

J55 CAPITAL CORP.

- and -

AQUILINI GAMECO INC.

- and -

ENTHUSIAST GAMING HOLDINGS INC.

ARRANGEMENT AGREEMENT

May 30, 2019

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT dated May 30, 2019,

BETWEEN:

J55 Capital Corp., a corporation existing under the laws of the Province of British Columbia (“J55”)

- and -

Aquilini GameCo Inc., a corporation existing under the laws of Canada (“GameCo”)

- and -

Enthusiast Gaming Holdings Inc., a corporation existing under the laws of the Province of Ontario (“Enthusiast”)

WHEREAS:

- A. Prior to the consummation of the transactions contemplated herein, J55 will complete the RTO;
- B. Prior to the consummation of the RTO, GameCo will complete the Proposed Acquisitions;
- C. The Parties wish to propose an arrangement involving the acquisition by J55 of all of the issued and outstanding Enthusiast Shares in exchange for J55 Shares;
- D. The Parties intend to carry out the transactions contemplated herein by way of a statutory plan of arrangement under the provisions of the OBCA, and on and subject to the terms and conditions contained herein;
- E. J55 has entered into voting and support agreements with all of the directors and senior officers of Enthusiast who hold Enthusiast Shares, pursuant to which, among other things, such directors, senior officers have agreed to vote all of the Enthusiast Shares held by them in favour of the Enthusiast Arrangement Resolution, on the terms and subject to the conditions set forth in such agreements;
- F. Enthusiast has entered into voting and support agreements with all of the directors and senior officers of J55 who hold J55 Shares and the J55 Significant Shareholder, pursuant to which, among other things, such directors, senior officers and the J55 Significant Shareholder have agreed to vote all of the J55 Shares held by them in favour of the J55 Resolutions, on the terms and subject to the conditions set forth in such agreements;

G. The Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangements.

THIS AGREEMENT WITNESSES THAT in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement, unless the context otherwise requires:

“Acquisition Proposal” means, other than the transactions contemplated by this Agreement and other than any transaction involving only Enthusiast and/or one or more of its wholly-owned subsidiaries, any written offer or proposal from any Person or group of Persons other than J55 (or an affiliate of J55 or any Person acting jointly or in concert with J55) received by Enthusiast after the date of this Agreement relating to: (i) any sale or disposition (or any lease, license or other arrangement having the same economic effect as a sale or disposition) of assets representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of Enthusiast; (ii) any take-over bid, tender offer, exchange offer or other transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of Enthusiast; or (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, or other similar transaction involving Enthusiast pursuant to which any Person or group of Persons would own, directly or indirectly, 20% or more of the voting or equity securities of Enthusiast or of the surviving entity or the resulting direct or indirect parent of Enthusiast or the surviving entity.

“affiliate” has the meaning ascribed thereto in National Instrument 45-106 - *Prospectus Exemptions*;

“Agreement” means this arrangement agreement, together with the Schedules attached hereto, the Enthusiast Disclosure Letter and the J55 Disclosure Letter, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

“Amalgamation Agreement” means the form of amalgamation agreement to be entered into by and among J55, GameCo and 11305751 Canada Inc., which has been provided to Enthusiast, in connection with the RTO;

“Arrangement” means an arrangement under section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement or the Plan of Arrangement or at the direction of the Court in the Final Order with the prior written consent of the Parties, each acting reasonably;

“Articles of Arrangement” means the articles of arrangement of Enthusiast in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Parties, each acting reasonably;

“Authorization” means, with respect to any Person, any order, permit, approval, grant, consent, waiver, license, certificate, judgment, writ, award, determination, exemption, direction, decision, decree, bylaw, rule, regulation, registration or similar authorization of, from or required by any Governmental Entity having jurisdiction over the Person;

“Business Day” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia;

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement;

“Confidentiality Agreement” means the confidentiality agreement made as of April 12, 2019, between GameCo and Enthusiast, as it may be amended;

“Consideration” means, for each Enthusiast Share, the number of J55 Shares equal to the Exchange Ratio;

“Consideration Shares” means the J55 Shares to be issued as Consideration pursuant to the Plan of Arrangement;

“Contract” means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other enforceable right or binding obligation to which a Party or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound or to which any of their respective properties or assets is subject;

“Court” means the Ontario Superior Court of Justice (Commercial List);

“Depositary” means Computershare Investor Services Inc. or such other Person as the Parties may agree to in writing, each acting reasonably;

“Director” means the director appointed under Section 278 of the OBCA;

“Dissent Rights” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

“Enthusiast Arrangement Resolution” means the special resolution of the Enthusiast Shareholders approving the Arrangement to be considered at the Enthusiast Meeting, substantially in the form of Schedule B hereto;

“Enthusiast Board” means the board of directors of Enthusiast as the same is constituted from time to time;

“Enthusiast Board Recommendation” means the unanimous determination of the Enthusiast Board, after consultation with its legal and financial advisors, that the Arrangement is in the

best interests of Enthusiast and is fair to Enthusiast Shareholders and the unanimous recommendation of the Enthusiast Board to Enthusiast Shareholders that they vote in favour of the Enthusiast Arrangement Resolution;

“Enthusiast Change in Recommendation” has the meaning ascribed thereto in Section 8.2(1)(d)(ii);

“Enthusiast Circular” means the notice of the Enthusiast Meeting to be sent to the Enthusiast Shareholders in connection with the Enthusiast Meeting and the accompanying management information circular, including all schedules, appendices and exhibits thereto, and information incorporated by reference therein, as amended, supplemented or otherwise modified from time to time;

“Enthusiast Convertible Debentures” means the unsecured convertible debentures of Enthusiast;

“Enthusiast Data Room” means the electronic data room established by Enthusiast in connection with the transactions contemplated by this Agreement,, as such electronic data room existed as of 5:00 p.m. (Toronto time) on May 29, 2019;

“Enthusiast Disclosure Letter” means the disclosure letter executed by Enthusiast and delivered to J55 on the date hereof in connection with the execution of this Agreement;

“Enthusiast Fairness Opinion” means the opinion of Haywood Securities Inc. to the effect that, as of the date of this Agreement, the Consideration to be received by the Enthusiast Shareholders is fair, from a financial point of view, to the Enthusiast Shareholders;

“Enthusiast Financial Statements” has the meaning ascribed thereto in paragraph 6(9) of Schedule C;

“Enthusiast Intellectual Property Rights” has the meaning ascribed thereto in paragraph 6(19)(l) of Schedule C;

“Enthusiast Meeting” means the annual and special meeting of Enthusiast Shareholders, including any adjournment or postponement of such annual and special meeting in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Enthusiast Arrangement Resolution, annual meeting matters consistent with past practice and for any other purpose as may be set out in the Enthusiast Circular and agreed to in writing by the Parties;

“Enthusiast Options” means the outstanding options to purchase Enthusiast Shares granted under or otherwise subject to the Enthusiast Stock Option Plan;

“Enthusiast Public Disclosure Record” means all documents and information filed by Enthusiast under applicable Securities Laws on the System for Electronic Document Analysis Retrieval (SEDAR) since January 1, 2018;

“Enthusiast Shareholders” means the holders of Enthusiast Shares;

“Enthusiast Shareholder Approval” has the meaning ascribed thereto in Section 2.2(1)(c);

“Enthusiast Shares” means common shares in the capital of Enthusiast, as currently constituted and that are currently listed and posted for trading on the TSXV under the symbol “EGLX”;

“Enthusiast Software” has the meaning ascribed thereto in Section 6(21) of Schedule C;

“Enthusiast Stock Option Plan” means the stock option plan of Enthusiast approved by the Enthusiast Board on June 30, 2017, as amended from time to time;

“Enthusiast Supporting Shareholders” means all of the directors and senior officers of Enthusiast that hold Enthusiast Shares;

“Enthusiast Termination Fee” means \$4,500,000;

“Enthusiast Termination Fee Event” has the meaning ascribed thereto in Section 8.3(2);

“Enthusiast Warrants” means the currently issued and outstanding common share purchase warrants and/or compensation options of Enthusiast;

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Parties agree to in writing prior to the Effective Date;

“Employee Plans” means, all health, welfare, supplemental unemployment benefit, change of control, bonus, profit sharing, option, insurance, compensation, incentive, incentive compensation, deferred compensation, share purchase, share compensation, disability, pension, vacation, severance or termination pay, retirement or retirement savings plans, or other employee benefit plans, policies, trusts, funds, agreements, or arrangements for the benefit of employees, former employees, directors or former directors of Enthusiast or any of its subsidiaries, (but excluding any Statutory Plans) which are sponsored, maintained by, contributed to, or binding upon Enthusiast or any of its subsidiaries or in respect of which Enthusiast or any of its subsidiaries has an actual or contingent liability excluding all obligations for severance and termination pursuant to a statute and including, for greater certainty the Enthusiast Stock Option Plan;

“Environment” means the natural environment (including soil, land, surface or subsurface strata, surface water, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms, including human health and safety, and any other environmental medium or natural resource);

“Exchange Ratio” means, for each Enthusiast Share, 4.22 J55 Shares, subject to adjustment pursuant to Section 2.15;

“Final Order” means the final order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of the Parties, each acting reasonably) at any

time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is satisfactory to the Parties, each acting reasonably) on appeal;

“Governmental Entity” means any applicable: (a) multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, minister, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, commissioner, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) stock exchange;

“IFRS” means the International Financial Reporting Standards issued by the International Accounting Standards Board that are applicable to public issuers in Canada;

“including” means including without limitation, and “include” and “includes” each have a corresponding meaning;

“Intellectual Property” means domestic and foreign: (a) patents, applications for patents and reissues, divisions, continuations, renewals, extensions, and continuations-in-part of patents and patent applications; (b) proprietary and non-proprietary business information, including inventions, improvements, trade secrets, know-how, methods, processes, designs, technology, technical data and documentation relating to any of the foregoing; (c) trade-marks (both registered and unregistered), trade names, business names, corporate names, domain names, website names and website addresses, trade dress and logos, and the goodwill associated with any of the foregoing; (d) copyrights, copyright registrations and applications for copyright registrations; and (e) any other proprietary information or intellectual property;

“Interim Order” means the interim order of the Court made in connection with the Arrangement and providing for, among other things, the calling and holding of the Enthusiast Meeting, as the same may be amended, supplemented or varied by the Court (with the consent of the Parties, each acting reasonably);

“J55” means J55, a corporation existing under the laws of the Province of British Columbia;

“J55 Board” means the board of directors of J55 as the same is constituted from time to time;

“J55 Board Recommendation” means the unanimous determination of the J55 Board, after consultation with its legal and financial advisors, that the entering into of this Agreement is in the best interests of J55 and the unanimous recommendation of the J55 Board to J55 Shareholders that they vote in favour of the J55 Resolutions;

“J55 Charitable Options” means the outstanding options granted to the Canucks for Kids Fund as further described in the J55 Disclosure Letter;

“J55 Circular” means the notice of the J55 Meeting to be sent to the J55 Shareholders in connection with the J55 Meeting and the accompanying management information circular,

including all schedules, appendices and exhibits thereto, and information incorporated by reference therein, as amended, supplemented or otherwise modified from time to time;

“**J55 Data Room**” means the electronic data room established by J55 and GameCo in connection with the transactions contemplated by this Agreement as such electronic data room existed as of 5:00 p.m. (Toronto time) on May 29, 2019;

“**J55 Disclosure Letter**” means the disclosure letter executed by J55 and delivered to Enthusiast on the date hereof in connection with the execution of this Agreement;

“**J55 Financial Statements**” has the meaning ascribed thereto in paragraph (10) of Schedule D;

“**J55 Meeting**” means the annual and special meeting of J55 Shareholders, including any adjournment or postponement of such annual and special meeting in accordance with the terms of this Agreement, to be called and held to consider the J55 Resolutions and for any other purpose as may be set out in the J55 Circular and agreed to in writing by the Parties;

“**J55 Options**” means the outstanding options to purchase J55 Shares granted under or otherwise subject to the J55 Stock Option Plan;

“**J55 Public Disclosure Record**” means all documents and information filed by J55 under applicable Securities Laws on the System for Electronic Document Analysis Retrieval (SEDAR) since September 25, 2018;

“**J55 Resolutions**” means (i) an ordinary resolution of the disinterested J55 Shareholders approving the RTO and ancillary matters related thereto, (ii) an ordinary resolution of the J55 Shareholders approving the issuance of the Consideration Shares (including the Underlying Shares), and (iii) an ordinary resolution of the J55 Shareholders electing directors to the J55 Board, each to be considered at the J55 Meeting;

“**J55 Shareholder Approval**” means the requisite approval of the J55 Resolutions by J55 Shareholders present in person or represented by proxy at the J55 Meeting;

“**J55 Shareholders**” means the holders of J55 Shares;

“**J55 Shares**” means the common shares in the capital of J55 as currently constituted and that are currently listed and posted for trading on the TSXV under the symbol “FIVE”;

“**J55 Significant Shareholder**” means Roberto Aquilini;

“**J55 Stock Option Plan**” means the stock option plan of J55, as amended from time to time;

“**J55 Supporting Shareholders**” means (i) all of the directors and senior officers of J55 that hold J55 Shares, and (ii) the J55 Significant Shareholder;

“**J55 Warrants**” means the common share purchase warrants of J55;

“**Law**” or “**Laws**” means, with respect to any Person, any and all applicable laws (statutory, common or otherwise), statute, constitution, treaty, convention, ordinance, code, rule,

regulation, by-laws, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applicable by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property, assets or securities, the terms and conditions of any Authorization and to the extent they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended.

“**Liens**” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances, encroachments, options, adverse rights or claims or other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“**Luminosity SPA**” means the share purchase agreement dated February 14, 2019 among Steve Maida, GameCo, Luminosity Gaming (USA) LLC and Luminosity Gaming Inc.;

“**Matching Period**” has the meaning ascribed thereto in Section 7.4(1)(d);

“**Material Adverse Effect**” means any change, event, occurrence, effect or circumstance that has a material adverse effect on the business, financial condition or results of operations of Enthusiast and its subsidiaries, taken as a whole, or J55 and the Proposed Subsidiaries, taken as a whole, as applicable, but excluding any change, event, occurrence, effect or circumstance arising out of, relating directly or indirectly to, resulting directly or indirectly from or attributable to:

- (a) any change, development or condition generally affecting the industries, businesses or segments thereof, in which Enthusiast and its subsidiaries operate;
- (b) any change, development or condition in or relating to global, national or regional political conditions (including strikes, lockouts, riots or facility takeover for emergency purposes) or in general economic, business, banking, regulatory, currency exchange, interest rate, rates of inflation or market conditions or in national or global financial or capital markets;
- (c) any change, development or condition resulting from any act of sabotage, espionage, hacking, cyberattack or terrorism or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening of such acts of sabotage, terrorism, hostilities or war;
- (d) any adoption, proposal, implementation or change in Law or in any interpretation, application or non-application of any Laws by any Governmental Entity;
- (e) any change in applicable generally accepted accounting principles, including IFRS;
- (f) any earthquake or other natural disaster or outbreaks of illness;

- (g) any action taken (or omitted to be taken) by Enthusiast or any of its subsidiaries or J55 or any of the Proposed Subsidiaries, as applicable, which is required to be taken (or omitted to be taken) pursuant to this Agreement or that is requested or consented to by J55 or Enthusiast, as applicable, in writing;
- (h) any matter which has been disclosed by Enthusiast in the Enthusiast Disclosure Letter or in the Enthusiast Public Disclosure Record prior to the date hereof or any matter which has been disclosed by J55 in the J55 Disclosure Letter;
- (i) the failure of Enthusiast to meet any internal, published or public projections, forecasts, guidance or estimates, including without limitation of production, revenues, earnings or cash flows (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred);
- (j) the execution, announcement, pendency or performance of this Agreement or consummation of the Arrangement including (i) any steps taken pursuant to Section 5.4 and (ii) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of Enthusiast or any of its subsidiaries or J55 or any of the Proposed Subsidiaries, as applicable, with any of its current or prospective employees, lenders, shareholders, suppliers or other business partners; or
- (k) any change in the market price or trading volume of any securities of Enthusiast (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Material Adverse Effect has occurred);

provided, however, (i) if an effect referred to in clauses (a) through to and including (f) above, materially and disproportionately adversely affects Enthusiast and its subsidiaries, taken as a whole, or J55 and its Proposed Subsidiaries, taken as a whole, as the case may be, relative to other comparable companies and entities operating in the industries and businesses in which Enthusiast and its subsidiaries or J55 and its Proposed Subsidiaries, taken as a whole, as the case may be, operate, such effect may be taken into account in determining whether a Material Adverse Effect has occurred, but only to the extent of the disproportionate effect; and (ii) references in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a "Material Adverse Effect" has occurred.

"Material Contract" means, in respect of a Party and its subsidiaries, any Contract:

- (a) which, if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on such Party;
- (b) under which such Party or any of its subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course of business endorsements for collection) in excess of \$1,000,000 in the aggregate;

- (c) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, in excess of \$1,000,000;
- (d) under which such Party or any of its subsidiaries is obligated to make or expects to receive payments in excess of \$1,000,000 over the remaining term of the Contract;
- (e) that is a lease, sublease, license or right of way or occupancy agreement for real property which has a value in excess of \$20,000 and that is material to the business or to an operation of such Party and its subsidiaries, on a consolidated basis;
- (f) that limits or restricts such Party or any of its affiliates from engaging in any line of business or in any geographic area;
- (g) that provides for the establishment of, investment in or formation of any partnership or joint venture with an arms' length Person;
- (h) relating to the disposition or acquisition by such Party or any of its subsidiaries after the date of this Agreement of material assets or an ownership interest in a material business or pursuant to which such Party or any of its subsidiaries has any material ownership or participation interest in any other Person or other business enterprise;
- (i) that is a material Contract with any Governmental Entity or a Contract with any first nation or aboriginal group or other organizations with authority to represent such groups;
- (j) which is a collective bargaining or union agreement or any other material Contract with any labour union; or
- (k) that restricts such Party from paying dividends or other distributions to its shareholders.

"material change", **"material fact"** and **"Misrepresentation"** have the meanings ascribed thereto in the Securities Act;

"MD&A" means management's discussion and analysis;

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

"Money Laundering Laws" has the meaning ascribed thereto in paragraph 6(18)(c) of Schedule C;

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

"ordinary course of business" or any similar reference means, with respect to any action taken by a Person, that such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day business and operations of such Person;

"Outside Date" means October 30, 2019, or such later date as may be agreed to in writing by the Parties;

“Parties” means J55 and Enthusiast, and “Party” means either of them;

“Permitted Liens” means, as of any particular time and in respect of any Person, each of the following Liens:

- (a) Liens for Taxes which are not delinquent or that are being contested in good faith and that have been adequately reserved on a Party’s financial statements;
- (b) Liens of contractors, subcontractors, mechanics, materialmen, carriers, workmen, suppliers, warehousemen, repairmen and similar Liens granted or which arise in the ordinary course a Party’s business;
- (c) Liens arising under or in connection with zoning, building codes and other land use Laws regarding the use or occupancy of such real property or the activities conducted thereon which are imposed by any Governmental Entity;
- (d) The right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, license, franchise, grant, Authorization or permit of a Party or any of its subsidiaries, to terminate any such lease, license, franchise, grant, Authorization or permit, or to require annual or other payments as a condition of their continuance;
- (e) easements, rights-of-way, encroachments, restrictions, covenants, conditions and other similar matters that, individually or in the aggregate, do not materially and adversely impact a Party’s and its subsidiaries’ current or contemplated use, occupancy, utility or value of the applicable real property;
- (f) Liens listed in Section 1.1 of the Enthusiast Disclosure Letter; and
- (g) Liens granted to Steve Maida pursuant to the Luminosity SPA.

which the real property is located but which are granted by or prescribed by Law and have been complied with in all material respects which do not individually or in the aggregate materially and adversely impair the current use and operation of the real property; (l) such defects, imperfections or irregularities of title or Liens including, by way of example, encroachments and other matters which would be revealed by an up-to-date survey as do not individually or in the aggregate materially and adversely impair the current use and operation of the real property; (m) agreements with any municipal, provincial or federal governments or authorities and any public utilities or private parties pertaining to the use development, redevelopment and/or operation of the real property and any security granted in connection therewith; (n) standard statutory limitations conditions and exceptions to title and any rights reserved or vested in any Person by any original patent or grant or any statutory provision provided that they have been complied with and do not individually or in the aggregate materially and adversely impair the current use and operation thereof assuming its continued use in the manner in which it is currently used; and (o) Liens disclosed in Section 1.1 of the Enthusiast Disclosure Letter or Section 1.1 of the J55 Disclosure Letter, as applicable;

“**Person**” includes an individual, partnership, association, company, corporation, body corporate, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

“**Plan of Arrangement**” means the plan of arrangement of Enthusiast, substantially in the form and on the terms set out in Schedule A hereto, and any amendments or variations thereto made in accordance with Section 9.1 hereof, the Plan of Arrangement or upon direction of the Court with the consent of the Parties, each acting reasonably;

“**PPSA**” means the *Personal Property Security Act* (Ontario) and to the extent applicable based on the location of the personal property and the application of applicable conflicts rules any other applicable federal, provincial or territorial statute pertaining to the granting perfecting priority or ranking of security interests liens or hypothecs on personal property including the Civil Code Quebec and any successor statutes together with any regulations thereunder in each case as in effect from time to time;

“**Pre-Acquisition Reorganization**” has the meaning ascribed thereto in Section 5.5(1);

“**Proposed Acquisitions**” means, prior to the completion of the RTO, the completion by GameCo of (i) the acquisition of a 25% economic interest in the Vancouver Titans from the current owner of the franchise pursuant to the Term Sheet; and (ii) the purchase of all the issued and outstanding common shares of Luminosity Gaming Inc. and membership interests of Luminosity Gaming (USA) LLC pursuant to the Luminosity SPA;

“**Proposed Subsidiaries**” means GameCo, Luminosity Gaming Inc. and Luminosity Gaming (USA), LLC;

“**Regulatory Approvals**” means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, in each case, required or advisable under Laws in connection with the Arrangement;

“**Replacement Option**” means an option or right to purchase J55 Shares granted by J55 in replacement of Enthusiast Options on the basis set forth in the Plan of Arrangement;

“**Representatives**” means, collectively, in respect of a Person, its subsidiaries and its affiliates and its and their officers, directors, employees, consultants, advisors, agents or other representatives (including financial, legal or other advisors);

“**RTO**” means the reverse take-over to be completed between GameCo and J55 prior to the consummation of the transactions contemplated herein and as set forth in the Amalgamation Agreement;

“**SEC**” means the United States Securities and Exchange Commission;

“**Securities Act**” means the *Securities Act* (Ontario);

“Securities Authorities” means the applicable securities commissions or other securities regulatory authorities in each of the provinces of Canada;

“Securities Laws” means the Securities Act, together with all other applicable Canadian provincial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

“Statutory Plans” means statutory benefit plans which a Party or any of its subsidiaries is required to participate in or comply with or in respect of which any of them has an actual or potential liability, including the Canada Pension Plan and Quebec Pension Plan and plans administered pursuant to applicable health, tax, workplace safety insurance and employment insurance legislation;

“subsidiary” means, in respect of a Party, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such Party and shall include any body corporate, partnership, joint venture or other entity over which such Party exercises direction or control or which is in a like relation to a subsidiary;

“Subsidiary Transaction Documents” means, (i) the Amalgamation Agreement and the ancillary documents related thereto, (ii) the Luminosity SPA and the ancillary documents related thereto; and (iii) the Term Sheet;

“Superior Proposal” means any unsolicited *bona fide* Acquisition Proposal: (i) to acquire not less than 100% of the outstanding Enthusiast Shares or all or substantially all of the assets of Enthusiast on a consolidated basis; (ii) that is reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal; (iii) in respect of which it has been demonstrated to the satisfaction of the Enthusiast Board that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; (iv) that is not subject to a due diligence condition; and (v) in respect of which the Enthusiast Board determines, in its good faith judgment, after receiving the advice of its financial advisor, that it would, if consummated in accordance with its terms, result in a transaction which is more favourable, from a financial point of view, to the Enthusiast Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by J55 pursuant to Section 7.4(2)).

