West Face Capital Inc.
2 Bloor Street East
30th Floor
Toronto, Canada
M4W 1A8
647-724-8900

To: West Face Alternative Credit Fund Group Investors
Re: West Face ACF / Wind Mobile
Date: September 10 2014

*The following contains confidential information which is subject to regulatory and legal restrictions, and a non-disclosure agreement to which West Face Capital Inc. ("West Face"), its representatives, and the limited partners of funds managed or advised by West Face are subject.*

***Overview***

Funds managed by West Face Capital ("West Face") are members of a consortium committed to the purchase of 100% of Wind Mobile ("Wind") from Russia-based VimpelCom Ltd. ("VC"). West Face will commit $100 million and will own 33% of the business.

Concurrently West Face will commit to purchase approximately C$50.0 million in first lien debt ("First Lien Debt") held primarily by Wind equipment vendors, along with accrued interest of approximately C$1.7 million, for a total investment of C$51.7 million. This will be allocated to the West Face Alternative Credit Fund Group ("ACF").

The First Lien Debt will be purchased at par and will have a new adjusted interest rate of CDOR+11%. It is currently in default, but West Face will enter into a forbearance agreement until the earlier of April 30th, 2015 or the date that regulatory approval is received. Upon receiving all regulatory approvals, the First Lien Debt will be refinanced by new Senior Secured Notes funds managed by West Face Capital have agreed to purchase. The new Senior Secured Notes will have a term of 3 years and interest rate of 9.75%.

Purchase of the VC interest and the First Lien Debt ("Phase I", see Appendix A for more details) does not constitute a change of control and therefore does not require regulatory approval. The price for the VimpelCom stake implies an equity value of $135 million for Wind Mobile and an enterprise value of $285 million. As described in Appendix B, the First Lien Debt / new Senior Secured Notes are supported by significant asset value in a liquidation scenario. As the analysis indicates, we expect that the entire amount of the equity investment is also covered by the asset value in a downside investment scenario.

***Background***

VC is seeking to exit its investment in Wind after a worsening relationship with the federal government and several failed attempts to sell the company at considerably higher prices. VC is not willing to take any regulatory approval risk in a transaction. It is abandoning sunk costs of over C$1.5 billion (C$442 million for spectrum, C$540 million in capex, and C$520 million in operating losses).

Wind's past operating performance has been difficult due to the following factors:

- a focus on the pre-paid market rather than the more profitable post-paid market until 2011;
- the other two new entrants, Public Mobile and Mobilicity, introduced needlessly aggressive price plans into the market, which forced Wind to follow suit;
- the incumbents reacted with predatory pricing, further stimulating competition until the weakest players exited or entered bankruptcy;
- roaming arrangements with incumbents were punitive and uneconomic;
- network quality was poor due to holes in the build-out; and
- the company lacked adequate spectrum to provide a pathway to future requirements.

However, the timing of the major shareholder's abrupt exit is at the same time as an inflexion point in its operating prospects:

- the federal government has demonstrated a strong policy objective of sustaining a viable fourth wireless carrier and has followed up with actions;
- The government has set aside a large 15 MHz x 15 MHz band for new entrants in the upcoming AWS-3 auction at a reserve price of C$0.10 per MHz-pop[1] (This compares to C$4.32/MHz-POP paid recently by Rogers Wireless for spectrum in the 700 MHz band);
- Wind renegotiated significantly more favorable roaming arrangements with Rogers in advance of new mandated wholesale agreements (including roaming, tower sharing, and network sharing arrangements) to be announced by the Canadian Radio-television and Telecommunications Commission ("CRTC") in 2015.
- Wind is significantly outperforming the incumbents with a 22% share of gross adds in the markets they compete in as of Q2 2014. Wind's share of net adds was 27%, compared to just 5% for Rogers Wireless. This was achieved with an extremely curtailed operating and capex budget due to the ownership issues with its shareholder;
- Wind has become EBITDA positive as of June 2014;
- overall blended Average Revenue Per User ("ARPU") is up 19% in since December 2013 to C$33.12.

***Company***

*Market Position*

Wind is the fourth largest wireless carrier in Canada and the largest new entrant after the three established incumbents: Rogers, Telus and Bell. As of August 2014, it has 760,000 subscribers and operates exclusively

[1] MHz-pop refers to the spectrum band size in MHz multiplied by the population covered.

in the provinces of Ontario, Alberta, and British Columbia. Its spectrum holdings include 20 MHz (paired 2 x 10 MHz AWS-1) in Ontario and 10 MHz (paired 2 x 5 AWS-1) elsewhere in Canada excepting Quebec. Its spectrum was acquired at auction in 2009 for C$1.55 per MHZ-pop, or C$442 million, and is the same as that used by T-Mobile in the U.S. (See also discussion of spectrum below.)

*Value Proposition*

Its consumer value proposition is as the "value" brand targeted at immigrants, youth, and students with an "unlimited" usage offering for voice, texts, and data – while in its coverage areas – in addition to no contracts and no hidden fees. Distribution is through 277 branded physical retail locations (90 corporate, 187 exclusive dealer, and 23 multi-carrier stores). It has various plan offerings, but its price points are on average at a 50% discount to the incumbents'.

Wind has a broad handset offering comparable to, but not as extensive as the incumbents', and lacking particularly in the Apple iPhone. Wind addressed the latter by offering subsidies in the form of a credit of up to $500 for consumers who bring in their own unlocked handsets.

*Strategy Shift to Post-Paid Customers*

At inception it pursued a pre-paid strategy, but since 2011 has transitioned to a post-paid emphasis. Since the transition in strategy, the mix of Wind post-paid subscribers has increased from 23% to 56% and overall ARPU has increased from C$27 to over C$33. In addition to the benefit from change in mix, post-paid ARPU itself has increased from C$35 to almost C$39 over the same period.

*Requirement for Spectrum to Accommodate LTE-Based Handsets*

Wind benefits from the equipment ecosystem built to accommodate T-Mobile's 3G for AWS-1, however, T-Mobile is transitioning its subscribers to LTE on AWS-1 and will complete that process by 2017. At that time, there will be no major carriers a supporting a 3G / AWS-1 equipment ecosystem and Wind will require a transition plan of its own. For this reason, Wind's business plan includes obtaining AWS-3 spectrum which will be auctioned early in 2015 and a subsequent build-out of an LTE network. The federal government responded to this spectrum shortfall by making AWS-3 available on very attractive terms.

In addition, Wind requires some in-fill spending to complete its current coverage footprint (150 sites to be added to 1400 current locations.) The in-fill spending is required to improve network quality including dead zones, areas of poor coverage, and increased capacity. The investment required for the AWS-3 spectrum, the LTE network build, and the near-term in-fill spending are all captured in our capital expenditures plan.

**Wind Capital Spending Required**

| Summary Cash Flow | 2nd Half 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| *Spectrum* | | 65,000 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| *CapEx* | | | | | | | |
| Network Capex - Capacity | 8,640 | 42,502 | 56,161 | 23,127 | 14,681 | 30,948 | 35,948 |
| Network Capex - Maintenance | 6,660 | 13,723 | 12,382 | 12,382 | 12,382 | 28,649 | 33,649 |
| LTE Overlay - Network | 0 | 2,350 | 44,207 | 69,055 | 51,283 | 6,200 | 8,200 |
| LTE Overlay - Non-network (IT) | 0 | 300 | 2,000 | 1,000 | 0 | 0 | 0 |
| Non-Network Capex | 5,410 | 11,878 | 6,683 | 8,277 | 8,309 | 8,341 | 8,374 |
| Total Acquisitions / Spectrum / Capex | **20,710** | **135,753** | **121,433** | **113,842** | **86,655** | **74,138** | **86,171** |

***Industry***

The Canadian wireless industry is dominated by three national incumbents with a combined 95% market share. They include two telcos, Bell Canada and Telus, and one cable company, Rogers Communications. Bell and Telus have a formal network sharing arrangement. Compared to other developed countries, Canada has the lowest wireless penetration (under 80%) and the highest ARPU (over C$60), while telecom spending as percent of GDP is comparable. In addition, handset subsidies are a key component of the product offering, representing a high component of subscriber acquisition costs, which is similar to the U.S. market but unlike other developed markets where subsidies are low or non-existent.

