

Attention: Unitholders of A&W Revenue Royalties Income Fund

We are creating a new combo that we think you're going to love!

A&W Revenue Royalties Income Fund and A&W Food Services of Canada Inc. have agreed to a strategic combination that will create a new publicly traded growth-focused corporation on the TSX. The new A&W Food Services will offer a compelling new investment opportunity as a best-in-class Canadian quick service restaurant franchisor, and a number of benefits not available to unitholders in the current structure.



Vote **FOR** the proposed transaction to receive:

- full participation in the growth and performance of the entire A&W business, with attractive share price upside potential, while maintaining existing dividends;
- a significant cash premium; or
- a combination of both.

Unitholders are urged to vote FOR the transaction well in advance of the proxy voting deadline of 10:00 a.m. (Vancouver Time) on October 7, 2024.



For any questions or requests for voting assistance, please contact Laurel Hill Advisory Group at 1-877-452-7184 (North American Toll Free) or 1-416-304-0211 (Outside North America), or by email at assistance@laurelhill.com.

These materials are important and require your immediate attention. If you are in doubt as to how to deal with these materials or the matters to which they refer, please consult a professional advisor. If you have any questions or require more information with respect to the procedures for voting or completing your letter of transmittal and election form, please contact our proxy solicitation agent, Laurel Hill Advisory Group by telephone at 1-877-452-7184 (North American Toll Free) or 1-416-304-0211 (Outside North America), or by email at assistance@laurelhill.com.



**COMBINATION TRANSACTION INVOLVING
A&W REVENUE ROYALTIES INCOME FUND
AND
A & W FOOD SERVICES OF CANADA INC.**

**NOTICE AND MANAGEMENT INFORMATION CIRCULAR FOR
THE SPECIAL MEETING OF UNITHOLDERS, LIMITED VOTING UNITHOLDERS
AND EXCHANGEABLE SECURITYHOLDERS
OF
A&W REVENUE ROYALTIES INCOME FUND**

TO BE HELD ON OCTOBER 8, 2024

**The Board of Trustees unanimously recommends that Unitholders vote
FOR
the Arrangement Resolution**

TAKE ACTION AND VOTE TODAY

August 29, 2024

No securities regulatory authority or stock exchange in Canada, the United States or elsewhere has expressed an opinion about, or passed upon the fairness or merits of, the transactions described in this document, the securities being offered pursuant to such transactions or the adequacy of the information contained in this document and it is an offense to claim otherwise.

Your vote is very important regardless of the number of Units you own. If you have any questions or require more information with respect to the procedures for voting or completing your letter of transmittal and election form, please contact our proxy solicitation agent, Laurel Hill Advisory Group:

Laurel Hill Advisory Group
North American Toll-Free: 1-877-452-7184
Calls Outside North America: 1-416-304-0211
Email: assistance@laurelhill.com

Letter to Unitholders

August 29, 2024

Dear Unitholders:

The board of trustees (the “**Board**”) of A&W Revenue Royalties Income Fund (the “**Fund**”) invites you to attend the special meeting (the “**Meeting**”) of the holders (“**Unitholders**”) of units of the Fund (“**Units**”), the holders (“**Limited Voting Unitholders**”) of limited voting units of the Fund (“**Limited Voting Units**”, and together with the Units, “**Trust Units**”), and the holders (“**Exchangeable Securityholders**”) of securities of A&W Trade Marks Inc. that are convertible into or exchangeable for Trust Units (“**Exchangeable Securities**”), to be held at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 on October 8, 2024 at 10:00 a.m. (Vancouver Time).

Unitholders who do not attend the Meeting in person will have the option of listening to the Meeting via teleconference at 1-437-781-4585 (Canada) or 1-617-675-4444 (United States), PIN 724 785 712 1793#. Unitholders listening to the Meeting via teleconference will not be permitted to vote, ask questions or otherwise participate at the Meeting.

The Transaction

At the Meeting, Unitholders will be asked to consider and, if deemed advisable, pass a special resolution (the “**Arrangement Resolution**”) to approve the strategic combination (the “**Transaction**”) between the Fund and A & W Food Services of Canada Inc. (“**A&W Food Services**”) that will create a leading publicly traded growth-focused quick service restaurant franchisor (“**A&W Food Services NewCo**”). Following closing of the Transaction, A&W Food Services NewCo will provide Unitholders who receive share consideration with access to significantly greater growth and capital appreciation potential relative to an investment in Units and expects to pay attractive quarterly dividends at the same annualized rate as the current monthly distributions paid to Unitholders (being \$1.92 per Unit per year).

The Transaction is structured as a statutory plan of arrangement under the *Canada Business Corporations Act* (“**CBCA**”), pursuant to which A&W Food Services will be amalgamated with certain of its holding companies to form A&W Food Services NewCo as a corporation existing under the CBCA, and will acquire all the Units for common shares of A&W Food Services NewCo (“**A&W Food Services NewCo Shares**”) or cash, as the case may be. Under the terms of the Transaction, each Unitholder can elect to receive in exchange for each Unit:

- \$37.00 in cash (representing a premium of 30% to the closing trading price of the Units on the Toronto Stock Exchange (“**TSX**”) of \$28.54 on July 19, 2024, the last trading day prior to the public announcement of the Transaction) (the “**Cash Consideration**”);
- one A&W Food Services NewCo Share (the “**Share Consideration**”); or
- a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of an A&W Food Services NewCo Share) (the “**Combination Consideration**”).

The elections of Unitholders to receive Cash Consideration or Share Consideration will be subject to proration in the event that Unitholders elect, in the aggregate, to receive more or less than \$175.6 million in cash consideration, such that in all cases, a total of 4,746,582 Units will be purchased for cash at \$37.00 per Unit, representing approximately 32.5% of the outstanding Units as of July 19, 2024 (not counting the Limited Voting Units and Exchangeable Securities owned by A&W Food Services). Unitholders electing Combination Consideration will not be subject to further proration. Following closing of the Transaction, there will be approximately 24.0 million A&W Food Services NewCo Shares issued and outstanding.

