

THIS SECURITY AGREEMENT is dated as of May 24, 2022 and made between:

- (1) **SPORTS VENTURE HOLDINGS INC.**, a corporation existing under the *Business Corporations Act* (Ontario) (the **Borrower**);
- (2) **1000007698 ONTARIO INC.**, a corporation existing under the *Business Corporations Act* (Ontario) (**OntarioCo**);
- (3) **HOCKEY HOLDING AG**, a corporation formed under the laws of Switzerland (**Hockey Holding**);
- (4) **BQC CONSULTING GMBH**, a corporation formed under the laws of Switzerland (**BQC** and together with Hockey Holding, the **Swiss Debtors**, and together with the Borrower, OntarioCo and Hockey Holding collectively, the **Debtor**); and
- (5) **KINGS ENTERTAINMENT GROUP INC.**, a corporation existing under the *Business Corporations Act* (British Columbia) (the **Lender**).

RECITALS:

- (A) The Lender has made or will make certain advances to the Borrower upon the terms and conditions contained in a loan agreement dated May 24, 2022 between the Lender and the Borrower (as it may be amended, supplemented, restated or replaced from time to time, the **Loan Agreement**).
- (B) Pursuant to a guarantee dated the date hereof (such guarantee as it may at any time or from time to time be amended, supplemented, restated or replaced, the **Guarantee**), the Debtor has agreed with the Lender to guarantee the payment and performance of all present and future debts, liabilities and obligations, direct or indirect, absolute or contingent, of the Parent to the Lender arising pursuant to, or in respect of, the Loan Documents.
- (C) The Debtor has agreed to execute and deliver this Agreement to and in favour of the Lender as security for the payment and performance of the Debtor's obligations to the Lender under the Loan Documents.
- (D) The Debtor considers it to be in its best interest to execute this Agreement.

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the Debtor and the Lender agree as follows:

Article 1 **Interpretation**

1.1 Defined Terms

As used in this Agreement, the following words and terms have the following meanings:

Agreement means this security agreement as it may be amended, supplemented, restated or replaced from time to time.

Business Day means any day, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario.

Collateral has the meaning specified in Section 2.1.

Governmental Authority means any (a) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, commission, board, tribunal, bureau or agency, (b) any subdivision or authority of any of the above, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or tax authority under or for the account of any of the above.

Intellectual Property has the meaning specified in Section 2.1(g).

Liens means (a) any mortgage, charge, pledge, hypothecation, security interest, assignment by way of security, encumbrance, lien (statutory or otherwise), conditional sale agreement, deposit arrangement, title retention agreement or arrangement, or any other agreement, arrangement or condition that in substance secures payment or performance of an obligation, (b) any arrangement which creates a right of set-off out of the ordinary course of business, or (c) any agreement to grant any such rights or interests.

Negotiable Collateral has the meaning specified in Section 2.3(c).

Person means a natural person, partnership, limited partnership, sole proprietorship, corporation or company, limited liability company, stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority.

Pledged Investment Property has the meaning specified in Section 2.4(a).

Process Agent has the meaning specified in Section 5.12(b).

Registrable IP means any Intellectual Property in respect of which ownership, title, security interests, charges or encumbrances are capable of registration, recording or notation with any Governmental Authority.

Restricted Assets has the meaning specified in Section 2.5(a).

Security Interest has the meaning specified in Section 2.2(a).

Secured Obligations means all debts, liabilities and obligations (including interest that but for the filing of a petition in bankruptcy, would accrue on such debts, liabilities and obligations), present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by, or otherwise payable by, the Debtor to the Lender, however or wherever incurred, and in any currency, and whether incurred by the Debtor alone or with another or others and whether as principal, guarantor or surety, including those arising under, in connection with, or pursuant to, the Loan Documents to which each Debtor is a party.

ULC means an unlimited company, an unlimited liability company or an unlimited liability corporation incorporated pursuant to or otherwise governed by the laws of any of the provinces of Canada.

ULC Shares means shares of a ULC.

1.2 Statutory and Other References

Terms defined in the *Personal Property Security Act* (Ontario) (as amended from time to time, the **PPSA**) and used in this Agreement have the same meanings. Any reference to the **STA** in this Agreement is a reference to the *Securities Transfer Act* (Ontario) or, to the extent applicable, similar legislation of any other jurisdiction, as amended from time to time. Where a reference is made to the Lender, it shall be deemed to include, as applicable, any nominee appointed by the Lender to hold or otherwise take possession of the Collateral.

1.3 Interpretation

In this Agreement the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”. The expressions “Article” or “Section” followed by a number mean and refer to the specified Article or Section of this Agreement.

1.4 Headings, etc.

The provision of a table of contents, the division of this Agreement into articles and sections and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation of this Agreement.

1.5 Gender and Number

Any reference in this Agreement to gender includes all genders and words importing the singular include the plural and *vice versa*.