Market shares are not consistent across the country and vary significantly by province. Telus is the market leader in Alberta (40%) and B.C. (50%) and Rogers is the number two competitor there (24% and 39% respectively). In the east Rogers is the market leader in Ontario (45%) and Bell is number two (28%).[2] These three provinces represent 2/3 of Canada's population, or about 21 million people, and are the only provinces in which Wind competes. Within the provinces, Wind has further limited its market presence and coverage footprint to the major urban areas. Its current market shares are 6% in Ontario, 3% in B.C. and 3% in Alberta.

Each of the three major players has a premium brand and a captive "flanker" brand. The flanker brands have slightly lower prices and slightly fewer features or handset offerings. They consist of acquired former new entrants (Rogers / Fido), acquired third-party brands (Bell / Virgin), and a captive start-up (Telus / Koodo). The 3 majors provide a pricing umbrella under which Wind effectively competes for share. There are two other new entrants that previously were disruptive to the market's price structure (Mobilicity and Public Mobile), but each has since exhausted its financial capacity and is no longer relevant to the competition for market share. Mobilicity has filed for CCAA protection and Public was bought by Telus.

The price disruption in the market occurred in 2010 and 2011 after new entrants acquired spectrum (2008), raised capital and built-out networks (2009-10). Realized pricing for the incumbents declined approximately 10% peak-to-trough and started to stabilize in 2013. Incumbents all increased prices in 2013 and again in Q1 2014. Wind has followed this price leadership, maintaining its spread to the incumbents at approximately a 50% discount.

Recent developments in the government and regulatory environment have been favorable or have the possibility to be favorable for Wind. There are discussed below.

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[2] Only in the small provinces of Saskatchewan and Manitoba (2 million people combined) are there different wireless market leaders – the respective telco incumbents.

***Government Policy and Regulatory Environment***

Three government policy / regulatory factors have served to improve the competitive position of Wind in recent months: They include:

1. *Fourth Player in Each Market*: The federal government has publicly stated its policy objective of ensuring a viable fourth competitor in each market. We expect the regulatory environment to be more sympathetic to new entrants on most matters including those listed below. The government recognizes that Canadian consumers are frustrated with the lack of competition in the wireless markets and the anti-competitive behaviour of the incumbents.

2. *Wholesale Arrangements*: In December 2013, the CRTC announced that it would be reviewing wholesale wireless roaming arrangements, examining whether incumbents are placing competitors at an "unfair competitive disadvantage." We expect favorable new rulings in the early part of 2015 affecting roaming rates, tower sharing, and network sharing, which all affect Wind's ability to compete effectively. This announcement has already had an impact. Wind has negotiated with Rogers significantly improved pricing on roaming rates for voice, text, and, most importantly, data. The arrangement runs for a period of three years and can be cancelled at Wind's option and therefore serves as a ceiling for future roaming rates. Under this agreement data rates have been reduced from C$0.75 per MB to just over C$0.03 per MB.

3. *Public Rebuke of Telus*: Frustrated at Telus' repeated attempts to acquire Mobilicity, a leaked government comment indicated that the CRTC could exclude Telus from participation in future spectrum auctions if it does not cease trying to acquire Mobilicity. Telus subsequently withdrew its offer for Mobilicity and the company is in mediation with the Federal Government.

4. *AWS-3*: On July 28th, 2014, Industry Canada announced that the government would be setting aside 60% of all AWS-3 spectrum for auction to new entrants at an extremely low reserve price. Furthermore, to qualify to bid on the set-aside block, a new entrant will need to be an existing operator with minimum coverage requirements in the areas bid upon. This effectively reduces qualified bidders to just Wind and Mobilicity, who is in CCAA protection.

   The deadline for entering the auction is January 2015 when deposits equal to the reserve bid of $65 million are required. Auction results will be announced in March 2015.

***Summary of Key Terms***

**Phase 1 Debt Terms**

Interest Rate: CDOR + 11%.

Forbearance: Until Maturity.

Maturity: Upon the earlier of:

(a) April 30, 2015,
(b) February 28, 2015, unless the Governmental Approvals (as defined below) in connection with the Post-closing Reorganization shall have been obtained no later than such date or the Borrower has received an additional CDN$ 65.0 million of capital in the form of a cash contribution to the Borrower on terms reasonably acceptable to Canyon Capital by such date (without duplication of the amount referenced in clause (e) (i) or (f) (i) below),
(c) the date on which the Board of Directors of the Borrower determines, in its sole discretion, not to participate in the Advanced Wireless Services-3 (AWS-3) spectrum auction or the deadline (including any extension thereof) to so participate has elapsed without such participation by the Borrower,
(d) the date on which the Borrower is notified by Industry Canada that it cannot participate in the Advanced Wireless Services-3 (AWS-3) spectrum auction,
(e) unless the Government Approvals have been obtained by such date, (i) the date of the Advanced Wireless Services-3 (AWS-3) spectrum auction (the "Auction"), if the Borrower has not filed an application to participate in the Auction before the expiry of the applicable deadline (including any extension thereof), or has not received an additional CDN$65.0 million of capital on terms reasonably acceptable to Canyon Capital (without duplication of the amount referenced in clause (f)(i) below, or has not provided any deposit or security required under the Auction by such date, or (ii) the date of the deadline (including any extension thereof) to participate in the Advanced Wireless Services-3 (AWS-3) spectrum auction, if the Borrower has not filed an application to participate in the Auction, or has not received such additional CDN$65.0 million of capital on terms reasonably acceptable to Canyon Capital (without duplication of the amount referenced in clause (f)(i) below), or has not provided any deposit or security required under the Auction rules by such date,
(f) the date that is 5 days after all of the required Government Approvals are obtained, if the Borrower has not obtained (i) CDN $65.0 million of capital in the form of a cash contribution to the Borrower and (ii) irrevocable commitments providing for at least

CDN $70.0 million of equity capital to be contributed to the Borrower, on terms reasonably acceptable to Canyon Capital;

provided, however that the Extended Repayment Date shall be automatically extended for a period (the "**Extended Forbearance Period**") of three (3) months so long as the Extended Forbearance Period covenants described in Section 5 are being complied with.