In addition, Unitholders will be entitled to receive a distribution in an amount per Unit equal to \$1.92 multiplied by a fraction, the numerator of which is the number of days between (a) the payment date of the last monthly distribution in respect of the Units for which the payment date occurs prior to the closing of the Transaction and (b) the closing of the Transaction, and the denominator of which is 365, so that, in effect, Unitholders receive the monthly distribution for the month in which the closing of the Transaction occurs, prorated for the number of days up to closing of the Transaction.

A&W Food Services currently owns approximately 29.4% of the Fund on a fully-diluted basis through its ownership of Limited Voting Units and Exchangeable Securities. Upon completion of the Transaction, approximately 41.0% of the A&W Food Services NewCo Shares will be owned by existing public Unitholders (other than A&W Food Services), with the remaining approximately 59.0% being owned by the current indirect shareholders of A&W Food Services. TorQuest Partners Fund IV will own approximately 19.4% of the A&W Food Services NewCo Shares; and other current A&W Food Services shareholders will own, as individual beneficial owners, an aggregate of approximately 39.6% of the A&W Food Services NewCo Shares through the exchange of their indirect interests in A&W Food Services.

Following completion of the Transaction, A&W Food Services NewCo will continue to be led by Ms. Senecal, the experienced President and Chief Executive Officer of both A&W Food Services and the Fund, along with her proven management team.

Additionally, it will be governed by an experienced and majority independent board of directors, consisting of the three existing independent trustees of the Fund, four additional independent directors (three of whom currently serve as directors of A&W Food Services) and Ms. Senecal.

The trustees, the Chief Executive Officer, the Chief Financial Officer and the Secretary of the Fund and certain shareholders of A&W Food Services have entered into support and voting agreements agreeing to, among other things, vote their Units in favour of the Arrangement Resolution and take certain other actions required to implement the Transaction. Upon completion of the Transaction, key A&W Food Services shareholders, who will own approximately 54.0% of the A&W Food Services NewCo Shares, will enter into an investor rights agreement with A&W Food Services NewCo, pursuant to which they will agree to a customary 180-day lock-up and 24-month standstill following closing of the Transaction, as well as certain requirements relating to independent directors of A&W Food Services NewCo, and will receive customary nomination, information and registration rights.

Transaction Conditions and Timing

The Transaction is expected to close in October of this year and is subject to customary closing conditions, including court approval, TSX approval and approval of the Unitholders (as further described below). Clearance under the *Competition Act* (Canada) was obtained on August 2, 2024.

In order for the Transaction to become effective, the Arrangement Resolution must be approved by at least (a) two thirds (66 2/3%) of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting and (b) a simple majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting, excluding the votes of A&W Food Services and any other Unitholders whose votes are required to be excluded for the purposes of "minority approval" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

A&W Food Services NewCo has applied to have the A&W Food Services NewCo Shares listed on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved A&W Food Services NewCo's listing application and there is no assurance that the TSX will do so.

Recommendation of the Board

The Board, after careful consideration of a number of factors and receiving legal, financial and tax advice, a formal valuation and fairness opinion from TD Securities Inc. (the "**TD Formal Valuation and Fairness Opinion**") and a fairness opinion from RBC Dominion Securities, a member company of RBC Capital Markets (the "**RBC Fairness Opinion**"), has unanimously determined that the Transaction is in the best interests of the Fund and fair to Unitholders (other than A&W Food Services and its affiliates) and unanimously recommends that Unitholders vote **FOR** the Arrangement Resolution.

In making its recommendation, the Board considered and relied upon a number of substantive and procedural factors, including:

- Unitholders will have the opportunity to fully participate in A&W's growth and valuation upside while maintaining the existing distribution level in the form of quarterly dividends from A&W Food Services NewCo at the same annualized rate as the currently monthly distributions paid to Unitholders (currently equal to \$1.92 per Unit per year);
- A&W Food Services NewCo will be led by Ms. Senecal, the experienced President and Chief Executive Officer of both A&W Food Services and the Fund, along with her proven management team, and will be governed by an experienced and majority independent board of directors;
- the TD Formal Valuation and Fairness Opinion and the RBC Fairness Opinion;
- Unitholders will have the choice to receive Cash Consideration, Share Consideration or Combination Consideration, subject to proration. The Cash Consideration represents a 30% premium to the closing trading price of the Units on the TSX of \$28.54 on July 19, 2024, the last trading day prior to the public announcement of the Transaction;
- the Transaction provides an opportunity for Unitholders who are Eligible Holders (as defined in the Circular) to receive A&W Food Services NewCo Shares on a tax-deferred "roll-over" basis for Canadian federal income tax purposes; and
- the Transaction is the product of extensive arm's length negotiations between the Board and representatives of the shareholders of A&W Food Services, and the Board was advised by highly qualified legal, financial and tax advisors and conducted comprehensive legal, financial and tax due diligence in respect of A&W Food Services, which did not identify any material concerns.

The Board also considered a number of other factors as described in the Circular under the heading “*The Transaction – Reasons for the Recommendation*”.

In connection with its review of the Transaction, the Board received the TD Formal Valuation and Fairness Opinion which concluded that, as of the date thereof, and subject to certain assumptions, limitations and qualifications set forth therein, (a) the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit, (b) the fair market value of the A&W Food Services NewCo Shares is in the range of \$32.00 to \$38.00 per share, (c) based on the fair market value range of the A&W Food Services NewCo Shares, the value of the Combination Consideration is in the range of \$33.63 to \$37.67, and (d) the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates). The Board also received the RBC Fairness Opinion, which concluded that as of the date thereof, and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates).

A&W Food Services NewCo Equity Incentive Plan

Subject to the approval of the Arrangement Resolution, at the Meeting, Unitholders will also be asked to consider and, if deemed advisable, pass an ordinary resolution (the “**Equity Incentive Plan Resolution**”) to approve the equity incentive plan of A&W Food Services NewCo (the “**Equity Incentive Plan**”) to be effective following closing of the Transaction. In order for the Equity Incentive Plan to become effective, the Equity Incentive Plan Resolution must be approved by a simple majority of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting. The Board unanimously recommends that Unitholders vote **FOR** the Equity Incentive Plan Resolution.