Article 2 Security

2.1 Grant of Security

Subject to Section 2.5, the Debtor hereby grants to the Lender a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Lender, all of the property and undertaking of the Debtor now owned or hereafter acquired and all of the property in which the Debtor now has or hereafter acquires any interest (collectively, the **Collateral**) including, without limitation, any and all of the:

- (a) inventory of the Debtor including goods held for sale, lease or resale, goods provided or to be provided to third parties under contracts of lease, consignment or service, goods which are raw materials or work in process, goods used in or procured for packing and materials used or consumed in the business of the Debtor;
- (b) equipment, machinery, furniture, fixtures, vehicles and other tangible personal property of every kind and description of the Debtor and all licences and other rights and all records, files, charts, plans, drawings, specifications, manuals and documents relating thereto;

- (c) accounts due, owing or accruing due to the Debtor, including deposit accounts (whether chequing, savings or other similar account, and whether or not evidenced by a certificate of deposit, account agreement or other document) maintained for the benefit of the Debtor by a bank or other financial institution, and all other monetary obligations due, owing or accruing due to the Debtor;
- (d) money, documents of title, chattel paper, instruments, securities and all other financial assets of the Debtor;
- (e) securities accounts of the Debtor and all of the credit balances, security entitlements, other financial assets and items or property standing to the credit of the Debtor from time to time in such securities accounts;
- (f) intangibles of the Debtor including all security interests, goodwill, claims, choses in action, contracts and contractual rights, licences and benefits;
- (g) trademarks, trademark registrations and pending trademark applications, patents and pending patent applications, copyrights, proprietary and non-public business information, trade and business names, web names and worldwide web addresses and other intellectual property and industrial property of the Debtor (collectively, the **Intellectual Property**);
- (h) authorizations, permits, approvals, grants, licenses, consents, rights, franchises, privileges, orders, decrees and similar entitlements issued or granted to the Debtor by law or by rule or regulation of any Governmental Authority;
- (i) books, records, files, correspondence, invoices, documents, papers, computer programs, disks and other repositories of data recording or storage in any form or medium, evidencing or relating to the property described in Sections 2.2(a)-(h) inclusive;
- (j) substitutions and replacements of, and increases, additions and, where applicable, accessions to, the property described in Sections 2.2(a)-(i) inclusive; and
- (k) proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Sections 2.2 (a)-(j) inclusive or the proceeds of such proceeds.

2.2 Obligations Secured

- (a) The security interests, assignments, mortgages, charges, hypothecations and pledges granted hereby (collectively, the **Security Interest**) secure the payment and performance of the Secured Obligations.

- (b) All expenses, costs and charges incurred by or on behalf of the Lender in connection with enforcement of this Agreement or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other costs incurred in taking possession or control of, repairing, protecting, insuring, preparing for disposition, selling, delivering or obtaining payment for, the Collateral, as well as expenses, costs and charges incurred in any other lawful exercises of the powers conferred by the Guarantee and the other Loan Documents or otherwise are payable on demand and shall be added to, and form a part of, the Secured Obligations.

2.3 Attachment, Perfection, Possession and Control

- (a) The Debtor and the Lender acknowledge that (i) value has been given, (ii) the Debtor has rights in the Collateral (other than after-acquired Collateral) or the power to transfer rights in the Collateral, and (iii) the parties have not agreed to postpone the time for attachment of the Security Interest.
- (b) The Debtor shall promptly notify the Lender of the acquisition by the Debtor of any property which is not adequately described in this Agreement, and the Debtor shall execute and deliver, from time to time, at its own expense, amendments to this Agreement and its schedules or additional security agreements or schedules as may be required by the Lender in order to identify such property or preserve, protect and perfect its Security Interest in such property.
- (c) If the Debtor acquires Collateral consisting of chattel paper, instruments or negotiable documents of title representing amounts in excess of \$10,000 (collectively, **Negotiable Collateral**), it shall promptly notify the Lender of such acquisition and shall, at the request of the Lender, (i) deliver the Negotiable Collateral to the Lender or as it may direct, (ii) endorse the same for transfer in blank or as the Lender may direct, (iii) grant control (as defined in the PPSA) over any electronic chattel paper, (iv) cause a transfer to be registered wherever, in the opinion of the Lender, such registration may be necessary or desirable, and (iv) deliver to the Lender any and all consents or other documents which may be necessary or desirable to transfer the Negotiable Collateral.
- (d) If the Debtor now has or hereafter acquires Collateral consisting of certificated securities (collectively, **Pledged Certificated Securities**), it shall promptly notify the Lender of such acquisition and, upon request by the Lender, shall deliver to the Lender any and all certificates representing such Collateral and such other materials (including effective endorsements) as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all such Pledged Certificated Securities in the manner provided under Section 23 of the STA. Without limiting the generality of the foregoing, the Debtor shall, at the request of the Lender, cause the Pledged Certificated Securities to be registered in the name of the Lender or as it may direct. The Debtor represents and warrants that as of the date of this Agreement, all of the certificated securities held by the Debtor are listed and described (with reference to the issuer, the certificate number and the number and class of securities) in Part 1 of Schedule 2.3(d).
- (e) the Debtor now has or hereafter acquires Collateral consisting of uncertificated securities (collectively, **Pledged Uncertificated Securities**), it shall promptly

notify the Lender of such acquisition and, upon request by the Lender, shall deliver to the Lender any and all such documents, agreements (including control agreements) and other materials (including effective endorsements) as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all such Pledged Uncertificated Securities in the manner provided under Section 24 of the STA. Without limiting the generality of the foregoing, the Debtor shall, at the request of the Lender, cause the Pledged Uncertificated Securities to be registered in the name of the Lender or as it may direct. The Debtor represents and warrants that as of the date of this security agreement, all of the uncertificated securities held by the Borrower are described (by reference to the issuer and the number and class of securities) in Part 2 of Schedule 2.3(d).