**Phase 2 Debt Terms**

| | |
|---|---|
| First Lien Facility: | A senior secured first lien debt facility consisting of either a term loan credit agreement and/or secured notes, as determined by Canyon Capital, in an aggregate principal amount of up to CDN$150.0 million, ranking senior to all other obligations (the "First Lien Facility") |
| Interest Rate: | 9.75% per annum payable in cash quarterly in arrears.<br>Interest rate will step down by 0.75% (75 Bps) to 9.00% per annum if, when and for so long as the Borrower (i) generates C$20 million of LTM EBITDA and (ii) the company has successfully acquired 30 MHz of AWS 3 spectrum in the AWS Auction (as defined herein) in the markets the Company currently operates. |
| Maturity: | The final maturity of the First Lien Facility will occur on the date that is three (3) years following the Closing Date |
| Negative Covenants: | The Facilities Documentation shall contain negative covenants (and exceptions thereto) satisfactory to Canyon Capital, including but not limited to limitations on: indebtedness (including without limitation guarantees and other contingent obligations), liens, restricted payments, mergers, consolidations, sales, transfers and disposition of assets, loans and investments and transactions with affiliates. The Facilities Documentation will prohibit the use of the C$65.0 million equity contribution on the Closing Date or the proceeds of the C$70.0 million equity commitments in existence on the Closing Date to fund any acquisition of Mobilicity (or any of its assets) or any spectrum asset other than pursuant to the AWS-3 Auction and such an acquisition will only be permitted if funded through (a) additional equity capital, (b) up to C$100.0 million of subordinated debt, which debt shall not provide for any payments in cash and shall include subordination terms acceptable to West Face Capital, and (c) up to C$100.0 million of second lien debt used to acquire Mobilicity (or any of its assets), which debt has intercreditor and turn-over provisions acceptable to West Face Capital and can permit no more than LIBOR+300 of cash interest per annum. |

## Appendix A
## Description of Phase 1 and Phase 2

***Phase 1***

1. Incorporation of Newco and Holdco

As soon as practicable, AAL Holdings Corporation ("**AAL**") shall cause the incorporation of (i) a corporation ("**Newco**") under the *Business Corporations Act* (Ontario) (the "**OBCA**") for purposes of undertaking the Phase 1 Purchase Transactions (as defined below), and (ii) a corporation ("**Holdco**") under the OBCA for the purpose of holding the shares of Newco. Newco will be a wholly-owned subsidiary of Holdco. Holdco will initially have two classes of voting common shares ("**Holdco Voting Shares**") and two classes of non-voting common shares ("**Holdco Non-Voting Shares**" and, collectively with the Holdco Voting Shares, "**Holdco Shares**"). Holdco Non-Voting Shares shall be convertible into Holdco Voting Shares on a one-for-one basis at any time after the receipt of any and all regulatory approvals required for the holder thereof to convert such shares.

The two classes of Holdco Voting Shares will be identical in all respects, except that the "gross up" voting mechanism of each class will relate to a different class of Holdco Non-Voting Shares. The two classes of Holdco Non-Voting Shares will be identical in all respects, except that they will be convertible into different classes of Holdco Voting Shares. All Holdco Shares will participate equally in all dividends and other distributions.

The initial capitalization of Holdco will be 2,500,000 Class A Holdco Voting Shares, all of which will be issued to AAL for an aggregate purchase price of $1.00. AAL shall also be issued 10,000,000 options to purchase Class A Holdco Voting Shares. Each option shall be exercisable into one Class A Holdco Voting Share at an exercise price of $1.00 per share at any time from the date of incorporation until the date that is seven years following the date of incorporation and such options shall be considered to have been exercised for purposes of calculating entitlements in connection with participation in future equity issues.

2. Equity Commitments

Each of AAL, Michael Serruya and Concord Pacific Acquisitions Inc. (collectively, the "**AAL Investors**"), Tennenbaum Opportunities Partners V, LLC, Tennenbaum Opportunities Partners VI, LLC, Special Value Opportunities Fund, LLC and Special Value Expansion Fund, LLC (collectively, "**TCP**"), certain funds managed by West Face Capital Inc. ("**West Face**") and LG Capital Investors LLC ("**LG Capital**" and, collectively with TCP and West Face, the "**New Investors**") agrees to subscribe for Holdco Non-Voting Shares, at a price of $1.00 per share in the aggregate amount set forth opposite their names in the "Phase 1 Commitment" column of the table attached hereto as Schedule A (the "**Phase 1 Commitments**"), subject only to the conditions set forth in this section. The AAL Investors will receive Class A Holdco Non-Voting Shares, which will be convertible into Class A Holdco Voting Shares. The New Investors will receive Class B Holdco Non-Voting Shares, which will be convertible into Class B Holdco Voting Shares.

The Phase 1 Commitments shall be funded to or as directed by Holdco on or prior to the closing date (the "**Phase 1 Closing Date**") of the Phase 1 Purchase Transactions (as described below). Each of the AAL Investors and the New Investors (collectively, the "**Investors**") confirms that the funds necessary to fulfill its Phase 1 Commitment are currently available to it and no further internal or other approvals are required for the Investor to perform its obligations under this Agreement.

The obligations of the Investors to fund or cause the funding of their respective Phase 1 Commitments shall be subject to (i) the execution and delivery of the Purchase Agreement (as defined below) by the parties thereto, (ii) satisfaction or waiver by Newco of the conditions in its favour set forth in the Purchase Agreement (other than those conditions that by their nature are to be satisfied by actions taken at the closing of the Transaction, but subject to such conditions being capable of satisfaction at the closing), and (iii) the negotiation of the Phase 1 Shareholders' Agreement (as defined below), it being understood that the Phase 1 Shareholders' Agreement will not be executed and delivered until after the consummation of the Phase 1 Purchase Transactions, all on terms satisfactory to the Investors.

Each of the Investors agrees to be liable for any losses, damages, costs and expenses ("**Losses**") suffered or incurred by Holdco, Newco or the other Investors as a direct or indirect consequence of the Investor's failure to fund its Phase 1 Commitment in accordance with the terms of this Agreement; provided that in no event shall an Investor be obligated to pay any such Losses in excess of its Phase 1 Commitment.

Following the issue of Holdco Shares to the Investors, the fully-diluted share capitalization of Holdco shall be as set out in the table attached as Schedule B.

Prior to the completion of the Phase 1 Purchase Transactions, Holdco shall use the proceeds from the purchase of Holdco Shares by the Investors to subscribe for common shares of Newco or otherwise contribute or advance such amount to Newco.

3. Forbearance Agreement and Phase 2 Debt Commitment Letter

West Face shall obtain from the holders of the equipment vendor loans made to Globalive Wireless Management Corp. ("**GWMC**") or their assigns the execution and delivery of a forbearance agreement in favour of GWMC in a form substantially consistent with the draft form of forbearance agreement attached as Appendix I (the "**Forbearance Agreement**").

4. Phase 1 Purchase Transactions

Subject to the prior or concurrent execution and delivery of the Forbearance Agreement, the Parties agree to cause Newco to enter into a purchase agreement substantially in the form of the draft purchase agreement attached as Appendix II (the "**Purchase Agreement**"), with such modifications thereto as may be agreed by AAL and the New Investors and, following the execution and delivery of the Purchase Agreement, shall co-operate to cause the transactions contemplated by the Purchase Agreement (collectively, the "**Phase 1 Purchase Transactions**") to be completed as soon as practicable thereafter.

5. Phase 1 Shareholders Agreement

The Parties shall negotiate in good faith and, immediately following the Phase 1 Purchase Transactions and the appointment of nominees to the GIHC and GWMC boards of directors in accordance with paragraph A10 below, enter into a shareholders' agreement governing Holdco reflecting the terms set out in Appendix III and such additional terms as are customary in the circumstances (the "**Phase 1 Shareholders' Agreement**").

6. Contribution to GWMC

The Parties agree to cause Newco to advance to GWMC any funds received by Newco on the Phase 1 Closing Date that are not used to pay the consideration for the Phase 1 Purchase Transactions or related transaction expenses.

7. AAL Consulting Agreement

Concurrently with the closing of the Phase 1 Purchase Transactions, AAL shall cause the Telecommunications Management and Strategic Consulting Agreement dated on or about April 1, 2009, as amended December 15, 2009 and January 1, 2010, between AAL Telecom Holdings Incorporated (now known as AAL Corp.) and GWMC to be terminated without any cost to or compensation payable by GTH Holdco, GIHC, GWMC or their affiliates.