Voting

Proxies must be submitted no later than 10:00 a.m. (Vancouver Time) on October 7, 2024 or on the day other than a Saturday, Sunday or statutory holiday which is at least 24 hours prior to any adjourned or postponed Meeting. The deadline for depositing proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. See “*Information Concerning the Meeting*” of the Circular for more information.

Letter of Transmittal and Election Form

To make a valid election (a) as to the form of consideration that you wish to receive under the Transaction and (b) if you are an Eligible Holder, to be able to receive any A&W Food Services NewCo Shares on a wholly or partially tax-deferred basis for Canadian federal income tax purposes, you must sign and return the letter of transmittal and election form and make a valid election thereunder and return it with accompanying certificate(s) or direct registration statements(s) representing your Units to the depositary for the Transaction prior to 5:00 p.m. (Vancouver Time) on October 4, 2024. If you hold your Units through an intermediary such as a broker or investment dealer, you will not receive a letter of transmittal and election form and you should contact your intermediary for instructions and assistance and carefully follow any instructions provided to you by such intermediary. Your intermediary may require you to make your election at an earlier date and time. **If you do not make a proper election prior to such time, you will be deemed to have made an election to receive the Share Consideration in respect of each Unit held, or, only to the extent of any deemed election to receive Cash Consideration as a result of proration (as further described in the Circular), the Cash Consideration, and you will not be eligible to receive any Share Consideration on a tax-deferred basis.** See “*Procedure for Exchange of Units, Elections and Payment of Consideration*” of the Circular for more information.

Your vote is important regardless of the number of Units you own. If you are unable to attend the Meeting, we encourage you to take the time now to complete, sign, date and return the enclosed form of proxy or voting instruction form, as applicable, so that your Units can be voted at the Meeting in accordance with your instructions.

Detailed descriptions of the Transaction and Equity Incentive Plan are set out in the accompanying Notice of Meeting and Management Information Circular of the Fund (the “**Circular**”). The Circular describes the Transaction and the Equity Incentive Plan and includes certain additional information to assist you in considering how to vote on the proposed Arrangement Resolution and Equity Incentive Plan Resolution. You should carefully review and consider all of the information in the Circular.

If you have any questions or need additional information, you should consult your financial, legal, tax or other professional advisor. If you have any questions or require more information with respect to the procedures for voting or completing your letter of transmittal and election form, please contact our proxy solicitation agent, Laurel Hill Advisory Group by telephone at 1-877-452-7184 (North American Toll Free) or 1-416-304-0211 (Outside North America), or by email at assistance@laurelhill.com.

On behalf of the Fund, I thank all Unitholders for their continued support and we look forward to receiving your endorsement for this Transaction and the Equity Incentive Plan at the Meeting.

Yours very truly,

(Signed) *Kevin Mahoney*

Kevin Mahoney
Chair of the Board

**NOTICE OF SPECIAL MEETING
OF
UNITHOLDERS, LIMITED VOTING UNITHOLDERS AND EXCHANGEABLE SECURITYHOLDERS**

NOTICE IS HEREBY GIVEN that, in accordance with an interim order of the Ontario Superior Court of Justice (Commercial List) dated August 29, 2024 (the "**Interim Order**") and the amended and restated declaration of trust dated May 1, 2018 (the "**Declaration of Trust**") of A&W Revenue Royalties Income Fund (the "**Fund**"), a special meeting (the "**Meeting**") of the holders (the "**Unitholders**") of units of the Fund ("**Units**"), the holders ("**Limited Voting Unitholders**") of limited voting units of the Fund ("**Limited Voting Units**", and together with the Units, "**Trust Units**"), and the holders ("**Exchangeable Securityholders**") of securities of A&W Trade Marks Inc. that are convertible into or exchangeable for Trust Units ("**Exchangeable Securities**"), will be held at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 on October 8, 2024 at 10:00 a.m. (Vancouver Time) for the following purposes:

1. to consider and, if deemed advisable, pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix A to the accompanying management information circular of the Fund (the "**Circular**"), approving a strategic combination (the "**Transaction**") between the Fund and A & W Food Services of Canada Inc. ("**A&W Food Services**") structured as a statutory plan of arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* (the "**CBCA**") in accordance with the combination agreement entered into by, among others, the Fund and A&W Food Services dated July 21, 2024, as it may be modified, supplemented or amended from time to time in accordance with its terms, and all the transactions contemplated thereby, including reorganization transactions to be completed prior to the Arrangement and an amendment to the Declaration of Trust, pursuant to which the corporation resulting from the amalgamation of A&W Food Services with certain of its holding companies ("**A&W Food Services NewCo**") will acquire all the Units for common shares of A&W Food Services NewCo ("**A&W Food Services NewCo Shares**") or cash, as the case may be, all as more particularly described in the Circular;
2. subject to the approval of the Arrangement Resolution, to consider and, if deemed advisable, pass, with or without variation, an ordinary resolution (the "**Equity Incentive Plan Resolution**"), the full text of which is set forth in Appendix J to the Circular, approving the equity incentive plan of A&W Food Services NewCo (the "**Equity Incentive Plan**") to be effective following closing of the Transaction, the full text of which is set forth in Appendix K to the Circular; and
3. to transact such further or other business as may properly come before the Meeting and any adjournments or postponements thereof.

THE BOARD OF TRUSTEES (THE "BOARD") OF THE FUND UNANIMOUSLY RECOMMENDS THAT UNITHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION AND FOR THE EQUITY INCENTIVE PLAN RESOLUTION.

The Circular contains a detailed description of the Transaction and the Equity Incentive Plan and contains additional information to assist you in considering how to vote on the Arrangement Resolution and Equity Incentive Plan Resolution. Please give this material your careful consideration and, if you require assistance, consult your financial, legal, tax or other professional advisors. If you have any questions or require more information with respect to the procedures for voting or completing your letter of transmittal and election form, please contact our proxy solicitation agent, Laurel Hill Advisory Group by telephone at 1-877-452-7184 (North American Toll Free) or 1-416-304-0211 (Outside North America), or by email at assistance@laurelhill.com.