- (f) if the Debtor now has or hereafter acquires Collateral consisting of one or more deposit accounts or securities accounts (collectively, the **Pledged Accounts**), it shall promptly notify the Lender and, upon request by the Lender, shall deliver to the Lender any and all such documents, agreements (including control agreements) and other materials as may be required from time to time in the opinion of the Lender, to provide the Lender with control over all such Pledged Accounts, including all security entitlements credited to any Pledged Accounts in the manner provided under Section 25 of the STA and in Section 1(2)(e) of the PPSA. Without limiting the generality of the foregoing, the Borrower shall, at the request of the Lender, cause the Lender to be noted as the entitlement holder of the Pledged Accounts with respect to any security entitlements. The Borrower represents and warrants that as of the date of this security agreement, all Pledged Accounts of the Borrower are described (by reference to the account number, bank, financial institution or securities intermediary and address) in Schedule 2.3(f).
- (g) If the Debtor now has or hereafter acquires Collateral consisting of an interest in a partnership, limited partnership or limited liability company, it shall promptly notify the Lender and, upon request by the Lender, shall take all steps necessary in the opinion of the Lender, to ensure that such property is and remains a security for the purposes of the STA.
- (h) the Debtor shall not cause or permit any Person other than the Lender to have a security interest in any Collateral consisting of investment property. The Debtor shall not grant control over any investment property or other financial assets constituting part of the Collateral to any Person other than the Lender.

2.4 Special Provisions Relating to Pledged Investment Property

- (a) Until the occurrence of an Event of Default which is continuing, the Debtor may exercise all voting, consensual and other powers of ownership pertaining to Collateral which is investment property (the **Pledged Investment Property**). Upon the occurrence of an Event of Default which is continuing, all rights of the Debtor to vote, make entitlement orders or give instructions, consents, notices or waivers shall cease and all such rights shall become, at the option of the Lender, vested solely and absolutely in the Lender.

- (b) Until the occurrence of an Event of Default which is continuing, the Debtor may receive and retain any dividends or distributions on the Pledged Investment Property. Upon the occurrence of an Event of Default which is continuing, all rights of the Debtor to receive dividends or other distributions shall cease and all such rights shall become, at the option of the Lender, vested solely and absolutely in the Lender.
- (c) Any dividends or distributions received by the Debtor contrary to Section 2.4(b) or any other moneys or property received by the Debtor after the occurrence of an Event of Default which is continuing shall be received as trustee for the Lender and shall be immediately paid over to the Lender.

2.5 Scope of Security Interest

- (a) To the extent that an assignment of amounts payable and other proceeds arising under, or the grant of a security interest in, any agreement, licence, permit or quota of the Debtor subject to the PPSA would result in the termination of such agreement, licence, permit or quota (each, a **Restricted Asset**), the Security Interest with respect to such Restricted Asset will constitute a trust created in favour of the Lender pursuant to which the Debtor holds as trustee all proceeds arising under or in connection with the Restricted Asset in trust for the Lender on the following basis:
 - (i) until the occurrence of an Event of Default which is continuing, the Debtor may receive all such proceeds; and
 - (ii) upon the occurrence of an Event of Default which is continuing, (A) all rights of the Debtor to receive proceeds shall cease and all proceeds shall be immediately paid over to the Lender, and (B) the Debtor shall take all actions requested by the Lender to collect and enforce payment and other rights arising under the Restricted Asset.
- (b) The Security Interest with respect to Collateral consisting of trademarks shall constitute a security interest in, and a charge, hypothecation and pledge of, such Collateral in favour of the Lender, but shall not constitute an assignment or mortgage of such Collateral to the Lender. Until the occurrence of an Event of Default which is continuing, the grant of the Security Interest in the Intellectual Property will not affect in any way the Debtor's rights to commercially exploit it or defend or enforce the Debtor's rights in it or with respect to it.
- (c) The Security Interest shall not extend to consumer goods.
- (d) The Security Interest shall not extend or apply to the last day of the term of any lease or sublease or any agreement for a lease or sublease, now held or hereafter acquired by the Debtor in respect of real property, but the Debtor shall stand possessed of any such last day upon trust to assign and dispose of it as the Lender may direct.

2.6 Care and Custody of Collateral

- (a) The Lender shall have no obligation to keep Collateral in its possession identifiable.
- (b) The Lender shall exercise in the physical keeping of any Negotiable Collateral or Pledged Certificated Securities, only the same reasonable degree of care as it would exercise in respect of its own such property kept at the same place.
- (c) The Lender shall not be required to see to the collection of dividends, distributions or interest payable on, or exercise any option or right in connection with, the Collateral. In addition, it shall have no obligation to protect or preserve the Collateral from depreciating in value or becoming worthless and is hereby released from all responsibility for any loss or diminution of value of the Collateral.
- (d) The Lender may, after the occurrence of an Event of Default which is continuing, (i) notify any Person obligated on an account, chattel paper or instrument to make payments to the Lender whether or not the Debtor was previously making collections on such accounts, chattel paper or instruments, and (ii) assume control of any proceeds arising from the Collateral.

2.7 Absence of Fiduciary Relationship

No implied agreements, covenants or obligations on the part of the Lender with respect to the Debtor, a securities intermediary or an issuer of any Pledged Investment Property are to be read into this Agreement against the Lender. The Lender does not owe any fiduciary duty to the Debtor, any issuer of Pledged Investment Property, any securities intermediary or any other Person in connection with this Agreement or the Collateral.