8. GCC Loan

Concurrently with the closing of the Phase 1 Purchase Transactions, AAL shall cause Globalive Communications Corp. ("**GCC**") to sell to New Debtco (as defined in the Purchase Agreement) for $10 all of its right, title and interest in and to the loan in favour of GWMC in the aggregate principal amount of $400,000, plus all unpaid interest, fees and penalties thereon, being an additional $426,520.01 as of the date hereof, made pursuant to the loan agreement dated April 14, 2008 between GWMC, as borrower, and GCC, as lender.

9. VimpelCom Loan

Immediately following the closing of the Phase 1 Purchase Transactions, the Parties shall cause Newco to amend the terms of the VimpelCom Loan (as defined in the Purchase Agreement) to extend the maturity date to April 30, 2016 and to make it non-interest bearing.

10. Boards of Directors

From and after the completion of the Phase 1 Purchase Transactions and the subsequent execution of the Phase 1 Shareholders' Agreement, the Parties shall cause GTH Global Telecom Holding (Canada) Limited ("**GTH Holdco**") to nominate ■, ■, ■ and ■ as its four nominees to the boards of directors of Globalive Investment Holdings Corp. ("**GIHC**") and GWMC. AAL shall use all commercially reasonable efforts to cause such nominees to be appointed to the GIHC and GWMC boards of directors. Any changes to the GIHC and GWMC nominees prior to the Phase 2 Closing Date shall be proposed by the Holdco board of directors and subject to supermajority approval in accordance with the Phase 1 Shareholders' Agreement.
**[NTD: The expectation is that the initial four nominees of GTH Holdco will be comprised of one representative of each of AAL, WF, TCP and LG.]**

11. CEO Search

The Parties acknowledge that the current Chief Executive Officer of GIHC and GWMC has indicated an intention to resign as Chief Executive Officer within 30 days following the closing of the Phase 1 Purchase Transactions, and that Pietro Cordova, the current Chief Operating Officer of GIHC and GWMC, will serve as interim Chief Executive Officer, with a term expiring no sooner than the Phase 2 Closing Date (as defined below). The Parties agree to use best efforts to cause GIHC and GWMC to commence a search for a new

Chief Executive Officer as soon as practicable following the completion of the Phase 1 Purchase Transactions.

12. GIHC Shareholder Approvals

The Parties shall, as soon as practicable following the completion of the Phase 1 Purchase Transactions, take all steps required to obtain the requisite approval of the holders of GIHC shares under the shareholders' agreement governing GIHC (the "**GIHC Shareholder Agreement**") and applicable law (including, if necessary, the calling and holding of a meeting of holders of GIHC shares) to approve the transfer of the common shares of GWMC (the "**GWMC Shares**") to GTH Holdco pursuant to the Purchase Agreement (the "**GIHC Shareholder Approvals**"), which transfer is subject to applicable regulatory approval.

***Phase 2***

1. Reorganization Steps

On the Phase 2 Closing Date (as defined below) and subject to the application of section 4 below, the Parties shall cause the following transactions to occur (the "**Phase 2 Transactions**"):

a. Each of the Holdco Non-Voting Shares held by Investors whose conversion of Holdco Non-Voting Shares into Holdco Voting Shares has been approved by Industry Canada shall be converted into Holdco Voting Shares.

b. GTH Holdco shall purchase all of the GWMC Shares from GIHC for $1.00 pursuant to the Purchase Agreement.

c. AAL shall purchase all of the shares of GTH Holdco from Newco for $1.00.

d. Newco shall purchase all of the GWMC Shares from GTH Holdco for $1.00 and shall release and discharge GTH Holdco from its guarantee and security in respect of the VimpelCom Loan (and either of Borden Ladner Gervais LLP and Davies Ward Phillips & Vineberg LLP is authorized to discharge any *Personal Property Securities Act* or other security registrations in respect of the guarantee and security).

The Parties shall, and shall cause their respective affiliates to, work co-operatively and use all commercially reasonable efforts to negotiate and settle all documentation, and do such other acts and things, as are necessary to give effect to the Phase 2 Transactions and no Party shall take any action that is directly or indirectly inconsistent with the completion of the Phase 2 Transactions. Notwithstanding the foregoing, the Parties acknowledge that the Phase 2 Transactions may require modification to achieve the planning objectives of the Parties and that the steps may be modified by consent (not to be unreasonably withheld) of each of the Parties, or as contemplated by section 4 below.

Unless otherwise agreed by the Parties, the closing of the Phase 2 Transactions will occur on a date (the "**Phase 2 Closing Date**") that is no more than three business days after the later to occur of (i) the date on which the Required Regulatory Approvals have been obtained to the satisfaction of the New Investors in accordance with section 4 below, and (ii) the date on which the GIHC Shareholder Approvals have been obtained. For the purposes of the foregoing sentence, "Required Regulatory Approvals" means any and all regulatory approvals, including under the Industry Canada Spectrum Transfer Policies (as defined in the Purchase Agreement), the *Investment Canada Act* and the *Competition Act* (Canada), required for (a) GTH Holdco to acquire all the shares of GWMC, (b) AAL to acquire all the shares of GTH Holdco, (c) Newco to acquire all the shares of GWMC, and (d) the holders of a majority of the Holdco Shares to hold Holdco Voting Shares or to convert their Holdco Non-Voting Shares into Holdco Voting Shares, as the case may be.

2. Revised Shareholders Agreement

The Parties shall negotiate in good faith and, on the Phase 2 Closing Date, enter into an amended and restated shareholders agreement governing Holdco reflecting the terms set out in Appendix IV and such additional terms as are customary in the circumstances (the "**Phase 2 Shareholders' Agreement**").

3. Additional Funding Commitments

Each of the Investors agrees to provide equity financing to Holdco (or its successor) up to the amounts set forth opposite their names in the "Phase 2 Commitment" column of the table attached hereto as Schedule A (the "**Phase 2 Investment Commitment**") pursuant to one or more capital calls on or after the Phase 2 Closing Date (each, a "**Phase 2 Capital Call**"), but subject to the following terms and conditions:

a. all Phase 2 Capital Calls shall be subject to supermajority approval of the holders of Holdco Shares in accordance with the Phase 2 Shareholders' Agreement;

b. concurrently with or prior to the closing date of any Phase 2 Capital Call:

    i. the Phase 2 Transactions shall have been completed; and

    ii. GWMC or its successor shall have entered into one or more new first-lien credit facilities or similar credit arrangements with a term maturity of at least three years;

c. unless otherwise determined by supermajority approval of the holders of Holdco Shares in accordance with the Phase 2 Shareholders' Agreement, Phase 2 Capital Calls shall require subscriptions for Holdco Shares at a subscription price of $1.00 per share;

d. each Investor shall receive Holdco Voting Shares on funding any portion of its Phase 2 Commitment unless, at the time of funding, it continues to hold Holdco Non-Voting Shares, in which case it shall receive Holdco Non-Voting Shares;

e. the initial Phase 2 Capital Call shall be funded by the Investors in such amounts as may be required so that, following such investment, (x) the total amount invested by a particular Investor in Phase 1 (pursuant to section 2 of Part A, above) and the initial Phase 2 Capital Call, expressed as a percentage of the total amount invested by all Investors in such transactions, is equal to (y) the overall investment commitment of such Investor (as set forth opposite its names in the "Total Capital Commitment" column of the table attached hereto as Schedule A) (the "**Overall Investment Commitment**"), expressed as a percentage of the aggregate Overall Investment Commitment of all Investors;

f. all subsequent Phase 2 Capital Calls shall be funded by the Investors *pro rata* based on the their respective Overall Investment Commitments;

g. unless otherwise agreed by each the Investors, no Phase 2 Capital Calls shall be made at any time:

   i. when a default or event of default under the terms of any indebtedness of Newco or GWMC [in excess of $X] has occurred and is continuing and any Shareholder has a conflict relating to such indebtedness unless such capital call is approved by a supermajority approval of the holders of Holdco Shares, excluding the party that has the conflict, in accordance with the Phase 2 Shareholders' Agreement; or

   ii. after the [second] anniversary of the Phase 2 Closing Date;

h. if an Investor[3] fails to fund the required amount of any Phase 2 Capital Call by the date determined by supermajority approval of the holders of Holdco Shares (which shall be at least five business days after notice of such capital call), then, in addition to any other remedies Holdco and the other Investors may have against the defaulting Investor (including for specific performance pursuant to section **Error! Reference source not found.** of part D, below):

   i. Holdco may offer such amount to the other Investors *pro rata* in accordance with the procedures for pre-emptive rights under the Phase 2 Shareholders' Agreement and any amount that is not subscribed for by the other Investors may be issued to a third party as determined by Holdco on terms no less favourable to Holdco;

   ii. each of the other Investors shall have a call right, to be exercised *pro rata* in accordance with the procedures for pre-emptive rights under the Phase 2 Shareholders' Agreement, to acquire up to an aggregate of 50% the Holdco Shares then held by the defaulting Investor at a per share price equal to 50% of the weighted average cost to the defaulting investor of its Holdco Shares; and

   iii. the defaulting Investor shall lose its rights, if any, to nominate directors to the board of Holdco and its existing nominees shall immediately resign or be removed; and

i. except as set forth in paragraph h above, the pre-emptive rights granted to the Parties in the shareholders' agreement governing Holdco shall not apply to any Phase 2 Capital Calls.

Each of the Investors confirms that the funds necessary to fulfill its Phase 2 Investment Commitment are currently available to it and no further internal or other approvals are required for the Investor to fulfill its Phase 2 Investment Commitment. Each of the Investors agrees to be liable for any Losses suffered or incurred by Holdco, Newco or the other Investors as a direct or indirect consequence of the Investor's failure to fund its Phase 2 Investment Commitment in accordance with the terms of this Agreement;

[3] For the purposes of the definition of Phase 2 Capital Call, in the case of AAL Investors, each AAL Investor shall be considered to be a separate Investor having the effect that if one AAL Investor fails to fund a Phase 2 Capital Call as provided for in subsection B 3(g) above, such failure to fund shall not derogate from the other AAL Investors' rights under this Agreement and further that the non-funding AAL Investor's proportion of the Phase 2 Capital Call may be offered to the other AAL Investors, *pro rata* prior to being offered to the rest of the Investors. If another AAL Investor takes up such *pro rata* entitlement, the rights of the non-funding AAL Investor shall not be derogated.

provided that in no event shall an Investor be obligated to pay any such Losses in excess of its Phase 2 Investment Commitment.

4. Regulatory Reviews; Third Party Consents

Promptly after the Phase 1 Closing Date, the Parties agree to (i) give all notices to, make all filings and applications with, and use all commercially reasonable efforts to obtain all required consents and approvals from and take any action in respect of, any competent governmental authorities that are required of Newco, AAL, GTH Holdco, GWMC or an Investor to complete the Phase 2 Transactions, including Industry Canada review under the *Investment Canada Act*, the Industry Canada Spectrum Transfer Policies in respect of GWMC's spectrum and other licences, and *Competition Act* clearance; and (ii) provide such other information and communications to such governmental authorities as such governmental authorities may reasonably request in connection therewith.

Unless otherwise directed by the relevant Governmental Authority (as defined in the Purchase Agreement), GWMC and Holdco shall make the initial applications for Governmental Approvals (as defined in the Purchase Agreement) as required under the Industry Canada Spectrum Transfer Policies and the *Competition Act* and Holdco shall make the initial applications for any regulatory approvals required under the *Investment Canada Act*. The submission of such filings and applications to the applicable Governmental Authorities in respect of the foregoing regulatory consents and approvals, and the form and content thereof, shall be subject to supermajority approval in accordance with the Phase 1 Shareholders' Agreement), such consent not to be unreasonably withheld or delayed.

If the Phase 2 Closing Date has not occurred on or before December 15, 2014 because of the absence of a Governmental Approval, the Parties shall cause GWMC and Holdco to engage in discussions with the relevant Governmental Authority to determine whether the Governmental Authority would provide the outstanding and required Governmental Approvals if any particular Investor (a "**Non-Approved Investor**") did not convert its Holdco Non-Voting Shares into Holdco Voting Shares and/or did not have the right to designate directors of Holdco (or have an affiliate or other person have that right) or participate in providing consents or approvals under the Phase 2 Shareholders' Agreement as part of the Phase 2 Transactions. Based on the discussions with and responses received from the relevant Governmental Authority, Holdco and/or GWMC, as applicable, shall submit a revised application or applications for Governmental Approval for the Phase 2 Transactions, amended to provide that the Non-Approved Investor would not convert its Holdco Non-Voting Shares to Holdco Voting Shares and/or have the right to designate directors of Holdco (or have an affiliate or other person have that right) and/or participate in providing consents or approvals under the Phase 2 Shareholders' Agreement, as applicable. If all requisite Governmental Approvals are obtained pursuant to such a revised application, the Parties shall complete the Phase 2 Transactions on the revised terms. In that event, following the Phase 2 Closing Date, the Parties shall cause Holdco and/or GWMC, as applicable, to use commercially reasonable efforts to make submissions to, and engage in discussions with, the relevant Governmental Authority in order to obtain any further approvals required to convert the Non-Approved Investor's Holdco Non-Voting Shares into Holdco Voting Shares and to otherwise have the right to designate directors of Holdco (or have an affiliate or other person have that right) and/or participate in providing consents or approvals under the Phase 2 Shareholders' Agreement, as applicable, provided that the Non-Approved Investor's representations and warranties in Part C below remain true and correct. A Non-Approved Investor, or any Investor who has been advised by a Governmental Authority that a separate application and approval is required for that Investor, may also make submissions and engage in discussions with the relevant Governmental Authority in order to obtain any such required approvals.

Each of the Parties shall provide prompt notification to the others when any such consent, approval, action, filing or notice referred to above is obtained, taken, made or given, as applicable, and shall advise the others of any communications (and, unless precluded by applicable law, provide copies of any such communications that are in writing to the other and its outside counsel) with any Governmental Authority regarding any of the Phase 2 Transactions. Each of the Parties shall cooperate and assist the others in giving any notices to Governmental Authorities and other third parties and obtaining consents and approvals from Governmental Authorities and third parties as are required to consummate the Phase 2 Transactions.

Without limiting the generality of the foregoing, AAL shall cause GIHC and GWMC to comply with this paragraph 4 and to consult and cooperate with the Parties in connection with all notices, filings, applications, analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of Holdco in connection with obtaining all consents and approvals from any governmental authorities necessary to consummate the Phase 2 Transactions.

Prior to the Phase 2 Closing Date, none of the Parties shall knowingly take or cause to be taken any action which would reasonably be expected to prevent or delay the obtaining of any consent or approval required for the Phase 2 Transactions, including, (a) without the written consent of the other Parties, seeking an approval from any Governmental Authority for a transaction involving an Incumbent (as defined below); or (b) without the written consent of the other Parties, not to be unreasonably withheld, entering into any timing or other agreements with any Governmental Authority for the consummation of the Phase 2 Transactions. For greater certainty, prior to the Phase 2 Closing Date, no Party shall discuss with any Governmental Authority the sale or transfer of GWMC, or any of its assets, by the Purchaser to an Incumbent; provided that nothing in this clause shall preclude a Party from doing any act or thing requested by any Governmental Authority or necessary or desirable in connection with or for purposes of obtaining approvals for the Phase 2 Transactions. Notwithstanding anything in this Agreement to the contrary, no Party is obligated to provide another Party with commercially or competitively sensitive information in relation to such Party, unless it is satisfied that the confidential nature of such information can be preserved through redaction or the sharing of such information only to the other Parties' outside counsel.