Unitholders who do not attend the Meeting in person will have the option of listening to the Meeting via teleconference at 1-437-781-4585 (Canada) or 1-617-675-4444 (United States), PIN 724 785 712 1793#. Unitholders listening to the Meeting via teleconference will not be permitted to vote, ask questions or otherwise participate at the Meeting.

Record Date

Pursuant to the Interim Order, the record date for determining Unitholders, Limited Voting Unitholders and Exchangeable Securityholders who are entitled to receive notice of and to vote at the Meeting is August 27, 2024 (the "**Record Date**"). Only registered Unitholders, Limited Voting Unitholders and Exchangeable Securityholders as of the Record Date are entitled to receive notice of and to vote at the Meeting.

Unitholder Approval

In order for the Transaction to become effective, the Arrangement Resolution must be approved by at least (a) two thirds (66 2/3%) of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting and (b) a simple majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting, excluding the votes of A&W Food Services and any other Unitholders whose votes are required to be excluded for the purposes of "minority approval" under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

In order for the Equity Incentive Plan to become effective, the Equity Incentive Plan Resolution must be approved by a simple majority of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting.

Each Unit and Limited Voting Unit entitles its holder to one vote with respect to the matters to be voted on at the Meeting. Each Exchangeable Security entitles its holder to one vote for each Trust Unit they would receive upon conversion or exchange of the Exchangeable Security with respect to the matters to be voted on at the Meeting.

Voting

You are a registered Unitholder ("**Registered Unitholder**") if your name appears on your certificate(s) or direct registration statements(s) representing your Units. If you are a Registered Unitholder, you may vote in person at the Meeting. Alternatively, if you are a Registered Unitholder and cannot attend the Meeting, you can exercise your right to vote by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways: (a) by internet by visiting the website shown on your form of proxy; (b) by telephone by calling the telephone number shown on your form of proxy; or (c) by delivery in person or by mail by sending the form of proxy in the envelope enclosed with the form of proxy to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. Proxies must be submitted no later than 10:00 a.m. (Vancouver Time) on October 7, 2024 or on the day other than a Saturday, Sunday or statutory holiday which is at least 24 hours prior to any adjourned or postponed Meeting. The deadline for depositing proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

Only Registered Unitholders or duly appointed proxyholders are permitted to vote in person at the Meeting. You are a beneficial Unitholder ("**Beneficial Unitholder**") if you beneficially own Units that are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee (each, an "**Intermediary**"). Intermediaries are required to seek voting instructions from Beneficial Unitholders in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. The voting instruction form supplied to you by your Intermediary will be similar to the proxy provided to Registered Unitholders. However, its purpose is limited to instructing the Intermediary on how to vote your Units on your behalf. Beneficial Unitholders should carefully follow the instructions of their Intermediaries to ensure that their Units are voted at the Meeting in accordance with their instructions. If you are a Beneficial Unitholder and wish to vote in person at the Meeting, please fill in your name in the space provided on the voting instruction form sent to you by your Intermediary. In so doing, you are instructing your Intermediary to appoint you as proxyholder. Then follow the execution and return instructions provided by your Intermediary. For further details, contact your Intermediary directly.

Appointment of Proxyholders

Each person named in the form of proxy to represent Registered Unitholders at the Meeting is a Trustee of the Fund. However, you can appoint someone else to represent you at the Meeting. The person you appoint does not need to be a Unitholder but must attend the Meeting in order for your vote to be cast. If you wish to appoint a person other than the names that appear on the proxy, then insert the name of your chosen proxyholder in the space provided on the form of proxy. Beneficial Unitholders should carefully follow the instructions on the voting instruction form provided by their Intermediary to appoint someone else to represent them at the Meeting.

Letter of Transmittal and Election Form

The Transaction provides a choice of consideration, subject to proration, and also provides Eligible Holders with the opportunity to elect to receive any A&W Food Services NewCo Shares on a wholly or partially tax-deferred basis for Canadian federal income tax purposes. If you are a Registered Unitholder, to make a valid election as to the form of consideration that you wish to receive under the Transaction, and, if applicable, to be able to make a tax deferral election, you must complete and sign the enclosed letter of transmittal and election form ("**Letter of Transmittal and Election Form**") and return it with the accompanying certificate(s) or direct registration statement(s) representing your Units to Computershare Investor Services Inc. (the "**Depository**") prior to 5:00 p.m. (Vancouver Time) on October 4, 2024 (or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Vancouver Time) on the date that is two Business Days prior to the date of the adjourned or postponed Meeting) (the "**Election Deadline**").

If you are a Beneficial Unitholder, you will not receive a Letter of Transmittal and Election Form and you should contact your Intermediary for instructions and assistance and carefully follow any instructions provided to you by such Intermediary. Your Intermediary is required to seek your instructions with respect to your election as to the form of consideration you wish to receive, and, if applicable, whether you will make a tax deferral election. Please follow the instructions provided by your Intermediary for assistance in making an election with respect to the form of consideration you wish to receive, and, if applicable, indicating whether you will make a tax deferral election. If you are a Beneficial Unitholder, your Intermediary may require that you complete your elections at a date and time earlier than 5:00 p.m. (Vancouver Time) on October 4, 2024.

If a valid election is not made by the Election Deadline, Unitholders will be deemed to have made an election to receive the share consideration for each Unit held, or, only to the extent of any deemed election to receive cash consideration as a result of proration (as further described in the Circular), the cash consideration, and will not be eligible to receive any share consideration on a tax-deferred basis. See "Procedure for Exchange of Units, Elections and Payment of Consideration" of the Circular for more information.