2.8 ULC Shares

Notwithstanding anything else contained in this Agreement or any other agreement among all or some of the parties, the Debtor is and shall remain the sole registered and beneficial owner of all Collateral that consists of ULC Shares until such time as the ULC Shares are transferred to the Lender or its nominee on the books and records of the ULC. Until then, the Debtor shall receive for its own account any dividends or other distributions in respect of ULC Shares that are Collateral and may vote such ULC Shares and control the direction, management and policies of any ULC to the same extent as it would if such ULC Shares were not pledged to the Lender. Nothing in this Agreement or any other agreement among all or some of the parties is intended to, or shall, constitute the Lender, a member or shareholder of a ULC for the purposes of the *Companies Act* (Nova Scotia), the *Business Corporations Act* (British Columbia), the *Business Corporations Act* (Alberta) or any other applicable legislation until such time as notice is given by the Lender to the Debtor and further steps are taken, at the request and direction of the Lender, to register the Lender or its nominee as the holder of such ULC Shares. If any provision of this Agreement would have the effect of constituting the Lender a member or shareholder of a ULC prior to such time, that provision shall be severed from this Agreement and ineffective with respect to shares of such ULC without otherwise invalidating or rendering unenforceable this Agreement as it relates to all other Collateral.

Article 3

Representations, Warranties and Covenants

The Debtor represents, warrants, covenants and agrees, acknowledging and confirming that the Lender is relying on such representations, warranties, covenants and agreements, as follows.

3.1 Title to Collateral

The Debtor is the registered, legal and beneficial owner of the Collateral. No Person has any option, warrant, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, warrant, call, commitment, conversion right, right of exchange or other agreement to acquire any right, title or interest in the Collateral.

3.2 No Liens

The Collateral is free and clear of all Liens other than Permitted Liens. The Debtor shall not create or suffer to exist, any Lien on the Collateral except for Liens in favour of the Lender and Permitted Liens.

3.3 No Disposition

The Debtor shall not sell, assign, convey, exchange, lease, release, abandon or otherwise dispose of any Collateral or any of its right, title or interest therein except for the sale of inventory in the ordinary course of business and the disposition of obsolete, damaged or surplus assets.

3.4 Location of Company and Collateral

Part 1 of Schedule 3.8 sets out the address of the Debtor's place of business or, if there is more than one, the Debtor's chief executive office as at the date of this Agreement. Part 2 of Schedule 3.8 sets out the addresses where (a) senior management of the Debtor is situate and makes decisions with respect to the business of the Debtor, (b) where any tangible personal property is stored or kept, and (c) the invoices and accounts of the Debtor are issued, in each case as at the date of this Agreement. The Debtor shall not change any of the locations specified in Part 1 or Part 2 of Schedule 3.8 without providing at least 10 days prior written notice to the Lender. The Debtor shall not change its name without providing at least 10 days prior written notice to the Lender.

3.5 Access to Collateral

The Debtor shall maintain books and records pertaining to the Collateral in reasonable detail, form and scope. The Debtor shall permit the Lender and its representatives to (a) inspect the Collateral wherever it may be located, and (b) examine and take extracts of its books and records (electronic or hard copy); in each case at any reasonable time and on reasonable notice. The Debtor shall, upon request by the Lender, provide the Lender with such information concerning the Collateral, the Debtor and its business as the Lender may reasonably request and, in connection therewith, it shall give the Lender access to the Debtor's senior executives and accountants.

3.6 Intellectual Property

The Debtor shall, at the request of the Lender, deliver to the Lender a confirmation of security Interest in form and substance acceptable to the Lender in respect of the Registrable IP confirming the assignment as security of such Registrable IP to the Lender and shall make all such filings, registrations and recordings as are necessary or appropriate to perfect or protect the Security Interest in the Registrable IP.

3.7 Insurance

The Debtor shall insure the Collateral against loss or damage by fire and such other risks and hazards, in such amounts and upon such other terms as the Lender may from time to time reasonably require.

3.8 Nature of Representations and Warranties

All representations and warranties made by the Debtor in this Agreement (a) are material, (b) have been relied on by the Lender, (c) will remain true and correct, and (d) will survive the execution and delivery of this Agreement, any investigation made at any time by or on behalf of the Lender and any payment or performance of the Secured Obligations.

3.9 Amalgamation

If the Debtor (or any of such Persons) amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest will (a) extend to all of the property, assets and interests that (i) any of the amalgamating corporations own, or (ii) the amalgamated corporation thereafter acquires, and (b) secure the payment and performance of all debts, liabilities and obligations of any of the amalgamating corporations and the amalgamated corporation to the Lender, however or wherever incurred and whether as principal, guarantor or surety and whether incurred prior to, at the time of, or subsequent to, the amalgamation. The Security Interest will attach to the property, assets and interests of the amalgamating corporations not previously subject to this security agreement at the time of amalgamation and to any property, assets or interests thereafter owned or acquired by the amalgamated corporation when such property, assets or interests become owned or are acquired. Upon any such amalgamation, the defined term Debtor shall include each of the amalgamating corporations and the amalgamated corporation, the defined term Collateral shall include all of the property, assets and interests described in (a) above, and the defined term Obligations shall include the obligations described in (b) above.

Article 4

Enforcement

4.1 Enforcement

The Security Interest shall be and become enforceable against the Debtor upon the occurrence of an Event of Default which is continuing.

