to claim against the content partners if the distribution rights related to specific programming is breached, and there is no assurance that JumpTV would be successful in any such claim.

*JumpTV may be subject to other third-party intellectual property rights claims.*

Companies in the Internet, technology and media industries often own large numbers of patents, copyrights, trademarks and trade secrets and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. As JumpTV faces increasing competition, the possibility of intellectual property rights claims against it grows. JumpTV's technologies may not be able to withstand third-party claims or rights against their use. Intellectual property claims, whether having merit or otherwise, could be time consuming and expensive to litigate or settle and could divert management resources and attention. In addition, many of its agreements with network service providers require JumpTV to indemnify them for third-party intellectual property infringement claims, which could increase JumpTV's costs as a result of defending such claims and may require that JumpTV pays the network service providers' damages if there were an adverse ruling in any such claims.

If litigation is successfully brought by a third party against JumpTV in respect of intellectual property, JumpTV may be required to cease distributing or marketing certain products or services, obtain licenses from the holders of the intellectual property at material cost, redesign affected products in such a way as to avoid infringing intellectual property rights or seek alternative licenses from other third parties which may offer inferior

programming, any or all of which could materially adversely affect JumpTV's business, financial condition and results of operations. If those intellectual property rights are held by a competitor, JumpTV may be unable to obtain the intellectual property at any price, which could also adversely affect JumpTV's competitive position. An adverse determination could also prevent JumpTV from offering its services and could require that JumpTV procure substitute products or services. Any of these results could harm JumpTV's business, financial condition and results of operations.

*JumpTV relies on its content partners to ensure intellectual property rights compliance globally.*

JumpTV is exposed to liability risk in respect of the content that it redistributes over the Internet, relating to both infringement of third-party rights to the content, and infringement of the laws of various jurisdictions governing the type and/or nature of the content. JumpTV relies in large part on the content partners' obligations under the content partner agreements to advise JumpTV of its content so that JumpTV may take appropriate action if such content is not intellectual property rights compliant or is otherwise obscene, defamatory or indecent. There is a risk that the content partners will not advise JumpTV in time, or at all, in respect of such content, and expose JumpTV to liability for its redistribution of such content over the Internet. Any alleged liability could harm JumpTV's business by damaging its reputation, requiring JumpTV to incur legal costs in defense of any such claim, exposing JumpTV to significant awards of damages and costs and diverting management's attention, any of which could have an adverse effect on JumpTV's business, results of operations and financial condition.

*We could suffer failures or damage due to events that are beyond our control, which could adversely affect our brand and operating results.*

Our success as a business depends, in part, on our ability to provide consistently high-quality video streams to subscribers via the JumpTV distribution infrastructure and IPTV technology on a consistent basis. Our distribution infrastructure is susceptible to natural or man-made disasters such as earthquakes, floods, fires, power loss and sabotage, as well as interruptions from technology malfunctions, computer viruses and hacker attacks. Other potential service interruptions may result from unanticipated demands on network infrastructure, increased traffic or problems in customer service. Our ability to control technical and customer service issues is further limited by our dependence on our channel partners for technical integration of the JumpTV distribution infrastructure. Significant disruptions in the JumpTV distribution infrastructure would likely affect the quality and continuity of our service, could harm our goodwill and the JumpTV brand and ultimately could significantly and negatively impact the amount of revenue we may earn from our service. We may not carry sufficient business interruption insurance to compensate for losses that could occur as a result of an interruption in JumpTV's services.

We depend upon third parties for:

- the provision of programming in connection with our service, including our channel partners and other third-party content providers; and
- the availability and performance of STBs, substantially all of which we purchase from TransVideo.

Any failure by third parties to provide these services could significantly harm our ability to conduct our business. Furthermore, financial difficulties experienced by our third-party providers – such as bankruptcy, insolvency, liquidation or winding up of daily operations – for any reason whatsoever could also have negative consequences on our business.

*JumpTV depends on key personnel and relationships.*

JumpTV is dependent on key members of its senior management, including Nancy Li and G. Scott Paterson. JumpTV has not obtained key-man insurance for any member of senior management other than Mr. Paterson. In addition, innovation is important to JumpTV's success, and JumpTV depends on the continued efforts of its executive officers and key employees, who have specialized technical knowledge regarding the JumpTV distribution infrastructure and information technology systems and significant business knowledge regarding the

IPTV industry and subscription services. The market for the services of qualified personnel is competitive and JumpTV may not be able to attract and retain key employees. If JumpTV loses the services of one or more of its key senior officers or employees, or fails to attract qualified replacement personnel, then JumpTV's business and future prospects could be materially adversely affected.

*Increased subscriber turnover could adversely affect JumpTV's financial performance.*

Customer subscriber churn has a significant financial impact on JumpTV's results of operations, and JumpTV cannot reliably predict the amount of churn that it will experience over the long term. Given the increasingly competitive nature of the IPTV industry, JumpTV may not be able to reduce churn without significantly increasing its spending on customer retention incentives, which would have a negative effect on its earnings and free cash flow. There can be no assurance that an increase in competition from other IPTV providers, new technology entrants, programming theft and other factors will not contribute to a relatively higher churn than JumpTV has experienced historically. To the extent that JumpTV's churn is greater than currently anticipated, it may be more costly for the Corporation to acquire a sufficient customer base to generate revenue.

Current economic conditions have led certain consumers to reduce their spending on non-essential items. A reduction in consumer discretionary spending or an inability to pay for subscribed services could result in a decrease in or loss of subscribers, which would reduce JumpTV's future revenue and negatively impact its business, financial condition and results of operations.

*Increased subscriber acquisition costs could adversely affect JumpTV's financial performance.*

JumpTV anticipates spending substantial funds on advertising and other marketing to attract new subscribers and maintain JumpTV's subscriber base. JumpTV's ability to achieve break-even cash flows depends in part on its ability to achieve and maintain lower subscriber acquisition costs over time. JumpTV's subscriber acquisition costs, both in the aggregate and on a per-new-subscriber basis, may materially increase in the future to the extent that JumpTV introduces new promotions, whether in response to competition or otherwise. Any material increase in subscriber acquisition or retention costs from current levels could have a material adverse effect on JumpTV's business, financial condition and results of operations.

*JumpTV may not be successful in developing a version of its service that will gain widespread adoption by users of alternate devices to access the Internet.*

In the coming years, the number of individuals who access the Internet through devices other than a personal computer, such as personal digital assistants, mobile telephones and television set top devices, is expected to increase dramatically. JumpTV's services are designed for rich, graphical environments such as those available on personal and laptop computers. The lower resolution, functionality and memory associated with alternative devices may make the distribution of content through such devices difficult, and JumpTV may be unsuccessful in its efforts to provide a compelling service for users of alternative devices. If JumpTV is unable to attract and retain a substantial number of alternative device users to its services, it will fail to capture a sufficient share of an increasingly important portion of the market for online media.

In addition, JumpTV intends to introduce new services and/or functionalities to increase its subscriber base and long-term profitability, such as targeted advertising insertion and personal video recording. These services are dependent on successful integration of new technologies into the JumpTV distribution infrastructure, negotiations with third-party content and network system providers, subscriber acceptance and the maintenance of future technologies to support these services. If JumpTV is unsuccessful in implementing such services, or the economic attractiveness of these services is lower than anticipated, then JumpTV's business and operating results could be adversely affected.