All filing costs and expenses associated with this paragraph 4 will be borne by GWMC; provided that GWMC shall not be required to bear the costs of challenging a decision of Industry Canada in respect of a Non-Approved Investor in any court proceeding or regulatory tribunal hearing, which costs shall be borne solely by the Non-Approved Investor.

## Sources and Uses (Q4 2014 - Q4 2017)

*$C millions*

| Sources | | Uses | |
|---|---|---|---|
| Equity: WIND Acquisition | 135.0 | Purchase of WIND | 135.0 |
| Equity: AWS-3 Spectrum | 65.0 | AWS-3 Spectrum | 65.0 |
| Equity: Commitment | 130.0 | Refinancing of Vendor Debt | 150.0 |
| Subordinated Debt | - | Capex – Financed | 241.0 |
| New Senior Debt | 150.0 | Capex – Not Financed | 75.3 |
| New Vendor Debt | 241.0 | Operating Losses / (Gain) | (7.8) |
| Starting Free Cash | 10.0 | Transaction / Restructuring Expenses | 20.0 |
| Sale of Non-Deployed Spectrum | - | Ending Free Cash | 30.0 |
| | | Funding Excess (Shortfall) | 22.5 |
| **Total Sources** | **731.0** | **Total Uses** | **731.0** |

| | |
|---|---|
| **Total Equity** | **330.0** |
| **Total Debt** | **391.0** |

## Appendix B
## Collateral Coverage

There are six assets which provide substantial collateral coverage and downside protection:

1. Established and growing base of over 760,000 subscribers that are attractive to Canadian operators.

2. Existing AWS-1 spectrum that has value to incumbents, international operators and regional operators.

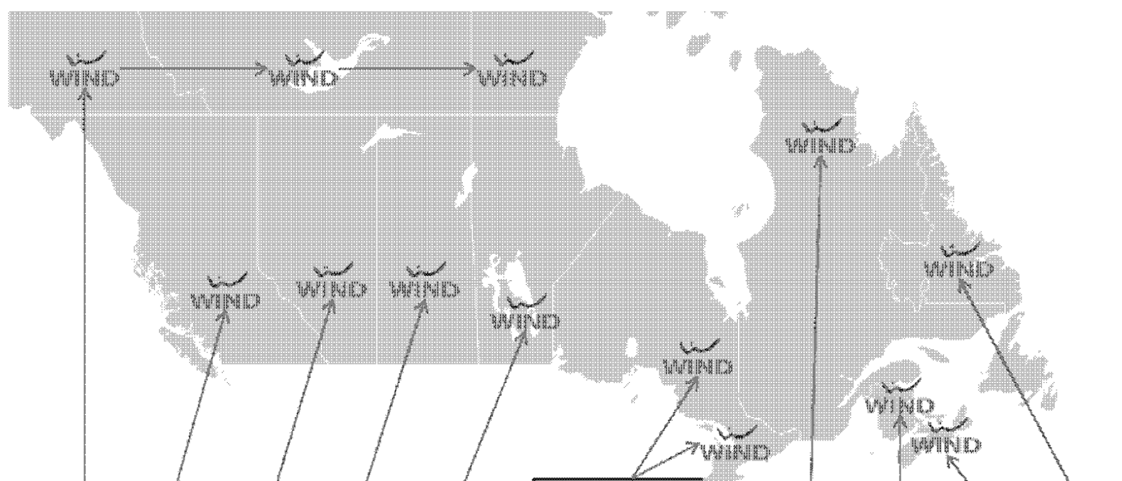
3. Future spectrum including AWS-3 and the LTE network which substantially enhances asset value.

4. Approximately 1400 existing tower assets that can be sold to incumbents or a tower company.

5. Significant base of 3G HSPA+ deployed network equipment that will soon include LTE.

6. Monetization of C$1.5 billion of existing tax attributes that can be sold to Canadian operators.

### Existing Spectrum Assets



| Territory | NW Territories | British Columbia | Alberta | Saskatch-ewan | Manitoba[2] | Eastern Ontario[1] | Northern Ontario | Southern Ontario | Northern Quebec | New Brunswick | Nova Scotia | Newfoundland/ Labrador |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| MHz | 50MHz | 10MHz | 10MHz | 10MHz | 10MHz | 10MHz | 15MHz | 20MHz | 15MHz | 10MHz | 10MHz | 20MHz |
| Block | B, C, D, G | C | C | E | D | D | C, I | B | G, I | C | D | D, G |
| Price $000s | $536 | $67,400 | $18,100 | $20,450 | $14,273 | $36,176 | $1,881 | $279,000 | $384 | $1,720 | $1,236 | $943 |
| Status | | Deployed | Deployed | | | Deployed | | Deployed | | | | |

Wind's current spectrum was acquired in 2009 for C$442mm (equivalent of C$1.32/MHz-POP).

1. *Scenario 1 - Sale to an Incumbent:* In the event that Wind fails and there are no other buyer options, the government cannot logically continue to block a sale to an incumbent. In this scenario, valuation range is C$500 to C$800 million.
2. *Scenario 2 - Sale to an International Operator*: In the event the government were to block a sale to the incumbents, Wind still has the option to sell to a foreign operator. Previously, Verizon proposed to acquire Wind for C$700 million. There would be substantial synergies in such a transaction from roaming improvements alone. Ultimately, the deal fell away due to Verizon's acquisition of Vodafone and considerable opposition from the Canadian incumbents.
3. *Scenario 3 – Sale to a Cable Co:* Quebecor has made strong statements saying that they want to be the fourth national wireless player. In 2014, they paid C$233 million for 700 MHz spectrum. A second option is Shaw, who paid $190 million for AWS-1 spectrum in 2008. Valuation in this scenario is roughly C$300 million.
4. *Scenario 4 – Sale of Select Spectrum to Regional Buyers*: If a sale to an incumbent, an international operator, and a cable co all fail, Wind can still sell select pieces of spectrum to regional buyers. These include Saskatchewan spectrum to SaskTel (C$24 million), Manitoba spectrum to MTS Mobility ($20 million), Eastern Canada to Eastlink/Bragg (C$4 million). The total estimated value in this scenario is C$48 million.

**Future Spectrum Assets**

| Territory | British Columbia | Alberta | Eastern Ontario | Southern Ontario | Total |
|---|---|---|---|---|---|
| MHz | 30MHz | 30MHz | 30MHz | 30MHz | 30MHz |
| Block(s) | G, H & I | G, H & I | G, H & I | G, H & I | G, H & I |
| POPs (MM) | 4.4 | 3.6 | 2.3 | 10.1 | 20.4 |
| Potential Value of Spectrum $/MHz/POP | $1.00 - $1.50 | $1.00 - $1.50 | $1.00 - $1.50 | $1.00 - $1.50 | $1.00 - $1.50 |
| Potential Value ($MM) | $132.0 - $198.0 | $108.0 - $162.0 | $69.0 - $103.5 | $303.0 - $454.5 | $612.0 - $918.0 |

The set aside AWS-3 spectrum would have market value of approximately C$612 to C$918 million at valuation metrics of between C$1.00 to C$1.50 per MHz-POP. In comparison, Rogers paid C$4.32 per MHz-POP in the 700 MHz auction.

Wind would be positioned as a highly attractive asset for AT&T, Verizon, or T-Mobile as this spectrum is contiguous to the AWS-3 spectrum being auctioned in the U.S.