“Superior Proposal Notice” has the meaning ascribed thereto in Section 7.4(1)(b);

“Tax Act” means the *Income Tax Act* (Canada);

“Tax Returns” means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes;

“Taxes” means: (a) any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect

thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits, taxes (including national, federal, provincial, state and territorial income taxes), payroll and employee withholding taxes, employment and unemployment taxes and insurance, disability taxes, social insurance taxes, sales and use taxes, *ad valorem* taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers' compensation, government pension plan premiums or contributions and other charges from Governmental Entities, and other obligations of the same or of a similar nature to any of the foregoing, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not; and (b) any liability for the payment of any amount described in clause (a) of this definition as a result of being a member of an affiliated, consolidated, combined or unitary group for any period, as a result of any Tax sharing or Tax allocation agreement, arrangement or understanding, or as a result of being liable to another Person's Taxes as a transferee or successor, by contract or otherwise;

"Term Sheet" means the form of term sheet to be entered into by and between GameCo, AIG eSports LP, AIG eSports Canada Ltd., AIG eSports USA Inc., The Overwatch League B.V. and The Overwatch League, LLC in respect of GameCo's acquisition of a 25% economic interest in the Vancouver Titans, which has been provided to Enthusiast;

"TSX" means the Toronto Stock Exchange;

"TSXV" means the TSX Venture Exchange;

"Unauthorized Code" has the meaning ascribed thereto in Section 6(21) of Schedule C .

"Underlying Shares" means the J55 Shares issuable to holders of Replacement Options, Enthusiast Convertible Debentures and Enthusiast Warrants, as applicable, on conversion, redemption or exercise of such Replacement Options, Enthusiast Convertible Debentures and Enthusiast Warrants, as applicable, in accordance with their respective terms;

"United States" means the United States of America, its territories and possessions, any State of the United States and the District of Colombia;

"U.S. Exchange Act" means the *United States Securities Exchange Act of 1934*, as amended;

"U.S. Securities Act" means the *United States Securities Act of 1933*, as amended;

"U.S. Securities Laws" means federal and state securities legislation of the United States, including but not limited to the U.S. Exchange Act and the U.S. Securities Act;

"Voting and Support Agreements" means (i) the voting and support agreements dated the date hereof among J55 and the Enthusiast Supporting Shareholders, and (ii) the voting and

support agreements dated the date hereof among Enthusiast and the J55 Supporting Shareholders; and

“**wilful breach**” of any representation, warranty or covenant of a Party means that, as applicable, a senior officer of the Party (a) had actual knowledge that a representation or warranty of the Party to which he or she served as a senior officer was materially false when made or (b) as to a covenant herein, directed or allowed the applicable Party to take an action, fail to take an action or permit an action to be taken or occur that he or she knew at such time constituted a material breach of a covenant herein by such Party.

Section 1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section or Schedule by number or letter or both refer to the Article, Section or Schedule, respectively, bearing that designation in this Agreement.

Section 1.3 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender include all genders.

Section 1.4 Date for Any Action

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

Section 1.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and “\$” refers to Canadian dollars.

Section 1.6 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS consistently applied.

Section 1.7 Knowledge

- (1) In this Agreement, references to “the knowledge of Enthusiast” means the actual collective knowledge, following due inquiry, of Menashe Kestenbaum, Gadi Levin and Eric Bernofsky.
- (2) In this Agreement, references to “the knowledge of J55” means the actual collective knowledge, following due inquiry, of Francesco Aquilini, Adrian Montgomery and John Veltheer.

Section 1.8 Subsidiaries

To the extent any covenants or agreements relate, directly or indirectly, to a subsidiary of either Party, each such provision shall be construed as a covenant of the applicable Party to cause (to the fullest extent to which it is legally capable) such subsidiary to perform the required action.

Section 1.9 Statutes

Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

Section 1.10 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

- Schedule A – Form of Plan of Arrangement
- Schedule B – Form of Enthusiast Arrangement Resolution
- Schedule C – Representations and Warranties of Enthusiast
- Schedule D – Representations and Warranties of J55
- Schedule E – Governance Matters

ARTICLE 2 THE ARRANGEMENT

Section 2.1 The Arrangement

The Parties agree that the Arrangement shall be implemented in accordance with the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

Section 2.2 Interim Order

- (1) As soon as reasonably practicable after the date of this Agreement, but in any event at a time so as to permit the Enthusiast Meeting to be held on or before the date specified in Section 2.3(1), Enthusiast shall apply to the Court in a manner acceptable to Enthusiast, acting reasonably, pursuant to the OBCA and in cooperation with J55, prepare, file and diligently pursue an application for the Interim Order which shall provide, among other things:
 - (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Enthusiast Meeting and the manner in which such notice is to be provided;
 - (b) confirmation of the record date for the purposes of determining the Enthusiast Shareholders entitled to receive notice of and vote at the Enthusiast Meeting;

- (c) that the requisite approval for the Enthusiast Arrangement Resolution shall be (i) 66⅔% of the votes cast on the Enthusiast Arrangement Resolution by Enthusiast Shareholders present in person or represented by proxy and entitled to vote at the Enthusiast Meeting; and (ii) if applicable, a majority of the votes cast on the Enthusiast Arrangement Resolution by Enthusiast Shareholders present in person or represented by proxy and entitled to vote at the Enthusiast Meeting excluding votes attached to Enthusiast Shares held by Persons described in items (a) through (d) of section 8.1(2) of MI 61-101 ("**Enthusiast Shareholder Approval**");
 - (d) that in all other respects, the terms, conditions and restrictions of Enthusiast's constating documents, including quorum requirements and other matters, shall apply in respect of the Enthusiast Meeting;
 - (e) for the grant of the Dissent Rights to registered holders of Enthusiast Shares which Dissent Rights shall provide for an Enthusiast Shareholder's written objection to the Enthusiast Arrangement Resolution to be received by Enthusiast at least two days before the Enthusiast Meeting;
 - (f) for notice requirements with respect to the presentation of the application to the Court for the Final Order;
 - (g) that the Enthusiast Meeting may be adjourned or postponed from time to time by Enthusiast in accordance with the terms of this Agreement without the need for additional approval of the Court;
 - (h) that the record date for Enthusiast Shareholders entitled to notice of and to vote at the Enthusiast Meeting will not change in respect or as a consequence of any adjournment(s) or postponement(s) of the Enthusiast Meeting; and
 - (i) for such other matters as the Parties may reasonably require, subject to obtaining the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.
- (2) In seeking the Interim Order, Enthusiast shall advise the Court that it is J55's intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Consideration Shares and Replacement Options pursuant to the Arrangement and that, in connection therewith, the Court will be required to approve the substantive and procedural fairness of the terms and conditions of the Arrangement to each Person to whom the Consideration Shares and Replacement Options will be issued. Each Person to whom Consideration Shares and Replacement Options will be issued on completion of the Arrangement will be given adequate notice advising them of their right to attend and appear before the Court at the hearing of the Court for the Final Order and providing them with adequate information to enable such Person to exercise such right.

Section 2.3 Enthusiast Meeting

- (1) Enthusiast shall consult with J55 and set the record date for Enthusiast Shareholders entitled to vote at the Enthusiast Meeting as promptly as practicable, shall convene and conduct the Enthusiast Meeting in accordance with the Interim Order, Enthusiast's constating documents and Law as soon as reasonably practicable, shall coordinate with J55 and use its commercially reasonable efforts to schedule the Enthusiast Meeting on the same day as the J55 Meeting, and shall not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Enthusiast Meeting without the prior written consent of J55, except:
 - (a) as required for quorum purposes; or
 - (b) as required or permitted under Section 6.5 or Section 7.4(4).
- (2) Subject to the Enthusiast Board making an Enthusiast Change in Recommendation, Enthusiast shall use commercially reasonable efforts to solicit proxies of Enthusiast Shareholders in favour of the approval of the Enthusiast Arrangement Resolution, including, at Enthusiast's discretion or if so requested by J55, using the services of a proxy solicitation services firm to solicit proxies in favour of the Enthusiast Arrangement Resolution. Enthusiast shall provide J55 with copies of or access to information regarding the Enthusiast Meeting generated by any transfer agent or proxy solicitation services firm, as reasonably requested in writing from time to time by J55. Enthusiast shall instruct Enthusiast's transfer agent to report to J55 and its designated Representatives on a daily basis on each of the last ten (10) Business Days prior to the Enthusiast Meeting as to the aggregate tally of the proxies received by Enthusiast in respect of the Enthusiast Arrangement Resolution.
- (3) Except for non-substantive communications, Enthusiast shall promptly advise J55 of any written communication from any Enthusiast Shareholder or other Person in opposition to the Arrangement, written notice of dissent or purported exercise by any Enthusiast Shareholder of Dissent Rights received by Enthusiast in relation to the Enthusiast Arrangement Resolution and any withdrawal of Dissent Rights received by Enthusiast, and any written communications sent by or on behalf of Enthusiast to any Enthusiast Shareholder exercising or purporting to exercise Dissent Rights in relation to the Enthusiast Arrangement Resolution.
- (4) Enthusiast shall not make any payment or settlement offer, or agree to any payment or settlement with respect to Dissent Rights without the prior written consent of J55.
- (5) Enthusiast shall give notice to J55 of the Enthusiast Meeting and allow Representatives of J55 to attend the Enthusiast Meeting.
- (6) Enthusiast shall not change the record date for the Enthusiast Shareholders entitled to vote at the Enthusiast Meeting in connection with any adjournment or postponement of the Enthusiast Meeting, unless required by Law or the Court.

- (7) Enthusiast, at the request of J55 from time to time, shall provide J55 with a list (in both written and electronic form) of (i) the Enthusiast Shareholders, together with their addresses and respective holdings of Enthusiast Shares, (ii) the names, addresses and holdings of all Persons having rights issued by Enthusiast to acquire Enthusiast Shares (including holders of Enthusiast Options, Enthusiast Convertible Debentures and Enthusiast Warrants), and (iii) participants and book-based nominee registrants such as CDS & Co., CEDE & Co. and DTC, and non-objecting beneficial owners of Enthusiast Shares, together with their addresses and respective holdings of Enthusiast Shares. Enthusiast shall from time to time require that its registrar and transfer agent furnish J55 with such additional information, including updated or additional lists of Enthusiast Shareholders, and lists of securities positions and other assistance as J55 may reasonably request in order to be able to communicate with respect to the Arrangement with the Enthusiast Shareholders and with such other Persons as are entitled to vote on the Enthusiast Arrangement Resolution.

Section 2.4 J55 Meeting

- (1) J55 shall set the record date for J55 Shareholders entitled to vote at the J55 Meeting as promptly as practicable using its commercially reasonable efforts to set such record date as the same date as the record date for the Enthusiast Meeting, shall convene and conduct the J55 Meeting in accordance with J55's constating documents and Law, shall use its commercially reasonable efforts to schedule the J55 Meeting on the same day as the Enthusiast Meeting, and shall not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the J55 Meeting without the prior written consent of Enthusiast, except:
- (a) as required for quorum purposes; or
 - (b) as required or permitted under Section 6.5 or Section 7.4(4).
- (2) J55 shall use commercially reasonable efforts to solicit proxies of J55 Shareholders in favour of the approval of the J55 Resolutions, including, at J55's discretion or if so requested by Enthusiast, using the services of a proxy solicitation service firm to solicit proxies in favour of the approval of the J55 Resolutions. J55 shall provide Enthusiast with copies of or access to information regarding the J55 Meeting generated by any transfer agent or proxy solicitation services firm, as reasonably requested in writing from time to time by Enthusiast. J55 shall instruct J55's transfer agent to report to Enthusiast and its designated Representatives on a daily basis on each of the last ten (10) Business Days prior to the J55 Meeting as to the aggregate tally of the proxies received by J55 in respect of the J55 Resolutions.
- (3) Except for non-substantive communications, J55 shall promptly advise Enthusiast of any written communication from any J55 Shareholder or other Person in opposition to the J55 Resolutions.
- (4) J55 shall give notice to Enthusiast of the J55 Meeting and allow Representatives of Enthusiast to attend the J55 Meeting.

- (5) J55 shall not change the record date for the J55 Shareholders entitled to vote at the J55 Meeting in connection with any adjournment or postpone of the J55 Meeting, unless required by Law.
- (6) Unless otherwise agreed to in writing by Enthusiast or this Agreement is terminated in accordance with its terms or except as required by Law or by a Governmental Entity, J55 shall continue to take all steps necessary to hold the J55 Meeting and to cause the J55 Resolutions to be voted on at such meeting and shall not propose to adjourn or postpone such meeting other than as contemplated by Section 2.4(1).
- (7) J55, at the request of Enthusiast from time to time, shall provide Enthusiast with a list (in both written and electronic form) of (i) the J55 Shareholders, together with their addresses and respective holdings of J55 Shares, (ii) the names, addresses and holdings of all Persons having rights issued by J55 to acquire J55 Shares (including holders of any securities of J55 including options or other securities convertible or exercisable into J55 Shares), and (iii) participants and book-based nominee registrants such as CDS & Co., CEDE & Co. and DTC, and non-objecting beneficial owners of J55 Shares, together with their addresses and respective holdings of J55 Shares. J55 shall from time to time require that its registrar and transfer agent furnish Enthusiast with such additional information, including updated or additional lists of J55 Shareholders, and lists of securities positions and other assistance as Enthusiast may reasonably request in order to be able to communicate with respect to the Arrangement with the J55 Shareholders and with such other Persons as are entitled to vote on the J55 Resolutions.

Section 2.5 Enthusiast Circular

- (1) Enthusiast shall as promptly as practicable prepare and complete, in consultation with J55, the Enthusiast Circular together with any other documents required by Law in connection with the Enthusiast Meeting and (subject to J55's compliance with Section 2.5(3)) cause the Enthusiast Circular and such other documents to be filed and sent to each Enthusiast Shareholder and any other Person as required by the Interim Order or Law, in each case so as to permit the Enthusiast Meeting to be held by the date specified in Section 2.3(1).
- (2) Enthusiast shall ensure that the Enthusiast Circular complies in all material respects with the Interim Order and Law, and, without limiting the generality of the foregoing, that the Enthusiast Circular does not contain any Misrepresentation (other than with respect to any information relating to and provided by J55 and GameCo including information related to the RTO, the Proposed Acquisitions and Proposed Subsidiaries) and provides Enthusiast Shareholders with information in sufficient detail to permit them to form a reasoned judgement concerning the matters to be placed before them at the Enthusiast Meeting. Without limiting the generality of the foregoing, the Enthusiast Circular shall include: (i) a copy of the Enthusiast Fairness Opinion; (ii) the Enthusiast Board Recommendation; and (iii) a statement that each of the Enthusiast Supporting Shareholders intends to vote all of such Person's Enthusiast Shares in favour of the Enthusiast Arrangement Resolution subject to the terms of the Voting and Support Agreements.

- (3) J55 and GameCo, as applicable, shall furnish to Enthusiast all such information regarding J55 and its affiliates, including information related to the RTO, the Proposed Acquisitions and Proposed Subsidiaries, as may be required by Law to be included in the Enthusiast Circular and other documents related thereto, including the information about J55 which is required under Item 14.2 of Form 51-102F5 of National Instrument 51-102 - *Continuous Disclosure Obligations*. J55 shall ensure that no such information will include any Misrepresentation.
- (4) Enthusiast shall give J55 and its legal counsel a reasonable opportunity to review and comment on the Enthusiast Circular and related documents, prior to the Enthusiast Circular being printed and mailed to Enthusiast Shareholders and filed with the Securities Authorities, and reasonable consideration shall be given to any comments made by J55 and its counsel, provided that all information relating solely to J55 and its subsidiaries, including information related to the Proposed Acquisitions and Proposed Subsidiaries, included in the Enthusiast Circular shall be in form and content reasonably satisfactory to J55.
- (5) Enthusiast shall promptly notify J55 if at any time before the Effective Date, it becomes aware that the Enthusiast Circular contains a Misrepresentation or that it otherwise requires an amendment or supplement, and the Parties shall co-operate in the preparation of any amendment or supplement to the Enthusiast Circular, as required or appropriate, and Enthusiast shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Enthusiast Circular to Enthusiast Shareholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities and as otherwise required.

Section 2.6 J55 Circular

- (1) J55 shall as promptly as practicable prepare and complete, in consultation with Enthusiast, the J55 Circular together with any other documents required by Law in connection with the J55 Meeting and (subject to Enthusiast's compliance with Section 2.6(3)) cause the J55 Circular and such other documents to be filed and sent to each J55 Shareholder and any other Person as required by the Interim Order or Law, in each case so as to permit the J55 Meeting to be held by the date specified in Section 2.4(1).
- (2) J55 shall ensure that the J55 Circular complies in all material respects with the Interim Order and Law, and, without limiting the generality of the foregoing, that the J55 Circular does not contain any Misrepresentation (other than with respect to any information relating to and provided by Enthusiast or GameCo) and provides J55 Shareholders with information in sufficient detail to permit them to form a reasoned judgement concerning the matters to be placed before them at the J55 Meeting. Without limiting the generality of the foregoing, the J55 Circular shall include: (i) the J55 Board Recommendation; and (ii) a statement that each of the J55 Supporting Shareholders (with the exception of J55 Supporting Shareholders who are excluded from voting on approval of the RTO pursuant to MI 61-101) intends to vote all of such Person's J55 Shares in favour of the J55 Resolutions subject to the terms of the Voting and Support Agreements.

- (3) Enthusiast shall furnish to J55 all such information regarding Enthusiast and its affiliates as may be required by Law to be included in the J55 Circular and other documents related thereto, including the information about Enthusiast which is required under Item 14.2 of Form 51-102F5 of National Instrument 51-102 - *Continuous Disclosure Obligations*. Enthusiast shall ensure that no such information will include any Misrepresentation.
- (4) J55 shall give Enthusiast and its legal counsel a reasonable opportunity to review and comment on the J55 Circular and related documents, prior to the J55 Circular being printed and mailed to J55 Shareholders and filed with the Securities Authorities, and reasonable consideration shall be given to any comments made by Enthusiast and its counsel, provided that all information relating solely to Enthusiast and its subsidiaries included in the J55 Circular shall be in form and content reasonably satisfactory to Enthusiast.
- (5) J55 shall promptly notify Enthusiast if at any time before the Effective Date, it becomes aware that the J55 Circular contains a Misrepresentation or that it otherwise requires an amendment or supplement, and the Parties shall co-operate in the preparation of any amendment or supplement to the J55 Circular, as required or appropriate, and J55 shall promptly mail or otherwise publicly disseminate any amendment or supplement to the J55 Circular to J55 Shareholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities and as otherwise required.

Section 2.7 Final Order

If (i) the Interim Order is obtained, (ii) the Enthusiast Arrangement Resolution is passed at the Enthusiast Meeting by Enthusiast Shareholders as provided for in the Interim Order and as required by Law and (iii) the J55 Resolutions are passed at the J55 Meeting by J55 Shareholders as required by Law, subject to the terms of this Agreement, Enthusiast shall as soon as reasonably practicable thereafter and in any event within three Business Days thereafter take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to section 182 of the OBCA on terms satisfactory to the Parties, each acting reasonably.

Section 2.8 Court Proceedings

Subject to the terms of this Agreement, Enthusiast shall, in cooperation with J55, diligently pursue the Interim Order and the Final Order and J55 shall cooperate with and assist Enthusiast in seeking the Interim Order and the Final Order, including by providing Enthusiast on a timely basis any information required to be supplied by J55 in connection therewith. Enthusiast shall provide J55's legal counsel with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and shall give reasonable consideration to all such comments. Enthusiast shall ensure that all material filed with the Court in connection with the Arrangement is consistent with this Agreement and the Plan of Arrangement. Enthusiast shall also provide J55's legal counsel on a timely basis with copies of any notice of appearance or notice of intent to oppose and any evidence served on Enthusiast or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom. Subject to applicable Law, Enthusiast

shall not file any material with the Court in connection with the Arrangement or serve any such material, and shall not agree to modify or amend materials so filed or served, except as contemplated hereby or with J55's prior written consent, such consent not to be unreasonably withheld or delayed; provided that nothing herein shall require J55 to agree or consent to any increase in the Consideration or other modification or amendment to such filed or served materials that expands or increases J55's obligations or diminishes J55's rights set forth in this Agreement or in such materials. In addition, Enthusiast shall not object to legal counsel to J55 making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided that Enthusiast is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement. Enthusiast shall oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement, and if required by the terms of the Final Order or by Law to return to Court with respect to the Final Order do so only after notice to, and in consultation and cooperation with, J55.