*JumpTV may not realize synergies from the combination of the operations of JumpTV and NeuLion.*

As consideration under the Merger Agreement, JumpTV issued Shares, without registration under the Securities Act of 1933, as amended, to the former stockholders of NeuLion, and NeuLion became a wholly-owned

subsidiary of JumpTV. JumpTV anticipated realizing certain synergies from the combination of its operations with those of NeuLion. If such synergies are not realized, they could have a material adverse affect on JumpTV's financial condition, profitability and cash flows.

*JumpTV may be unable to manage rapidly expanding operations.*

JumpTV is continuing to grow and diversify its business both domestically and internationally. As a result, JumpTV will need to expand and adapt its operational infrastructure. If JumpTV is unable to manage its growth effectively, it could have a material adverse effect on JumpTV's business, financial condition and results of operations. To manage growth effectively, JumpTV must, among other things, continue to develop its internal and external sales forces, the JumpTV distribution infrastructure capability, its customer service operations and its information systems, maintain its relationships with channel partners, effectively enter new areas of the sports and ethnic television markets, effectively manage the demands of day-to-day operations in new areas while attempting to execute its business strategy and realize the projected growth and revenue targets developed by its management. JumpTV will also need to continue to expand, train and manage its employee base, and JumpTV's management must assume even greater levels of responsibility. If JumpTV is unable to manage growth effectively, it may experience a decrease in subscriber growth and an increase in subscriber churn, which could have a material adverse effect on JumpTV's financial condition, profitability and cash flows.

*Acquisitions and strategic investments could adversely affect JumpTV's operations and result in unanticipated liabilities.*

JumpTV may in the future acquire or make strategic investments in a number of companies, including through joint ventures. Such transactions may result in dilutive issuances of equity securities, use of cash resources, incurrence of debt and amortization of expenses related to intangible assets. JumpTV's acquisitions and strategic investments would be accompanied by a number of risks, including:

- the difficulty of assimilating operations and personnel of acquired companies into JumpTV's operations;
- the potential disruption of ongoing business and distraction of management;
- additional operating losses and expenses of the businesses acquired or in which JumpTV invests;
- the difficulty of integrating acquired technology and rights into JumpTV's services and unanticipated expenses related to such integration;
- the potential for patent and trademark infringement claims against the acquired company;
- the impairment of relationships with customers and partners of the companies JumpTV acquired or in which JumpTV's customers and partners as a result of the integration of acquired operations;
- the impairment of relationships with employees of the acquired companies or JumpTV's employees as a result of integration of new management personnel;
- the difficulty of integrating the acquired company's accounting, management information, human resources and other administrative systems;
- in the case of foreign acquisitions, uncertainty regarding foreign laws and regulations and difficulty integrating operations and systems as a result of cultural, systems and operational differences; and
- the impact of known potential liabilities or unknown liabilities associated with the companies JumpTV acquires or in which it invests.

JumpTV's failure in addressing such risks in connection with future acquisitions and strategic investments could prevent JumpTV from realizing the anticipated benefits of such acquisitions or investments, causing it to incur unanticipated liabilities and harming JumpTV's business generally.

*Internet transmissions may be subject to theft and malicious attacks, which could cause JumpTV to lose subscribers and revenue.*

Like all Internet transmissions, JumpTV's streaming content may be subject to interception and malicious attack. Pirates may be able to obtain or redistribute JumpTV's programs without paying fees to JumpTV. The JumpTV distribution infrastructure is exposed to spam, viruses, worms, spyware, denial of service or other attacks by hackers and other acts of malice. Theft of JumpTV's content or attacks on JumpTV's distribution infrastructure would reduce future potential revenue and increase JumpTV's net subscriber acquisition costs. In addition, theft of programming from JumpTV's competitors could increase JumpTV's own subscriber churn rate.

Compromises of JumpTV's security technology could also adversely affect its ability to contract for licenses to distribute television programming over the Internet. JumpTV uses security measures intended to make theft of its content more difficult. However, if JumpTV is required to upgrade or replace existing security technology, the cost of such security upgrades or replacements could have a material adverse effect on JumpTV's financial condition, profitability and cash flows. In addition, other illegal methods that compromise Internet transmissions may be developed in the future. If JumpTV cannot control compromises of its channels, then its revenue, net subscriber acquisition costs, churn and ability to contract for licenses to distribute television programming over the Internet could be materially adversely affected.

*There is no assurance that the current costs of Internet connections and network access will not rise with increasing popularity of IPTV services, which would adversely affect JumpTV's business.*

JumpTV relies on Internet service providers for its principal connections and network access and to stream audio and video content to subscribers. As demand for IPTV services increases, there can be no assurance that Internet service providers will continue to price their network access services on reasonable terms. The distribution of streaming media requires distribution of large content files and providers of network access may change their business model and increase their prices significantly, which could slow the widespread acceptance of such services. In order for JumpTV's media content services to be successful, there must be a reasonable price model in place to allow for the continuous distribution of large streaming media files. JumpTV has limited or no control over the extent to which any of these circumstances may occur, and if network access prices rise significantly, then JumpTV's business and operating results would likely be adversely affected.

*JumpTV's business depends on the continued growth and maintenance of the Internet infrastructure.*

The success and the availability of Internet-based products and services depends in part upon the continued growth and maintenance of the Internet infrastructure itself, including its protocols, architecture, network backbone, data capacity and security. Spam, viruses, worms, spyware, denial of service or other attacks by hackers and other acts of malice may affect not only the Internet's speed, reliability and availability but also its continued desirability as a vehicle for commerce, information and user engagement. If the Internet proves unable to meet the new threats and increased demands placed upon it, JumpTV's business plans, user and advertiser relationships, site traffic and revenues could be adversely affected.

*Privacy concerns relating to elements of JumpTV's service could damage its reputation and deter current and potential users from using its products and services.*

From time to time, concerns may be expressed about whether JumpTV's products and services compromise the privacy of users and others. Concerns about JumpTV's collection, use or sharing of personal information or other privacy related matters, even if unfounded, could damage JumpTV's reputation and result in a loss of user confidence and ultimately in a loss of users, partners or advertisers, which could adversely affect JumpTV's business and operating results.

*JumpTV may have exposure to greater than anticipated tax liabilities.*

JumpTV is subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities. The determination of its world-wide provision for income taxes and other tax liabilities requires significant judgment and, in the ordinary course of its business, there are many transactions and calculations where the ultimate tax determination is uncertain. Although JumpTV believes that its estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded on JumpTV's consolidated financial statements and may materially affect JumpTV's financial results in the period or periods for which such determination is made.

*JumpTV relies on insurance to mitigate certain risks and to the extent the cost of insurance increases or JumpTV is unable or chooses not to maintain sufficient insurance, its operating results may be adversely affected.*

JumpTV contracts for insurance to cover certain potential risks and liabilities. In the current economic environment, insurance companies are increasingly specific about what they will and will not insure. It is possible that JumpTV may not be able to get enough insurance to meet its needs, may have to pay very high prices for the coverage or may not be able to acquire any insurance for certain types of business risk. In addition, JumpTV has in the past and may in the future choose not to obtain insurance for certain risks facing its business. This could leave JumpTV exposed to potential claims. If JumpTV was found liable for a significant claim in the future, its operating results could be negatively impacted. Also, to the extent the cost of maintaining insurance increases, its operating results will be negatively affected.