## Subscriber Base

| Key Considerations | August 2014 | YE 2014P | YE 2015P |
|---|---|---|---|
| **Total Subscribers**[1] | 760,000 | 770,000 | 872,000 |
| **Value per Subscriber**[2] | $175 - $250 | $175 - $250 | $175 - $250 |
| **Implied Valuation of Subscriber Base** | $133MM to $190MM | $135MM to $195MM | $150MM to $220MM |
| **Value Proposition for Incumbent** | • Substantial cost synergies by absorbing significant block of subscribers<br>• Reduce the likelihood that a foreign operator will enter the market<br>• Significant arbitrage opportunity - cost to acquire subscribers is lower than current CPGA | | |
| **Subscriber Migration Strategy** | • Existing handsets already function on incumbent networks (already use Rogers for roaming)<br>• Four step process to migrate existing customer base to incumbent billing and network systems:<br>1. Extract current subscriber information (SIM, IMEI, billing info) from WIND billing database<br>2. Load data into Amdocs billing system and network activation system<br>3. Over-the-air update to change primary network identifier (NID/SID)<br>4. Reboot handsets to enable connection to new network.<br>• Past experience indicates a small number of older handsets may need replacement, but less likely as handset models converge | | |
| **Other Alternatives** | • MVNO<br>• Subscriber run-off and warehouse spectrum | | |

There are three viable options for monetization of the subscriber base including an outright sale, MVNO, or run-off.

## Tower Assets

| Market | Colo | Green-field | Build-to-Suit | Hydro | Rooftop | In-building | Temp | Total |
|---|---|---|---|---|---|---|---|---|
| Calgary | 3 | 48 | 3 | 5 | 54 | -- | 3 | 116 |
| Edmonton | 5 | 40 | 2 | -- | 44 | -- | 1 | 92 |
| Whistler | -- | -- | -- | -- | 2 | -- | 1 | 3 |
| Vancouver | 7 | 15 | 2 | 17 | 125 | 4 | 7 | 177 |
| Abbotsford | 3 | 2 | -- | 1 | 4 | -- | -- | 10 |
| Barrie | 7 | -- | 5 | -- | 13 | -- | -- | 25 |
| Fort Sask. | 1 | -- | 6 | -- | -- | -- | -- | 7 |
| Peterborough | 2 | 1 | 8 | -- | 9 | -- | -- | 20 |
| Victoria | -- | -- | 5 | -- | 9 | -- | -- | 14 |
| Kitchener | 2 | 3 | 13 | -- | 41 | -- | 1 | 60 |
| Kingston | 3 | -- | -- | -- | 14 | -- | -- | 17 |
| London | -- | 2 | 7 | -- | 36 | -- | 3 | 48 |
| Windsor | 4 | 5 | 3 | -- | 27 | -- | -- | 39 |
| St. Catherines | -- | 7 | 9 | -- | 30 | -- | 1 | 47 |
| Toronto | 27 | 15 | 38 | 1 | 410 | 11 | 20 | 522 |
| Ottawa | 20 | 7 | 1 | -- | 79 | -- | 7 | 114 |
| **Total** | **84** | **145** | **102** | **24** | **897** | **15** | **44** | **1,311** |
| | | | | | | | | |
| **Estimated Value ($MM)** | **$0** | **$22-$29** | **$0** | **$0** | **$0** | **$0** | **$2** | **$24-$31** |

Source: Wind Info Pack

Co-location: the incumbents own most of the tower so there is no residual value.

Greenfield:  new towers built/owned by WIND. Likely to have increasing value as incumbents look to expand sites for capacity and local land use approvals become more complicated. Incumbent cost to build tower is C$150k-C$200k per tower.

BTS:  No benefit or ability to transfer lease to other wireless co. BTS owner maintains all rights, therefore no residual value.

Hydro: No benefit or ability to transfer lease to other wireless co. Hydro maintains all rights, therefore no residual value.

Rooftop:  While 20-30% of sites could be complementary to incumbents network, the cost of build is largely labor and equipment related. Insignificant value to others.

In-building:  In-building sites are in same location as incumbent in building systems. Therefore only of value to other new entrant.

Temp:  value in difficult to build locations because new regulations block additional builds of this type. Much cheaper than full tower.  Residual value is C$50k.

**Network Equipment**

| WIND Asset Summary | Actual April |
|---|---|
| *C$000s* | |
| **ASSETS** | |
| Cash | 23,837 |
| Restricted Cash | 14,732 |
| Accounts Receivable | 59,745 |
| Inventory | 9,476 |
| Prepaids & Other | 13,690 |
| **Current Assets** | **121,481** |
| Fixed Assets | 522,169 |
| Leasehold Improvements | 23,627 |
| Cellular Equipment | 456,180 |
| Computer Equipment and Other IT Equipment | 17,548 |
| Office Furniture & Equipment | 5,156 |
| Work in Progress | 19,658 |
| Less Accumulated Depreciation | (214,162) |
| **Net Fixed Assets** | **308,007** |
| Intangible Assets | 576,579 |
| Less Accumulated Amortization | (32,827) |
| **Net Intangible Assets** | **543,752** |
| **TOTAL ASSETS** | **973,240** |

*Source: WIND April 2014 Dashboard*

Network Highlights: 3.5G GSM / UMTS+ based network in all markets, all IP switched, Ethernet microwave backhaul. Equipment vendors are Alcatel-Lucent, Huawei, and Nokia Siemens.

Estimated salvage value is between C$7 million to C$15 million.

**Tax Assets**

Estimated tax attributes of GWMC as of December 31, 2013:

1. Non-capital losses of C$421 million.
2. Spectrum with depreciation tax basis of C$443 million.
3. Other depreciable tax basis of C$538 million.
4. In addition, a wholly-owned subsidiary of GWMC has approximately C$98 million of non-capital loss carry-forwards.

While the above totals to $1.5 billion, we expect that there will be C$800 million of usable tax attributes remaining after the transaction.

Conservative estimate of the value of the tax attributes is C$40 million to C$120 million based on valuation metrics of C$0.05 to C$0.15 per dollar.

**Total Collateral Value**

| Asset Type | Spectrum is Transferable | | Spectrum is Not Transferable | |
|---|---|---|---|---|
| | Low | High | Low | High |
| Existing Subscribers | 175 | 250 | 175 | 250 |
| Existing AWS-1 Spectrum | 500 | 800 | 48 | 65 |
| Future Spectrum | 600 | 900 | - | - |
| Tower Assets | 24 | 31 | 24 | 31 |
| Network Equipment | 7 | 15 | 7 | 15 |
| Tax Losses | 40 | 120 | 40 | 120 |
| Total Asset Value | 1,346 | 2,116 | 294 | 481 |