Section 2.9 U.S. Securities Law Matters

The Parties agree that, to the extent U.S. Securities Laws apply, the Arrangement shall be carried out with the intention that all Consideration Shares and Replacement Options issued under the Arrangement, excluding any Underlying Shares, shall be issued by J55 in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereunder. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act and to facilitate J55's compliance with other United States securities Laws, the Parties agree that the Arrangement shall be carried out on the following basis:

- (a) pursuant to Section 2.2(2), prior to the issuance of the Interim Order, the Court shall be advised as to the intention of J55 to rely on the exemption provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the Consideration Shares and Replacement Options pursuant to the Arrangement, based on the Court's approval of the Arrangement;
- (b) prior to the issuance of the Interim Order, Enthusiast shall file with the Court a copy of the proposed text of the Enthusiast Circular together with any other documents required by Law in connection with the Enthusiast Meeting;
- (c) the Court shall be required to satisfy itself as to the substantive and procedural fairness of each of the Arrangement and the issuance of the Consideration Shares and Replacement Options pursuant to the Arrangement;
- (d) Enthusiast shall ensure that each Enthusiast Shareholder, holder of Enthusiast Options, holder of Enthusiast Warrants and holder of Enthusiast Convertible Debentures shall be given adequate and appropriate notice advising them of their right to attend the hearing of the Court for the Final Order to give approval to the Arrangement and providing them with sufficient information necessary for them to exercise that right;

- (e) all Persons entitled to receive Consideration Shares and Replacement Options pursuant to the Arrangement shall be advised that the Consideration Shares and Replacement Options issued pursuant to the Arrangement have not been registered under the U.S. Securities Act and shall be issued by J55 in reliance on the exemption provided by Section 3(a)(10) of the U.S. Securities Act and, in the case of affiliates of J55, shall be subject to certain restrictions on resale under the U.S. Securities Laws, including Rule 144 under the U.S. Securities Act;
- (f) holders of Enthusiast Options entitled to receive Replacement Options pursuant to the Arrangement will be advised that although the Replacement Options issued pursuant to the Arrangement will be issued by J55 in reliance on the exemption provided by Section 3(a)(10) under the U.S. Securities Act, such exemption does not exempt the issuance of the Underlying Shares, as applicable; therefore, the Underlying Shares issuable upon exercise of the Replacement Options cannot be issued in the United States or to a Person in the United States in reliance on the exemption under Section 3(a)(10) thereof and the Replacement Options may only be exercised pursuant to a then-available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws;
- (g) the Interim Order approving the Enthusiast Meeting shall specify that each Person entitled to receive Consideration Shares and Replacement Options pursuant to the Arrangement shall have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as they enter an appearance within a reasonable time;
- (h) the Final Order approving the terms and conditions of the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as fair and reasonable to all Persons entitled to receive J55 securities pursuant to the Arrangement;
- (i) the Final Order shall include a statement to substantially the following effect:

“This Order shall serve as the basis for reliance on the exemption provided by Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that Act, regarding the distribution of common shares, options and warrants of J55 pursuant to the Plan of Arrangement.”; and
- (j) the Court shall hold a hearing before approving the fairness of the terms and conditions of the Arrangement and issuing the Final Order.

Section 2.10 Articles of Arrangement and Effective Date

- (1) The Parties shall amend the Plan of Arrangement at any time and from time to time prior to the Effective Date, at the reasonable request of any Party, provided that no such amendment (i) is inconsistent with the Interim Order, the Final Order or this Agreement, (ii) is prejudicial to Enthusiast or the Enthusiast Shareholders in any respect, (iii) is prejudicial to J55 or the J55 Shareholders in any respect or (iv) creates a reasonable risk

of delaying, impairing or impeding in any material respect the satisfaction of any conditions set forth in Article 6.

- (2) Enthusiast shall send the Articles of Arrangement to the Director within three Business Days of the satisfaction or, where not prohibited, the waiver by the applicable Party in whose favour the condition is, of the conditions set out in Article 6 (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, waiver of those conditions as of the Effective Date by the applicable Party for whose benefit such conditions exist), unless another time or date is agreed to in writing by the Parties provided that Enthusiast shall not be required to send the Articles of Arrangement to the Director unless Enthusiast has received written confirmation, in a form satisfactory to it, acting reasonably, from the Depositary that it has received the consideration referred to in Section 2.11.
- (3) The closing of the Arrangement will take place at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, ON M5L 1B9, or at such other location as may be agreed upon by the Parties.

Section 2.11 Payment of Consideration

J55 shall, following receipt of the Final Order and prior to the Effective Time, deliver or cause to be delivered to the Depositary in escrow pending the Effective Time, sufficient J55 Shares (and any treasury directions addressed to J55's transfer agent as may be necessary) to satisfy the aggregate Consideration to be paid to Enthusiast Shareholders (other than dissenting Enthusiast Shareholders) under the Arrangement.

Section 2.12 No Fractional Shares

In no event shall any holder of Enthusiast Shares be entitled to a fractional J55 Share. Where the aggregate number of J55 Shares to be issued to a person as consideration under or as a result of the Arrangement would result in a fraction of a J55 Share being issuable, the number of J55 Shares to be received by such securityholder shall be rounded down to the nearest whole J55 Share and no person will be entitled to any compensation in respect of a fractional J55 Share.

Section 2.13 Announcement and Shareholder Communications

The Parties shall issue a joint press release with respect to this Agreement and the Arrangement promptly following the execution of this Agreement, the text of such announcement to be in the form approved by each of the Parties in advance, acting reasonably and without delay. Each Party shall consult with the other Party prior to issuing any other press releases or otherwise making public written statements with respect to the Arrangement or this Agreement and shall provide the other Party with a reasonable opportunity to review and comment on all such press releases or public written statements prior to the release thereof. The Parties agree to co-operate in the preparation of presentations, if any, to Enthusiast Shareholders or J55 Shareholders regarding the Plan of Arrangement; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under Law or stock exchange rules, and the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party and

a reasonable opportunity to review or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing.

Section 2.14 Withholding Taxes

J55, Enthusiast and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person hereunder or under the Plan of Arrangement and from all dividends or other distributions or other payments otherwise payable to any former securityholders of Enthusiast such amounts as J55, Enthusiast and the Depositary may be permitted or required to deduct and withhold therefrom under any provision of Laws in respect of Taxes. To the extent that such amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

Section 2.15 Adjustment of Consideration

Notwithstanding anything to the contrary contained in this Agreement, if, (a) between the date of this Agreement and the Effective Time, the issued and outstanding Enthusiast Shares or the issued and outstanding J55 Shares shall have been changed into a different number of shares or a different class by reason of any stock split, reverse stock split, stock dividend, reclassification, redenomination or the like, or (b) at the Effective Time, Enthusiast's representation and warranties in paragraph 6(5) of Schedule C (*Capitalization of Enthusiast*) or J55's representations and warranties in paragraph (5) of Schedule D (*Capitalization of J55*) are not true in any non-*de minimis* respect relating to the number of fully diluted shares outstanding, then the Consideration to be paid per Enthusiast Share, the Exchange Ratio and any other dependent items (i) shall be appropriately adjusted, in the case of (a) above, to provide to each Party and their respective shareholders the same economic effect as contemplated by this Agreement and the Arrangement prior to such action and as so adjusted shall, from and after the date of such event, be the Consideration to be paid per Enthusiast Share, the Exchange Ratio or other dependent item, subject to further adjustment in accordance with this sentence, and/or (ii) shall be appropriately adjusted, in the case of (b) above, to provide to each Party and their respective shareholders the same economic effect as contemplated by this Agreement and the Arrangement assuming such representations and warranties are true and correct in all such respects as written and as so adjusted shall be the Consideration to be paid per Enthusiast Share, the Exchange Ratio or other dependent item, subject to further adjustment in accordance with this sentence.

Section 2.16 Governance Matters

J55 shall take all necessary actions to ensure that concurrent with the completion of the Arrangement the J55 Board and the senior management team of J55 shall be as set out in Schedule E.

Section 2.17 Guarantee

GameCo hereby unconditionally and irrevocably guarantees in favour of Enthusiast the due and punctual performance by J55 of each and every of J55's covenants, obligations and

undertakings hereunder, which guarantee will remain in force until all such covenants, obligations and undertakings have been satisfied in full and agrees to be jointly and severally liable with J55 for the truth, accuracy and completeness of all of J55's representations and warranties hereunder. GameCo hereby agrees that its guarantee is continuing in nature and full and unconditional, and no release or extinguishments of J55's liabilities (other than in accordance with the terms of this Agreement), whether by decree in any bankruptcy proceeding or otherwise, will affect the continuing validity and enforceability of GameCo's guarantee. GameCo hereby agrees that Enthusiast shall not have to proceed first against J55 in respect of any such matter before exercising its rights under this guarantee against GameCo and GameCo agrees to be jointly and severally liable with J55 for all guaranteed obligations as if it were the principal obligor of such obligations. GameCo acknowledges that Enthusiast is relying on this Section 2.17 in entering into this Agreement.

Section 2.18 Employment Matters

From and after the Effective Time, J55 shall honour and comply with, or cause Enthusiast or any successor to Enthusiast to honour and comply with, all of the obligations to the employees of Enthusiast and its subsidiaries under the employment and other Contracts and benefit plans with current and former employees of Enthusiast, including, without limitation, by paying to the individuals party to such agreements, in each case, any applicable amount owing; provided that no provision in this Section 2.18 shall give any employee any right to continued employment or impair in any way the right of Enthusiast or J55 to terminate the employment of any employee in accordance with any Contract as may be applicable. J55 acknowledges that Enthusiast may facilitate as necessary the acceleration of vesting of any unvested Enthusiast Options and/or Enthusiast Warrants as may be necessary or desirable to allow the optionholders and/or warrantholders of Enthusiast to exercise their Enthusiast Options and/or Enthusiast Warrants for any purpose including participating in the Arrangement as shareholders of Enthusiast.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF ENTHUSIAST

Section 3.1 Representations and Warranties

- (1) Except as disclosed in the Enthusiast Public Disclosure Record (excluding any disclosures set forth in any section of a document in the Enthusiast Public Disclosure Record entitled "Risk Factors" or "Forward-Looking Statements" or any other disclosures included in such filings to the extent that they are forward-looking in nature) or in the Enthusiast Disclosure Letter (it being understood that disclosure of any item in the Enthusiast Disclosure Letter shall constitute disclosure for the purposes of any of the representations and warranties Enthusiast contained in this Agreement where the relevance of that item is reasonably apparent on its face), Enthusiast hereby represents and warrants to and in favour of J55 as set forth in Schedule C, and acknowledges that J55 is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (2) Except for the representations and warranties set forth in this Agreement, neither Enthusiast nor any other Person has made or makes any other express or implied

representation or warranty, either written or oral, on behalf of Enthusiast. Any investigation by J55 or its Representatives shall not mitigate, diminish or affect the representations and warranties of Enthusiast pursuant to this Agreement.

- (3) The representations and warranties of Enthusiast contained in this Agreement shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms, provided, however, that no such termination will affect a Party's rights or obligations arising out of a wilful breach of any representation or warranty hereunder.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF J55 AND GAMECO

Section 4.1 Representations and Warranties of J55

- (1) Except as disclosed in the J55 Public Disclosure Record (excluding any disclosures set forth in any section of a document in the J55 Public Disclosure Record entitled "Risk Factors" or "Forward-Looking Statements" or any other disclosures included in such filings to the extent that they are forward-looking in nature) or in the J55 Disclosure Letter (it being understood that disclosure of any item in the J55 Disclosure Letter shall constitute disclosure for the purposes of any of the representations and warranties of J55 contained in this Agreement where the relevance of that item is reasonably apparent on its face), J55 hereby represents and warrants to and in favour of Enthusiast as set forth in Schedule D, and acknowledges that Enthusiast is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (2) Subject to Section 5.8 and except for the representations and warranties set forth in this Agreement, neither J55 nor any other Person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of J55. Any investigation by Enthusiast or its Representatives shall not mitigate, diminish or affect the representations and warranties of J55 pursuant to this Agreement.
- (3) The representations and warranties of J55 contained in this Agreement shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms, provided, however, that no such termination will affect a Party's rights or obligations arising out of a wilful breach of any representation or warranty hereunder.

Section 4.2 Representations and Warranties of GameCo

- (1) GameCo hereby represents and warrants to and in favour of Enthusiast that as of the date of this Agreement, GameCo is not aware of any of the representations and warranties made by Luminosity to GameCo and/or GameCo to Luminosity in the Luminosity SPA being materially untrue or incorrect (other than representations and warranties that were made as of a specific date).
- (2) GameCo shall notify Enthusiast immediately if it becomes aware that any of the representations and warranties made by Luminosity to GameCo and/or GameCo to

Luminosity in the Luminosity SPA are materially untrue or incorrect (other than representations and warranties that were made as of a specific date).

ARTICLE 5 COVENANTS OF THE PARTIES

Section 5.1 Covenants of Enthusiast Regarding the Conduct of Business

- (1) Enthusiast covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required by this Agreement or as otherwise expressly contemplated by this Agreement or disclosed in Section 5.1 of the Enthusiast Disclosure Letter, or as required by Law or any Governmental Entity or as consented to by J55 in writing (which consent shall not be unreasonably withheld or delayed), Enthusiast shall, and shall cause each of its subsidiaries to conduct its business in the ordinary course of business, and use commercially reasonable efforts to maintain and preserve their business organization, assets, goodwill and business relationships and keep available the services of its respective officers and employees as a group.
- (2) Without limiting the generality of Section 5.1(1), Enthusiast covenants and agrees that, from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required by this Agreement or as otherwise expressly contemplated by this Agreement or disclosed in Section 5.1 of the Enthusiast Disclosure Letter, or as required by Law or any Governmental Entity, Enthusiast shall not, nor shall it permit any of its subsidiaries to, directly or indirectly, without the prior written consent of J55 (such consent not to be unreasonably withheld or delayed):
 - (a) (i) amend its articles, charter or by-laws or other comparable organizational documents; (ii) split, combine or reclassify any shares in the capital of Enthusiast or any of its subsidiaries; (iii) except in relation to internal transactions solely involving Enthusiast and its wholly-owned subsidiaries or solely among such wholly-owned subsidiaries and except for the issuance of securities of Enthusiast pursuant to arrangement/lender fees related to a debt financing, employment or consulting agreements and/or existing equity incentive plans, issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any shares in the capital of Enthusiast or its subsidiaries, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Enthusiast or its subsidiaries; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, any outstanding securities of Enthusiast or any of its subsidiaries; (v) unless otherwise set forth in this Agreement, amend the terms of any of its securities; (vi) reduce the stated capital of any of its securities; (vii) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Enthusiast or any of its subsidiaries; (viii) amend its accounting policies or adopt new accounting policies, in each case except as required in accordance with IFRS; (ix) (A) make or rescind any material Tax election, amend any Tax Return, settle or compromise any material liability for Taxes or change or revoke any of its

methods of Tax accounting, or (B) take any action with respect to the computation of Taxes or the preparation of Tax Returns that is in any material respect inconsistent with past practice; or (x) enter into any agreement with respect to any of the foregoing;

- (b) reorganize, amalgamate, consolidate or merge with any Person;
- (c) (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer, in whole or in part, any asset with a transaction value in excess of \$1,000,000 (which for the avoidance of doubt, shall not be considered to include the disposal by Enthusiast or any subsidiary of obsolete assets or the sale by Enthusiast or any subsidiary of inventory in the ordinary course of business); (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, any assets, securities, properties, interests, business, corporation, partnership or other business organization or division thereof, or make any investment either by the purchase of securities, contribution of capital (other than to wholly-owned subsidiaries), property transfer, or purchase of any other property or assets of any other Person, or acquire any license rights, other than (A) acquisitions in the ordinary course of business or (B) pursuant to a Contract in existence on the date hereof; (iii) other than in respect of a debt financing transaction for up to US\$5,000,000, incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person, or make any loans, capital contributions, investments or advances other than pursuant to a Contract in existence on the date hereof; (iv) prepay any long-term indebtedness before its scheduled maturity; (v) waive, release, grant or transfer any rights of material value; or (vi) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;
- (d) other than in the ordinary course of business, enter into or terminate any hedges, swaps or other financial instruments or like transaction;
- (e) other than as is necessary to comply with Law or any Contract or Employee Plan in effect as of the date hereof or disclosed in the Enthusiast Disclosure Letter (i) grant to any officer, employee, consultant or director of Enthusiast or any of its subsidiaries an increase in compensation in any form, or grant any general salary increase (which, for greater certainty, shall not restrict the normal course grants of incentive securities already scheduled for approval); (ii) make any loan to any officer, employee, consultant or director of Enthusiast or any of its subsidiaries; (iii) take any action with respect to the grant of, or amendment to, any severance, change of control, retention, bonus or termination pay to, or enter into, establish, amend or terminate any employment agreement, deferred compensation or other similar agreement with, or hire, or terminate employment (except for just cause or poor performance, and the backfill of those positions in the ordinary course of business) of, any officer, employee, consultant or director

of Enthusiast or any of its subsidiaries; (iv) increase any benefits payable under or materially amend any Employee Plan; (v) increase bonus levels or other benefits payable to any director, executive officer, consultant or employee of Enthusiast or any of its subsidiaries; (vi) adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, retention, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of employees; or (viii) establish, adopt or amend any collective bargaining agreement or other agreement with a labour union;

- (f) settle, pay, discharge, satisfy, compromise, waive, assign or release (i) any action, claim or proceeding brought against Enthusiast and/or any of its subsidiaries in excess of \$500,000 (except where the action, claim or proceeding is insured and Enthusiast's contribution does not exceed its deductible); or (ii) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement;
- (g) enter into any agreement or arrangement that limits or otherwise restricts in any material respect Enthusiast or any successor thereto, or that would, after the Effective Time, limit or restrict in any material respect Enthusiast or any of its affiliates from competing in any manner;
- (h) other than as is necessary to comply with Law or any Contract or Employee Plan in effect as of the date hereof or disclosed in the Enthusiast Disclosure Letter: (i) modify or amend in any material respect adverse to Enthusiast, transfer or terminate any Material Contract or waive, release or assign any material rights or claims thereto or thereunder; or (ii) enter into any contract or agreement that would be a Material Contract if in effect on the date hereof;
- (i) take any action or knowingly fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entity to institute proceedings for the suspension, revocation or limitation of rights under, any material Authorization necessary to conduct its businesses as now conducted or as proposed to be conducted, or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities for any material Authorization;
- (j) declare, set aside or pay any dividends or other distribution (whether in cash, shares or property, or any combination thereof) on the Enthusiast Shares;
- (k) make or commit to make any material donation, gift or similar payment;
- (l) engage in any transaction with any related party (as defined under the Securities Act) other than in relation to employment matters not prohibited hereby; or
- (m) agree, resolve or commit to do any of the foregoing.

- (3) Enthusiast shall use commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Enthusiast or any of its subsidiaries, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, subject to Section 5.7, none of Enthusiast or any of its subsidiaries shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months.

Section 5.2 Covenants of J55 Regarding the Conduct of Business

- (1) J55 covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required by this Agreement or as otherwise expressly contemplated by this Agreement or disclosed in Section 5.2 of the J55 Disclosure Letter, or as required by Law or any Governmental Entity or as consented to by Enthusiast in writing (which consent shall not be unreasonably withheld or delayed), J55 shall, and shall cause each of its subsidiaries and the Proposed Subsidiaries, to the greatest extent possible, to conduct their respective businesses in the ordinary course of business, and use commercially reasonable efforts to maintain and preserve their respective business organizations, assets, goodwill and business relationships and keep available the services of their respective officers and employees as a group.
- (2) Without limiting the generality of Section 5.2(1), J55 covenants and agrees that, from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required by this Agreement or as otherwise expressly contemplated by this Agreement or disclosed in Section 5.2 of the J55 Disclosure Letter, or as required by Law or any Governmental Entity, J55 shall not, nor shall it permit any of its subsidiaries or the Proposed Subsidiaries, to the greatest extent possible, to, directly or indirectly, without the prior written consent of Enthusiast (such consent not to be unreasonably withheld or delayed):
 - (a) (i) other than in connection with the RTO, amend its articles, charter or by-laws or other comparable organizational documents; (ii) split, combine or reclassify any shares in the capital of J55, any of its subsidiaries or the Proposed Subsidiaries; (iii) other than in respect of the RTO and except in relation to internal transactions solely involving J55 and its wholly-owned subsidiaries or solely among such wholly-owned subsidiaries and except for the issuance of J55 Shares to settle and outstanding incentive awards, issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any shares in the capital of J55, its subsidiaries or the Proposed Subsidiaries, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of J55, its subsidiaries or the Proposed Subsidiaries; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise

acquire, any outstanding securities of J55, any of its subsidiaries or the Proposed Subsidiaries; (v) amend the terms of any of its securities; (vi) reduce the stated capital of any of its securities; (vii) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of J55, any of its subsidiaries or the Proposed Subsidiaries, to the greatest extent possible; (viii) amend its accounting policies or adopt new accounting policies, in each case except as required in accordance with IFRS; (ix) (A) make or rescind any material Tax election, amend any Tax Return, settle or compromise any material liability for Taxes or change or revoke any of its methods of Tax accounting, or (B) take any action with respect to the computation of Taxes or the preparation of Tax Returns that is in any material respect inconsistent with past practice; or (x) enter into any agreement with respect to any of the foregoing;

- (b) other than in respect of the RTO and the Proposed Acquisitions, reorganize, amalgamate, consolidate or merge with any Person;
- (c) (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer, in whole or in part, any asset with a transaction value in excess of \$50,000 (which for the avoidance of doubt, shall not be considered to include the disposal by J55 or any subsidiary of obsolete assets or the sale by J55 or any subsidiary of inventory in the ordinary course of business); (ii) other than in respect of the RTO and the Proposed Acquisitions, acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, any assets, securities, properties, interests, business, corporation, partnership or other business organization or division thereof, or make any investment either by the purchase of securities, contribution of capital (other than to wholly-owned subsidiaries), property transfer, or purchase of any other property or assets of any other Person, or acquire any license rights, other than (A) acquisitions in the ordinary course of business or (B) pursuant to a Contract in existence on the date hereof; (iii) incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person, or make any loans, capital contributions, investments or advances other than pursuant to a Contract in existence on the date hereof; (iv) waive, release, grant or transfer any rights of material value; or (v) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;
- (d) other than in the ordinary course of business, enter into or terminate any hedges, swaps or other financial instruments or like transaction;
- (e) other than as is necessary to comply with Law or any Contract or Employee Plan in effect as of the date hereof or disclosed in the J55 Disclosure Letter (i) grant to any officer, employee, consultant or director of J55, any of its subsidiaries or any the Proposed Subsidiaries an increase in compensation in any form, or grant any general salary increase (which, for greater certainty, shall not restrict the normal

course grants of incentive securities already scheduled for approval and disclosed in the J55 Disclosure Letter); (ii) make any loan to any officer, employee, consultant or director of J55, any of its subsidiaries or the Proposed Subsidiaries; (iii) take any action with respect to the grant of, or amendment to, any severance, change of control, retention, bonus or termination pay to, or enter into, establish, amend or terminate any employment agreement, deferred compensation or other similar agreement with, or hire, or terminate employment (except for just cause or poor performance, and the backfill of those positions in the ordinary course of business) of, any officer, employee, consultant or director of J55, any of its subsidiaries or the Proposed Subsidiaries; (iv) increase any benefits payable under or materially amend any Employee Plan; (v) increase bonus levels or other benefits payable to any director, executive officer, consultant or employee of J55, any of its subsidiaries or the Proposed Subsidiaries; (vi) provide for accelerated vesting, removal of restrictions or an exercise of any stock based or stock related awards (including stock options, stock appreciation rights, deferred share units, performance units or restricted share awards); (vii) adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, retention, incentive compensation or other compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of employees; or (viii) establish, adopt or amend any collective bargaining agreement or other agreement with a labour union;

- (f) settle, pay, discharge, satisfy, compromise, waive, assign or release (i) any action, claim or proceeding brought against J55, any of its subsidiaries and/or the Proposed Subsidiaries in excess of \$50,000 (except where the action, claim or proceeding is insured and J55's contribution does not exceed its deductible); or (ii) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement;
- (g) enter into any agreement or arrangement that limits or otherwise restricts in any material respect J55 or any successor thereto, or that would, after the Effective Time, limit or restrict in any material respect J55 or any of its affiliates from competing in any manner;
- (h) other than as is necessary to comply with Law or any Contract or Employee Plan in effect as of the date hereof or disclosed in the J55 Disclosure Letter: (i) modify or amend in any material respect adverse to J55, transfer or terminate any Material Contract or waive, release or assign any material rights or claims thereto or thereunder; or (ii) enter into any contract or agreement that would be a Material Contract if in effect on the date hereof;
- (i) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entity to institute proceedings for the suspension, revocation or limitation of rights under,

any material Authorization necessary to conduct its businesses as now conducted or as proposed to be conducted, or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities for any material Authorization;

- (j) declare, set aside or pay any dividends or other distribution (whether in cash, shares or property, or any combination thereof) on the J55 Shares;
- (k) make or commit to make any material donation, gift or similar payment;
- (l) other than in respect of the Proposed Acquisitions, engage in any transaction with any related party (as defined under the Securities Act) other than in relation to employment matters not prohibited hereby; or
- (m) agree, resolve or commit to do any of the foregoing.