4.2 Remedies

Upon the occurrence of an Event of Default which is continuing, the Lender may realize upon the Collateral and enforce its rights by:

- (a) entering onto any premises where Collateral consisting of tangible personal property may be located;
- (b) entering into possession of the Collateral by any method permitted by law;
- (c) selling, granting an option to purchase or leasing all or any part of the Collateral;
- (d) holding, storing, keeping idle or operating all or any part of the Collateral;
- (e) collecting any proceeds arising in respect of the Collateral;
- (f) collecting, realizing, selling, or otherwise dealing with, the accounts;
- (g) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Lender were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Lender or its nominee);
- (h) issuing any instructions or entitlement orders to an issuer or securities intermediary;
- (i) instructing a financial institution to transfer funds held by it to an account maintained with or by the Lender;
- (j) appointing a receiver (which term as used in this Agreement includes an interim receiver and a receiver and manager) or agent of all or any part of the Collateral and removing or replacing from time to time any receiver or agent;
- (k) instituting proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral;
- (l) instituting proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Collateral;
- (m) filing proofs of claim and other documents to establish claims to the Collateral in any proceeding relating to the Debtor; and
- (n) exercising any other remedy or commencing any other proceeding authorized or permitted under the PPSA or otherwise by law or equity.

4.3 Additional Rights

In addition to the rights and remedies set out in Section 4.2, whenever the Security Interest has become enforceable, the Lender may:

- (a) require the Debtor, at the Debtor's expense, to assemble the Collateral at a place or places designated by the Lender and the Debtor agrees to so assemble the Collateral;
- (b) require the Debtor to disclose to the Lender the location or locations of the Collateral and the Debtor agrees to make such disclosure in writing when so requested;
- (c) repair, process, modify, complete or otherwise deal with the Collateral and prepare the Collateral for disposition, whether on the premises of the Debtor or otherwise;
- (d) carry on all or any part of the business of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and use all or any of the premises, buildings, and other property of, or used or occupied by, the Debtor, free of charge, and the Lender shall not be liable to the Debtor for any act or omission in so doing or for any rent, charges, depreciation or damages incurred in connection with, or resulting from, such action;
- (e) borrow for the purpose of carrying on the business of the Debtor or for the maintenance, preservation or protection of the Collateral and grant security interests in the Collateral, whether or not in priority to the Security Interest, to secure repayment;
- (f) redeem any prior security interest against any Collateral, procure the transfer of such security interest to itself, or settle and pass the accounts of any prior mortgagee, chargee or lienholder;
- (g) pay any liability secured by a lien against any of the Collateral;
- (h) commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give good and valid receipts and discharges in respect of the Collateral;
- (i) compromise or give time for the payment or performance of all or any part of the accounts or any other obligation of any Person to the Debtor; and
- (j) at any public or private sale, bid for and purchase any or all of the Collateral offered for sale and upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention or disposition, except as required by law.

4.4 Concerning a Receiver

- (a) Any receiver appointed by the Lender shall be vested with all rights of the Lender and all of the remedies which could have been exercised by the Lender in respect of the Debtor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The choice of receiver and its remuneration shall be within the sole discretion of the Lender.
- (b) Any receiver appointed by the Lender shall act as agent for the Lender for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Debtor. The receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Lender as the Lender may determine in its sole discretion. The Debtor agrees to ratify and confirm all actions of the receiver acting as agent for the Debtor, and to release and indemnify the receiver in respect of all such actions.
- (c) The Lender, in appointing or refraining from appointing any receiver, shall not incur any liability to the receiver, the Debtor or any other Person and shall not be responsible for any misconduct or negligence of such Person.

4.5 Exercise of Remedies

Any remedy may be exercised separately or in combination and is in addition to, and not in substitution for, any other rights or remedies the Lender may have, however created. The Lender is not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to any other rights of the Lender in respect of the Secured Obligations including the right to claim for any deficiency.

4.6 Dealings With Security, Etc.

- (a) The Lender is not obligated to exhaust its recourse against the Debtor or any other person or against any other security it may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral.
- (b) The Lender may grant extensions or other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and with other guarantors, sureties or security as it may see fit without prejudice to the Secured Obligations, the liabilities of the Debtor or any other Person or the rights of the Lender in respect of the Collateral.

4.7 Dealings With Collateral

- (a) The Lender is not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, or (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral.

- (b) The Debtor acknowledges and agrees that it is commercially reasonable for the Lender to, and the Lender may, in its sole discretion (i) incur expenses to prepare the Collateral for disposition, (ii) exercise collection remedies directly or through the use of collection agencies, (iii) dispose of Collateral by way of public auction, public tender or private contract, with or without advertising and without any other formality, (iv) dispose of Collateral to the Lender or to a customer or client of the Lender, (v) contact other Persons, whether or not in the same business as the Debtor, for expressions of interest in acquiring all or any portion of the Collateral, (vi) hire one or more professional auctioneers to assist in the disposition of the Collateral, whether or not the Collateral is of a specialized nature, (vii) establish an upset or reserve bid or price in respect of the Collateral, and (viii) establish such terms as to credit or otherwise as the Lender may determine advantageous.
- (c) The Debtor acknowledges that the Lender may be unable to complete a public sale of Collateral by reason of certain prohibitions contained in applicable securities laws. In connection therewith, it may be compelled to resort to one or more private sales to a restricted group of purchasers who will be obliged to agree, among other things, to acquire the Collateral for their own account for investment and not with a view to the distribution or resale thereof. Any such private sale may result in prices and other terms less favourable to the seller than if such sale were a public sale and, notwithstanding such circumstances, the Debtor agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner by reason of it being a private sale. The Lender is under no obligation to delay a sale of any or all of the Collateral for the period of time necessary to permit the issuer thereof to register such Collateral for public sale under applicable securities law or otherwise, even if the issuer agrees to do so.