Dissent Rights

Pursuant to the Interim Order, Registered Unitholders have the right to dissent with respect to the Arrangement Resolution and, if the Transaction becomes effective, to be paid the fair value of their Units by A&W Food Services NewCo in accordance with the provisions of Section 190 of the CBCA (the "**Dissent Rights**"), as modified by the Interim Order and the plan of arrangement pertaining to the Transaction (the "**Plan of Arrangement**"). A Registered Unitholder wishing to exercise Dissent Rights must provide a written notice of dissent (a "**Dissent Notice**") to the Fund, which the Fund must receive, at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9, Attention: Catherine Anderson, with a copy to Davies Ward Phillips & Vineberg LLP, 155 Wellington Street West, Toronto, ON M5V 3J7, Attention: Kevin Greenspoon, email: kgreenspoon@dwpv.com, by no later than 5:00 p.m. (Vancouver Time) on October 4, 2024 (or, if the Meeting is adjourned or postponed, by no later than 5:00 p.m. (Vancouver Time) on the second business day, excluding Saturdays, Sundays and statutory holidays, prior to the commencement of the reconvened Meeting), and must otherwise strictly comply with the dissent procedures described in the accompanying Circular, the Interim Order, the Plan of Arrangement and Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. A Beneficial Unitholder and who wishes to exercise Dissent Rights should be aware that only Registered Unitholders are entitled to exercise Dissent Rights. A Beneficial Unitholder who wishes to exercise Dissent Rights must make arrangements for the Registered Unitholders of such Units to exercise Dissent Rights on behalf of such Unitholder. A Registered Unitholder who intends to exercise Dissent Rights must do so with respect to all of the Units registered in the Unitholder's name that either: (a) they hold on their own behalf; or (b) they hold on behalf of any one Beneficial Unitholder, and must deliver a Dissent Notice to the Fund in the manner and within the time described above. There is no right to a partial Dissent Right. It is recommended that you seek independent legal advice if you wish to exercise Dissent Rights. The Dissent Rights are more particularly described in the accompanying Circular, and copies of the Plan of Arrangement, the Interim Order and the text of Section 190 of the CBCA are set forth in Appendix B, D and F respectively, of the Circular. **Failure to strictly comply with the requirements set forth in Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement, may result in the loss of the Dissent Rights.**

By order of the Board,

(signed) Kevin Mahoney

Kevin Mahoney
Chair of the Board

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**A&W REVENUE ROYALTIES INCOME FUND
MANAGEMENT INFORMATION CIRCULAR**

Introduction

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of the Fund for use at the Meeting and any adjournment or postponement thereof. No person has been authorized to give any information or make any representation in connection with the Transaction, the Equity Incentive Plan or any other matters to be considered at the Meeting other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized or accurate and should not be relied upon in making a decision as to how to vote on the Transaction, the Equity Incentive Plan or any other matters.

The Fund has retained Laurel Hill Advisory Group (“**Laurel Hill**”) as its proxy solicitation agent and shareholder communications advisor for assistance in connection with the solicitation of proxies for the Meeting, and will pay Laurel Hill fees of \$80,000 for such services in addition to certain out-of-pocket expenses. The solicitation of proxies will be conducted primarily by mail but may also be made by telephone or electronic means of communication or in person by management of the Fund or Laurel Hill. The Fund will bear the cost of such solicitation and will reimburse Intermediaries for their reasonable charges and expenses incurred in forwarding proxy materials to Beneficial Unitholders. A&W Food Services may also participate in the solicitation of proxies.

Information Contained in this Circular

The information contained in this Circular is given as at August 29, 2024 except where otherwise noted. This Circular does not constitute the solicitation of an offer to purchase or sell any securities or the solicitation of a proxy by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth in the “*Glossary of Terms*” of the Circular.

All summaries of, and references to, the Transaction in this Circular are qualified in their entirety by references to the complete texts of the Combination Agreement and Support and Voting Agreements, copies of which are available under the Fund’s profile on SEDAR+ at www.sedarplus.ca. All summaries of, and references to, the Equity Incentive Plan are qualified in their entirety by references to the complete text of the Equity Incentive Plan, which is set forth in Appendix K. You are urged to carefully read the full text of these documents.

Information contained in this Circular should not be construed as legal, tax or financial advice and Unitholders are urged to consult their own professional advisors in connection therewith.

Except where otherwise expressly provided, all amounts in this Circular are stated and will be paid in Canadian currency. All references to “IFRS” or IFRS Accounting Standards are to International Financial Reporting Standards, as issued by the International Accounting Standards Board. The annual consolidated financial statements incorporated by reference herein pertaining to the Fund and to A&W Food Services have been prepared in accordance with IFRS; and the interim condensed consolidated financial statements incorporated by reference herein pertaining to the Fund and to A&W Food Services have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Pro forma financial information and pro forma financial statements included in this Circular are for informational purposes only and are unaudited. All unaudited pro forma financial information and pro forma financial statements contained in this Circular have been derived from underlying financial statements to illustrate the effect of the Transaction. The pro forma financial information and pro forma financial statements set forth in this Circular should not be considered to be what the actual financial position or other results of operations would have necessarily been had the Fund and A&W Food Services operated as a single combined entity as at or for the periods stated therein.

Information contained on the Fund’s or A&W Food Service’s websites is not and is deemed not to be a part of this Circular or incorporated by reference herein and should not be relied upon in making a decision as to how to vote on the resolutions to be considered at the Meeting.

NO SECURITIES REGULATORY AUTHORITY OR STOCK EXCHANGE IN CANADA, THE UNITED STATES OR ELSEWHERE HAS EXPRESSED AN OPINION ABOUT, OR PASSED UPON THE FAIRNESS OR MERITS OF, THE TRANSACTIONS DESCRIBED IN THIS DOCUMENT, THE SECURITIES BEING OFFERED PURSUANT TO SUCH TRANSACTIONS OR THE ADEQUACY OF THE INFORMATION CONTAINED IN THIS DOCUMENT AND IT IS AN OFFENSE TO CLAIM OTHERWISE.