Section 5.3 Covenants with Respect to the Arrangement

- (1) Subject to Section 5.4 which shall govern in relation to Regulatory Approvals, each of the Parties covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms:
 - (a) it shall, and shall cause its subsidiaries to, use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all Laws to complete the Arrangement, including using commercially reasonable efforts to promptly (i) obtain all necessary waivers, consents and approvals required from, and provide all required notices to, Persons party to loan agreements, leases, licenses and other Contracts or Authorizations; (ii) obtain all necessary Authorizations as are required to be obtained by it under all Laws; (iii) defend all lawsuits or other legal, regulatory or other proceedings against it challenging or affecting the Arrangement or this Agreement, and oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting, the ability of the Parties to consummate the Arrangement; and (iv) cooperate with the other Party in connection with the performance by it and its subsidiaries of their obligations hereunder;
 - (b) it shall not deliberately take any action, refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to materially delay or materially impede the consummation of the Arrangement, or that will have, or would reasonably be expected to have, the effect of materially delaying, impairing or impeding the granting of the Regulatory Approvals; and

- (c) it shall conduct itself so as to keep the other Party fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business; provided that such disclosure is not otherwise prohibited by reason of confidentiality owed to a third party or otherwise prevented by Law or is in respect of competitively sensitive information.
- (2) Enthusiast shall promptly notify J55 in writing of: (i) any Material Adverse Effect in respect of Enthusiast, or any fact or state of facts, circumstance, change, effect, occurrence or event that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect in respect of Enthusiast; (ii) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement; (iii) any notice or other communication from any material supplier, joint venture partner, customer or other material business partner to the effect that such material supplier, joint venture partner, customer or other material business partner is terminating, may terminate or is otherwise materially adversely modifying or may materially adversely modify its relationship with Enthusiast or any of its subsidiaries as a result of this Agreement or the Arrangement; (iv) any notice or other communication received from any Governmental Entity in connection with this Agreement (and Enthusiast shall contemporaneously provide a copy of any such written notice or communication to J55 where not prohibited by Law); or (v) any material filing, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting Enthusiast, its subsidiaries or the assets of Enthusiast.
- (3) J55 shall promptly notify Enthusiast in writing of: (i) any Material Adverse Effect in respect of J55, the Proposed Acquisitions and the Proposed Subsidiaries, or any fact or state of facts, circumstance, change, effect, occurrence or event that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect in respect of J55, the Proposed Acquisitions and the Proposed Subsidiaries; (ii) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement; (iii) any notice or other communication from any material supplier, joint venture partner, customer or other material business partner to the effect that such material supplier, joint venture partner, customer or other material business partner is terminating, may terminate or is otherwise materially adversely modifying or may materially adversely modify its relationship with J55 or the Proposed Subsidiaries or any of their respective subsidiaries as a result of this Agreement or the Arrangement; (iv) any notice or other communication received from any Governmental Entity in connection with this Agreement (and J55 shall contemporaneously provide or cause to be provided a copy of any such written notice or communication to Enthusiast where not prohibited by Law); or (v) any material filing, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting J55 and the Proposed Subsidiaries, their respective subsidiaries or the respective assets of J55 and the Proposed Subsidiaries.

- (4) J55 shall use commercially reasonable efforts to, following completion of the Arrangement, obtain approval for the listing and posting for trading on the TSX of the J55 Shares and the Underlying Shares.

Section 5.4 Regulatory Approvals

- (1) As soon as reasonably practicable after the date hereof each Party, or where appropriate, the Parties jointly, shall make all notifications, filings, applications and submissions with Governmental Entities required or advisable in connection with the Regulatory Approvals and shall use its commercially reasonable efforts to obtain as soon as reasonably practicable and maintain the Regulatory Approvals.
- (2) The Parties shall cooperate with one another in connection with obtaining the Regulatory Approvals including providing or submitting on a timely basis, and as promptly as practicable, all documentation and information that is required, or in the opinion of a Party, acting reasonably, advisable, in connection with obtaining the Regulatory Approvals and use their commercially reasonable efforts to ensure that such information does not contain a misrepresentation; provided, however, that nothing in this provision shall require a Party to provide information that is not in its possession or not otherwise reasonably available to it.
- (3) The Parties shall (i) cooperate with and keep one another fully informed as to the status of and the processes and proceedings relating to obtaining the Regulatory Approvals and shall promptly notify each other of any communication from any Governmental Entity in respect of the Arrangement or this Agreement, (ii) respond, as soon as reasonably practicable, to any requests for information from a Governmental Entity in connection with obtaining a Regulatory Approval, and (iii) not make any submissions or filings to any Governmental Entity related to the transactions contemplated by this Agreement, or participate in any meetings or any material conversations with any Governmental Entity in respect of any filings, submissions, investigations or other inquiries or matters related to the transactions contemplated by this Agreement, unless it consults with the other Party in advance and, to the extent not precluded by such Governmental Entity, gives the other Party a reasonable opportunity to review drafts of any submissions or filings (and will give due consideration to any comments received from such other Party) and to attend and participate in any communications. Despite the foregoing, submissions, filings or other written communications with any Governmental Entity may be redacted as necessary before sharing with the other Party to address reasonable attorney-client or other privilege or confidentiality concerns, provided that a Party must provide external legal counsel to the other Party non-redacted versions of drafts and final submissions, filings or other written communications with any Governmental Entity on the basis that the redacted information will not be shared with its clients.
- (4) Each Party shall promptly notify the other Party if it becomes aware that any (i) application, filing, document or other submission for a Regulatory Approval contains a misrepresentation, or (ii) any Regulatory Approval contains, reflects or was obtained following the submission of any application, filing, document or other submission containing a misrepresentation, such that an amendment or supplement may be

necessary or advisable. In such case, the Parties will cooperate in the preparation, filing and dissemination, as applicable, of any such amendment or supplement.

- (5) The Parties shall request that the Regulatory Approvals be processed by the applicable Governmental Entity on an expedited basis and, to the extent that a public hearing is held, the Parties shall request the earliest possible hearing date for the consideration of the Regulatory Approvals. Related thereto, the Parties, as applicable, shall promptly notify any Governmental Entity that is responsible for issuing a Regulatory Approval that it is prepared to meet, by telephone or in-person at the Governmental Entity's offices, with a view to obtaining the Regulatory Approvals on an expedited basis.
- (6) If any objections are asserted with respect to the transactions contemplated by this Agreement under any Law, or if any proceeding is instituted or threatened by any Governmental Entity challenging or which could lead to a challenge of any of the transactions contemplated by this Agreement as not in compliance with Law or as not satisfying any applicable legal text under a Law necessary to obtain the Regulatory Approvals, the Parties shall use their commercially reasonable efforts consistent with the terms of this Agreement to resolve such proceeding so as to allow the Effective Time to occur on or prior to the Outside Date.

Section 5.5 Pre-Acquisition Reorganizations

- (1) Enthusiast shall use its commercially reasonable efforts to effect, and shall cause its subsidiaries to use their commercially reasonable efforts to effect, such reorganization of its or their business, operations and assets as J55 may reasonably request (a "Pre-Acquisition Reorganization") prior to the Effective Time (including, for greater certainty, in order to improve the financial and operational efficiencies of J55 and its subsidiaries following the Effective Time), and the Plan of Arrangement, if required, shall be modified accordingly; provided, however, that Enthusiast need not effect a Pre-Acquisition Reorganization which in the opinion of Enthusiast: (i) would require Enthusiast to obtain the prior approval of its shareholders in respect of such Pre-Acquisition Reorganization; or (ii) would impede or delay the consummation of the Arrangement. J55 shall provide written notice to Enthusiast of any proposed Pre-Acquisition Reorganization at least 10 Business Days prior to the Effective Date. In addition:
 - (a) if J55 proposes a Pre-Acquisition Reorganization, it shall indemnify and save harmless Enthusiast and its subsidiaries' respective officers, directors, employees, agents, advisors and representatives from and against any and all liabilities, losses, damages, claims, costs, reasonable expenses, interest awards, judgments and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization or as a result of the reversal (where such reversal is determined by Enthusiast to be necessary, acting reasonably) of all or any of the Pre-Acquisition Reorganization steps in the event the Arrangement does not proceed (including actual out-of-pocket costs and expenses for filing fees and external counsel);

- (b) unless the Parties otherwise agree in writing, any Pre-Acquisition Reorganization to be effected shall not become effective unless J55 shall have confirmed in writing the satisfaction or waiver of all conditions in its favour in Section 6.1 and Section 6.2 and shall have confirmed in writing that it is prepared to promptly without condition (other than the satisfaction of the condition contemplated by Section 6.2(a) as it relates to the Pre-Acquisition Reorganization) proceed to effect the Arrangement;
 - (c) any Pre-Acquisition Reorganization shall not require Enthusiast or any subsidiary to contravene any applicable Laws, their respective organizational documents or any Material Contract in any material respect;
 - (d) Enthusiast and its subsidiaries shall not be obligated to take any action that has a material likelihood of resulting in any adverse Tax, economic or other consequences to any securityholder of such Party;
 - (e) any Pre-Acquisition Reorganization shall be effected as close as reasonably practicable to the Effective Time; and
 - (f) such cooperation does not require the directors, officers or employees of Enthusiast to take any action in any capacity other than as a director, officer or employee, as applicable.
- (2) Each Party acknowledges and agrees that the planning for and implementation of any Pre-Acquisition Reorganization that is requested shall not be considered a breach of any covenant under this Agreement and shall not be considered in determining whether a representation or warranty of a Party hereunder has been breached. The Parties shall work cooperatively and use commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization.

Section 5.6 Access to Information; Confidentiality

From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to compliance with applicable Law and the terms of any existing Contracts, each Party shall give the other Party and its Representatives (a) upon reasonable notice, reasonable access during normal business hours to its and its subsidiaries' (i) premises, (ii) property and assets (including books and records), (iii) Contracts and leases and (iv) senior personnel and Representatives, so long as the access does not unduly interfere with the ordinary course conduct of the business of the Party in question; and (b) such financial and operating data or other information with respect to the assets or business of such Party and its subsidiaries as the other Party from time to time reasonably requests. Each Party shall continue to afford the other Party and its Representatives with access to its data room. The Parties acknowledge and agree that information furnished pursuant to this Section 5.6 shall be subject to the terms and conditions of the Confidentiality Agreement.

Section 5.7 Insurance and Indemnification

- (1) Enthusiast shall be entitled to purchase run off directors' and officers' liability insurance for a period of up to six years from the Effective Date with the prior written consent of J55, not to be unreasonably withheld, provided that the aggregate cost therefor does not exceed 300% of the annual premiums currently in effect.
- (2) J55 agrees that it shall cause Enthusiast to honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Enthusiast and its subsidiaries, and acknowledges that such rights, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.
- (3) The provisions of this Section 5.7 are intended for the benefit of, and shall be enforceable by, each insured or indemnified Person, his or her heirs and his or her legal representatives and, for such purpose, Enthusiast hereby confirms that it is acting as agent and trustee on their behalf. Furthermore, this Section 5.7 shall survive the termination of this Agreement as a result of the occurrence of the Effective Date for a period of six years.

Section 5.8 Proposed Acquisitions and Proposed Subsidiaries.

J55 shall take all necessary actions to complete the Proposed Acquisitions in accordance with the Subsidiary Transaction Documents provided to Enthusiast and shall keep Enthusiast fully informed of the status and negotiation of the Subsidiary Transaction Documents and the closing of the Proposed Acquisitions.

Section 5.9 Treatment of Certain Enthusiast Securities.

The Parties acknowledge and agree that all Enthusiast Options that are not exercised, whether conditionally or otherwise, prior to the Effective Time shall be treated in accordance with the provisions of the Plan of Arrangement, and Enthusiast shall take all such reasonable steps as may be necessary or desirable to give effect to the foregoing. The Enthusiast Warrants and Enthusiast Convertible Debentures will become exercisable, convertible and/or redeemable, as applicable for J55 Shares after the Effective Time in accordance with the terms thereof. Pursuant to the terms of the applicable agreement, certificate and/or indenture governing the Enthusiast Warrants, each holder of an Enthusiast Warrant outstanding immediately prior to the Effective Time shall receive upon the subsequent exercise of such holder's Enthusiast Warrant on or after the Effective Time, in accordance with its terms, and shall accept in lieu of each Enthusiast Share to which such holder was theretofore entitled upon such exercise but for the same aggregate consideration payable therefor, the Consideration. Pursuant to the terms of the applicable agreement and/or certificate governing the Enthusiast Convertible Debentures, each holder of an Enthusiast Convertible Debenture outstanding immediately prior to the Effective Time shall receive upon the subsequent exercise of such holder's Enthusiast Convertible Debenture on or after the Effective Time, in accordance with its terms, and shall accept in lieu of each Enthusiast Share to which such holder was theretofore

entitled upon such conversion and/or redemption but for the same aggregate consideration payable therefor, the Consideration.

ARTICLE 6 CONDITIONS

Section 6.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the transactions contemplated by this Agreement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Date, each of which may only be waived with the mutual consent of the Parties:

- (a) the Interim Order and the Final Order shall have each been obtained on terms consistent with this Agreement and shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (b) the Enthusiast Arrangement Resolution shall have been passed by the Enthusiast Shareholders at the Enthusiast Meeting in accordance with the Interim Order;
- (c) the J55 Resolutions shall have been passed by the J55 Shareholders at the J55 Meeting in accordance with Law;
- (d) the Articles of Arrangement to be filed with the Director in accordance with this Agreement shall be in form and substance satisfactory to the Parties, each acting reasonably;
- (e) All Regulatory Approvals that are necessary or advisable to consummate the transactions contemplated by this Agreement and the failure of which to obtain would, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect in respect of either J55 or Enthusiast, shall have been made, given or obtained on terms that are acceptable to the Parties, each acting reasonably;
- (f) the Consideration Shares and Replacement Options (excluding the Underlying Shares) to be issued under the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and shall not be subject to resale restrictions in the United States under the U.S. Securities Act (other than as may be prescribed by Rule 144 and Rule 145, as applicable, under the U.S. Securities Act);
- (g) the TSXV shall have conditionally approved the listing thereon of the Consideration Shares, the Underlying Shares, subject only to the customary listing conditions of the TSXV;
- (h) there has not been any breach of any of the Voting and Support Agreements by any party to any such agreement; and
- (i) no action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered or promulgated by any Governmental Entity and no Law shall have been

enacted, issued, promulgated, enforced, amended or applied, in each case, which prevents, prohibits or enjoins any of the Parties from consummating the Arrangement, or that would, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect in respect of J55 or Enthusiast if the Arrangement is consummated.

Section 6.2 Additional Conditions Precedent to the Obligations of J55

The obligations of J55 to complete the transactions contemplated by this Agreement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Date, each of which is for the exclusive benefit of J55 and may be waived by J55 in whole or in part at any time:

- (a) all covenants of Enthusiast under this Agreement to be performed on or before the Effective Date which have not been waived by J55 shall have been duly performed by Enthusiast in all material respects, and J55 shall have received a certificate of Enthusiast addressed to J55 and dated the Effective Date, signed on behalf of Enthusiast by a senior executive officer of Enthusiast (on Enthusiast's behalf and without personal liability), confirming the same as of the Effective Date;
- (b) (i) the representations and warrants of Enthusiast set forth in paragraph 6(5) of Schedule C shall be true and correct in all respects as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except for such failures to be so true and correct that are *de minimus*;
(ii) the representations and warranties of Enthusiast set forth in paragraph 6(1), paragraph 6(2) and paragraph 6(6) of Schedule C shall be true and correct in all material respects (disregarding for such purposes any materiality or Material Adverse Effect qualification contained in any such representation or warranty) as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date); and (iii) all other representations and warranties made by Enthusiast in this Agreement shall be true and correct in all respects (disregarding for such purpose any materiality or Material Adverse Effect qualification contained in any such representation or warranty) as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except in the case of this clause (iii) where any failure or failures of any such other representations and warranties to be so true and correct would not, individually or in the aggregate, have a Material Adverse Effect in respect of Enthusiast and its subsidiaries, taken as a whole; and J55 shall have received a certificate of Enthusiast addressed to J55 and dated the Effective Date, signed on behalf of Enthusiast by a senior executive officer of Enthusiast (on Enthusiast's behalf and without personal liability), confirming the same as of the Effective Date;
- (c) since the date of this Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public) any Material Adverse Effect in respect of Enthusiast;

- (d) J55 shall have received waiver agreements from each of Messrs Bernofsky, Kestenbaum and Friedman pursuant to which they each agree that the Arrangement does not constitute a “Change of Control” for purposes of their respective employment or consulting agreements with Enthusiast; and
- (e) Enthusiast Shareholders shall not have exercised Dissent Rights in connection with the Arrangement with respect to more than 10% of the issued and outstanding Enthusiast Shares.

Section 6.3 Additional Conditions Precedent to the Obligations of Enthusiast

The obligations of Enthusiast to complete the transactions contemplated by this Agreement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Date, each of which is for the exclusive benefit of Enthusiast and may be waived by Enthusiast in whole or in part at any time:

- (a) all covenants of J55 and the Proposed Subsidiaries under this Agreement to be performed on or before the Effective Date which have not been waived by Enthusiast shall have been duly performed by J55 and the Proposed Subsidiaries in all material respects, and Enthusiast shall have received a certificate of J55, addressed to Enthusiast and dated the Effective Date, signed on behalf of J55 by a senior executive officer (on J55’s behalf and without personal liability), confirming the same as of the Effective Date;
- (b) (i) the representations and warranties of J55 set forth in paragraph (5) of Schedule D shall be true and correct in all respects as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except for such failures to be so true and correct that are *de minimus*; (ii) the representations and warranties of J55 set forth in paragraph (1), paragraph (2) and paragraph (6) of Schedule D shall be true and correct in all material respects (disregarding for such purposes any materiality or Material Adverse Effect qualification contained in any such representation or warranty) as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date); and (iii) all other representations and warranties made by J55 and GameCo in this Agreement shall be true and correct in all respects (disregarding for such purpose any materiality or Material Adverse Effect qualification contained in any such representation or warranty) as of the date of this Agreement and as of the Effective Date as if made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except in the case of this clause (iii) where any failure or failures of any such other representations and warranties to be so true and correct would not, individually or in the aggregate, have a Material Adverse Effect in respect of J55 and the Proposed Subsidiaries, taken as a whole; and Enthusiast shall have received a certificate of J55 addressed to Enthusiast and dated the Effective Date, signed on behalf of J55 by a senior executive officer of J55 (on J55’s behalf and without personal liability), confirming the same as of the Effective Date;

- (c) the Proposed Acquisitions shall have been completed;
- (d) since the date of this Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public) any Material Adverse Effect in respect of J55 or the Proposed Subsidiaries, taken as a whole; and
- (e) J55 shall have satisfied its obligations under Section 2.11.

Section 6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1 to Section 6.3 shall be conclusively deemed to have been satisfied, waived or released upon the issuance of the Certificate of Arrangement.

Section 6.5 Notice and Cure Provisions

- (1) Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the earlier of the termination of this Agreement and the Effective Time of any event or state of facts which occurrence or failure would, or would reasonably be expected to:
 - (a) cause any of the representations or warranties of such Party contained herein and the Proposed Subsidiaries contained in the Subsidiary Transaction Documents to be untrue or inaccurate in any material respect; or
 - (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party, including the Proposed Subsidiaries, hereunder prior to the Effective Time,

in each case to the extent that the conditions in Section 6.2(a) and Section 6.2(b), in the case of Enthusiast's representations, warranties and covenants, and Section 6.3(a) and Section 6.3(b), in the case of J55 and the Proposed Subsidiaries' representations, warranties and covenants, would not be capable of being satisfied at any time from the date hereof until the Effective Date.