JumpTV has operated during periods in which it was not covered by adequate insurance. JumpTV is therefore exposed to the risk of having to finance any potential claims against JumpTV relating to the periods in which it was not covered.

*JumpTV is subject to foreign business, political and economic disruption risks.*

JumpTV contracts with various entities from around the world, including in respect of the acquisition of the Internet distribution rights to the content. As a result, JumpTV is exposed to foreign business, political and economic risks, which could adversely affect JumpTV's financial position and results of operations, including: (i) difficulties in managing content partner relationships from outside of a content partner's jurisdiction; (ii) political and economic instability; (iii) less developed infrastructures in newly industrializing countries; (iv) susceptibility to interruption of channel feeds in foreign areas due to war, terrorist attacks, medical epidemics, changes in political regimes and general interest rate and currency instability; (v) exposure to possible litigation or claims in foreign jurisdictions; and (vi) competition from foreign-based IPTV providers and the existence of protectionist laws and business practices that favor such providers.

## **5. DIVIDEND RECORD AND POLICY**

The Corporation has paid no dividends on the Common Shares since its inception. At the present time, the Corporation intends to retain earnings, if any, to finance the expansion of its business. The payment of dividends in the future will depend on the earnings and financial condition of the Corporation and on such other factors as the board of directors of the Corporation may consider appropriate.

## **6. GENERAL DESCRIPTION OF CAPITAL STRUCTURE**

The Common Shares are common shares of the Corporation, which is a corporation incorporated under the CBCA. The Common Shares are listed and trade on the TSX. The following is a summary of certain provisions of the Corporation's Articles of Incorporation, as amended, regarding the Common Shares:

The authorized capital of JumpTV consists of an unlimited number of Common Shares, of which 113,775,068 are issued and outstanding as of the date hereof, an unlimited number of Class 1 preference shares, issuable in series, and an unlimited number of Class 2 preference shares, issuable in series. No Class 1 or Class 2 preference shares have been issued as of the date hereof. All shares in the capital of JumpTV are without par value.

The holders of the Common Shares are entitled to one vote in respect of each share held at all meetings of shareholders. The holders of the Common Shares are entitled to receive dividends if, as and when declared by the Board. In the event of the liquidation, dissolution or winding-up of the Corporation, after payment of all outstanding debts and liabilities, the holders of the Common Shares are entitled to participate in any distribution of the Corporation's net assets. The holders of the Common Shares have no pre-emptive, redemption, purchase or conversion rights.

The Class 1 preference shares and the Class 2 preference shares may at any time or from time to time be approved for issuance and be issued by the Board in one or more series. Prior to the issue of the shares of any such series, the Board shall, subject to the limitations set out below, fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to, the shares of such series.

The Class 1 preference shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of JumpTV, whether voluntary or involuntary, or any other distribution of the assets of JumpTV among the shareholders for the purpose of winding-up its affairs, rank on a parity with the Class 1 preference shares of every other series and be entitled to a preference over the Common Shares and the Class 2 preference shares and the shares of any other class ranking junior to the Class 1 preference shares.

The Class 2 preference shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the JumpTV, whether voluntary or involuntary, or any other distribution of the assets of the JumpTV among the shareholders for the purpose of winding-up its affairs, rank on a parity with the Class 2 preference shares of every other series and be entitled to a preference over the Common Shares and the shares of any other class ranking junior to the Class 2 preference shares.

## 7. MARKET FOR SECURITIES

### 7.1 Trading Price and Volume

The Common Shares trade on the TSX, and formerly traded on the London Stock Exchange's Alternative Investment Market (the "AIM") as discussed below, under the symbol "JTV". The following sets out monthly trading price and volume information in respect of the Corporation's Common Shares on the TSX and the AIM for the most recently completed fiscal year:

Month 2008	AIM *					TSX				
	Open (pence)	High (pence)	Low (pence)	Close (pence)	Volume Traded (#)	Open (\$ CDN)	High (\$ CDN)	Low (\$ CDN)	Close (\$ CDN)	Volume Traded (#)
January	112.5	112.5	82.5	82.5	39,300	2.25	2.33	1.34	1.50	1,031,409
February	82.5	82.5	44.0	44.0	28,400	1.40	1.45	0.78	0.80	5,549,860
March	44.0	44.0	31.5	31.5	154,800	0.85	0.94	0.52	0.55	3,415,014
April	31.5	42.0	28.0	42.0	14,900	0.53	0.99	0.49	0.89	5,078,352
May	42.0	44.0	34.0	35.5	109,500	0.84	0.84	0.59	0.72	2,348,143
June *	35.5	35.5	35.5	35.5	0	0.67	0.94	0.54	0.70	5,815,641
July	35.5	35.5	35.5	35.5	0	0.70	1.28	0.64	0.99	6,179,824
August	35.5	35.5	35.5	35.5	0	0.95	1.14	0.77	0.85	3,145,880
September	35.5	35.5	35.5	35.5	0	0.90	0.90	0.45	0.50	1,769,480
October **	35.5	35.5	35.5	35.5	0	0.56	0.83	0.41	0.65	3,215,682
November	n/a	n/a	n/a	n/a	n/a	0.60	0.68	0.22	0.395	1,452,844
December	n/a	n/a	n/a	n/a	n/a	0.395	0.45	0.255	0.42	2,059,243

\* On June 9, 2008, in accordance with AIM rules, the Corporation's shares were suspended from trading on AIM until the completion of the RTO.

\*\* On October 17, 2008, the shareholders of the Corporation approved the cancellation of admission to trading of the Corporation's common shares on AIM.

## 8. DIRECTORS AND OFFICERS

### 8.1 Name, Occupation and Security Holding

The following table sets forth the names, province or state, and country of residence, positions held with JumpTV and principal occupations during the five preceding years of the directors and executive officers of JumpTV and, the period or periods during which each director has served. The directors will hold office until the next annual meeting of the shareholders of JumpTV.