# Appendix C
## Financial Summary

| NewCo<br>CAD 000s | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| **Summary Operating Metrics** | | | | | | | |
| Covered Pops | 14,303 | 14,447 | 14,592 | 14,739 | 14,886 | 15,036 | 15,073 |
| ***Post Paid Subscribers*** | | | | | | | |
| Beginning Subscribers | 377.9 | 442.5 | 523.5 | 633.1 | 899.1 | 1,161.6 | 1,346.2 |
| Gross Additions | 143.5 | 175.2 | 222.3 | 399.6 | 443.9 | 407.7 | 370.6 |
| Disconnects | (79.0) | (94.3) | (112.6) | (133.6) | (181.4) | (223.1) | (251.6) |
| Net Additions | 64.6 | 81.0 | 109.7 | 266.0 | 262.5 | 184.6 | 119.0 |
| Ending Subscribers | 442.5 | 523.5 | 633.1 | 899.1 | 1,161.6 | 1,346.2 | 1,465.2 |
| Average Subscribers | 407.1 | 472.2 | 564.7 | 742.4 | 1,003.5 | 1,228.5 | 1,381.9 |
| ARPU | $38.11 | $38.32 | $38.04 | $38.84 | $40.58 | $42.15 | $43.71 |
| Post Paid Service Revenue | $186,197 | $217,148 | $257,762 | $346,061 | $488,692 | $621,356 | $724,813 |
| ***Pre Paid Subscribers*** | | | | | | | |
| Beginning Subscribers | 298.3 | 358.7 | 396.9 | 382.7 | 371.4 | 380.3 | 372.8 |
| Gross Additions | 269.1 | 236.6 | 174.6 | 171.3 | 190.2 | 174.7 | 158.8 |
| Disconnects | (208.7) | (198.4) | (188.8) | (182.6) | (181.3) | (182.2) | (176.5) |
| Net Additions | 60.5 | 38.2 | (14.2) | (11.3) | 8.9 | (7.5) | (17.7) |
| Ending Subscribers | 358.7 | 396.9 | 382.7 | 371.4 | 380.3 | 372.8 | 355.2 |
| Average Subscribers | 318.0 | 363.1 | 377.1 | 364.7 | 363.0 | 364.1 | 352.3 |
| ARPU | $24.40 | $25.82 | $26.53 | $26.95 | $27.50 | $27.99 | $28.40 |
| Pre-Paid Service Revenue | $93,124 | $112,488 | $120,051 | $117,937 | $119,783 | $122,305 | $120,047 |
| | 45% | 43% | 38% | 29% | 25% | 22% | 20% |
| ***Total Subscriber Base*** | | | | | | | |
| Beginning Subscribers | 676.2 | 801.2 | 920.4 | 1,015.8 | 1,270.5 | 1,541.9 | 1,719.1 |
| Gross Additions | 412.7 | 411.8 | 396.9 | 570.9 | 634.1 | 582.5 | 529.4 |
| Disconnects | (287.6) | (292.6) | (301.5) | (316.2) | (362.7) | (405.3) | (428.1) |
| Net Additions | 125.0 | 119.1 | 95.5 | 254.6 | 271.4 | 177.2 | 101.3 |
| **Ending Subscribers** | **801.2** | **920.4** | **1,015.8** | **1,270.5** | **1,541.9** | **1,719.1** | **1,820.4** |
| Average Subscribers | 725.0 | 835.3 | 941.8 | 1,107.1 | 1,366.5 | 1,592.6 | 1,734.1 |
| Penetration (%) | 5.6% | 6.4% | 7.0% | 8.6% | 10.4% | 11.4% | 12.1% |
| Churn | 3.31% | 2.92% | 2.67% | 2.38% | 2.21% | 2.12% | 2.06% |
| ARPU | $32.11 | $32.89 | $33.43 | $34.93 | $37.11 | $38.91 | $40.60 |
| CCPU | $20.28 | $19.78 | $19.42 | $18.77 | $18.02 | $18.03 | $18.00 |
| CPGA | $273.14 | $293.67 | $334.33 | $284.81 | $277.78 | $295.32 | $315.55 |

| Summary Income Statement | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|
| Service & Other Revenue | $279,321 | $329,636 | $377,813 | $463,998 | $608,475 | $743,661 | $844,860 |
| Handset Revenue | 52,666 | 53,758 | 71,182 | 91,250 | 105,243 | 106,739 | 105,599 |
| **Total Revenue** | **$331,987** | **$383,394** | **$448,995** | **$555,249** | **$713,717** | **$850,400** | **$950,459** |
| *Growth (Yr/Yr)* | 24.7% | 15.5% | 17.1% | 23.7% | 28.5% | 19.2% | 11.8% |
| Service Costs | $53,605 | $63,805 | $69,822 | $90,260 | $106,421 | $118,567 | $127,448 |
| Cost of equipment | 100,761 | 113,660 | 133,743 | 173,916 | 205,095 | 212,874 | 215,229 |
| Commercial costs | 50,949 | 57,052 | 74,333 | 82,438 | 94,982 | 106,414 | 114,822 |
| Network & IT Cost | 61,442 | 66,309 | 73,954 | 83,537 | 95,839 | 109,344 | 111,990 |
| HR cost (excl. call centre) | 63,452 | 61,989 | 61,293 | 62,737 | 64,142 | 65,601 | 67,091 |
| Admin cost | 11,914 | 10,108 | 10,194 | 10,306 | 10,421 | 10,537 | 10,655 |
| Brand Royalty Fees | 1,111 | 2,472 | 2,834 | 3,480 | 4,564 | 5,577 | 6,336 |
| **Total Costs** | **$343,234** | **$375,395** | **$426,171** | **$506,674** | **$581,463** | **$628,914** | **$653,572** |
| **EBITDA** | **($11,247)** | **$7,999** | **$22,824** | **$48,575** | **$132,254** | **$221,486** | **$296,887** |
| *Margin* | *-4.0%* | *2.4%* | *6.0%* | *10.5%* | *21.7%* | *29.8%* | *35.1%* |

## Appendix D
## Return Expectations

**Debt Component**
Phase I: CDOR + 11%
Phase 2: 9.75%

**Equity Component**

| RETURNS | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **C$ millions** | | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** |
| EoP Subs (000s) | | 801.2 | 920.4 | 1,015.8 | 1,270.5 | 1,541.9 | 1,719.1 | 1,820.4 | 1,913.5 |
| | | | | | | | | | |
| EBITDA | | | $8.0 | $22.8 | $48.6 | $132.3 | $221.5 | $296.9 | $352.6 |
| Exit Multiple | 8.50x | | 8.50x | 8.50x | 8.50x | 8.50x | 8.50x | 8.50x | 8.50x |
| TEV | | | 68.0 | 194.0 | 412.9 | 1,124.2 | 1,882.6 | 2,523.5 | 2,997.3 |
| | | | | | | | | | |
| Less: Debt | | | (206.3) | (302.1) | (391.0) | (400.0) | (400.0) | (400.0) | (400.0) |
| Plus: Cash | | | 30.0 | 30.0 | 30.0 | 39.6 | 142.0 | 307.4 | 528.2 |
| Exit Equity | | | (108.3) | (78.1) | 51.9 | 763.7 | 1,624.7 | 2,430.9 | 3,125.6 |
| | | | | | | | | | |
| Less: Option | 7.0% | | 0.0 | 0.0 | 0.0 | (30.4) | (90.6) | (147.1) | (195.7) |
| Co-Investors' Equity Value | | | **(108.3)** | **(78.1)** | **51.9** | **733.4** | **1,534.0** | **2,283.8** | **2,929.9** |

| ***Returns*** | **Jul-14** | **Dec-14** | **Dec-15** | **Dec-16** | **Dec-17** | **Dec-18** | **Dec-19** | **Dec-20** | **Dec-21** |
|---|---|---|---|---|---|---|---|---|---|
| 2019 Exit | (135.0) | (104.9) | (37.5) | (25.2) | (4.9) | 0.0 | 1,534.0 | | |
| 2020 Exit | (135.0) | (104.9) | (37.5) | (25.2) | (4.9) | 0.0 | 0.0 | 2,283.8 | |
| 2021 Exit | (135.0) | (104.9) | (37.5) | (25.2) | (4.9) | 0.0 | 0.0 | 0.0 | 2,929.9 |

| IRR | |
|---|---|
| 2019 Exit | 38.4% |
| 2020 Exit | 40.1% |
| 2021 Exit | 38.3% |

| ROI | |
|---|---|
| 2019 Exit | 4.99x |
| 2020 Exit | 7.43x |
| 2021 Exit | 9.53x |

**Blended Return Profile (Debt + Equity)**

| IRR | |
|---|---|
| 2019 Exit | 18.9% |
| 2020 Exit | 21.1% |
| 2021 Exit | 21.7% |