- (2) J55 may not exercise its rights to terminate this Agreement pursuant to Section 8.2(1)(d)(i) and Enthusiast may not exercise its right to terminate this Agreement pursuant to Section 8.2(1)(c)(i) unless the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment of the applicable condition or for the applicable termination right, as the case may be. If any such notice is delivered, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may terminate this Agreement pursuant to such termination right until the earlier of (i) the Outside Date and (ii) the date that is 10 Business Days from such notice, and then only if such matter has not been cured by such date. If such notice has been delivered prior to the making of the application for the Final Order or the Enthusiast Meeting or the J55 Meeting, such application and/or

meetings shall be postponed, if and to the extent necessary, until the expiry of such period.

ARTICLE 7
ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

Section 7.1 Covenants Regarding Non-Solicitation

- (1) Except as provided in this Article 7, Enthusiast shall not, and none of its subsidiaries nor any of its or its subsidiaries' directors and officers shall, and Enthusiast shall instruct its and its subsidiaries' Representatives not to, directly or indirectly:
 - (a) solicit, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of Enthusiast or any subsidiary) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
 - (b) enter into or otherwise engage or participate in any substantive discussions or negotiations with any Person (other than J55 or any Person acting jointly or in concert with J55) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal; provided that, for greater certainty, Enthusiast shall be permitted to: (i) communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person; (ii) advise any Person of the restrictions of this Agreement; and (iii) advise any Person making an Acquisition Proposal that the Enthusiast Board has determined that such Acquisition Proposal does not constitute or is not reasonably expected to constitute or lead to a Superior Proposal;
 - (c) withdraw, amend, modify or qualify, in a manner adverse to J55, the Enthusiast Board Recommendation;
 - (d) accept, approve, endorse or recommend any Acquisition Proposal, or take no position or remain neutral with respect to any publicly announced Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced Acquisition Proposal for a period of no more than 10 Business Days following the public announcement of such Acquisition Proposal will not be considered to be in violation of this Section 7.1 provided the Enthusiast Board has rejected such Acquisition Proposal and affirmed the Enthusiast Board Recommendation before the end of such 10 Business Day period); or
 - (e) enter into (other than a confidentiality agreement permitted by and in accordance with Section 7.3) any agreement in respect of an Acquisition Proposal.

- (2) Enthusiast shall, and shall cause its subsidiaries and its Representatives to, immediately cease and terminate, any solicitation, encouragement, discussion or negotiation commenced prior to the date of this Agreement with any Person (other than with J55) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith, Enthusiast will:
- (a) promptly discontinue access to and disclosure of all confidential information, including any data room and any access to the properties, facilities, books and records of Enthusiast or of any of its subsidiaries; and
 - (b) within two Business Days, request (i) the return or destruction of all copies of any confidential information regarding Enthusiast or any subsidiary provided to any Person (other than J55) since June 1, 2018 in respect of a possible Acquisition Proposal, and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding Enthusiast or any subsidiary, using its commercially reasonable efforts to ensure that such requests are complied with in accordance with the terms of such rights.
- (3) Enthusiast agrees that it shall (i) use commercially reasonable efforts to enforce any confidentiality, standstill or similar agreement or restriction to which Enthusiast or any subsidiary is a party and (ii) not release any Person from, or waive, amend, suspend or otherwise modify any Person's obligations respecting Enthusiast, or any of its subsidiaries, under any confidentiality, standstill or similar agreement or restriction to which Enthusiast or any subsidiary is a party (it being acknowledged by J55 that the automatic termination or release of any standstill restrictions of any such agreements as a result of the entering into an announcement of this Agreement shall not be a violation of this Section 7.1(3)).

Section 7.2 Notification of Acquisition Proposals

If Enthusiast or any of its subsidiaries receives, or, to the knowledge of Enthusiast, any of their respective Representatives receives, any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to Enthusiast or any subsidiary in relation to a possible Acquisition Proposal, Enthusiast shall promptly notify J55, at first orally, and then within 48 hours, in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions and the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request. At J55's reasonable request, Enthusiast shall keep J55 informed of the status of material developments and negotiations with respect to any Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request.

Section 7.3 Responding to Acquisition Proposal

Notwithstanding Section 7.1, or any other agreement between the Parties or between Enthusiast and any other Person, if, at any time prior to obtaining the approval of the

Enthusiast Shareholders of the Enthusiast Arrangement Resolution, Enthusiast receives an Acquisition Proposal, Enthusiast and its Representatives may engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and, subject to entering into a confidentiality and standstill agreement with such Person containing terms that are not materially less favourable to Enthusiast than those contained in the Confidentiality Agreement (it being understood and agreed that such confidentiality and standstill agreement need not restrict the making of a confidential Acquisition Proposal and related communications to Enthusiast or the Enthusiast Board), a copy of which shall be provided to J55 prior to providing such Person with any such copies, access or disclosure, Enthusiast and its Representatives may provide copies of, access to or disclosure of information, properties, facilities, books or records of Enthusiast or its subsidiaries, if and only if:

- (a) the Enthusiast Board first determines in good faith, after consultation with its financial advisor, that such Acquisition Proposal constitutes or could reasonably be expected to constitute or lead to a Superior Proposal; and
- (b) Enthusiast has been, and continues to be, in compliance with its obligations under Section 7.1 in all material respects.

Section 7.4 Right to Match

- (1) If Enthusiast receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Enthusiast Arrangement Resolution by the Enthusiast Shareholders the Enthusiast Board may, or may cause Enthusiast to, subject to compliance with Section 8.3(3), enter into a definitive agreement with respect to such Superior Proposal, if and only if:
 - (a) Enthusiast has been, and continues to be, in compliance with its obligations under Section 7.1 in all material respects;
 - (b) Enthusiast or its Representatives have delivered to J55 a written notice of the determination of the Enthusiast Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention to enter into a definitive agreement with respect to such Superior Proposal (the “**Superior Proposal Notice**”);
 - (c) Enthusiast or its Representatives have provided to J55 a copy of the proposed definitive agreement for the Superior Proposal;
 - (d) at least five Business Days (the “**Matching Period**”) have elapsed from the date that is the later of the date on which J55 received the Superior Proposal Notice and the date on which J55 received a copy of the proposed definitive agreement for the Superior Proposal;
 - (e) during any Matching Period, J55 has had the opportunity (but not the obligation), in accordance with Section 7.4(2), to offer to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

- (f) after the Matching Period, the Enthusiast Board has determined in good faith (i) after consultation with its legal counsel and financial advisor, that such Acquisition Proposal continues to constitute a Superior Proposal (and, if applicable, compared to the terms of the Arrangement as proposed to be amended by J55 under Section 7.4(2)) and (ii) after consultation with its legal counsel, that the failure to take the relevant action would be inconsistent with its fiduciary duties; and
 - (g) prior to or concurrently with entering into such definitive agreement Enthusiast terminates this Agreement pursuant to Section 8.2(1)(c)(ii) and pays the Enthusiast Termination Fee pursuant to Section 8.3(3).
- (2) During the Matching Period, or such longer period as Enthusiast may approve in writing for such purpose: (a) the Enthusiast Board shall review any offer made by J55 under Section 7.4(1)(e) to amend the terms of this Agreement and the Arrangement in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) Enthusiast shall negotiate in good faith with J55 to make such amendments to the terms of this Agreement and the Arrangement as would enable J55 to proceed with the transactions contemplated by this Agreement on such amended terms. If the Enthusiast Board determines that such Acquisition Proposal would cease to be a Superior Proposal, Enthusiast shall promptly so advise J55 and Enthusiast and J55 shall amend this Agreement to reflect such offer made by J55, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.
- (3) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of this Section 7.4, provided that the Matching Period in respect of such new Acquisition Period shall extend only until the later of the end of the initial five Business Day Matching Period and 36 hours after J55 received the Superior Proposal Notice for the new Superior Proposal and a copy of the proposed definitive agreement for the new Superior Proposal.
- (4) If Enthusiast provides a Superior Proposal Notice to J55 on a date that is less than five Business Days before the Enthusiast Meeting, Enthusiast shall either proceed with or shall postpone the Enthusiast Meeting, as directed by J55 acting reasonably, to a date that is not more than five Business Days after the scheduled date of the Enthusiast Meeting but in any event the Enthusiast Meeting shall not be postponed to a date which would prevent the Effective Date from occurring on or prior to the Outside Date.
- (5) Nothing contained in this Agreement shall prohibit the Enthusiast Board from making an Enthusiast Change in Recommendation or from making any disclosure to any securityholders of Enthusiast prior to the Effective Time, including for greater certainty disclosure of an Enthusiast Change in Recommendation, if, in the good faith judgment of the Enthusiast Board, after consultation with outside legal counsel, failure to take such action or make such disclosure would reasonably be expected to be inconsistent with the Enthusiast Board's exercise of its fiduciary duties or such action or disclosure is

otherwise required by Law (including, without limitation, by responding to an Acquisition Proposal under a directors' circular or otherwise as required by Law); provided that, for greater certainty, in the event of an Enthusiast Change in Recommendation and a termination by J55 of this Agreement pursuant to Section 8.2(1)(d)(ii), Enthusiast shall be obligated to pay the Enthusiast Termination Fee as required by Section 8.3(3). The Enthusiast Board may not make an Enthusiast Change in Recommendation pursuant to the preceding sentence unless Enthusiast gives J55 at least two Business Days prior written notice of its intention to make such Enthusiast Change in Recommendation, provided that, for greater certainty, the foregoing limitation shall not apply in respect of any actions taken under Section 7.4(1). Should the Enthusiast Board make an Enthusiast Change in Recommendation in accordance with the foregoing, Section 2.13 shall no longer be applicable to disclosures made by Enthusiast. In addition, nothing contained in this Agreement shall prohibit Enthusiast or the Enthusiast Board from calling and/or holding a meeting of Enthusiast Shareholders requisitioned by Enthusiast Shareholders in accordance with the OBCA or taking any other action to the extent ordered or otherwise mandated by a Governmental Entity.

ARTICLE 8 TERM, TERMINATION, AMENDMENT AND WAIVER

Section 8.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

Section 8.2 Termination

- (1) This Agreement may be terminated prior to the Effective Time by:
 - (a) the mutual written agreement of the Parties; or
 - (b) either Enthusiast or J55 if:
 - (i) the Enthusiast Meeting is duly convened and held and the Enthusiast Arrangement Resolution is voted on by Enthusiast Shareholders and not approved by the Enthusiast Shareholders as required by the Interim Order;
 - (ii) the J55 Meeting is duly convened and held and the J55 Resolutions are voted on by J55 Shareholders and not approved by the J55 Shareholders as required by Law;
 - (iii) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Enthusiast or J55 from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided that the Party seeking to terminate this Agreement pursuant to this Section 8.2(1)(b)(ii) has used its

reasonable best efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to the failure of such Party to perform any of its covenants or agreements under this Agreement; or

(iv) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 8.2(1)(b)(iv) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement; or

(c) Enthusiast if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of J55 under this Agreement occurs that would cause any condition in Section 6.3(a), Section 6.3(b) or Section 6.3(c) not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 6.5; provided that any wilful breach shall be deemed to be incapable of being cured and Enthusiast is not then in breach of this Agreement so as to cause any condition in Section 6.2(a) or Section 6.2(b) not to be satisfied; or

(ii) prior to the approval by the Enthusiast Shareholders of the Enthusiast Arrangement Resolution, the Enthusiast Board authorizes Enthusiast to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.3) with respect to a Superior Proposal in accordance with Section 7.4, provided Enthusiast is then in compliance with Section 7.1 in all material respects and that prior to or concurrent with such termination Enthusiast pays the Enthusiast Termination Fee in accordance with Section 8.3(3); or

(d) J55 if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Enthusiast under this Agreement occurs that would cause any condition in Section 6.2(a) or Section 6.2(b) not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of Section 6.5; provided that any wilful breach shall be deemed to be incapable of being cured and J55 is not then in breach of this Agreement so as to cause any condition in Section 6.3(a), Section 6.3(b) or Section 6.3(c) not to be satisfied; or

(ii) prior to the approval by the Enthusiast Shareholders of the Arrangement Resolution, (A) the Enthusiast Board fails to recommend or withdraws,

amends, modifies or qualifies, in a manner adverse to J55, the Enthusiast Board Recommendation, (B) the Enthusiast Board accepts, approves, endorses or recommends an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced Acquisition Proposal for more than 10 Business Days (together with any of the matters set forth in (A), an “**Enthusiast Change in Recommendation**”), (C) the Enthusiast Board enters into (other than a confidentiality agreement permitted by and in accordance with Section 7.3) any agreement in respect of an Acquisition Proposal or (D) Enthusiast wilfully breaches Section 7.1.

- (2) Subject to Section 6.5(2), if applicable, the Party desiring to terminate this Agreement pursuant to this Section 8.2(2) (other than pursuant to Section 8.2(1)(a)) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party’s exercise of its termination right.

Section 8.3 Termination Fees and Expenses

- (1) Except as otherwise provided herein, all costs and expenses incurred in connection with this Agreement shall be paid by the Party incurring such cost or expense. J55 shall pay any filing or similar fee payable to a Governmental Entity and applicable Taxes in connection with a Regulatory Approval.
- (2) Despite any other provision in this Agreement relating to the payment of fees and expenses, including the payment of brokerage fees, if an Enthusiast Termination Fee Event occurs, in consideration for the disposition of its rights under this Agreement, Enthusiast shall pay to J55 the Enthusiast Termination Fee in accordance with Section 8.3(3). For the purposes of this Agreement, “**Enthusiast Termination Fee**” means \$4,500,000 and “**Enthusiast Termination Fee Event**” means the termination of this Agreement:
 - (a) by J55, pursuant to Section 8.2(1)(d)(ii);
 - (b) by Enthusiast, pursuant to Section 8.2(1)(c)(ii); or
 - (c) by Enthusiast or J55 pursuant to Section 8.2(1)(b)(i), if:
 - (i) following the date hereof and prior to the Enthusiast Meeting, a *bona fide* Acquisition Proposal involving Enthusiast shall have been publicly announced by any Person (other than J55 or any of their affiliates or any Person acting jointly or in concert with any of the foregoing);
 - (ii) such Acquisition Proposal has not expired or been publicly withdrawn at least five (5) Business Days prior to the Enthusiast Meeting; and
 - (iii) within twelve months following the date of such termination (A) such Acquisition Proposal is consummated, or (B) Enthusiast enters into a

contract in respect of such Acquisition Proposal and such Acquisition Proposal is later consummated.

For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except that references to "20% or more" shall be deemed to be references to "50% or more".

- (3) If an Enthusiast Termination Fee Event occurs due to a termination of this Agreement by Enthusiast pursuant to Section 8.2(1)(c)(ii), the Enthusiast Termination Fee shall be paid prior to or concurrently with the occurrence of such Enthusiast Termination Fee Event. If an Enthusiast Termination Fee Event occurs due to a termination of this Agreement by J55 pursuant to Section 8.2(1)(d)(ii), the Enthusiast Termination Fee shall be paid within two Business Days following such Enthusiast Termination Fee Event. If an Enthusiast Termination Fee Event occurs in the circumstances set out in Section 8.3(2)(c), the Enthusiast Termination Fee shall be paid upon the consummation of the Acquisition Proposal referred to therein. Any Enthusiast Termination Fee shall be paid by Enthusiast to J55 (or as J55 may direct by notice in writing), by wire transfer in immediately available funds to an account designated by J55. For greater certainty, in no event shall Enthusiast be obligated to pay the Enthusiast Termination Fee on more than one occasion.
- (4) Each Party acknowledges that the agreements contained in this Section 8.3 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Parties would not enter into this Agreement, and that the amounts set out in this Section 8.3 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, reputational damages and expenses, which the affected Party or Parties will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, represent consideration for the recipient's disposition of its rights under this Agreement and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. Notwithstanding anything to the contrary set forth in this Agreement, but subject to J55's rights set forth in Section 9.7, in the event of the termination of this Agreement by J55 or Enthusiast in circumstances that constitute an Enthusiast Termination Fee Event, the receipt of the Enthusiast Termination Fee by J55 shall be the sole and exclusive remedy (including damages, specific performance and injunctive relief) of J55 and its affiliates against Enthusiast, its affiliates and any of their respective former, current or future directors, officers, employees, affiliates, shareholders, managers, members or agents for all breaches of any representation, warranty, covenant or agreement contained in this Agreement by Enthusiast and the failure of the transactions contemplated herein to be consummated (including with respect to any loss suffered as a result of the failure of the Arrangement to be consummated or for a breach or failure to perform hereunder, in any case whether willfully, intentionally, unintentionally or otherwise). For the avoidance of doubt, it is agreed that Enthusiast and J55 shall be entitled to pursue an injunction, or other form of specific performance or equitable relief, solely as provided in Section 9.7.

- (5) The Parties acknowledge that the agreements contained in Section 8.3 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Parties would not enter into this Agreement; accordingly, if Enthusiast fails to pay the Enthusiast Termination Fee when due and, in order to obtain such payment, J55 commences a suit that results in a judgment against Enthusiast for the Enthusiast Termination Fee, Enthusiast shall pay to J55 its costs and expenses (including attorneys' fees) in connection with such suit, together with interest on the amount of such or portion thereof at the prime rate of the Royal Bank of Canada in effect on such date such payment was required to be made through the date of payment.

ARTICLE 9 GENERAL PROVISIONS

Section 9.1 Amendment

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Enthusiast Meeting and the J55 Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, subject to the Interim Order and the Final Order and Law, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify the performance of any of the obligations of the Parties; and/or
- (d) waive compliance with or modify any mutual conditions precedent herein contained.

Section 9.2 Waiver

Any Party may (i) extend the time for the performance of any of the obligations or acts of the other Party, (ii) waive compliance, except as provided herein, with any of the other Party's agreements or the fulfilment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

Section 9.3 Third Party Beneficiaries

- (1) Except as provided in Section 2.5(3), Section 5.5(1)(a) and Section 5.7 and which, without limiting their terms, are intended as stipulations for the benefit of the third Persons mentioned in such provisions (such third Persons referred to in this Section 9.3 as the "Indemnified Persons"), each of the Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and

that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

- (2) Despite the foregoing, each of the Parties acknowledges to each of the Indemnified Persons their direct rights against each of them under Section 2.5(3), Section 5.5(1)(a) and Section 5.7, as applicable, which are intended for the benefit of, and shall be enforceable by, each Indemnified Person, his or her heirs and his or her legal representatives, and for such purpose, each Party confirms that it is acting as trustee and/or agent on their behalf, and agrees to enforce such provisions on their behalf.

Section 9.4 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in the Plan of Arrangement without any further act or formality, each of the Parties to this Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out therein.

Section 9.5 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or email, or as of the following Business Day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

- (a) if to J55 and/or GameCo:

1100 Melville Street
Suite 830
Vancouver, British Columbia
V6E 4A6

Attention: Adrian Montgomery, Chief Executive Officer
Email: adrian@luminosity.gg

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attention: Robert Mason
Email: robert.mason@nortonrosefulbright.com

- (b) if to Enthusiast:

150 Eglinton Avenue East
Suite 203
Toronto, Ontario
M4P 1E8

Attention: Menashe Kestenbaum, Chief Executive Officer
Email: menashe@enthusiastgaming.com

with a copy (which shall not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, ON M5L 1B9

Attention: Jay Kellerman
Email: jkellerman@stikeman.com

Section 9.6 Governing Law

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Parties irrevocably attorn and submit to the exclusive jurisdiction of the courts of Ontario situated in the City of Toronto with respect to any dispute related to this Agreement and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

Section 9.7 Injunctive Relief

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions, specific performance and other equitable relief to prevent or address breaches or threatened breaches of this Agreement, and any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief is hereby being waived, this being in addition to any other remedy to which the Parties may be entitled at law or in equity.

Section 9.8 Time of Essence

Time shall be of the essence in this Agreement.

Section 9.9 Entire Agreement, Binding Effect and Assignment

This Agreement (including the Schedules hereto), the J55 Disclosure Letter (including the schedules thereto), the Enthusiast Disclosure Letter (including the schedules thereto), the Confidentiality Agreement constitute the entire agreement, and supersede all other prior

agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof and thereof and, except as expressly provided herein, this Agreement is not intended to and shall not confer upon any Person other than the Parties any rights or remedies hereunder. Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either of the Parties without the prior written consent of the other Party.

Section 9.10 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 9.11 No Liability

No director or officer of a Party or of any of its affiliates shall have any personal liability whatsoever to the other Party under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of a Party.

Section 9.12 Rules of Construction

The Parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the Party drafting such agreement or other document.

Section 9.13 Counterparts, Execution

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the date first written above.

J55 CAPITAL CORP.

Per: "Adrian Montgomery"
Name: Adrian Montgomery
Title: Chief Executive Officer

**ENTHUSIAST GAMING HOLDINGS
INC.**

Per: "Menashe Kestenbaum"
Name: Menashe Kestenbaum
Title: Chief Executive Officer

AQUILINI GAMECO INC.

Per: "Alex Macdonald"
Name: Alex Macdonald
Title: CFO

**SCHEDULE A
FORM OF PLAN OF ARRANGEMENT**

**PLAN OF ARRANGEMENT UNDER SECTION 182
OF THE *BUSINESS CORPORATIONS ACT (ONTARIO)***

**ARTICLE 1
INTERPRETATION**

1.1 Definitions.

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings ascribed thereto in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

“Arrangement” means an arrangement under section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations to this Plan of Arrangement made in accordance with the terms of this Plan of Arrangement or the Arrangement Agreement or at the direction of the Court in the Final Order with the prior written consent of the Parties, each acting reasonably.

“Arrangement Agreement” means the arrangement agreement made as of May 30, 2019 among J55, Enthusiast and Aquilini GameCo Inc. together with the schedules attached thereto, the Enthusiast Disclosure Letter and the J55 Disclosure Letter, as same may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“Articles of Arrangement” means the articles of arrangement of Enthusiast in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Parties, each acting reasonably.

“Business Day” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Vancouver, British Columbia.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“Consideration” means, for each Enthusiast Share, the number of J55 Shares equal to the Exchange Ratio.

“Consideration Shares” means the J55 Shares to be issued as Consideration pursuant to this Plan of Arrangement.

“Court” means the Ontario Superior Court of Justice (Commercial List).

“Depository” means Computershare Investor Services Inc. or such other Person as the Parties may agree to in writing, each acting reasonably.

“**Director**” means the director appointed under Section 278 of the OBCA.

“**Dissent Rights**” has the meaning specified in Section 5.1 of this Plan of Arrangement.

“**Dissenting Holder**” means an Enthusiast Shareholder who has duly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Enthusiast Shares in respect of which Dissent Rights are validly exercised by such holder.