Name and Province/State and Country of Residence	Office or Position with JumpTV	Date Commenced Being a Director of JumpTV	Expiration of Term as Director	Principal Occupation During the Past Five Years
Charles B. Wang New York U.S.A.	Chairman	10/20/08	2009	Owner, New York Islanders Hockey Club, L.P. (“ <b>New York Islanders</b> ”)
G. Scott Paterson Ontario Canada	Vice Chairman	1/30/02	2009	Chief Executive Officer, Executive Chairman and Vice Chairman of JumpTV
Nancy Li New York U.S.A.	Chief Executive Officer and Director	10/20/08	2009	Chief Executive Officer of JumpTV and NeuLion
Roy E. Reichbach New York U.S.A.	General Counsel, Corporate Secretary and Director	10/20/08	2009	General Counsel and Corporate Secretary of JumpTV and NeuLion; Alternate Governor of the New York Islanders on the NHL Board of Governors
John R. Anderson Ontario Canada	Director	3/31/08	2009	Chief Financial Officer, Impax Energy Services Income Trust, Tailwind Financial Inc. and LBBP Inc.
Gabriel A. Battista Maryland U.S.A.	Director	3/31/08	2009	Vice Chairman of the Board of Directors of Trustees of Capitol College
Shirley Strum Kenny New York U.S.A.	Director	10/20/08	2009	President of the State University of New York at Stony Brook
David Kronfeld Illinois U.S.A.	Director	10/20/08	2009	Chairman of JK&B Capital
Arthur J. McCarthy New York U.S.A.	Chief Financial Officer	10/20/08	N/A	Chief Financial Officer of JumpTV; Senior Vice President and Chief Financial Officer for the New York Islanders; Alternate Governor of the New York Islanders on the NHL Board of Governors
Horngrwei (Michael) Her New York U.S.A.	Executive Vice President	10/20/08	N/A	Executive Vice President of JumpTV and NeuLion
Ronald Nunn New York U.S.A.	Executive Vice President	10/20/08	N/A	Executive Vice President of JumpTV and NeuLion
J. Christopher Wagner New York U.S.A.	Executive Vice President	10/20/08	N/A	Executive Vice President of JumpTV and NeuLion
Michael Bradley Ontario Canada	Senior Vice President	12/1/08	N/A	Senior Vice President of Marketing of JumpTV; Head of Marketing of JumpTV; Head of Sports Marketing (International) of JumpTV; Marketing Project Manager of eBay Canada; head of Cadre Collective
Blair R. Baxter Ontario Canada	Vice President	3/31/08	N/A	Vice President of JumpTV; Chief Financial Officer of JumpTV; Chief Financial Officer of Burntsand Inc

The following table sets forth the committee memberships of each of our directors:

	Audit Committee	Corporate Governance Committee	Compensation Committee
John R. Anderson	X*	X*	
Gabriel A. Battista		X	X
Shirley Strum Kenny	X	X	X
David Kronfeld	X		X*
Nancy Li			
G. Scott Paterson			
Roy E. Reichbach		X	
Charles B. Wang			

Committee membership denoted with an X  
Committee chairmanship denoted with an \*

At December 31, 2008, the directors and executive officers of JumpTV, as a group, owned or controlled, directly or indirectly, an aggregate of 65,695,827 Common Shares, representing approximately 60% of the outstanding Common Shares of JumpTV.

Set forth below are the names of, and certain biographical information regarding, the directors and executive officers of the Corporation.

**Charles B. Wang**

Charles B. Wang has been the Chairman of the Board of JumpTV since October 2008. Mr. Wang also has been the owner of the New York Islanders of the National Hockey League since July 2000 and is the founder of the Lighthouse Development Group, LLC, the developer of the Lighthouse Project, which seeks to redevelop and revitalize the Nassau Veterans Memorial Coliseum site and its surrounding area on Long Island. In 1976, he founded Computer Associates International, Inc. (“**Computer Associates**”), a provider of information technology management services now known as CA Inc., and served as its Chairman until November 2002. Mr. Wang created the New York Islanders Children’s Foundation, has his own charitable foundation and is extremely active in supporting charitable causes such as The Smile Train, Inc. (“**Smile Train**”), which he cofounded, and the National Center for Missing and Exploited Children. He is the author of “TECHNOVISION II: Every Executive’s Guide to Understanding and Mastering Technology and the Internet.” Mr. Wang earned a Bachelor of Science degree from Queens College and began his computer career at Columbia University’s Riverside Research Institute as a programming trainee. Mr. Wang is married to Ms. Li.

**G. Scott Paterson**

G. Scott Paterson is Vice Chairman of JumpTV, having been Chairman from January 2002 until October 2008 and Chief Executive Officer from May 2005 until October 2007 and again from June 2008 until October 2008.

Mr. Paterson is a Director of Lions Gate Entertainment (NYSE:LGF), Chairman of its Audit Committee and a member of its Strategic Committee. Mr. Paterson is also Chairman of Automated Benefits Corp. (TSXV:AUT) and a Director of Run of River Power Inc (TSXV-ROR). Mr. Paterson is also currently Chairman of the Merry Go Round Childrens Foundation and also a Governor of Ridley College.

From October 1998 until December 2001, Mr. Paterson was Chairman and CEO of Yorkton Securities Inc., which under his leadership became Canada’s leading technology investment bank.

Mr. Paterson has served as the past Chairman of the Canadian Venture Stock Exchange and as a former Vice Chairman of the TSX.

Mr. Paterson is a graduate of Ridley College and earned a Bachelor of Arts (Economics) degree from the University of Western Ontario.

In 2009, Mr. Paterson obtained the ICD.D designation by graduating from the Rotman Institute of Corporate Directors at the University of Toronto.

In December 2001, Mr. Paterson entered into a settlement agreement with the Ontario Securities Commission (the “**Commission**”) in connection with conduct that was, in the view of the Commission, contrary to the public interest in connection with certain corporate finance and trading activities engaged in by Mr. Paterson and the investment dealer with which he was associated. Mr. Paterson has fulfilled the terms of the settlement agreement, which provided that he could not be registered under the Ontario Securities Act until December 19, 2003, that he make a voluntary payment to the Commission of one million Canadian dollars and that he temporarily cease trading for a six-month period. There were no allegations of securities rule or law breaches.

### **Nancy Li**

Nancy Li has been the Chief Executive Officer of JumpTV since October 2008 and the founder and Chief Executive Officer of NeuLion, a wholly-owned subsidiary of JumpTV, since its inception in 2003. In 2001 Ms. Li established iCan SP, a provider of end-to-end service management software for information technology operations and a wholly owned subsidiary of CA Inc. From 1990 to 2001 Ms. Li was Executive Vice President and Chief Technology Officer for Computer Associates, and prior to that held a variety of management positions covering virtually every facet of Computer Associates’ business from a development and engineering perspective. Ms. Li holds a Bachelor of Science degree from New York University. Ms. Li is married to Mr. Wang.

### **Roy E. Reichbach**

Roy E. Reichbach has been the General Counsel and Corporate Secretary of JumpTV since October 2008 and has been the General Counsel and Corporate Secretary of NeuLion, a wholly-owned subsidiary of JumpTV, since 2003. Mr. Reichbach is an Alternate Governor of the New York Islanders on the NHL’s Board of Governors. From 2000 until October 2008 he was also the General Counsel of the New York Islanders and was responsible for the legal affairs of its affiliated real estate companies, including Lighthouse Development Group, LLC. From 1994 until 2000 Mr. Reichbach was Vice President – Legal at Computer Associates. Prior to that, he was a trial lawyer in private practice. Mr. Reichbach holds a Bachelor of Arts degree from Fordham University and a Juris Doctorate degree from Fordham Law School. He has been admitted to practice law since 1988.

### **John R. Anderson**

John R. Anderson has been the Chief Financial Officer of Impax Energy Services Income Trust, an income trust, since June 2006. Mr. Anderson has also been the Chief Financial Officer of Tailwind Financial Inc., a special acquisition company, since April 2007, and Chief Executive Officer and Chief Financial Officer of LPBP Inc., a corporation with investments in health science-focused partnerships, since May 2004. He was the Chief Financial Officer of The T. Eaton Company Limited and was also a partner with Ernst & Young LLP. Mr. Anderson is a director of the Canadian Medical Discoveries Fund and Chairman of the Board of Directors of Ridley College. Mr. Anderson holds a Bachelor of Arts degree from the University of Toronto and is a chartered accountant in Canada.