Information Concerning A&W Food Services and A&W Food Services NewCo

The information concerning A&W Food Services and A&W Food Services NewCo contained in this Circular or incorporated by reference has been taken from or is based upon information provided by A&W Food Services for inclusion in this Circular or

publicly available documents and records on file with Canadian securities regulatory authorities and other public sources. The Fund assumes no responsibility for the accuracy of any statements contained herein taken from or based on such information provided by A&W Food Services, or for any failure by A&W Food Services or any of its representatives to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Fund. The Fund has relied upon this information without having made independent inquiries as to the accuracy or completeness thereof; however, it has no reason to believe such information contains a misrepresentation. In accordance with the Combination Agreement, A&W Food Services provided the Fund with all necessary information concerning A&W Food Services and A&W Food Services NewCo that is required by Law to be included in this Circular and ensured that such information does not contain any misrepresentations.

Information Concerning United States Unitholders

The Fund is a limited purpose trust existing under the Laws of the Province of British Columbia. The solicitation of proxies and the transactions contemplated in this Circular are not subject to the proxy rules under the United States *Securities Exchange Act of 1934* (the “**U.S. Exchange Act**”), and therefore this solicitation is not being effected in accordance with United States securities Laws. Accordingly, the solicitation and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate Laws and Securities Laws and the Declaration of Trust, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Unitholders in the United States should be aware that disclosure requirements under Canadian Laws are different from those of the United States applicable to registration statements under the United States *Securities Act of 1933* (the “**U.S. Securities Act**”) and proxy statements under the U.S. Exchange Act. Unitholders in the United States should also be aware that other requirements under Canadian Laws and the Declaration of Trust may differ from those required under United States corporate Laws and United States securities Laws. The enforcement by Unitholders of rights, claims and civil liabilities under United States securities Laws may be affected adversely by the fact that the Fund is, and A&W Food Services NewCo will be, organized under the Laws of a jurisdiction other than the United States, that its trustees, directors and officers, as applicable, are, or will be, residents of countries other than the United States and that all of the assets of the Fund, A&W Food Services NewCo and such other persons are, or will be, located outside the United States. You may not be able to sue a Canadian entity or its trustees, directors or officers in a Canadian court for violations of United States securities Laws. In addition, the courts of Canada may not enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the United States securities Laws and all rules, regulations and orders promulgated thereunder.

The A&W Food Services NewCo Shares issuable to Unitholders in exchange for their Units pursuant to the Transaction have not been registered under the U.S. Securities Act or applicable state securities Laws and are being issued in the United States in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof based on the approval of the Court, and similar exemptions from registration under applicable state securities Laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Transaction will be considered. The Court issued the Interim Order on August 29, 2024 and, subject to the terms of the Combination Agreement, following the approval of the Arrangement Resolution by Unitholders, the parties will make an application to the Court for the Final Order. The application for the Final Order approving the Transaction is expected to be heard before the Ontario Superior Court of Justice (Commercial List) on October 11, 2024 at 12:00 p.m. (Toronto Time), or as soon as counsel may be heard, by videoconference, via a link to be provided by the Court at a later date. The Final Order will be relied upon as a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the A&W Food Services NewCo Shares issuable to Unitholders in exchange for their Units pursuant to the Transaction. Prior to the hearing on the Final Order, the Court will be informed that the parties will so rely upon the Final Order.

This Transaction and the A&W Food Services NewCo Shares to be issued in connection with the Transaction have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities regulatory authority, nor has the United States Securities and Exchange Commission or any securities regulatory authority passed upon the fairness or the merits of this transaction or upon the accuracy or adequacy of the information contained in this Circular.

Unitholders in the United States should be aware that the annual consolidated financial statements incorporated by reference herein pertaining to the Fund and to A&W Food Services have been prepared in accordance with IFRS and the interim condensed consolidated financial statements incorporated by reference herein pertaining to the Fund and to A&W Food Services have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34), which differ in certain material respects from United States generally accepted accounting principles.

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Circular contain forward-looking information within the meaning of applicable securities laws in Canada. Forward-looking statements are statements other than historical information or statements of current condition. The words “expects”, “plans”, “anticipates”, “believes”, “estimates”, “intends”, “may”, “will”, “should”, “could”, “would”, and the negative of these terms, and other similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. In addition, any statements that refer to expectations, projections or other characterizations of future events and circumstances are considered forward-looking statements. They are not guarantees of future performance and these statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. More particularly and without limitation, this Circular contains forward-looking statements and information regarding:

- expectations relating to the timing and completion of the Transaction, including whether the conditions for the completion of the Transaction will be satisfied and the expectations regarding the receipt of, and anticipated timing of the receipt of, approval of the Unitholders, the Final Order and TSX approval;
- expectations regarding the Meeting;
- the consequences to Unitholders if the Transaction is not completed;
- the de-listing of the Units from the TSX and the listing of the A&W Food Services NewCo Shares on the TSX, including the timing thereof;
- the expected benefits of the Transaction, including, without limitation, expectations with respect to A&W Food Services NewCo’s potential for growth and capital appreciation, share price upside, balance sheet optimization, value creation and enhanced liquidity and profile in the capital markets (including increased institutional investor interest and research analyst coverage) and the enhanced long-term stewardship of the A&W business;
- the expected “seasoning” period for A&W Food Services NewCo to realize an enhanced capital markets profile and associated benefits;
- the strategic direction and growth opportunities of A&W Food Services NewCo, including opportunities and commitments to add new A&W restaurants and the continued growth of the burger segment of the Canadian QSR market;
- the potential to add 400 more A&W restaurants across Canada;
- expectations relating to the future operating and financial performance of A&W Food Services NewCo, including its ability to expand margins, grow sales, guest counts and earnings and generate free cash flow;
- expectations regarding the dividend policy of A&W Food Services NewCo, including that distributions will be maintained in the form of dividends by A&W Food Services NewCo and the annualized rate of those future dividends;
- the anticipated expenses of the Transaction;
- the composition of A&W Food Services NewCo’s shareholders, board (including committees thereof) and management team following completion of the Transaction;
- expectations regarding A&W Food Services NewCo’s executive compensation program and the adoption of the Equity Incentive Plan following completion of the Transaction;
- the Management Fund Forecast, the Management NewCo Forecast and the judgments, estimates, assumptions and expectations underlying such forecasts;
- the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act and similar exemptions from registration under applicable state securities Laws;
- expectations regarding the Debt Financing;
- expectations regarding the timing of the amalgamation of TM NewCo and TMI;
- the financial outlook set out in “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*”, and the judgments, estimates, assumptions and expectations underlying such financial outlook; and
- the income tax consequences of the Transaction and the expected tax treatment of capital gains, the disposition of Units, the Accrued Distribution and future dividends on A&W Food Services NewCo Shares.