“**Effective Date**” means the date shown on the Certificate of Arrangement.

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“**Enthusiast**” means Enthusiast Gaming Holdings Inc., a corporation existing under the laws of the Province of Ontario.

“**Enthusiast Arrangement Resolution**” means the special resolution approving this Plan of Arrangement presented to the Enthusiast Shareholders at the Enthusiast Meeting, substantially in the form of Schedule B to the Arrangement Agreement.

“**Enthusiast Circular**” means the notice of the Enthusiast Meeting to be sent to the Enthusiast Shareholders in connection with the Enthusiast Meeting and the accompanying management information circular, including all schedules, appendices and exhibits thereto, and information incorporated by reference therein, as amended, supplemented or otherwise modified from time to time.

“**Enthusiast Convertible Debentures**” means the unsecured convertible debentures of Enthusiast.

“**Enthusiast Disclosure Letter**” has the meaning given to it in the Arrangement Agreement.

“**Enthusiast Meeting**” means the annual and special meeting of Enthusiast Shareholders, including any adjournment or postponement of such annual and special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Enthusiast Arrangement Resolution, annual meeting matters consistent with past practice and for any other purpose as may be set out in the Enthusiast Circular and agreed to in writing by the Parties.

“**Enthusiast Options**” means the outstanding options to purchase Enthusiast Shares granted under or otherwise subject to the Enthusiast Stock Option Plan.

“**Enthusiast Securities**” means the Enthusiast Shares, the Enthusiast Options, the Enthusiast Warrants and the Enthusiast Convertible Debentures.

“**Enthusiast Securityholders**” means the holders of Enthusiast Securities.

“**Enthusiast Shareholders**” means the holders of Enthusiast Shares.

“Enthusiast Shares” means common shares in the capital of Enthusiast.

“Enthusiast Stock Option Plan” means the stock option plan of Enthusiast approved by the board of directors of Enthusiast on June 30, 2017, as amended from time to time.

“Enthusiast Warrants” means the currently issued and outstanding common share purchase warrants and/or compensation options of Enthusiast.

“Exchange Ratio” means, for each Enthusiast Share, 4.22 J55 Shares, subject to adjustment pursuant to Section 2.15 of the Arrangement Agreement.

“Final Order” means the final order of the Court approving the Arrangement, as such order may be amended by the Court (with the consent of the Parties, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is satisfactory to the Parties, each acting reasonably) on appeal.

“GameCo” means Aquilini GameCo Inc., a corporation existing under the laws of Canada.

“Governmental Entity” means any applicable: (a) multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, minister, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, commissioner, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) stock exchange.

“holder” means a holder of Enthusiast Shares whose name appears in the register of holders of Enthusiast Shares maintained by or on behalf of Enthusiast and, where applicable, includes joint holders of such Enthusiast Shares.

“Interim Order” means the interim order of the Court made in connection with the Arrangement and providing for, among other things, the calling and holding of the Enthusiast Meeting, as the same may be amended, supplemented or varied by the Court (with the consent of the Parties, each acting reasonably).

“J55” means J55 Capital Corp., a corporation existing under the laws of the Province of British Columbia.

“J55 Disclosure Letter” has the meaning given to it in the Arrangement Agreement.

“J55 Shares” means the common shares in the capital of J55.

“Law” or **“Laws”** means, with respect to any Person, any and all applicable laws (statutory, common or otherwise), statute, constitution, treaty, convention, ordinance, code, rule, regulation, by-laws, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applicable by a Governmental

Entity that is binding upon or applicable to such Person or its business, undertaking, property, assets or securities, the terms and conditions of any Authorization and to the extent they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended.

“**Letter of Transmittal**” means the letter of transmittal sent by Enthusiast to the Enthusiast Shareholders with the Enthusiast Circular.

“**Liens**” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances, encroachments, options, adverse rights or claims or other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Parties**” means J55 and Enthusiast, and “**Party**” means either of them.

“**Person**” includes an individual, partnership, association, company, corporation, body corporate, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

“**Plan of Arrangement**” means this plan of arrangement, and any amendments or variations made in accordance with Section 9.1 of the Arrangement Agreement, this plan of arrangement or upon the direction of the Court with the consent of the Parties, each acting reasonably.

“**Replacement Option**” means an option or right to purchase J55 Shares granted by J55 in replacement of Enthusiast Options on the basis set forth in Section 2.1(c)(i) of this Plan of Arrangement.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**TSXV**” means the TSX Venture Exchange.

1.2 Certain Rules of Interpretation.

In this Agreement, unless otherwise specified:

- (1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (2) **Currency.** Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and “\$” refers to Canadian dollars.

- (3) **Gender and Number.** In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- (4) **Certain Phrases, etc.** The words (i) **“including”, “includes” and “include”** mean **“including (or includes or include) without limitation,”** (ii) **“the aggregate of”, “the total of”, “the sum of”,** or a phrase of similar meaning means **“the aggregate (or total or sum), without duplication, of,”** and (iii) unless stated otherwise, **“Article”, “Section”, and “Schedule”** followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.
- (5) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (6) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.
- (7) **Time References.** References to time are to local time, Toronto, Ontario.

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement Agreement.

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 Binding Effect.

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Parties, all holders and beneficial owners of Enthusiast Securities, including Dissenting Holders, the registrar and transfer agent of Enthusiast and the Depositary, at and after, the Effective Time without any further act or formality required on the part of any Person.

2.3 Arrangement.

Commencing at the Effective Time, the following shall occur and shall be deemed to occur as set out below without any further authorization, act or formality, in each case effective as at five-minute intervals starting at the Effective Time:

(a) **Dissenting Shareholders.**

Each Enthusiast Share held by an Enthusiast Shareholder who has validly exercised its Dissent Rights (and the Dissent Right of such Enthusiast Shareholder to dissent with respect to such Enthusiast Share has not terminated or ceased to apply with respect to such Enthusiast Share) will be and be deemed to be transferred by such Enthusiast Shareholder to J55, free and clear of any Liens, without any further act or formality, and such Enthusiast Shareholder will cease to be the holder thereof or have any rights as a holder in respect of such Enthusiast Share other than the right to be paid by J55 the fair value of such Enthusiast Share determined and payable in accordance with Article 5.1 hereof; such Enthusiast Shareholder's name shall be removed from the register of holders of Enthusiast Shares, J55 shall be the legal and beneficial owner of the Enthusiast Shares transferred pursuant to this Section 2.3 and J55 shall be added to the register of holders of Enthusiast Shares accordingly;

(b) **Exchange of Enthusiast Shares for Consideration Shares.**

All Enthusiast Shares, other than those referred to in Section 2.3 shall be exchanged on the following basis:

- (i) all such Enthusiast Shares shall be transferred, free and clear of any Liens, to J55, solely in exchange for the issue by J55 to the Enthusiast Shareholders in respect of such Enthusiast Shares of the Consideration Shares, subject to Section 2.3 hereof; and
- (ii) upon completion of the exchanges referred to in this Section 2.3(b), each Enthusiast Shareholder: shall cease to be such a holder of Enthusiast Shares; shall, if a registered holder, have such holder's name removed from the register of holders of Enthusiast Shares; shall be a holder of the Consideration Shares to which such holder is entitled as a result of such exchanges; and, if a registered holder, shall have its name added to the register of holders of J55 Shares accordingly; and J55 shall be the legal and beneficial owner of the Enthusiast Shares transferred pursuant to this Section 2.3(b) and J55 shall be added to the register of holders of Enthusiast Shares accordingly.

(c) **Exchange of Enthusiast Options.**

All Enthusiast Options outstanding as of the Effective Time shall be exchanged on the following basis:

- (i) each Enthusiast Option outstanding at the Effective Time (whether vested or unvested) will be exchanged for a Replacement Option to acquire such number of J55 Shares as is equal to: (A) that number of Enthusiast Shares that were issuable upon exercise of such Enthusiast Option immediately prior to the Effective Time, multiplied by (B) the Exchange Ratio, rounded down to the nearest whole number of J55 Shares, at an exercise

price per J55 Share equal to the greater of (i) the quotient determined by dividing: (X) the exercise price per Enthusiast Share at which such Enthusiast Option was exercisable immediately prior to the Effective Time, by (Y) the Exchange Ratio, rounded up to the nearest whole cent, and (ii) such minimum amount that meets the requirements of paragraph 7(1.4)(c) of the Tax Act. All terms and conditions of a Replacement Option, including the term to expiry, vesting, conditions to and manner of exercising, shall be the same as the Enthusiast Option for which it was exchanged, and any certificate or option agreement previously evidencing the Enthusiast Option shall thereafter evidence and be deemed to evidence such Replacement Option.

ARTICLE 3 ENTHUSIAST WARRANTS

3.1 Enthusiast Warrants

In accordance with the terms of the applicable warrant certificate and/or agreement governing the applicable Enthusiast Warrants, each holder of an Enthusiast Warrant shall be entitled to receive (and such holder shall accept) upon the exercise of such holder's Enthusiast Warrant, in lieu of Enthusiast Shares to which such holder was theretofore entitled upon such exercise, and for the same aggregate consideration payable therefor, the number of J55 Shares, which the holder would have been entitled to receive as a result of the transactions contemplated by this Arrangement if, immediately prior to the Effective Date, such holder had been the registered holder of the number of Enthusiast Shares to which such holder would have been entitled if such holder had exercised such holder's Enthusiast Warrants immediately prior to the Effective Time. Each Enthusiast Warrant shall continue to be governed by and be subject to the terms of the applicable Enthusiast Warrant certificate and/or agreement, subject to any supplemental exercise documents issued by J55 to holders of Enthusiast Warrants to facilitate the exercise of the Enthusiast Warrants and the payment of the corresponding portion of the exercise price.

3.2 Exercise of Enthusiast Warrants Post-Effective Time

Upon any valid exercise of an Enthusiast Warrant after the Effective Time, Enthusiast shall: (i) deliver or cause to be delivered, the J55 Shares needed to settle such exercise, and (ii) cause J55 shall to issue the necessary number of J55 Shares necessary to settle such exercise.

ARTICLE 4 ENTHUSIAST CONVERTIBLE DEBENTURES

In accordance with the terms of the applicable certificate and/or agreement governing the applicable Enthusiast Convertible Debentures, each Enthusiast Convertible Debenture shall continue to be governed by and be subject to the terms of the applicable Enthusiast Convertible Debenture certificate and/or agreement such that upon any valid conversion and/or redemption of an Enthusiast Convertible Debenture after the Effective Time, J55 shall issue the necessary number of J55 Shares as may be applicable to give effect to any valid conversion and/or redemption pursuant to the terms and conditions of the Enthusiast Convertible Debentures.

ARTICLE 5
RIGHTS OF DISSENT

5.1 Rights of Dissent

Enthusiast Shareholders may exercise dissent rights ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Section 185 of the OBCA, and in this Section 5.1, as the same may be modified by the Interim Order or the Final Order; provided that, notwithstanding subsection 185(6) of the OBCA, the written objection to the Enthusiast Arrangement Resolution referred to in subsection 185(6) of the OBCA must be received by Enthusiast not later than 5:00 p.m. (Toronto time) on the second Business Day preceding the date of the Enthusiast Meeting (as it may be adjourned or postponed from time to time). Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Enthusiast Shares held by them, and in respect of which Dissent Rights have been validly exercised, to J55 free and clear of all Liens, as provided in Section 2.3(a) and if they:

- (a) ultimately are entitled to be paid fair value for such Enthusiast Shares shall be deemed to have transferred such shares to J55 on the Effective Date pursuant to Section 2.3(a) and shall not be entitled to any other payment or consideration; or
- (b) ultimately are not entitled, for any reason, to be paid fair value for such Enthusiast Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Enthusiast Shareholder.

5.2 Recognition of Dissenting Holders.

- (a) In no circumstances shall J55, Enthusiast or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the holder of those Enthusiast Shares in respect of which such rights are sought to be exercised.
- (b) For greater certainty, in no case shall J55, Enthusiast or any other Person be required to recognize Dissenting Holders as holders of Enthusiast Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.3(a), and the names of such Dissenting Holders shall be removed from the registers of holders of Enthusiast Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 2.3(a) occurs. In addition to any other restrictions under Section 185 of the OBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Enthusiast Options, (ii) holders of Enthusiast Warrants, and (iii) Enthusiast Shareholders who vote or have instructed a proxyholder to vote such Enthusiast Shares in favour of the Enthusiast Arrangement Resolution.

ARTICLE 6
CERTIFICATES AND PAYMENTS

6.1 Payment of Consideration Shares.

- (a) J55 shall, following receipt of the Final Order and prior to the Effective Time, deliver or cause to be delivered to the Depositary in escrow pending the Effective Time, certificates representing the Consideration Shares issued pursuant to the Arrangement, and any treasury directions addressed to J55's transfer agent as may be necessary.
- (b) Upon surrender to the Depositary for cancellation of a certificate, which immediately prior to the Effective Time represented outstanding Enthusiast Shares transferred pursuant to Section 2.3(b) together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holder of Enthusiast Shares represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, a certificate representing that number of Consideration Shares which such holder has the right to receive under the Arrangement for such Enthusiast Shares, rounded down to the nearest whole number in accordance with Section 0, and less any amounts withheld pursuant to Section 6.5 .
- (c) Until surrendered as contemplated by this Section 0, each certificate that immediately prior to the Effective Time represented Enthusiast Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a certificate representing the number of Consideration Shares under the Arrangement in lieu of such certificate as contemplated in this Section 0, rounded down to the nearest whole number in accordance with Section 0, and less any amounts withheld pursuant to Section 6.5. Any such certificate formerly representing Enthusiast Shares not duly surrendered on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Enthusiast Shares of any kind or nature against or in Enthusiast or J55. On such date, all Consideration Shares to which such former holder was entitled shall be deemed to have been surrendered to J55.

6.2 Dividends and other Distributions.

No dividends or other distributions declared or made on or after the Effective Date with respect to the Consideration Shares with a record date on or after the Effective Date shall be paid to the holder of any certificates formerly representing outstanding Enthusiast Shares which are not surrendered pursuant to Section 0 unless and until the certificate representing such Enthusiast Shares, and such additional documents and instruments as the Depositary may reasonably require, shall be surrendered and delivered in accordance with Section 0. Subject to applicable law and to Section 6.5, at the time of such surrender and delivery of any such certificate, together with such additional documents and instruments as the Depositary may reasonably require (or, in the case of clause (b) below, at the appropriate payment date), there shall be paid to the holder of the Consideration Shares resulting from such exchange, in all cases without

interest, (a) the amount of dividends or other distributions with a record date on or after the Effective Date theretofore paid with respect to such Consideration Shares, and (b) the amount of dividends or other distributions with a record date on or after the Effective Date but prior to surrender and a payment date subsequent to surrender payable with respect to such Consideration Shares.

6.3 No Fractional Shares

In no event shall any holder of Enthusiast Shares be entitled to a fractional Consideration Share. Where the aggregate number of Consideration Shares to be issued to a person under or as a result of the Arrangement would result in a fraction of a Consideration Share being issuable, the number of Consideration Shares to be received by such securityholder shall be rounded down to the nearest whole Consideration Share and no person will be entitled to any compensation in respect of a fractional Consideration Share.

6.4 Lost Certificates.

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Enthusiast Shares that were transferred pursuant to Section 2.3(b) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, certificates representing Consideration Shares (together with any dividends or distributions with respect thereto pursuant to Section 6.2) deliverable in respect thereof pursuant to Section 2.3(b) in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom certificates representing Consideration Shares are to be issued shall, as a condition precedent to the delivery of such certificates, give a bond satisfactory to J55 and the Depositary (acting reasonably) in such sum as J55 may direct, or otherwise indemnify J55 and Enthusiast in a manner satisfactory to J55 and Enthusiast, acting reasonably, against any claim that may be made against J55 or Enthusiast with respect to the certificate alleged to have been lost, stolen or destroyed.

6.5 Withholding Rights.

J55, Enthusiast and the Depositary shall be entitled to deduct and withhold from any amount payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 5.1), such amounts as the Parties or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under the Tax Act, the *United States Internal Revenue Code of 1986* or any provision of any other Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority.

6.6 No Liens.

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

6.7 Paramountcy.

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

ARTICLE 7 AMENDMENTS

7.1 Amendments to Plan of Arrangement.

- (a) Enthusiast and J55 may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by J55 on the one hand and Enthusiast on the other hand, each acting reasonably, (iii) filed with the Court and, if made following the Enthusiast Meeting, approved by the Court, and (iv) communicated to holders of Enthusiast Shares if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Enthusiast at any time prior to the Enthusiast Meeting (provided that J55 shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Enthusiast Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Enthusiast Meeting shall be effective only if (i) it is consented to in writing by each of Enthusiast and J55 (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Enthusiast Shareholders voting in the manner directed by the Court.

ARTICLE 8 FURTHER ASSURANCES

8.1 Further Assurances.

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and

execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

SCHEDULE B
FORM OF ENTHUSIAST ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (“Arrangement”) under Section 182 of the *Business Corporations Act* (Ontario) involving Enthusiast (“Enthusiast”), pursuant to the arrangement agreement among Enthusiast, J55 Capital Corp (“J55”) and Aquilini GameCo Inc. (“GameCo”) dated May 30, 2019, as it may be modified, supplemented or amended from time to time in accordance with its terms (the “Arrangement Agreement”), all as more particularly described and set forth in the management information circular of Enthusiast dated ●, 2019 (the “Circular”) and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The plan of arrangement of Enthusiast, as it has been or may be modified, supplemented or amended in accordance with the Arrangement Agreement and its terms (the “Plan of Arrangement”), the full text of which is set out as Schedule ● to the Circular, be and is hereby authorized, approved and adopted.
3. The Arrangement Agreement and all transactions contemplated therein, and the actions of the directors of Enthusiast in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of Enthusiast in executing and delivering the Arrangement Agreement and any modifications, supplements or amendments thereto and causing the performance by Enthusiast of its obligations thereunder, be and are hereby confirmed, ratified, authorized and approved.
4. Enthusiast is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) (the “Court”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be, or may have been, modified, supplemented or amended).
5. Notwithstanding that this resolution has been duly passed (and the Arrangement adopted) by the shareholders of Enthusiast or that the Arrangement has been approved by the Court, the directors of Enthusiast be and are hereby authorized and empowered, without further notice to, or approval of, the shareholders of Enthusiast (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and to revoke this resolution at any time prior to the Effective Time (as defined in the Arrangement Agreement).
6. Any director or officer of Enthusiast is hereby authorized, for and on behalf of Enthusiast, to execute, with or without the corporate seal and, if appropriate, deliver any and all other agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do, or cause to be done, any and all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement, the completion of the Arrangement and related transactions in

accordance with the Arrangement Agreement and the matters authorized hereby, including, without limitation, (i) all actions required to be taken by or on behalf of Enthusiast, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities and (ii) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Enthusiast, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument, and the taking or doing of any such action.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES OF ENTHUSIAST

- (1) **Organization and Qualification.** Enthusiast and each of its subsidiaries is a corporation duly incorporated or an entity duly created and validly existing under the applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary power and authority to own its property and assets and to conduct its business as now owned and conducted. Enthusiast and each of its subsidiaries is duly qualified to conduct business and is in good standing in each jurisdiction in which the character of its properties, owned, leased, licensed or otherwise held, or the nature of its activities, makes such qualification necessary, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect in respect of Enthusiast.
- (2) **Authority Relative to this Agreement.** Enthusiast has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be entered into by Enthusiast as contemplated by this Agreement, and to perform its obligations hereunder and under such agreements and instruments. The execution and delivery and performance of this Agreement, the Arrangement and all other agreements and instruments to be entered into by Enthusiast as contemplated by this Agreement and the consummation by Enthusiast of the transactions contemplated hereunder and thereunder have been duly authorized by the Enthusiast Board and, except for obtaining the Enthusiast Shareholder Approval, the Interim Order and the Final Order in the manner contemplated herein, the approval of the Enthusiast Board of the Enthusiast Circular and other matters relating thereto and the filing of the Articles of Arrangement with the Director, no other corporate proceedings on the part of Enthusiast are necessary to authorize this Agreement, the Arrangement or any other agreements or instruments to be entered into by Enthusiast as contemplated by this Agreement. This Agreement has been duly executed and delivered by Enthusiast and constitutes a legal, valid and binding obligation of Enthusiast, enforceable against Enthusiast in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (3) **No Violation.** Except as disclosed in Section (3) of the Enthusiast Disclosure Letter and subject to the receipt of any Regulatory Approvals, neither the authorization, execution and delivery of this Agreement by Enthusiast nor the completion of the transactions contemplated by this Agreement or the Arrangement, nor the performance by Enthusiast of its obligations hereunder or thereunder, nor compliance by Enthusiast with any of the provisions hereof or thereof will (or would with the giving of notice, the lapse of time or both, or the happening of any other event or condition):
 - (a) result in a violation or breach of, constitute a default under, conflict with or require any consent or approval to be obtained or notice to be given under, any provision of:
 - (i) its or any of its subsidiaries' constating documents;

- (ii) any Material Contract of Enthusiast or any material Authorization to which Enthusiast or any of its subsidiaries is a party or to which Enthusiast or any of its subsidiaries' properties or assets are bound; or
 - (iii) any Laws, regulation, order, judgment or decree applicable to Enthusiast or any of its subsidiaries or its or their properties or assets;
 - (b) give rise to any right of purchase or sale, right of first refusal or right of first offer, trigger any change in control provision or any restriction or limitation under, any provision of any Material Contract of Enthusiast or any material Authorization to which Enthusiast or any of its subsidiaries is a party or to which Enthusiast or any of its subsidiaries' properties or assets are bound;
 - (c) give rise to any right of termination, cancellation, suspension or acceleration, allow any Person to exercise any material right, or cause or permit the termination, cancellation, suspension, acceleration or other change of any material right or obligation or the loss of any material benefit to which Enthusiast or one of its subsidiaries is entitled under, any provision of any Material Contract of Enthusiast or any material Authorization to which Enthusiast or any of its subsidiaries is a party or to which Enthusiast or any of its subsidiaries' properties or assets are bound; or
 - (d) result in the imposition of any Lien upon any of the property or assets of Enthusiast or any of its subsidiaries (whether owned or leased), or restrict, hinder, impair or limit the ability of Enthusiast or any of its subsidiaries to conduct its business as and where it is now being conducted, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Enthusiast.
- (4) **Governmental Approvals.** The execution, delivery and performance by Enthusiast of its obligations under this Agreement and the consummation by Enthusiast of the Arrangement and the other transactions contemplated by this Agreement do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by Enthusiast or by any of its subsidiaries other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Director under the OBCA; (iv) compliance with any applicable Securities Laws and stock exchange rules and regulations; (v) any Regulatory Approvals; and (vi) any Authorization, action, filing or notification which if not obtained or made as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Enthusiast or significantly impede the ability of Enthusiast to consummate the Arrangement or the other transactions contemplated by this Agreement.
- (5) **Capitalization.**
 - (a) The authorized share capital of Enthusiast consists of an unlimited number of Enthusiast Shares. As of the date hereof, there were issued and outstanding 50,496,802 Enthusiast Shares.