4.8 Appointment of Attorney

The Debtor irrevocably constitutes and appoints the Lender (and each of its officers and directors) its true and lawful attorney (with full power of substitution) to do, make and execute, in the name of and on behalf of the Debtor, upon the occurrence of an Event of Default which is continuing, all such acts, documents, matters and things which the Lender may deem necessary or advisable to accomplish the purposes of this Agreement including the execution, endorsement and delivery of documents and any notices, receipts, assignments or verifications of accounts. This power of attorney is in addition to, and not in substitution for, any stock transfer powers of attorney delivered by the Debtor and the powers of attorney may be relied upon by the Lender severally or in combination. All acts of the attorney are hereby ratified and approved, and the attorney shall not be liable for any act, failure to act or any other matter or thing, except to the extent caused by its own gross negligence or wilful misconduct. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which are acknowledged) and will survive, and will not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Debtor. This power of attorney extends to and is binding upon the Debtor's successors and assigns. The Debtor authorizes the Lender to (a) delegate in writing to another Person any power and authority granted under this power of attorney as may be necessary or desirable in the opinion of the Lender, and (b) revoke or suspend such delegation.

4.9 Dealings With Third Parties

- (a) No Person dealing with the Lender or an agent or receiver of the Lender is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which the Lender or any agent or receiver is purporting to exercise have become exercisable, (iii) whether any money remains due to the Lender by the Debtor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale, lease or other disposition is made, (v) the propriety or regularity of any sale or other dealing by the Lender or any agent or receiver of the Lender with the Collateral, or (vi) how any money paid to the Lender has been applied.
- (b) Any purchaser of Collateral shall hold the Collateral absolutely and free from any claim or right of any kind whatsoever, including any equity of redemption, of the Debtor. The Debtor waives (to the fullest extent permitted by law) as against any such purchaser, all rights of redemption, stay or appraisal which the Debtor may have under any rule of law or statute now existing or hereafter adopted.

4.10 Application of Proceeds

Any and all moneys and other proceeds realized by the Lender pursuant to this Agreement may be applied by the Lender to such part of the Secured Obligations as the Lender in its sole discretion determines appropriate from time to time.

4.11 Company Liable for Deficiency

The Debtor shall be and remain liable to the Lender for any deficiency after the proceeds of any sale or other disposition of Collateral are received by the Lender.

4.12 Special Provisions Relating to Limitation of Security of the Swiss Debtors

Notwithstanding anything to the contrary in this Agreement, the obligations of the Swiss Debtors and the rights of the Lender under this Agreement are subject to the following limitations:

- (a) if and to the extent the security interest granted by either of the Swiss Debtors under this Agreement secures obligations of its direct or indirect parent corporation (i.e. the obligations of Borrower in the case of Hockey Holding, and the obligations of Borrower or Hockey Holding in the case of BQC) (each an **Upstream Secured Obligation**) and if and to the extent the use of proceeds from the enforcement of such security interest to discharge a Upstream Secured Obligation would constitute a repayment of capital (Einlagerückgewähr / Kapitalrückzahlung), a violation of the legally protected reserves (gesetzlich geschützte Reserven) or the payment of a (constructive) dividend (Gewinnausschüttung) under Swiss corporate law, the proceeds from the enforcement of such security interest used to discharge the Upstream Secured Obligation shall be limited to the maximum amount permitted by Swiss law and accounting standards applicable to the Swiss Debtor at the time of such enforcement (the **Maximum Amount**); provided that such limitation shall not release the Swiss Debtor from its obligations in excess of the Maximum Amount, but merely postpone the performance date of such obligations until such time or times as performance is again permitted under then

applicable Swiss law; it being understood that the Maximum Amount shall be determined in accordance with Swiss law and Swiss accounting principles applicable to the Swiss Debtor, and, if the Maximum Amount is less than the amount of the Upstream Secured Obligation or if and to the extent required by applicable Swiss law, shall be confirmed by external auditors on the basis of an interim audited balance sheet as of that time; and it being further understood that the Swiss Debtors shall, to the extent permitted by applicable Swiss law and Swiss accounting standards, promptly take, and promptly cause to be taken, any action necessary or useful to allow the Lender to use enforcement proceeds as agreed hereunder with a minimum of limitations;