This forward-looking information is based on a number of assumptions that, while considered reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results to be materially different from those expressed or implied by such forward-looking information. Those assumptions include, but are not limited to: the Fund’s ability to obtain Unitholder approval, TSX approval and the Final Order and consummate the Transaction on the terms and conditions and timing currently contemplated; that A&W Food Services NewCo will be successful in executing its business strategies and pursuing its growth opportunities, and that, coupled with its simplified corporate structure and growth mandate, will attract significantly more institutional investor interest and research coverage; there are no material changes in competition; the continued availability of experienced management and other key personnel and hourly employees; that there are no material changes in the QSR burger market, including as a result of changes in consumer taste or health concerns, a disease outbreak or economic conditions (including inflation, interest rates and unemployment levels); and the additional assumptions underlying the financial outlook identified in “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Description of the Business – Financial Outlook*”.

Inherent in forward-looking information are risks and uncertainties beyond management's or the Fund's or A&W Food Services' ability to predict or control that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. The forward-looking information in this Circular is subject to, among others, the specific risks and uncertainties relating to the Transaction and the A&W Food Services NewCo Shares set out in "Risk Factors" and the risk factors relating to the business of A&W Food Services NewCo set out in "Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction", in addition to the other information contained, or incorporated by reference, in this Circular (including any information included in any Appendices hereto). Readers are cautioned that the risk factors referred to above are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to Fund may also adversely effect the Transaction, the A&W Food Services NewCo Shares or A&W Food Services NewCo following completion of the Transaction. There can be no assurance that forward-looking information contained in this Circular and in the documents incorporated by reference herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.

The forward-looking information contained in this Circular is based on the beliefs of the Fund and A&W Food Services' management as well as on assumptions which such management believes to be reasonable based on information available at the date hereof and is subject to change after such date. All forward-looking information in this Circular is qualified in its entirety by this cautionary statement and, except as required by Law, the Fund and A&W Food Services undertake no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

Non-IFRS Measures

This Circular makes reference to the following non-IFRS financial measures, non-IFRS ratios and supplementary financial measures: "Pro Forma Adjusted EBITDA", "System Sales", "Annual System Sales Growth", "Average Annual System Sales Growth", "Annual Same Store Sales Growth" and "Average Annual Same Store Sales Growth". Management believes that disclosing these non-IFRS measures, non-IFRS ratios and supplementary financial measures provides readers with important information regarding the financial and operational performance of the business. By considering these measures in combination with IFRS measures, management believes that readers are provided with additional and more useful information than readers would have if they simply considered IFRS measures alone. These non-IFRS measures do not have a standardized meaning prescribed by IFRS and the Fund's and A&W Food Services' method of calculating these measures may differ from those of other issuers or companies and may not be comparable to similar measures used by other issuers or companies.

Refer to the "Selected Information" section of A&W's Report to Unitholders of the Fund for January 1, 2023 to December 31, 2023 (the "A&W Food Services' Report"), for a reconciliation of System Sales to Revenue from Corporate Restaurants, the most comparable IFRS measure, and the "Non-IFRS Measures" section of the A&W Food Services' Report for further details on how System Sales are calculated and used to assess performance, which are incorporated by reference herein. The A&W Food Services' Report is available on the Fund's profile on SEDAR+ at www.sedarplus.ca.

"**Annual Same Store Sales Growth**" is a supplementary financial measure that reflects the change in gross sales of A&W restaurants that operated during the entire specified year and previous year and is based on an equal number of days in each year. This measure is a key performance indicator for A&W Food Services as it highlights the performance of the existing A&W restaurants.

"**Average Annual Same Store Sales Growth**" means the average of Annual Same Store Sales Growth from 2014 to 2023, excluding Annual Same Store Sales Growth from 2020 and 2021 due to COVID pandemic. As it relates to forecasted Average Annual Same Store Sales Growth it is the average Annual Same Store Sales Growth for each of 2025, 2026 and 2027.

"**Annual System Sales Growth**" is a non-IFRS ratio and calculated as the percentage change in System Sales for the specified year as compared to the prior year. A&W Food Services believes that Annual System Sales Growth is a key performance indicator as it provides an indication of the growth of the overall network of restaurants.

"**Average Annual System Sales Growth**" means the average of Annual System Sales Growth from 2014 to 2023, excluding Annual System Sales Growth from 2020 and 2021 due to COVID pandemic. As it relates to forecasted Average Annual System Sales Growth it is the average Annual System Sales Growth for each of 2025, 2026 and 2027.

"**Pro Forma Adjusted EBITDA**" is a non-IFRS financial measure and means A&W Food Services NewCo's earnings after deducting the earnings attributable to non-controlling interest and before interest, tax, depreciation and amortization adjusted for certain one-off or non-recurring items, such as start up net losses on Pret a Manger, as reconciled to net income before tax on a pro forma basis after giving effect to the completion of the Transaction. Please refer to the table below for reconciliation of this measure.

	For the 52 week period ended December 31, 2023	For the 24 week period ended June 16, 2024
Income Before Income Taxes	\$67,000	\$28,115
Income Before Income Taxes Attributable to Non-Controlling Interest	(\$1,648)	(\$785)
Finance Expense - Net	\$19,125	\$9,329
Depreciation & Amortization	\$5,681	\$3,085
EBITDA	\$90,158	\$39,744
Impairment of Lease Receivables	\$43	–
Net Loss on Disposal of Plant & Equipment	\$373	–
Start Up Net Losses on Pret a Manger	\$1,279	\$822
Recovery of Capitalized Costs	(\$1,286)	(\$111)
Transaction Costs	\$460	–
Pro Forma Adjusted EBITDA	\$91,027	\$40,455

“**System Sales**” is a non-IFRS financial measure calculated in respect of all A&W restaurants in Canada as the sum of (1) gross sales reported to A&W Food Services by franchisees of such A&W restaurants without audit, verification or other form of independent assurance and (2) revenue from corporate restaurants. System Sales reflect sales after deducting amounts for discounts for coupons and other promotional offerings and applicable sales taxes. A&W Food Services believes System Sales is a key performance indicator as it is the main driver of A&W Food Services’ revenues and provides an indication of the growth of the overall A&W restaurant chain. Please refer to the A&W Food Services’ Report for a reconciliation of System Sales to Revenue from Corporate Restaurants, the most comparable IFRS measure.