### **Gabriel A. Battista**

Gabriel A. Battista has been the Vice Chairman of the Board of Directors of Trustees of Capitol College since 1994, having become a member of the board in 1992, and has also been a member of the Board of Directors of Trustees of the American University of Rome since 2006. Mr. Battista serves as a member of the Boards of Directors of Sentrillion, Network Alliance, TEOCO and the National Italian American Foundation. From 1999 until December 2006, Mr. Battista was the President, Chairman and Chief Executive Officer of Talk America. Mr. Battista received a Bachelor of Science degree from Villanova University, a Master of Science degree from Drexel University and a Master of Business Administration degree from Temple University. He is also a registered professional engineer in the state of Pennsylvania.

### **Shirley Strum Kenny**

Shirley Strum Kenny has been President of the State University of New York at Stony Brook since 1994. Dr. Kenny was President of Queens College and has taught at the University of Texas, Gallaudet College, the Catholic University of America, the University of Delaware and the University of Maryland. She is a member of the Boards of Directors of Goodwill Industries of Greater New York and the Long Island Association. She is also the vice chair of the Board of Directors of the Brookhaven Science Associates, which oversees the Brookhaven National Laboratory. In addition, she has previously served on the Board of Directors of Computer Associates, among others. Dr. Kenny holds Bachelor of Arts degrees from the University of Texas, a Master of Arts degree from the University of Minnesota and a Ph.D. from the University of Chicago.

### **David Kronfeld**

David Kronfeld is the Chairman of JK&B Capital, a venture capital firm, which he founded in 1996. He has been a General Partner at Boston Capital Ventures, the Vice President of Acquisitions and Venture Investments at Ameritech, a Senior Manager at Booz Allen & Hamilton and a Systems Analyst at Electronic Data Systems. Mr. Kronfeld earned a Bachelor of Science degree with high honors and a Master of Science degree from Stevens Institute of Technology, and a Master of Business Administration degree from The Wharton School of Business of the University of Pennsylvania.

### **Arthur J. McCarthy**

Arthur J. McCarthy has been the Chief Financial Officer of JumpTV since November 2008. Mr. McCarthy is an Alternate Governor of the New York Islanders on the NHL's Board of Governors. From 1985 until 2008 he was the Senior Vice President and Chief Financial Officer for the New York Islanders and was responsible for the New York Islanders' financial affairs and its affiliated companies, including the Lighthouse Development Group, LLC. From 1977 to 1985, Mr. McCarthy was a member of the Audit Practice of KPMG Peat Marwick, reaching the position of Senior Manager. Mr. McCarthy was licensed in the State of New York as a Certified Public Accountant in 1980 and holds a Bachelor of Science degree from Long Island University – C.W. Post College.

### **Hornngwei (Michael) Her**

Hornngwei (Michael) Her has been an Executive Vice President of Research and Development of JumpTV since October 2008 and the Executive Vice President of Research and Development of NeuLion, a wholly-owned subsidiary of JumpTV, since its inception in 2003. From 2000 to 2003 Mr. Her ran the development team for iCan SP. Prior to that, Mr. Her served as Senior Vice President for Research & Development at Computer Associates. He is also the co-inventor of the several computer systems patents. Mr. Her holds a college degree from Taipei Teaching College and a Master of Science degree from the New York Institute of Technology.

### **Ronald Nunn**

Ronald Nunn has been an Executive Vice President of Operations of JumpTV since October 2008 and the Executive Vice President of Business Operations of NeuLion, a wholly-owned subsidiary of JumpTV, since its inception in 2003. From 2000 to 2003 Mr. Nunn was in charge of business operations at iCan SP. Between 1987 and 2000, Mr. Nunn held a number of senior management positions at Computer Associates. From 1982 to 1987 Mr. Nunn directed certain research and development and operating projects with UCCEL (formerly University Computing Company).

### **J. Christopher Wagner**

J. Christopher Wagner has been an Executive Vice President of Sales of JumpTV since October 2008 and the Executive Vice President of Marketplace Strategy of NeuLion, a wholly-owned subsidiary of JumpTV, since its inception in 2003. From 1984 to 2000 Mr. Wagner held several positions at Computer Associates, culminating in his becoming Executive Vice President and General Manager of Services, responsible for building that company's Government, Partner Program and Global Consulting Business. From 2000 to 2003 Mr. Wagner worked as the

Chief Executive Officer and member of the Board of Directors of several private equity and venture capital firms, including Metiom, MetaMatrix, Exchange Applications and Digital Harbor. Mr. Wagner received a Bachelor of Arts degree from Delaware University.

**Michael J. Bradley**

Michael J. Bradley has been the Senior Vice President of Marketing of JumpTV since December 2008. From July 2008 until December 2008, Mr. Bradley was the Head of Marketing of the Corporation. He joined the Corporation in November 2007 as the Head of Sports Marketing (International). From June 2006 until October 2007, Mr. Bradley served as a Marketing Project Manager of eBay Canada. From 2003 until May 2006 he operated Cadre Collective, a creative consulting and marketing agency in Ottawa, Ontario. Mr. Bradley earned a Bachelor of Science in Pre-Health Science from the University of Waterloo.

**Blair R. Baxter**

Blair R. Baxter has been a Vice President of JumpTV since November 2008. He was the Chief Financial Officer of JumpTV from March 2008 until November 2008. From 1999 to 2002 and from 2004 to 2008 Mr. Baxter served as the Chief Financial Officer of Burntsand Inc, a business consulting and information technology services company, and also served variously as its Vice President and Corporate Controller and Chief Operating Officer. Mr. Baxter serves on the Board of Governors of The Michener Institute for Applied Health Sciences in Toronto, Ontario and is a member of its audit committee. Mr. Baxter holds a Bachelor of Commerce (Highest Honours) from Carleton University and is a chartered accountant in Canada.

**8.2 Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of JumpTV and other than as set forth below:

- (i) No director or executive officer of JumpTV is as at the date hereof, or has been within 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including JumpTV) that:
  - (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; and
- (ii) No director or executive officer of JumpTV, or a shareholder holding a sufficient number of securities of JumpTV to affect materially the control of JumpTV:
  - (a) is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any company (including JumpTV) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
  - (b) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

For the purposes of (i)(a) and (i)(b) above, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

For further information, please see the biographical information provided for Mr. Paterson in “Directors and Officers – Name, Occupation and Security Holding.”

## **9. LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

None.

## **10. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

In October 2008, Mr. Wang, our Chairman and the spouse of Ms. Li, our Chief Executive Officer, and Mr. Paterson, our Vice Chairman, purchased securities from the Corporation, as described above in the second paragraph of Section 3.2.