- (b) in respect of Upstream Secured Obligations, the Swiss Debtors shall, as concerns the proceeds resulting from the enforcement of the Upstream Secured Obligations assumed under this Agreement, if and to the extent required by applicable law (including tax treaties) in force at the relevant time:
 - (i) procure that such enforcement proceeds can be used to discharge Upstream Secured Obligations without deduction of Swiss withholding tax and mitigate to the extent possible any Swiss withholding tax obligations to be levied by discharging the liability to such tax by notification pursuant to applicable law (including double tax treaties) rather than payment of the tax;
 - (ii) shall promptly notify the Lender that such notification or, as the case may be, deduction must be made, and provide the Lender with evidence that such a notification of the Swiss Federal Tax Administration has been made or, as the case may be, such taxes deducted must be paid to the Swiss Federal Tax Administration;
 - (iii) if the notification procedure pursuant to subsection (i):
 - (A) applies for a part of the Swiss withholding tax only, the Lender undertakes to withhold from the enforcement proceeds of the security interest an amount of Swiss withholding tax at the reduced rate resulting after the discharge of part of such tax by notification under applicable law; or
 - (B) is not available, the Lender undertakes to withhold from the enforcement proceeds of the security interest an amount equivalent to the Swiss withholding tax at the rate of 35% (or such other rate as in force from time to time), and subject to any applicable double taxation treaty or any other applicable treaty, that may be due by the Swiss Debtors to the Swiss Federal Tax Administration from the enforcement of the security interest under this Agreement, and forward such amount to the Swiss Federal Tax Administration, in the name and for the account of the relevant Swiss Debtor(s), within thirty (30) business days after presentation by the Swiss Debtors to the Lender of the relevant form of the Swiss Federal Tax Administration, it being specified that the Swiss Debtors shall fill in and prepare the relevant form of the Swiss Federal Tax

Administration and submit it to the Lender for approval, which approval shall not be unreasonably withheld or delayed; and

- (iv) in the case of a deduction of Swiss withholding tax, use its commercially reasonable best efforts to ensure that any person, which is entitled to a full or partial refund of the Swiss withholding tax deducted from such enforcement proceeds, will, as soon as possible after such deduction:

- (A) request a refund of the Swiss withholding tax under applicable law (including tax treaties), and

- (B) pay to the Lender upon receipt any amount so refunded,

and if the Lender is entitled to a full or partial refund of the Swiss withholding tax deducted from such application of proceeds towards discharging Upstream Secured Obligations, the Debtor provides the Lender with those documents that are required by law and applicable tax treaties to be provided by the payer of such tax in order to enable the Lender to prepare a claim for refund of Swiss withholding tax.

- (c) if Swiss withholding tax is to be withheld in accordance with paragraph (b) above, the Lender shall be entitled to further apply proceeds from the enforcement of this Agreement against the Upstream Secured Obligations up to an amount which is equal to that amount which would have been obtained if no withholding of Swiss withholding tax were required;

- (d) if and to the extent requested by the Lender and if and to the extent this is from time to time required under Swiss mandatory law (with regards to restricting profit distributions), in order to allow the Lender to obtain a maximum benefit under the Loan Documents the Debtor shall, to the extent reasonably practical, take all such measures and/or promptly procure the fulfilment of all prerequisites allowing the prompt application of the proceeds from the enforcement of the security interest granted under this Agreement and allowing the Debtor to promptly perform its obligations and make the payment(s) thereunder from time to time, including the following:

- (i) the preparation of an up-to-date (interim) audited balance sheet of each of the Swiss Debtors;

- (ii) the confirmation of the auditors of each Swiss Debtor that the relevant amount represents (the maximum of) freely distributable profits;

- (iii) the prompt convening of a meeting of the shareholders of the Swiss Debtor the approval of the (resulting) distribution;

- (iv) the conversion of restricted reserves into profits and reserves freely available for the distribution as dividends (to the extent permitted by mandatory Swiss law);

- (v) the revaluation of hidden reserves (to the extent permitted by mandatory Swiss law);

- (e) to the extent permitted by applicable law, (A) write up or realise any of its assets shown in its balance sheet with a book value that is significantly lower than the market value of the assets, in case of realisation, however, only if such assets are not necessary for the Swiss Debtor's business and/or (B) reduce its share capital; and
- (f) all such other measures necessary or useful to allow the Lender to further enforce the security interest and other indemnity granted under this Agreement and apply proceeds therefrom against the Upstream Secured Obligations with a minimum of limitations.

Article 5

General

5.1 Notices

Any notice, direction, consent or other communications given under this Agreement must be in writing and delivered in accordance with the notice provisions in the Transaction Agreement, provided that any notice given to the Borrower shall be deemed to be effective notice to all of the Loan Parties.

5.2 Discharge

The Security Interest may not be discharged except pursuant to a written release signed by the Lender. The Debtor may request a discharge by notice to the Lender if, but only if, (a) there has been full and indefeasible payment and performance of the Secured Obligations, and (b) the Lender has no commitments to the Parent under the Loan Agreement or otherwise. Upon satisfaction of those conditions, the Lender shall execute and deliver to the Debtor such financing statements and other documents or instruments as the Debtor may reasonably require and the Lender shall redeliver to the Debtor, or as the Debtor may otherwise direct, any Collateral in its possession.

5.3 Amendment

This Agreement may only be amended, supplemented or otherwise modified by written agreement of the Lender and the Debtor.

5.4 Waivers, etc.

- (a) No consent or waiver by the Lender in connection with this Agreement is binding unless made in writing and signed by an authorized officer of the Lender. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which it was given.
- (b) A failure or delay on the part of the Lender in exercising a right or remedy under this Agreement does not operate as a waiver of, or impair, any rights or remedies of the Lender however arising. A single or partial exercise of a right or remedy on the part of the Lender does not preclude any other or further exercise of that right or remedy or the exercise of any other rights or remedies by the Lender.

- (c) Any delay or omission by the Lender in requiring strict performance by the Debtor of any provision of this Agreement will not waive, affect or diminish the Lender's right thereafter to demand strict compliance and performance therewith.