- (b) Except for the Enthusiast Options, Enthusiast Warrants and Enthusiast Convertible Debentures and as otherwise disclosed in the Enthusiast Disclosure Letter, there are no options, warrants, stock appreciation rights, restricted stock units, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by Enthusiast of any securities of Enthusiast (including Enthusiast Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of Enthusiast (including Enthusiast Shares). As of the date hereof, there were outstanding: (i) 4,545,274 Enthusiast Options exercisable into 4,545,274 Enthusiast Shares, (ii) 18,080,237 Enthusiast Warrants exercisable into 18,080,237 Enthusiast Shares and an aggregate principal amount of \$9,000,000 Enthusiast Convertible Debentures.
- (c) All outstanding Enthusiast Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all Enthusiast Shares issuable upon the exercise or conversion, as applicable, of Enthusiast Options, Enthusiast Warrants and Enthusiast Convertible Debentures in accordance with their respective terms have been duly reserved and authorized and, upon issuance, will be validly issued as fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights. All securities of Enthusiast (including the Enthusiast Shares, the Enthusiast Options, the Enthusiast Warrants and the Enthusiast Convertible Debentures) have been issued in compliance with all applicable Laws and Securities Laws and U.S. Securities Laws to the extent they are applicable. The issuances of all outstanding Enthusiast Options, Enthusiast Warrants and Enthusiast Convertible Debentures have been recorded on Enthusiast's financial statements in accordance with IFRS and no such grants involved any "back dating", "forward dating", "spring loading" or similar practices.
- (d) There are no securities of Enthusiast or of any of its subsidiaries outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the holders of the outstanding Enthusiast Shares on any matter. There are no outstanding contractual or other obligations of Enthusiast to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities. There are no outstanding bonds, debentures or other evidences of indebtedness of Enthusiast or any of its subsidiaries having the right to vote with the holders of the outstanding Enthusiast Shares on any matters.
- (6) **Ownership of Subsidiaries.**
- (a) Section (6) of the Enthusiast Disclosure Letter includes complete and accurate lists of all subsidiaries owned, directly or indirectly, by Enthusiast, each of which is wholly-owned except as disclosed in Section (6) of the Enthusiast Disclosure Letter. All of the issued and outstanding shares and other ownership interests in

the subsidiaries of Enthusiast are duly authorized, validly issued, fully paid and, where the concept exists, non-assessable, and all such shares and other ownership interests held directly or indirectly by Enthusiast are legally and beneficially owned free and clear of all Liens (other than Permitted Liens), and there are no outstanding options, warrants, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to purchase or acquire, or securities convertible into or exchangeable for, any such shares or other ownership interests in or material assets or properties of any of the subsidiaries of Enthusiast. There are no Contracts, commitments, understandings or restrictions which require any subsidiaries of Enthusiast to issue, sell or transfer any shares or other ownership interests, or any securities or obligations convertible into or exchangeable for, any shares or other ownership interests. There are no outstanding contractual or other obligations of any subsidiary of Enthusiast to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities. Except for ownership of equity interests in the subsidiaries listed on Section 6(6) of the Enthusiast Disclosure Letter, Enthusiast, directly or indirectly through any of its subsidiaries or otherwise, does not own any equity interest of any kind in any other Person.

- (b) Except as set forth in Section (6) of the Enthusiast Disclosure Letter, neither Enthusiast nor any of its subsidiaries is a party to any shareholder, pooling, voting trust or other similar agreement or arrangement relating to the issued and outstanding shares in the capital of Enthusiast or any of its subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in Enthusiast or any of its subsidiaries and Enthusiast has not adopted a shareholder rights plan.
- (7) **Reporting Status and Securities Laws Matters.** Enthusiast is a “reporting issuer” or the equivalent and not on the list of reporting issuers in default under applicable Canadian provincial and territorial Securities Laws in the provinces of British Columbia, Alberta and Ontario. Enthusiast has not taken any action to cease to be a reporting issuer in any province or territory of Canada. Enthusiast is in compliance, in all material respects, with all applicable Securities Laws and there are no current, pending or, to the knowledge of Enthusiast, threatened proceedings before any Securities Authority or other Governmental Entity relating to any alleged non-compliance with any Securities Laws. The Enthusiast Shares are listed on, and Enthusiast is in compliance in all material respects with the rules and policies of, the TSXV. Enthusiast is not subject to regulation by any other stock exchange. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of Enthusiast is in effect, or to the knowledge of Enthusiast, pending or have been threatened and Enthusiast is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction. Enthusiast is a “foreign private issuer” within the meaning of Rule 405 of Regulation C under the U.S. Securities Act. Enthusiast is not registered, and is not required to be registered, as an “investment company” pursuant to the United States Investment Company Act of 1940, as amended. The Enthusiast Shares are not registered under Section 12 of the U.S. Exchange Act. None of Enthusiast’s

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subsidiaries are subject to any continuous or periodic, or other disclosure requirements, under any securities laws in any jurisdiction.

- (8) **Public Filings.** Enthusiast has timely filed with any Governmental Entity all material forms, reports, schedules, statements and other documents required to be filed under Securities Laws and with the TSXV since June 1, 2018. The documents comprising the Enthusiast Public Disclosure Record, as of their respective dates (or, if amended, as of the date of such amendment), (a) did not contain any Misrepresentation, and (b) complied in all material respects with the requirements of applicable Securities Laws, and any amendments to the Enthusiast Public Disclosure Record required to be made have been filed on a timely basis with the Securities Authorities or the TSXV. Enthusiast has not filed any confidential material change report with any Securities Authorities or the TSXV that at the date of this Agreement remains confidential. There are no outstanding or unresolved comments in comment letters from any Securities Authority or the TSXV with respect to any of the documents comprising the Enthusiast Public Disclosure Record.
- (9) **Financial Statements.** Enthusiast's audited financial statements as at and for the fiscal years ended December 31, 2018 and December 31, 2017 (including the notes thereto) and related MD&A (the "**Enthusiast Financial Statements**") were prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements and the notes thereto or in the related report of Enthusiast's independent auditors) and present fairly, in all material respects, the consolidated financial position, financial performance and cash flows of Enthusiast for the dates and periods indicated therein and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of Enthusiast on a consolidated basis. There has been no material change in Enthusiast's accounting policies since December 31, 2018. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of Enthusiast or any of its subsidiaries with unconsolidated entities or other Persons which are not reflected in the Enthusiast Financial Statements.
- (10) **Books and Records; Disclosure.** The financial books, records and accounts of Enthusiast and its subsidiaries, if applicable: (i) have been maintained in all material respects in accordance with applicable Laws; (ii) are stated in reasonable detail and accurately and fairly reflect in all material respects the material transactions, acquisitions and dispositions of the assets of Enthusiast and its subsidiaries; and (iii) accurately and fairly reflect in all material respects the basis for the Enthusiast Financial Statements.
- (11) **Minute Books.** The corporate minute books of Enthusiast contain minutes of all meetings and resolutions of its boards of directors and committees of its board of directors, other than those portions of minutes of meetings reflecting discussions of the Arrangement, and shareholders, held according to applicable Laws and are complete and accurate in all material respects.
- (12) **No Undisclosed Liabilities.** Other than as disclosed in the Enthusiast Public Disclosure Record, neither Enthusiast nor any of its subsidiaries has any material outstanding indebtedness, liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, and is not party to or bound by any suretyship, guarantee, indemnification

or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any other Person, other than (a) those specifically presented in the Enthusiast Financial Statements, (b) those incurred in the ordinary course of business since December 31, 2018 and (c) those incurred in connection with the execution of this Agreement. Section (12) of the Enthusiast Disclosure Letter includes a complete and accurate list of all earn-out payments that are potentially payable now or in the future by Enthusiast and its subsidiaries.

(13) **No Material Change.** Since December 31, 2018:

- (a) Enthusiast and each of its subsidiaries has conducted its business only in the ordinary course of business, excluding matters relating to the Arrangement and the related process and except as disclosed in the Enthusiast Public Disclosure Record;
- (b) there has not occurred any Material Adverse Effect in respect of Enthusiast, or any fact or state of facts, circumstance, change, effect, occurrence or event, that individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect in respect of Enthusiast;
- (c) and other than as disclosed in Section (13)(c) of the Enthusiast Disclosure Letter, there has not been any material increase in or modification of the compensation payable to or to become payable by Enthusiast or any of its subsidiaries to any of their respective directors or officers or any grant to any such director or officer of any increase in severance or termination pay or any increase or modification of any Employee Plans of Enthusiast or its subsidiaries (including the granting of Enthusiast Options pursuant to the Enthusiast Stock Option Plan) made to, for or with any of such directors or officers.

(14) **Litigation.** Other than as disclosed in Section (14) of the Enthusiast Disclosure Letter, there is no claim, action, suit, grievance, complaint, proceeding, arbitration, charge, audit, indictment or investigation against or involving Enthusiast or any of its subsidiaries or any of their respective properties or assets pending or, to the knowledge of Enthusiast, threatened which, if adversely determined, would reasonably be expected to have a Material Adverse Effect in respect of Enthusiast or would significantly impede the ability of Enthusiast to consummate the Arrangement and, to the knowledge of Enthusiast, no event has occurred which would reasonably be expected to give rise to any such claim, action, suit, grievance, complaint, proceeding, arbitration, charge, audit, indictment or investigation. Except as disclosed in Section (14) of the Enthusiast Disclosure Letter, neither Enthusiast, its subsidiaries nor any of its or their respective assets or properties is subject to any outstanding judgment, order, writ, injunction or decree material to Enthusiast and its subsidiaries taken as a whole.

(15) **Taxes.**

- (a) Enthusiast and each of its subsidiaries has duly and timely filed all Tax Returns required by applicable Law to be filed prior to the date hereof with the

appropriate Governmental Entities and all such Tax Returns are true and correct in all material respects.

- (b) Enthusiast and each of its subsidiaries has duly and timely paid all Taxes, including all instalments on account of Taxes for the current year that are due and payable by it whether or not assessed by the appropriate Governmental Entity. Enthusiast and each of its subsidiaries has provided full and adequate provision in accordance with IFRS in Enthusiast's interim financial statements for all Taxes for periods to which they relate which are not yet due and payable. Since the date of such financial statements, no material liability in respect of Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.
- (c) Enthusiast and each of its subsidiaries has withheld and collected all amount of all Taxes required by applicable Law to be withheld or collected and has duly and timely paid and remitted the same to the appropriate Governmental Entity.
- (d) There are no material proceedings, investigations, audits or claims now pending against Enthusiast or its subsidiaries in respect of any Taxes and no Governmental Entity has asserted in writing, or to the knowledge of Enthusiast, has threatened to assert against Enthusiast or any of its subsidiaries any deficiency or claim for Taxes or interest thereon or penalties in connection therewith.
- (e) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return by, or any payment of Taxes by, Enthusiast or its subsidiaries.
- (f) Enthusiast is a "taxable Canadian corporation" for the purposes of the Tax Act.

(16) **Material Contracts.**

- (a) Section (16) of the Enthusiast Disclosure Letter includes a complete and accurate list of all Material Contracts of Enthusiast and its subsidiaries. Enthusiast has made available in the Enthusiast Data Room true and complete copies of all such Material Contracts.
- (b) Enthusiast and its subsidiaries have performed in all material respects all of their respective obligations required to be performed by them under the Material Contracts of Enthusiast and its subsidiaries. All such Material Contracts are in full force and effect, and Enthusiast or such subsidiary is entitled to all rights and benefits thereunder in accordance with the terms thereof. Neither Enthusiast nor any of its subsidiaries has waived any material rights under such Material Contracts and no material default or breach exists in respect thereof on the part of Enthusiast or its subsidiaries or, to the knowledge of Enthusiast, on the part of any other party thereto, and no event has occurred which, after the giving of

notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of such Material Contracts.

- (c) All of the Material Contracts of Enthusiast and its subsidiaries are valid and binding obligations of Enthusiast or such subsidiary, as the case may be, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
 - (d) Neither Enthusiast nor any of its subsidiaries has received written notice that any party to a Material Contract of Enthusiast or its subsidiaries, intends to cancel, terminate or otherwise modify or not renew such Material Contract, and to the knowledge of Enthusiast, no such action has been threatened.
 - (e) Except as disclosed in Section (16) of the Enthusiast Disclosure Letter, no consents, approvals or notices are required to be obtained from, or given to, any third party under any Material Contract of Enthusiast and its subsidiaries in order for Enthusiast to proceed with the execution and delivery of this Agreement and the consummation of the Arrangement and the other transactions contemplated by this Agreement.
- (17) **Authorizations.** Enthusiast and each of its subsidiaries has obtained and is in compliance with all material Authorizations necessary for the ownership, operation and use of the assets of Enthusiast and its subsidiaries or otherwise required in connection with carrying on the business and operations of Enthusiast and its subsidiaries. All such Authorizations are in full force and effect, and, to the knowledge of Enthusiast, no suspension or cancellation thereof has been threatened, except for cancellation of such Authorizations as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Enthusiast. There is no action, investigation or proceeding pending or, to the knowledge of Enthusiast threatened, regarding any such Authorizations, which if successful would, individually or in the aggregate, have a Material Adverse Effect in respect of Enthusiast. None of Enthusiast nor any of its subsidiaries or, to the knowledge of Enthusiast, any of their respective directors or officers, has received any notice, whether written or oral, of revocation or non-renewal or material amendments of any such Authorizations except for revocations, non-renewals or amendments which would not, individually or in the aggregate, have a Material Adverse Effect in respect of Enthusiast. Except as disclosed in Section 17 of the Enthusiast Disclosure Letter, none of such Authorizations will in any way be affected by, or terminate or lapse by reason of, or require notice as a result of, the execution and delivery of this Agreement by Enthusiast or the consummation by Enthusiast of the Arrangement or the other transactions contemplated by this Agreement.
- (18) **Compliance with Laws.**
- (a) Except as disclosed in Section 18 of the Enthusiast Disclosure Letter, the operations of Enthusiast and its subsidiaries have been since June 1, 2018 and are now being conducted in compliance, in all material respects, with Law.

- (b) Enthusiast has not received any written notices or other written correspondence from any Governmental Entity regarding any material violation (or any investigation, inspection, audit, or other proceeding by any Governmental Entity involving allegations of any material violation) of any Law. To the knowledge of Enthusiast, no investigation, inspection, audit or other proceeding by any Governmental Entity involving allegations of any material violation of any Law is threatened or contemplated.
- (c) The operations of Enthusiast and each of its subsidiaries are and have been conducted at all times in compliance, in all material respects, with applicable financial recordkeeping and reporting requirements of the *Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, as amended, the *U.S. Currency and Foreign Transactions Reporting Act of 1970*, as amended, and the money laundering statutes of all other applicable jurisdictions and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, “**Money Laundering Laws**”) and no Claim by or before any Governmental Entity involving Enthusiast or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of Enthusiast, threatened.

(19) **Employment and Labour Matters.**

- (a) Except as disclosed in Section (19) of the Enthusiast Disclosure Letter, neither Enthusiast nor any of its subsidiaries is: (i) party to any Contract providing for termination notice, payment in lieu of termination notice, change of control payments, or severance payments to, or any employment or consulting agreement with, any director, officer or employee of Enthusiast or any of its subsidiaries other than such arising from any applicable Law; and (ii) party to any collective bargaining or subject to any application for certification or, to the knowledge of Enthusiast, threatened union-organizing campaigns for employees not covered under a collective bargaining agreement nor are there any current, pending, or, to the knowledge of Enthusiast, threatened strikes or lockouts at Enthusiast or any of its subsidiaries.
- (b) There are no labour disputes, strikes, organizing activities or work stoppages against Enthusiast or any of its subsidiaries pending, or to knowledge of Enthusiast, threatened.
- (c) Except as disclosed in Section (19) of the Enthusiast Disclosure Letter, the execution, delivery and performance of this Agreement and the consummation of the Arrangement by Enthusiast will not result in the acceleration of the time of payment, funding or vesting of entitlements otherwise available under any Employee Plan of Enthusiast or any of its subsidiaries.
- (d) Enthusiast has been and is now in compliance, in all material respects, with all terms and conditions of employment, with respect to employment and labour, including, wages, hours of work, overtime, human rights, occupational health and safety and workers compensation, and except as disclosed in Section (19) of

the Enthusiast Disclosure Letter, there are no current, or, to the knowledge of the Enthusiast, pending or threatened proceedings (including grievances, arbitration, applications or pending applications) before any Governmental Entity or labour arbitrator with respect to any of the foregoing Employee Plans of Enthusiast or its subsidiaries (other than routine claims for benefits).

- (e) To the knowledge of Enthusiast, no executive or manager (A) has any present intention to terminate their employment, or (B) is a party to any confidentiality, non-competition, proprietary rights or other such agreement with any other Person besides Enthusiast or its subsidiaries which would impede the business, be material to the performance of such employee's employment duties, or the ability of Enthusiast, or J55 to conduct the business.
- (f) There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to the any provincial workers' compensation statute or regulation, and neither Enthusiast nor any of its subsidiaries has been reassessed in any material respect under such statute or regulation during the past three (3) years and, to the knowledge of Enthusiast, no audit of Enthusiast or its subsidiaries is currently being performed pursuant to any provincial workers' compensation statute or regulation, and, to the knowledge of Enthusiast, there are no claims or potential claims which may materially adversely affect Enthusiast's or any of its subsidiaries' accident cost experience in respect of the business.
- (g) To the knowledge of Enthusiast, each independent contractor engaged by Enthusiast has been properly classified by Enthusiast as an independent contractor and Enthusiast has not received any notice from any Governmental Entity disputing such classification.
- (h) Section (19) of the Enthusiast Disclosure Letter lists all material Employee Plans of Enthusiast and its subsidiaries. Enthusiast has made available in the Enthusiast Data Room true and complete copies of all such Employee Plans as amended.
- (i) Except as disclosed in Section (19) of the Enthusiast Disclosure Letter, no Employee Plan of Enthusiast or its subsidiaries contains or has ever contained a "defined benefit provision" as such term is defined in subsection 147.1 of the Tax Act.
- (j) All Employee Plans of Enthusiast and its subsidiaries are and have been established, registered, funded and administered in all material respects in (i) accordance with applicable Laws and (ii) in accordance with their terms. To the knowledge of Enthusiast, no fact or circumstance exists which could adversely affect the registered status of any such Employee Plan.
- (k) All contributions, premiums or taxes required to be made or paid by Enthusiast or its subsidiaries under the terms of each Employee Plan of Enthusiast or its subsidiaries or by applicable Laws have been made in a timely fashion, and no

Employee Plan has a deficit, or Enthusiast and its subsidiaries have made full and adequate disclosure of and provision for such amounts in the books and records.

- (l) None of the Employee Plans provide for post-retirement or post-termination benefits, or supplemental pension benefits, to employees, directors or officers or former employees, directors or officers of Enthusiast or its subsidiaries, or to their dependents or beneficiaries.

(20) **Intellectual Property.**

- (a) Enthusiast and its subsidiaries own all right, title and interest in and to, or is validly licensed (and are not in material breach of such licenses), all Intellectual Property that is material to the conduct of the business, as currently conducted, of Enthusiast and its subsidiaries (collectively, the “**Enthusiast Intellectual Property Rights**”). All such Enthusiast Intellectual Property Rights are sufficient, in all material respects, for conducting the business, as currently conducted, of Enthusiast and its subsidiaries, and to the knowledge of Enthusiast, all such Enthusiast Intellectual Property Rights are valid and enforceable (subject to the effects of bankruptcy, insolvency, reorganization, moratorium or laws relating to or affecting creditors’ rights generally), and do not infringe upon the Intellectual Property rights of any third party. To the knowledge of Enthusiast, no Person is currently infringing upon any of the Enthusiast Intellectual Property Rights in any material respect.
- (b) Section (20) of the Enthusiast Disclosure Letter sets out a complete and accurate list of all domain names and IP addresses of Enthusiast and its subsidiaries’.

(21) **Software and Technology.**

- (a) To the knowledge of Enthusiast, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect in respect of Enthusiast, the computer and data processing systems, facilities and services used by Enthusiast or its subsidiaries are substantially free of any material defects, bugs, errors and do not contain any disabling codes or instructions, spyware, Trojan horses, worms, viruses, time locks, backdoors or other software routines that permit or cause unauthorized access to, or disruption, impairment, disablement, or destruction of, software, data and any other intentionally created, undocumented contaminant that may, or may be used to, access, modify, delete, damage or disable any hardware, system or data (“**Unauthorized Code**”).
- (b) Section (21) of the Enthusiast Disclosure Letter sets forth a list of all software owned by Enthusiast and its subsidiaries and used by Enthusiast and its subsidiaries in the ordinary course of business (the “**Enthusiast Software**”) and all third-party software used or embedded in the Enthusiast Software and a list of all material third-party software used in the ordinary course of business. Other than as disclosed in Section (21) of the Enthusiast Disclosure Letter, none of the

Enthusiast Software that is material to the business of Enthusiast contains any open source, copy left or community source code, including any libraries or code licensed under the General Public License, Lesser General Public License or any other license agreement or arrangement obliging vendors to make source code publicly available, whether or not approved by the Open Source Initiative. Other than as disclosed in Section (21) of the Enthusiast Disclosure Letter, to the knowledge of the Enthusiast, the Enthusiast Software does not contain any Unauthorized Code.

