MATERIAL CHANGE REPORT

Item 1: <u>Name And Address Of Company</u>

The Intertain Group Limited ("**Intertain**")
24 Duncan Street, Floor 2
Toronto, Ontario
M5V 2B8

Item 2: <u>Date Of Material Change</u>

February 22, 2016

Item 3: <u>News Release</u>

A news release with respect to the material changes summarized in this material change report was issued by Intertain on February 22, 2016 through the facilities of Marketwired and filed on the System for Electronic Document Analysis and Retrieval ("**SEDAR**"). A copy of the news release is available on SEDAR at www.sedar.com.

Item 4: <u>Summary Of Material Change</u>

On February 22, 2016, Intertain announced the completion of the review of its independent committee formed on December 17, 2015 (the "**Independent Committee**"), outlined longer-term management and board positioning, including to add additional senior executive resources at Intertain Bahamas Ltd. ("**Intertain Bahamas**") and the intended recruitment of a Chief Executive Officer with leading operational expertise, and announced the permanent cancellation of its management incentive plan and other agreed reductions in its executive compensation obligations.

Item 5: <u>Full Description Of Material Change</u>

On February 22, 2016, Intertain announced that the Independent Committee had completed its work and reiterated its principal conclusions as initially reported in Intertain's news release dated February 8, 2016 that the allegations and innuendo of the short seller related to the quality and financial performance of the underlying businesses of Intertain are grossly erroneous.

Intertain also announced that:

- Keith Laslop, Intertain's Chief Financial Officer, is relocating to a new senior operational management position at Intertain Bahamas in order to augment the management resources and gaming expertise at Intertain Bahamas, which manages some of Intertain's more valuable operating businesses. To accommodate Mr. Laslop's move, Intertain expects to announce shortly the appointment of a highly-qualified interim Chief Financial Officer at Intertain;

- in line with the view of John Kennedy FitzGerald, Intertain's Chief Executive Officer, that the central focus of the Chief Executive Officer will change from asset acquisition to operational excellence, Intertain will be pursuing the process of recruiting a new operationally-focused Chief Executive Officer, including suitably experienced and qualified candidates based in European cities closer to Intertain's core operations;

- in connection with Intertain's upcoming annual meeting of shareholders, or as soon thereafter as is practicable, the board of directors of Intertain (the "**Board**") has determined to seek to bring one or two new experienced and qualified directors onto the Board as part of a board renewal process;

- Intertain's management incentive plan was cancelled, effective immediately, and that, as part of that cancellation, Messrs. FitzGerald and Laslop had voluntarily agreed to relinquish any rights to future payments under the management incentive plan and that they had also voluntarily agreed to reduce their severance entitlements, including in connection with any change in control, by 25%; and

- the Board approved for implementation new procedures and processes intended to improve certain aspects of Intertain's corporate processes and controls and approvals processes, including requirements for additional Board information and approvals.

Item 6: Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

Paul Pathak
(416) 644-9964

Item 9: Date Of Report

February 25, 2016