5.5 No Merger

This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Lender will operate by way of merger of, or in any way affect, the Security Interest or this Agreement.

5.6 Further Assurances

The Debtor shall from time to time, whether before or after the occurrence of an Event of Default which is continuing, do all acts and things and execute and deliver all transfers, assignments and agreements as the Lender may reasonably require for (a) protecting the Collateral, (b) perfecting the Security Interest, (c) obtaining control of the Collateral, (d) exercising all powers, authorities and discretions conferred upon the Lender, and (e) otherwise enabling the Lender to obtain the full benefits of this Agreement and the rights and powers herein granted. The Debtor shall, from time to time after the occurrence of an Event of Default which is continuing, do all acts and things and execute and deliver all transfers, assignments and agreements as the Lender may require for facilitating the sale or other disposition of the Collateral in connection with its realization.

5.7 Supplemental Security

This Agreement is in addition and without prejudice to, and not in substitution for, all other security now held or which may hereafter be held by the Lender in respect of the Secured Obligations.

5.8 Successors and Assigns

This Agreement is binding upon the Debtor and its successors and assigns, and enures to the benefit of the Lender, and its successors and assigns. This Agreement and all rights of the Lender are assignable without the consent of the Debtor, and in any action brought by an assignee to enforce this Agreement or any right or remedy of the Lender herein, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Lender. The Debtor may not assign, transfer or delegate any of its rights, duties or obligations under this Agreement.

5.9 Entire Agreement

The provisions set forth in the Loan Documents constitute the entire enforceable agreement between the parties and supercede all prior oral or written agreements, understandings, representations and warranties and course of conduct and dealing between the parties with respect to the matters referred to in this Agreement.

5.10 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this Agreement and

the remaining provisions will continue in full force and effect without amendment or limitation.

5.11 Conflict

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of the Loan Agreement, the provisions contained in the Loan Agreement will prevail to the extent of such conflict or inconsistency.

5.12 Governing Law and Submission to Jurisdiction

- (a) This Agreement is governed by and is to be interpreted and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to conflict of law principles.
- (b) The Debtor irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of the courts of Ontario (ii) agrees that all claims in respect of any suit, action or proceeding may be heard and determined in such court, and (iii) waives, to the fullest extent permitted by law, any objection which it may have based upon doctrines of venue or forum inconvieniens.

5.13 Acknowledgement and Waiver

The Debtor:

- (a) acknowledges receiving a copy of this Agreement; and
- (b) to the fullest extent permitted by law, waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments to it.

5.14 Counterparts and Electronic Delivery

This Agreement may be executed in any number of separate counterparts and all such signed counterparts will together constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a party may send a copy of its signature on the execution page hereof to the other party by facsimile or other means of recorded electronic transmission (including in PDF form) and such transmission shall constitute valid delivery of an executed copy of this Agreement to the receiving party.

IN WITNESS WHEREOF the Debtor and the Lender have executed and delivered this Agreement.

SPORTS VENTURE HOLDINGS INC.

By: (Signed "*Jared Beber*")
Authorized Signing Officer

1000007698 ONTARIO INC.

By: (Signed "*Milena Tsekova*")
Authorized Signing Officer

HOCKEY HOLDING AG

By: (Signed "*Milena Tsekova*")
Authorized Signing Officer

BQC CONSULTING GMBH

By: (Signed "*Milena Tsekova*")
Authorized Signing Officer

KINGS ENTERTAINMENT GROUP INC.

By: (Signed "*Steven Budin*")
Authorized Signing Officer

(Signature Page for Security Agreement)

Schedule 2.3(d)

Certificated Securities

Hockey Holding AG Shares:

Share capital of CHF 100,000, divided into 10,000,000 registered shares, no 1 to 10,000,000, each with a nominal value of CHF 0.01, issued by Hockey Holding AG to the Borrower.

BQC Consulting GmbH Shares:

Quota capital of CHF 20,000, divided into 200 registered quotas, no 1 to 200, each with a nominal value of CHF 200, issued by BQC Consulting GmbH to the Borrower.

1000007698 Ontario Ltd. Shares

1 common share – Certificate No. C-1 – issued to the Borrower.

Shares held by BQC:

1,200 Ordinary Shares of Kulumsoft Holding Limited, being all of the issued and outstanding shares.

Shares held by Kulumsoft Holding Limited:

100,000 Ordinary Shares of Kulumsoft Limited, being all of the issued and outstanding shares.

Schedule 2.3(f)

Pledged Accounts

BQC

[Redacted – commercially sensitive.]

OntarioCo

[Redacted – commercially sensitive.]

Schedule 3.4

Location of Company and Collateral

Part 1 – Address of Company:

Borrower: *[Redacted – commercially sensitive.]*

Hockey Holding: *[Redacted – commercially sensitive.]*

BQC: *[Redacted – commercially sensitive.]*

OntarioCo: *[Redacted – commercially sensitive.]*

Part 2 – Location of Collateral

Part 2A:

Borrower: *[Redacted – commercially sensitive.]*

Hockey Holding: *[Redacted – commercially sensitive.]*

BQC: *[Redacted – commercially sensitive.]*

OntarioCo: *[Redacted – commercially sensitive.]*

Part 2B - *[Redacted – commercially sensitive.]*

Part 2C - *[Redacted – commercially sensitive.]*