Pursuant to an agreement between JumpTV, Farrel Miller and Mr. Paterson, effective as of January 24, 2006, Mr. Miller agreed to grant to Mr. Paterson, or persons substituted for Mr. Paterson, an irrevocable right to purchase from Mr. Miller: (i) 1,174,460 Common Shares; (ii) 1,260,000 vested options; and (iii) 300,000 non-vested options that were subject to acceleration. The Board approved the transaction and the acceleration of the options on January 23, 2006. All of such Common Shares and vested and non-vested options were subsequently sold by Mr. Miller to such substituted persons. As part of this transaction, 300,000 of Mr. Miller’s non-vested options were cancelled.

The Corporation has entered into the following transactions and agreements in the normal course of operations with Mr. Wang:

### *New York Islanders*

The Corporation provides IT-related professional services to the New York Islanders, a professional hockey club owned by Mr. Wang. The approximate dollar value of the services was \$296,451, \$240,000 and \$240,000 for the years ended December 31, 2008, 2007 and 2006, respectively.

### *Plainview Properties, LLC (“Plainview Properties”)*

The Corporation formerly leased its office premises in Plainview, N.Y., from Plainview Properties, a real estate company that was 100%-owned through January 2007 and 50%-owned from late January 2007 through March 2008 by Mr. Wang. The lease was acquired by an unrelated third party in March 2008. The approximate dollar value of the services was \$170,000, \$100,000 and \$83,000 for the years ended December 31, 2008, 2007 and 2006, respectively.

### *Renaissance Property Associates, LLC (“Renaissance”)*

The Corporation provides IT-related professional services to Renaissance, a real estate management company owned by Mr. Wang. The approximate dollar value of the services was \$120,000 for each the years ended December 31, 2008, 2007 and 2006, respectively.

### *Smile Train*

The Corporation provides IT-related professional services to Smile Train, a public charity whose founder and significant benefactor is Mr. Wang. The approximate dollar value of the services was \$120,000, \$108,000 and \$108,000 for the years ended December 31, 2008, 2007 and 2006, respectively.

*Hawaii IPTV, LLC (“Hawaii IPTV”)*

Hawaii IPTV is an IPTV customer of the Corporation whose principals are family members of Mr. Wang. The approximate dollar value of the services was \$57,577, \$44,070 and \$1,800 for the years ended December 31, 2008, 2007 and 2006, respectively.

*TransVideo*

The Corporation purchases a substantial portion of its goods for sale from TransVideo, an entity controlled by Mr. Wang. STB purchases amounted to \$2,745,000, \$5,369,500 and \$420,000, and transcoder licensing fees amounted to \$125,000, \$282,000 and \$21,000, for the years ended December 31, 2008, 2007 and 2006, respectively.

*KyLinTV, Inc. (“KyLinTV”)*

The Corporation provides administrative and general corporate support to KyLinTV, an IPTV service provider whose majority owner, AvantaLion, is controlled by Mr. Wang. The approximate dollar value of the services was \$1,233,353, \$1,722,862 and \$1,652,250 for the years ended December 31, 2008, 2007 and 2006, respectively

Additionally, during the year ended December 31, 2008, the Corporation acquired equipment from KyLinTV valued at \$620,000 and charged KyLinTV an aggregate STB operations fee of \$920,550.

Other than the foregoing, no director, executive officer or shareholder who beneficially owns, directly or indirectly, or exercises control or direction over more than 5% of the outstanding Common Shares or immediate family member, known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction with the Corporation within the last three fiscal years, or in any proposed transaction with the Corporation, that exceeded the lesser of \$120,000 or one percent of the average of JumpTV’s total assets at year end for the last two fiscal years.

**11. REGISTRAR AND TRANSFER AGENT**

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal offices in Toronto, Ontario.

**12. MATERIAL CONTRACTS**

The following contracts were entered into by JumpTV or one of its subsidiaries other than in the ordinary course of business and are material to the Corporation:

- (a) Nominated Advisor and Broker Agreement, dated August 1, 2006, among JumpTV Inc., the directors of the Company and Canaccord Adams Limited (the “**NOMAD Agreement**”);
- (b) Software License and Product Distribution Agreement, dated as of September 29, 2006, between NeuLion, Inc., and TransVideo International Ltd., and the amendment thereto, dated as of July 1, 2008 (collectively, the “**TransVideo Agreement**”);
- (c) Contract for Services, dated as of June 25, 2007, between NHL Interactive CyberEnterprises, LLC and NeuLion, Inc., and the amendment thereto, dated as of August 1, 2008 (collectively, the “**NHL Agreement**”);
- (d) Contract for Services, dated as of June 22, 2007, between Sky Angel U.S., LLC and NeuLion, Inc. (the “**Sky Angel Agreement**”);
- (e) Asset Purchase Agreement, dated as of July 15, 2007, among JumpTV Inc., JumpTV USA Inc. and XOS (the “**XOS Agreement**”);

- (f) Agreement, dated August 2007, among JumpTV Inc. and the sellers named therein (the “**CyclingTV Agreement**”);
- (g) Contract for Services, dated as of June 1, 2008, between KyLinTV, Inc. and NeuLion, Inc. (the “**KyLinTV Agreement**”)
- (h) Agreement and Plan of Merger, dated June 26, 2008, among NeuLion, JumpTV and JumpTV Acquisition Corp.; and
- (i) Voting Trust Agreement, dated as of October 20, 2008, among Charles B. Wang, Nancy Li, AvantaLion LLC, Jianbing Duan, Computershare Trust Company of Canada and JumpTV Inc. (the “**Voting Trust Agreement**”).

The material terms of each of these contracts are summarized below.

*NOMAD Agreement*

Pursuant to the NOMAD Agreement, Canaccord Adams agreed, conditional upon JumpTV’s admission to AIM, to act as the nominated advisor and broker to JumpTV and, among other things, provide the services in connection therewith pursuant to the AIM Rules. The Company is no longer listed on AIM.

*TransVideo Agreement, as amended*

Pursuant to the TransVideo Agreement, NeuLion acquired certain rights to computer software programs and documentation (“**Software**”) owned by TransVideo and became a licensed distributor of TransVideo’s STBs, and TransVideo agreed to provide support and maintenance for the Software. The agreement continues indefinitely unless cancelled by mutual agreement of the parties or by either party for the other’s material breach of its obligations or insolvency. The TransVideo Agreement was amended to alter certain pricing terms for the remainder of the original agreement.

*NHL Agreement, as amended*

Under the NHL Agreement, NeuLion provides live streaming of NHL games via the Internet for a monthly fee. This agreement expires September 30, 2010, and has a provision for annual renewals thereafter. The NHL Agreement was amended to provide that NeuLion would also provide customer support services for NHL live streaming customers for the remainder of the original agreement.

*ABS-CBN Agreements*

Under the License Agreement, a technology license agreement, NeuLion provides video streaming services through STBs and manages subscriber billing. Under this agreement, NeuLion receives a monthly per-subscriber fee. This agreement expires May 31, 2009 and has a provision for a one-year renewal thereafter.

Under the Purchase Agreement, NeuLion receives STB purchase fees from ABS-CBN.

*Sky Angel Agreement*

Under the Sky Angel Agreement, NeuLion provides video streaming services through STBs and receives setup fees and a portion of subscriber revenue from Sky Angel. This agreement expires June 30, 2010 and has a provision for annual renewals thereafter.