- (c) Other than as disclosed in Section (21) of the Enthusiast Disclosure Letter, Enthusiast and its subsidiaries have in their possession copies of source code for all the Enthusiast Software or any licensed to, or held for use or used by, Enthusiast and its subsidiaries in connection with the ordinary course of business. Enthusiast and its subsidiaries have treated such Enthusiast Software as confidential and proprietary business information and have taken all reasonable steps to protect the same as their trade secrets. Such source code is fully documented in a manner that a reasonably skilled programmer could understand, modify, compile and otherwise utilize all aspects of the related computer programs without reference to other sources of information.
- (22) **Insurance.** Policies of insurance are in force naming Enthusiast or a subsidiary of Enthusiast as an insured that adequately covers all risks as are customarily covered by businesses in the industry in which Enthusiast and its subsidiaries operate and Enthusiast and its subsidiaries are in compliance in all material respects with the requirements of such policies. Enthusiast has made available in the Enthusiast Data Room a summary listing all such policies that are material to Enthusiast. All such policies remain in full force and effect. Neither Enthusiast nor any of its subsidiaries have failed to promptly provide notice with respect to any material claims under any such policies.
- (23) **Related Party Transactions.** Other than as disclosed in the Enthusiast Public Disclosure Record and other than employment or compensation arrangements entered into in the ordinary course of business, no director, officer, employee, independent contractor or agent of Enthusiast or any of its subsidiaries or a holder of record or beneficial owner of 10% or more of the Enthusiast Shares or an associate or an affiliate of any such Person, is a party to, or beneficiary of, any loan, guarantee, Contract, arrangement or understanding or other transaction with Enthusiast or any of its subsidiaries.
- (24) **Restrictions on Business.** There is no Contract or Authorization binding upon Enthusiast or any of its subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of Enthusiast or any of its affiliates or the conduct of business by Enthusiast or any of its affiliates (including following consummation of the Arrangement) other than any Contract or Authorization containing any such prohibition or restriction which has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect in respect of Enthusiast.

- (25) **Brokers.** Other than as disclosed in Section (25) of the Enthusiast Disclosure Letter, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Enthusiast.
- (26) **Minority Approval.** Other than as disclosed in Section (26) of the Enthusiast Disclosure Letter, to the knowledge of Enthusiast, no related party of Enthusiast (within the meaning of MI 61-101) together with its associated entities, beneficially owns or exercises control or direction over 1% or more of the outstanding Enthusiast Shares, except for related parties who will not receive a "collateral benefit" (within the meaning of MI 61-101) as a consequence of the transactions contemplated by this Agreement.
- (27) **Opinion of Financial Advisor.** The Enthusiast Board has received the Enthusiast Fairness Opinion.
- (28) **Board Approval.** As of the date hereof, the Enthusiast Board, after consultation with its legal and financial advisors, has unanimously: (i) determined that the Arrangement is in the best interests of Enthusiast; (ii) resolved to unanimously recommend that the Enthusiast Shareholders vote in favour of the Arrangement Resolution; and (iii) authorized the entering into of this Agreement and the performance by Enthusiast of its obligations under this Agreement, and no action has been taken to amend, or supersede, such determinations, resolutions or authorizations.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES OF J55

- (1) **Organization and Qualification.** J55 and each of its subsidiaries is a corporation duly incorporated or an entity duly created and validly existing under the applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary power and authority to own its property and assets and to conduct its business as now owned and conducted. J55 and each of its subsidiaries is duly qualified to conduct business and is in good standing in each jurisdiction in which the character of its properties, owned, leased, licensed or otherwise held, or the nature of its activities, makes such qualification necessary, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, have a Material Adverse Effect in respect of J55.
- (2) **Authority Relative to this Agreement.** J55 has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be entered into by J55 as contemplated by this Agreement, and to perform its obligations hereunder and under such agreements and instruments. The execution and delivery and performance of this Agreement, the Arrangement and all other agreements and instruments to be entered into by J55 as contemplated by this Agreement and the consummation by J55 of the transactions contemplated hereunder and thereunder have been duly authorized by the J55 Board and, except for obtaining the J55 Shareholder Approval and the approval of the J55 Board of the J55 Circular, no other corporate proceedings on the part of J55 are necessary to authorize this Agreement, the Arrangement or any other agreements or instruments to be entered into by J55 as contemplated by this Agreement. This Agreement has been duly executed and delivered by J55 and constitutes a legal, valid and binding obligation of J55, enforceable against J55 in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (3) **No Violation.** Other than as disclosed in Section (3) of the J55 Disclosure Letter and subject to the receipt of the Regulatory Approvals, neither the authorization, execution and delivery of this Agreement by J55 nor the completion of the transactions contemplated by this Agreement or the Arrangement, nor the performance by J55 of its obligations hereunder or thereunder, nor compliance by J55 with any of the provisions hereof or thereof will (or would with the giving of notice, the lapse of time or both, or the happening of any other event or condition):
 - (a) result in a violation or breach of, constitute a default under, conflict with or require any consent or approval to be obtained or notice to be given under, any provision of:
 - (i) its or any of its subsidiaries' constating documents;
 - (ii) any Material Contract of J55 or any material Authorization to which J55 or any of its subsidiaries is a party or to which J55 or any of its subsidiaries' properties or assets are bound; or

- (iii) any Laws, regulation, order, judgment or decree applicable to J55 or any of its subsidiaries or its or their properties or assets;
 - (b) give rise to any right of purchase or sale, right of first refusal or right of first offer, trigger any change in control provision or any restriction or limitation under, any provision of any Material Contract of J55 or any material Authorization to which J55 or any of its subsidiaries is a party or to which J55 or any of its subsidiaries' properties or assets are bound;
 - (c) give rise to any right of termination, cancellation, suspension or acceleration, allow any Person to exercise any material right, or cause or permit the termination, cancellation, suspension, acceleration or other change of any material right or obligation or the loss of any material benefit to which J55 or one of its subsidiaries is entitled under, any provision of any Material Contract of J55 or any material Authorization to which J55 or any of its subsidiaries is a party or to which J55 or any of its subsidiaries' properties or assets are bound; or
 - (d) result in the imposition of any Lien upon any of the property or assets of J55 or any of its subsidiaries (whether owned or leased), or restrict, hinder, impair or limit the ability of J55 or any of its subsidiaries to conduct its business as and where it is now being conducted, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of J55.
- (4) **Governmental Approvals.** The execution, delivery and performance by J55 of its obligations under this Agreement and the consummation by J55 of the Arrangement and the other transactions contemplated by this Agreement do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by J55 or by any of its subsidiaries other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Director under the OBCA; (iv) compliance with any applicable Securities Laws and stock exchange rules and regulations; (v) the Regulatory Approvals; and (vi) any Authorization, action, filing or notification which if not obtained or made as would not, individually or in the aggregate, have a Material Adverse Effect in respect of J55 or significantly impede the ability of J55 to consummate the Arrangement or the other transactions contemplated by this Agreement.
- (5) **Capitalization.**
- (a) The authorized share capital of J55 consists of an unlimited number of J55 Shares and an unlimited number of preferred shares. As of the date hereof, there were issued and outstanding 19,000,000 J55 Shares and no preferred shares.
 - (b) Except for the 400,000 J55 Warrants and 1,710,000 J55 Options and 190,000 J55 Charitable Option and other than in connection with the RTO, there are no options, warrants, stock appreciation rights, restricted stock units, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by J55 of any securities of J55

(including J55 Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of J55 (including J55 Shares). Section 5(b) of the J55 Disclosure Letter sets out the estimated pro forma capitalization of J55 immediately following the completion of the RTO.

- (c) All outstanding J55 Shares have been duly authorized and validly issued, are fully paid and non-assessable. All securities of J55 (including the J55 Shares, J55 Warrants, J55 Options and J55 Charitable Options) have been issued in compliance with all applicable Laws and Securities Laws.
- (d) There are no securities of J55 or of any of its subsidiaries outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the holders of the outstanding J55 Shares on any matter. There are no outstanding contractual or other obligations of J55 to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities. There are no outstanding bonds, debentures or other evidences of indebtedness of J55 or any of its subsidiaries having the right to vote with the holders of the outstanding J55 Shares on any matters.

(6) Ownership of Subsidiaries.

- (a) Section (6) of the J55 Disclosure Letter includes complete and accurate lists of all subsidiaries owned, directly or indirectly, by J55, each of which is wholly-owned except as disclosed in Section (6) of the J55 Disclosure Letter. All of the issued and outstanding shares and other ownership interests in the subsidiaries of J55 are duly authorized, validly issued, fully paid and, where the concept exists, non-assessable, and all such shares and other ownership interests held directly or indirectly by J55 are legally and beneficially owned free and clear of all Liens (other than Permitted Liens), and there are no outstanding options, warrants, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to purchase or acquire, or securities convertible into or exchangeable for, any such shares or other ownership interests in or material assets or properties of any of the subsidiaries of J55. There are no Contracts, commitments, understandings or restrictions which require any subsidiaries of J55 to issue, sell or transfer any shares or other ownership interests, or any securities or obligations convertible into or exchangeable for, any shares or other ownership interests. There are no outstanding contractual or other obligations of any subsidiary of J55 to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities. Except for ownership of equity interests the subsidiaries listed on Section (6) of the J55 Disclosure Letter, J55, directly or indirectly through any of its subsidiaries or otherwise, does not own any equity interest of any kind in any other Person.
- (b) Other than as disclosed in Section (6)(b) of the J55 Disclosure Letter, neither J55 nor any of its subsidiaries is a party to any shareholder, pooling, voting trust or

other similar agreement or arrangement relating to the issued and outstanding shares in the capital of J55 or any of its subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in J55 or any of its subsidiaries and J55 has not adopted a shareholder rights plan.

- (7) **Consideration Shares.** The Consideration Shares to be issued pursuant to the Arrangement and the Underlying Shares, have been duly authorized and reserved for issuance and, upon issuance, will be validly issued as fully paid and non-assessable shares in the capital of J55.
- (8) **Reporting Status and Securities Laws Matters.** J55 is a “reporting issuer” or the equivalent and not on the list of reporting issuers in default under applicable Canadian provincial and territorial Securities Laws in each of the provinces of British Columbia, Alberta and Ontario. J55 has not taken any action to cease to be a reporting issuer in any province or territory of Canada. J55 is in compliance, in all material respects, with all applicable Securities Laws and there are no current, pending or, to the knowledge of J55, threatened proceedings before any Securities Authority or other Governmental Entity relating to any alleged non-compliance with any Securities Laws. The J55 Shares are listed on, and J55 is in compliance in all material respects with the rules and policies of, the TSXV. J55 is not subject to regulation by any other stock exchange. Other than the trading halt in connection with the RTO, no delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of J55 is in effect, or to the knowledge of J55, pending or have been threatened and J55 is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction. The J55 Shares are not registered under Section 12 of the U.S. Exchange Act. None of J55’s subsidiaries are subject to any continuous or periodic, or other disclosure requirements, under any securities laws in any jurisdiction.
- (9) **Public Filings.** J55 has timely filed with any Governmental Entity all material forms, reports, schedules, statements and other documents required to be filed under Securities Laws and with the TSXV since June 27, 2018. The documents comprising the J55 Public Disclosure Record, as of their respective dates (or, if amended, as of the date of such amendment), (a) did not contain any Misrepresentation, and (b) complied in all material respects with the requirements of applicable Securities Laws, and any amendments to the J55 Public Disclosure Record required to be made have been filed on a timely basis with the Securities Authorities and with the TSXV. J55 has not filed any confidential material change report with any Securities Authorities or the TSXV that at the date of this Agreement remains confidential. There are no outstanding or unresolved comments in comment letters from any Securities Authority or the TSXV with respect to any of the documents comprising the J55 Public Disclosure Record.
- (10) **Financial Statements.** J55’s audited financial statements as at and for the fiscal year ended December 31, 2018 (including the notes thereto) and related MD&A (the “**J55 Financial Statements**”) were prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements and the notes thereto or in the related report of J55’s independent auditors) and present fairly, in all material

respects, the consolidated financial position, financial performance and cash flows of J55 for the dates and periods indicated therein and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of J55 on a consolidated basis. There has been no material change in J55's accounting policies since December 31, 2018. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of J55 or any of its subsidiaries with unconsolidated entities or other Persons which are not reflected in the J55 Financial Statements.

- (11) **Books and Records; Disclosure.** The financial books, records and accounts of J55 and its subsidiaries: (i) have been maintained in all material respects in accordance with applicable Laws and IFRS on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect in all material respects the material transactions, acquisitions and dispositions of the assets of J55 and its subsidiaries; and (iii) accurately and fairly reflect in all material respects the basis for the J55 Financial Statements.
- (12) **Minute Books.** The corporate minute books of J55 contain minutes of all meetings and resolutions of its boards of directors and committees of its board of directors, other than those portions of minutes of meetings reflecting discussions of the Arrangement, and shareholders, held according to applicable Laws and are complete and accurate in all material respects.
- (13) **No Undisclosed Liabilities.** Neither J55 nor any of its subsidiaries has any material outstanding indebtedness, liability or obligation of any nature, whether accrued, absolute, contingent or otherwise, and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any other Person, other than (a) those specifically presented in the J55 Financial Statements, (b) those incurred in the ordinary course of business since December 31, 2018 and (c) those incurred in connection with the execution of this Agreement.
- (14) **No Material Change.** Since December 31, 2018:
 - (a) J55 and each of its subsidiaries has conducted its business only in the ordinary course of business, excluding matters relating to the Arrangement and the RTO and the related process and except as disclosed in the J55 Public Disclosure Record;
 - (b) there has not occurred any Material Adverse Effect in respect of J55, or any fact or state of facts, circumstance, change, effect, occurrence or event, that individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect in respect of J55; and
 - (c) There has not been any material increase in or modification of the compensation payable to or to become payable by J55 or any of its subsidiaries to any of their respective directors or officers or any grant to any such director or officer of any increase in severance or termination pay or any increase or modification of any Employee Plans of J55 or its subsidiaries (including the granting of J55 Options

pursuant to the J55 Option Plan) made to, for or with any of such directors or officers.

(15) **Litigation.** There is no claim, action, suit, grievance, complaint, proceeding, arbitration, charge, audit, indictment or investigation against or involving J55 or any of its subsidiaries or any of their respective properties or assets pending or, to the knowledge of J55, threatened which, if adversely determined, would reasonably be expected to have a Material Adverse Effect in respect of J55 or would significantly impede the ability of J55 to consummate the Arrangement and, to the knowledge of J55, no event has occurred which would reasonably be expected to give rise to any such claim, action, suit, grievance, complaint, proceeding, arbitration, charge, audit, indictment or investigation. Except as disclosed in Section (15) of the J55 Disclosure Letter, neither J55, its subsidiaries nor any of its or their respective assets or properties is subject to any outstanding judgment, order, writ, injunction or decree material to J55 and its subsidiaries on a consolidated basis.

(16) **Taxes.**

(a) J55 and each of its subsidiaries has duly and timely filed all Tax Returns required by applicable Law to be filed prior to the date hereof with the appropriate Governmental Entities and all such Tax Returns are true and correct in all material respects.

(b) J55 and each of its subsidiaries has duly and timely paid all Taxes, including all instalments on account of Taxes for the current year that are due and payable by it whether or not assessed by the appropriate Governmental Entity. J55 and each of its subsidiaries has provided full and adequate provision in accordance with IFRS in J55's interim financial statements for all Taxes for periods to which they relate which are not yet due and payable. Since the date of such financial statements, no material liability in respect of Taxes not reflected in such financial statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business.

(c) J55 and each of its subsidiaries has withheld and collected all amount of all Taxes required by applicable Law to be collected and has duly and timely paid and remitted the same to the appropriate Governmental Entity.

(d) There are no material proceedings, investigations, audits or claims now pending against J55 or its subsidiaries in respect of any Taxes and no Governmental Entity has asserted in writing, or to the knowledge of J55, has threatened to assert against J55 or any of its subsidiaries any deficiency or claim for Taxes or interest thereon or penalties in connection therewith.

(e) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return by, or any payment of Taxes by, J55 or its subsidiaries.

(f) J55 is a “taxable Canadian corporation” for the purposes of the Tax Act.

(17) **Material Contracts.**

(a) Section (17) of the J55 Disclosure Letter includes a complete and accurate list of all Material Contracts of J55 and its subsidiaries. J55 has made available in the J55 Data Room true and complete copies of all such Material Contracts.

(b) J55 and its subsidiaries have performed in all material respects all of their respective obligations required to be performed by them under the Material Contracts of J55 and its subsidiaries. All such Material Contracts are in full force and effect, and J55 or such subsidiary is entitled to all rights and benefits thereunder in accordance with the terms thereof. Neither J55 nor any of its subsidiaries has waived any material rights under such Material Contracts and no material default or breach exists in respect thereof on the part of J55 or its subsidiaries or, to the knowledge of J55, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of such Material Contracts.

(c) All of the Material Contracts of J55 and its subsidiaries are valid and binding obligations of J55 or such subsidiary, as the case may be, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors’ rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

(d) Neither J55 nor any of its subsidiaries has received written notice that any party to a Material Contract of J55 or its subsidiaries, intends to cancel, terminate or otherwise modify or not renew such Material Contract, and to the knowledge of J55, no such action has been threatened.

(e) Other than as disclosed in Section (17) of the J55 Disclosure Letter, no consents, approvals or notices are required to be obtained from, or given to, any third party under any Material Contract of J55 and its subsidiaries in order for J55 to proceed with the execution and delivery of this Agreement and the consummation of the Arrangement and the other transactions contemplated by this Agreement.

(18) **Authorizations.** J55 and each of its subsidiaries has obtained and is in compliance with all material Authorizations necessary for the ownership, operation and use of the assets of J55 and its subsidiaries or otherwise required in connection with carrying on the business and operations of J55 and its subsidiaries. All such Authorizations are in full force and effect, and, to the knowledge of J55, no suspension or cancellation thereof has been threatened, except for cancellation of such Authorizations as would not, individually or in the aggregate, have a Material Adverse Effect in respect of J55. There is no action, investigation or proceeding pending or, to the knowledge of J55 threatened, regarding any such Authorizations, which if successful would, individually or in the

aggregate, have a Material Adverse Effect in respect of J55. None of J55 nor any of its subsidiaries or, to the knowledge of J55, any of their respective directors or officers, has received any notice, whether written or oral, of revocation or non-renewal or material amendments of any such Authorizations except for revocations, non-renewals or amendments which would not, individually or in the aggregate, have a Material Adverse Effect in respect of J55. None of such Authorizations will in any way be affected by, or terminate or lapse by reason of, or require notice as a result of, the execution and delivery of this Agreement by J55 or the consummation by J55 of the Arrangement or the other transactions contemplated by this Agreement.

- (19) **Compliance with Laws.** J55 has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business and with all Laws, tariffs and directives material to its operation.
- (a) The operations of J55 and its subsidiaries have been since June 27, 2018 and are now being conducted in compliance, in all material respects, with Law.
 - (b) J55 has not received any written notices or other written correspondence from any Governmental Entity regarding any material violation (or any investigation, inspection, audit, or other proceeding by any Governmental Entity involving allegations of any material violation) of any Law. To the knowledge of J55, no investigation, inspection, audit or other proceeding by any Governmental Entity involving allegations of any material violation of any Law is threatened or contemplated.
 - (c) The operations of J55 and each of its subsidiaries are and have been conducted at all times in compliance, in all material respects, with Money Laundering Laws and no Claim by or before any Governmental Entity involving J55 or any of its subsidiaries with respect to Money Laundering Laws is pending or, to the knowledge of J55, threatened.
- (20) **Employment and Labour Matters.** Each independent contractor engaged by J55 has been properly classified by J55 as an independent contractor and J55 has not received any notice from any Governmental Entity disputing such classification.
- (21) **Related Party Transactions.** Other than as disclosed in the J55 Public Disclosure Record and other than employment or compensation arrangements entered into in the ordinary course of business, no director, officer, employee, independent contractor or agent of J55 or any of its subsidiaries or a holder of record or beneficial owner of 10% or more of the J55 Shares or an associate or an affiliate of any such Person, is a party to, or beneficiary of, any loan, guarantee, Contract, arrangement or understanding or other transaction with J55 or any of its subsidiaries.
- (22) **Restrictions on Business.** There is no Contract or Authorization binding upon J55 or any of its subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting or materially impairing any business practice of J55 or any of its affiliates or the conduct of business by J55 or any of its affiliates (including following consummation of the Arrangement) other than any Contract or Authorization

containing any such prohibition or restriction which has not had and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect in respect of J55.

- (23) **Brokers.** Other than as disclosed in Section (23) of the J55 Disclosure Letter, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of J55. True and complete copies of the Contracts pertaining to the matters set forth in Section (23) of the J55 Disclosure Letter have been made available in the J55 Data Room.
- (24) **No Other Agreements to do Business.** J55 is not in discussions and has not entered into any outstanding proposals, letters of intent, agreements or understandings with any Person, (other than Enthusiast and any subsidiaries thereof) and other than in connection with the RTO and the Proposed Acquisitions) with respect to an amalgamation, merger, business combination or other similar transaction other than the Proposed Acquisitions.
- (25) **Investment Canada Act.** J55 is Canadian-controlled within the meaning of the *Investment Canada Act* (Canada).
- (26) **Minority Approval.** To the knowledge of J55, no related party of J55 (within the meaning of MI 61-101) together with its associated entities, beneficially owns or exercises control or direction over 1% or more of the outstanding J55 Shares, except for related parties who will not receive a "collateral benefit" (within the meaning of MI 61-101) as a consequence of the transactions contemplated by this Agreement.
- (27) **Board Approval.** As of the date hereof, the J55 Board, after consultation with its legal and financial advisors, has unanimously: (i) determined that the Arrangement is in the best interests of J55; (ii) resolved to unanimously recommend that the J55 Shareholders vote in favour of the J55 Resolutions; and (iii) authorized the entering into of this Agreement and the performance by J55 of its obligations under this Agreement, and no action has been taken to amend, or supersede, such determinations, resolutions or authorizations.

SCHEDULE E
GOVERNANCE MATTERS

1. Board of Directors

The board of directors of J55 on the Effective Date until the next annual meeting or until their successors are elected or appointed shall be comprised of the following persons:

J55 Nominees:

- a. Francesco Aquilini
- b. Adrian Montgomery
- c. Steve Maida

Enthusiast Nominees:

- a. Menashe Kestenbaum
- b. Alan Friedman
- c. To be determined by Enthusiast

Independent Nominee:

- a. To be determined by Enthusiast and J55

The chairman of the board of directors from the Effective Date shall be Francesco Aquilini.

2. Senior Officers

The following persons will be the senior officers of J55 from the Effective Date:

Chief Executive Officer: Adrian Montgomery
President: Menashe Kestenbaum
President of Luminosity: Steve Maida
President of EGLive: Corey Mandell
Chief Financial Officer: Alex Macdonald
Chief Operating Officer and Senior Vice President of Finance: Eric Bernofsky
Meir Bulua: Chief Information Officer