*XOS Agreement*

Under the XOS Agreement, JumpTV acquired the BroadBand Network (or XOS Network) business unit of XOS Technologies Inc., based in Sanford, Florida, for \$60.2 million and the grant of 1,570,000 retention warrants and warrants to employees.

*CyclingTV Agreement*

Under the CyclingTV Agreement, JumpTV acquired CyclingTV, based in London, England, for a total of \$4.5 million, 50% in cash and 50% in common stock.

*KyLinTV Agreement*

Under the KyLinTV Agreement, NeuLion provides video streaming services through STBs and managing subscriber billing and receives a monthly subscriber fee from KyLinTV. Additionally, certain common expenses incurred by NeuLion are charged to KyLinTV. This agreement expires May 31, 2011 and has a provision for annual renewals thereafter.

*Merger Agreement*

Under the terms of the Merger Agreement, dated June 26, 2008, among NeuLion, JumpTV and JumpTV Acquisition Corp., JumpTV issued 49,577,427 Common Shares directly, as well as 1,840,097 Common Shares subject to a performance escrow relating to a prior acquisition, which represented approximately the entire issued and outstanding Common Shares of JumpTV prior to closing, to the securityholders of NeuLion in exchange for their NeuLion securities. Pursuant to the Merger Agreement, the Corporation also issued 5,000,000 warrants, fully vested and exercisable for two years at US\$0.63, and 2,700,000 employee stock options, vesting in equal monthly amounts over 48 months and exercisable for five years at US\$0.60, to employees of NeuLion who became employees of the Corporation.

*Voting Trust Agreement*

In connection with the RTO, AvantaLion, Mr. Wang and Ms Li, among others, have entered into a voting trust agreement (the "**Voting Trust Agreement**") pursuant to which all securities of JumpTV directly or indirectly controlled by them are to be deposited with Computershare Trust Company of Canada so that securities controlled by AvantaLion, Mr. Wang and Ms Li representing more than 9.9% of the votes attaching to all of the then-issued Common Shares of JumpTV shall not be voted in relation to:

- the election of directors;
- any matters related to security-based compensation; and
- any other matters which may change the governance structure of JumpTV as disclosed in the management information circular relating to the RTO dated September 4, 2008.

The voting restriction does not apply to any arm's-length transferee of any of the securities held by AvantaLion, Mr. Wang or Ms Li. The Voting Trust Agreement will terminate on the first to occur of:

- five years from October 20, 2008; and

- the date when the Common Shares cease to be listed and posted for trading on the TSX.

Copies of the foregoing contracts may be examined during normal business hours at JumpTV's office located at 463 King Street West, 3<sup>rd</sup> Floor, Toronto, Ontario, Canada.

### **13. INTEREST OF EXPERTS**

#### **13.1 Names of Experts**

The Corporation's auditors are Ernst & Young LLP (in the United States). The Corporation's consolidated financial statements as of December 31, 2008, and for the year then ended have been filed under National Instrument 51-102 in reliance on the report of Ernst & Young LLP (in the United States) given on their authority as experts in auditing and accounting.

#### **13.2 Interest of Experts**

To the knowledge of the Corporation, JumpTV's auditors referred to above have not received or will not receive any direct or indirect interests in the property of the Corporation or have any beneficial ownership, direct or indirect, of securities of the Corporation.

### **14. ESCROWED SECURITIES**

<u>Designation of Class</u>	<u>Number of Securities held in Escrow</u>	<u>Percentage of Class</u>
Common shares <sup>(1)</sup>	165,000	less than 1%
Common shares <sup>(2)</sup>	1,840,097	less than 2%
Common shares <sup>(3)</sup>	1,840,097	less than 2%

Notes:

- (1) In connection with the acquisition of Sport International Group, LLC ("SportsYa"), the principal former owner of SportsYa signed a consulting agreement with JumpTV. Accordingly, 330,000 Common Shares of JumpTV were placed into escrow with Wilmington Trust Company and will be earned and paid in 48 equal monthly installments. As at December 31, 2008, 165,000 Common Shares have been issued, and 165,000 remain to be issued, to such former principal owner.
- (2) In connection with the acquisition of Cycling Television Limited ("CyclingTV"), the Corporation issued 1,840,097 Common Shares into escrow with Pedley Zielke Gordinier & Pence, LLC. The Common Shares will be released on July 31, 2009 to the vendors of CyclingTV only if certain revenue milestones are achieved.
- (3) In connection with the acquisition of NeuLion, the Corporation issued 1,840,097 Common Shares into escrow with Pedley Zielke Gordinier & Pence, LLC. The Common Shares will be released on July 31, 2009 to the former shareholders of NeuLion only if CyclingTV meets certain revenue milestones.

### **15. AUDIT COMMITTEE INFORMATION**

Under Multilateral Instrument 52-110 — Audit Committees, issuers are required to provide disclosure with respect to their audit committees, including the text of the audit committee's charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, the Corporation provides for the following disclosure with respect to its Audit Committee:

#### **15.1 Audit Committee Charter**

The full text of the charter of the Corporation's Audit Committee is attached as Exhibit "A".

#### **15.2 Composition of the Audit Committee**

The Audit Committee currently consists of three directors, John Anderson (Chair), David Kronfeld and Shirley Strum Kenny, who are each independent.

### 15.3 Relevant Education and Experience

A description of the education and experience of each Audit Committee member relevant to the performance of his or her responsibilities as an Audit Committee member is found in each such person's biography in Section 8.1 hereof.

The Board of Directors believes that:

- Mr. Anderson's education and management experience makes him a "financial expert".
- Mr. Kronfeld's education and management experience makes him a "financial expert".
- Dr. Kenny's board and management experience makes her "financially literate".

### 15.4 Pre-Approval Policies and Procedures.

The Audit Committee charter includes responsibilities regarding the provision of non-audit services by the Corporation's external auditors. The Audit Committee charter states that the Audit Committee may: (1) pre-approve all auditing services and permitted non-audit services provided to the Corporation by its outside auditor; and (2) to the extent permitted by applicable laws, regulations and stock exchange rules, delegate pre-approval of audit and non-audit services to one or more members of the Audit Committee. Such member(s) must then report to the full committee at its next scheduled meeting if such member(s) pre-approved any audit or permitted non-audit services.

### 15.5 Audit Fees

#### JumpTV

The following table provides detail in respect of audit, audit related, tax and other fees billed to JumpTV by the external auditors for professional services:

<u>Category</u>	<u>Fiscal Year Ended December 31, 2008</u>	<u>Fiscal Year Ended December 31, 2007</u>
Audit Fees .....	\$245,000	-
Audit-Related Fees .....	\$108,065	-
Tax Fees .....	-	-
All Other Fees .....	-	-

Audit Fees — Audit fees were billed for professional services rendered by the auditors for the audit of JumpTV's annual financial statements.

Audit-Related Fees — Fees were billed for professional services relating to quarterly reviews.

### Acquired Business

The following table provides detail in respect of audit, audit related, tax and other fees billed to the Acquired Business by the external auditors for professional services:

<u>Category</u>	<u>Fiscal Year Ended December 31, 2008</u>	<u>Fiscal Year Ended December 31, 2007</u>
Audit Fees .....	\$318,879	\$184,617
Audit-Related Fees .....	\$338,260	\$948,188
Tax Fees .....	\$21,880	\$42,923
All Other Fees .....	\$14,882	\$358,357

Audit Fees — Audit fees were billed for professional services rendered by the auditors for the audit of the Acquired Business' annual financial statements.

Audit-Related Fees — Fees were billed for professional services relating to quarterly reviews, due diligence, review of management information circular, business acquisition report and a secondary offering.

Tax Fees — Tax fees were billed in respect of tax compliance, tax advice and tax planning professional services.

All Other Fees — All other fees were billed for professional services relating to assistance with National Instrument 52-109 compliance.

### 16. ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Additional information, including directors' and officers' remuneration and indebtedness, principal shareholders of JumpTV's securities and securities authorized for issuance under equity compensation plans is contained in JumpTV's management information circular furnished in connection with the Corporation's Meeting.

In addition to the information available on SEDAR, JumpTV will provide to any person or company, upon request to the Corporate Secretary of the Corporation at the registered office of the Corporation:

- (a) when the securities of JumpTV are in the course of distribution pursuant to a short form prospectus or a preliminary short form prospectus has been filed in respect of the proposed distribution of its securities,
  - (i) one copy of the current AIF of the Corporation, together with one copy of any document, or the pertinent pages of any document incorporated by reference into the AIF;
  - (ii) one copy of the comparative financial statements of JumpTV for the Corporation's most recently completed financial year for which financial statements had been issued, together with the report of the auditors thereon, and one copy of any interim financial statements of JumpTV for any period after its most recently completed financial year;
  - (iii) one copy of the information circular of the Corporation in respect of its most recent annual meeting of shareholders that involves the election of directors or one copy of any annual filing prepared in lieu of that information circular; and
  - (iv) one copy of any other documents that are incorporated by reference into a preliminary short form prospectus or a short form prospectus and not required to be provided under (i) and (iii) above; or

- (b) at any time, one copy of any of the documents referred to in (a)(i), (a)(ii) and (a)(iii) above, provided the Corporation may require the payment of a reasonable charge if the request is made by a person or company that is not a security holder of the Corporation.

Additional financial information is provided in the Corporation's audited consolidated financial statements for the year ended December 31, 2008 and its annual MD&A for the year ended December 31, 2008. A copy of the foregoing documents may be obtained by shareholders upon request from the Corporate Secretary of the Corporation.

## EXHIBIT "A"

### AUDIT COMMITTEE CHARTER

#### Statement of Policy

The purpose of the Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") in fulfilling its oversight responsibilities by (i) overseeing the Corporation's accounting and financial reporting processes and the audits of the Corporation's financial statements, (ii) reviewing the financial reports and other financial information provided by the Corporation to the public; and (iii) developing and implementing the Corporation's internal controls and procedures designed to promote compliance with accounting standards and applicable laws and regulations. In particular, the Committee shall:

- serve as an independent party to monitor the Corporation's financial reporting processes and internal control system;
- discuss the audit conducted by the Corporation's outside auditor; and
- provide an open avenue of communication among the outside auditor, management and the Board.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct the audits or to determine that the Corporation's financial statements are complete, accurate and in accordance with GAAP. This is the responsibility of management and the Corporation's outside auditor.

#### Composition

The Committee shall be composed of a minimum of three and a maximum of five directors, each of whom, in the determination of the Board, must (a) satisfy the independence and other requirements established by the TSX. In addition, the Committee shall at all time include at least one member who has past employment experience in finance or accounting, or any other comparable experience or background that results in his or her financial sophistication.

The members of the Committee shall be appointed and replaced by the Board. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

#### Meetings

The Committee shall meet at such times and with such frequency as the Committee shall determine as appropriate to meet its responsibilities. The Committee shall hold separate meetings periodically, but not less often than quarterly, with management and the Corporation's outside auditor to discuss the quarterly review process and any other matters that the Committee or the other participants believe should be discussed. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary or desirable. The Committee may adopt such procedures as it deems appropriate and necessary to carry out the duties and responsibilities of the Committee. The Committee shall report to the Board from time to time, as requested by the Board, or as the Committee deems appropriate.

#### Responsibilities and Duties

*The Committee shall have the following responsibilities and duties:*

- The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the Corporation's outside auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. Each such registered public accounting firm shall report directly to the Committee. The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of

- compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation;
  - compensation to any advisers employed by the Committee; and
  - ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- The Committee shall, to the extent required by any applicable legal or regulatory requirement, pre-approve all auditing services and permitted non-audit services provided to the Corporation by its outside auditor. To the extent permitted by applicable laws, regulations and TSX rules, the Committee may delegate pre-approval of audit and non-audit services to one or more members of the Committee. Such member(s) must then report to the full Committee at its next scheduled meeting if such member(s) pre-approved any audit or permitted non-audit services.
  - At least annually, the Committee shall receive from its outside auditor a formal written statement delineating all relationships between the auditor and the Corporation, consistent with CICA Handbook Section 5751, actively engage in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor, and take, or recommend that the full Board take, appropriate action to oversee the independence of the outside auditor.
  - The Committee shall oversee the Corporation's accounting and financial reporting processes and the audits of the Corporation's financial statements.
  - The Committee shall review the Corporation's annual audited financial statements, including any certification, report or opinion rendered by the Corporation's outside auditor, and discuss the same with management and the auditor. The Committee shall recommend to the Board whether the annual financial statements should be included in the Corporation's Annual Report.
  - The Committee shall discuss with the outside auditor the matters described in CICA Handbook Sections 5135, 5136, 5220 and 5751, including any difficulties the auditor encountered in the course of the audit work, any restrictions on the scope of the auditor's activities or on access to requested information, and any significant disagreements with management.
  - The Committee shall review any disclosures made by the Corporation's Principal Executive Officer and Principal Financial Officer (as such terms are defined by the TSX), as part of the process of preparing their certifications to be included in the Corporation's Annual Report and Quarterly Reports and as part of the CEO/CFO Certification requirements relating Multilateral Instrument 52-109.
  - The Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters (Whistle Blower Policy).
  - The Committee shall review and approve all related-party transactions that are brought to the Committee's attention.
  - The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities.
  - The Committee shall have the authority to engage independent counsel and other advisors, as the Committee determines necessary to carry out its duties and responsibilities.
  - The Committee may consider such other matters in relation to the financial affairs of the Corporation and its accounts, and in relation to the internal and external audits of the Corporation, as the Committee may, in its discretion, determine to be advisable.

- The Committee shall annually report to the Corporation's stockholders on certain auditing matters, as required by the rules and regulations of the TSX, as they may be amended from time to time. Such report will be included in the Corporation's annual proxy statement and AIF form.
- The Committee shall review and reassess the adequacy of this Charter annually, and recommend any proposed changes to the Board for its approval.
- The Committee will conduct in Camera meetings with the external auditors in private sessions without management present.
- The Committee shall approve all engagements for accounting and tax advice provided by any audit firm other than the external auditors.

The Committee may diverge from the specific activities outlined throughout this Charter as appropriate if circumstances or regulatory requirements change. In addition to these activities, the Committee may perform such other functions as necessary or appropriate under applicable laws, regulations, TSX rules, the Corporation's certificate of incorporation and by-laws, and the resolutions and other directives of the Board.