Market, Industry and Other Data

This Circular includes market information and industry data obtained from independent industry publications, market research, surveys and other publicly available sources, including Brand Finance Canada 100, 2024 Report, Circana, Inc., CREST Canada (QSR and QSR Burger subchannel, YE May 2024), Synqrinus (conducted in 2023 and commissioned by A&W Food Services), Canada’s Foodservice and Hospitality Top 60 Report (June 2024) and Canadian Census Data (2021). Although management of A&W Food Services and the Fund believe these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy and completeness of this information and data are not guaranteed. Management of A&W Food Services and the Fund have not independently verified any of the data from third party sources referred to in this Circular nor ascertained the underlying assumptions relied upon by such sources.

QUESTIONS AND ANSWERS ABOUT THE MEETING

The following are some questions that you, as a Unitholder, may have relating to the Meeting and answers to those questions. These questions and answers do not provide all of the information relating to the Meeting or the matters to be considered at the Meeting and are qualified in their entirety by the more detailed information contained elsewhere in this Circular. You are urged to read this Circular in its entirety before making a decision related to your Units. All capitalized terms used herein have the meanings ascribed to them in the "Glossary of Terms" of the Circular.

Questions Relating to the Transaction

Q: What is the proposed Transaction?

A: The transaction is a strategic combination (the "**Transaction**") between the Fund and A&W Food Services that will create a leading publicly traded growth-focused quick service restaurant franchisor, referred to in this Circular as A&W Food Services NewCo. Following closing of the Transaction, A&W Food Services NewCo will provide Unitholders who receive A&W Food Services NewCo Shares with access to significantly greater growth and capital appreciation potential relative to an investment in Units and expects to pay attractive quarterly dividends at the same annualized rate as the current monthly distributions paid to Unitholders (currently equal to \$1.92 per Unit per year). The Transaction is structured as a statutory plan of arrangement under the CBCA, pursuant to which A&W Food Services will be amalgamated with certain of its holding companies to form A&W Food Services NewCo as a corporation existing under the CBCA, and will acquire all the Units for A&W Food Services NewCo Shares or cash, as the case may be. For more information, see "*The Transaction*".

Q: What will Unitholders receive in the Transaction?

A: Under the terms of the Transaction, each Unitholder can elect to receive in exchange for each Unit:

- \$37.00 in cash (representing a premium of 30% to the closing trading price of the Units on the TSX of \$28.54 on July 19, 2024, the last trading day prior to the public announcement of the Transaction) (the "**Cash Consideration**");
- one A&W Food Services NewCo Share (the "**Share Consideration**"); or
- a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of an A&W Food Services NewCo Share) (the "**Combination Consideration**").

The elections of Unitholders to receive Cash Consideration or Share Consideration will be subject to proration in the event that Unitholders elect, in the aggregate, to receive more or less than \$175.6 million in cash consideration, such that in all cases, a total of 4,746,582 Units will be purchased for cash at \$37.00 per Unit, representing approximately 32.5% of the outstanding Units as of July 19, 2024 (not counting the Limited Voting Units and Exchangeable Securities owned by A&W Food Services). Unitholders electing Combination Consideration will not be subject to further proration.

In addition, Unitholders will be entitled to receive the Accrued Distribution, which will be an amount per Unit equal to \$1.92 multiplied by a fraction, the numerator of which is the number of days between (a) the payment date of the last monthly distribution in respect of the Units for which the payment date occurs prior to the Effective Date and (b) the Effective Date, and the denominator of which is 365. For more information, see "*The Transaction – Arrangement*".

Q: What percentage of A&W Food Services NewCo will Unitholders (other than A&W Food Services) own following completion of the Transaction?

A: Upon completion of the Transaction, approximately 41.0% of the A&W Food Services NewCo Shares will be owned by Existing Public Unitholders, with the remaining approximately 59.0% being owned by the current shareholders of A&W Food Services. TorQuest Partners Fund IV will own approximately 19.4% of the A&W Food Services NewCo Shares and other current A&W Food Services shareholders will own, as individual beneficial owners, an aggregate of approximately 39.6% of the A&W Food Services NewCo Shares through the exchange of their indirect interests in A&W Food Services. For more information, see "*The Transaction – Arrangement*".

Q: Who will be the directors and officers of A&W Food Services NewCo following completion of the Transaction?

A: Following completion of the Transaction, A&W Food Services NewCo will continue to be led by Ms. Senecal, the experienced President and Chief Executive Officer of both A&W Food Services and the Fund, along with her proven management team. Additionally, A&W Food Services NewCo will be governed by an experienced and majority independent board of directors, consisting of the three existing independent Trustees, four additional independent

directors (three of whom currently serve as directors of A&W Food Services) and Ms. Senecal. For more information, see *“Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction”*.

Q: Does the Board support the Transaction?

A: Yes. The Board, after careful consideration of a number of factors and after receiving legal, financial and tax advice, the TD Formal Valuation and Fairness Opinion and the RBC Fairness Opinion, has unanimously determined that the Transaction is in the best interests of the Fund and fair to Unitholders (other than A&W Food Services and its affiliates) and unanimously recommends that Unitholders vote **FOR** the Arrangement Resolution. In making its recommendation, the Board considered a number of factors as described in the Circular under the heading *“The Transaction – Reasons for the Recommendation”*.

Q: Who has agreed to vote in favour of the Transaction?

A: Each of the Trustees, the Chief Executive Officer, the Chief Financial Officer and the Secretary of the Fund, and certain shareholders of A&W Food Services have entered into Support and Voting Agreements agreeing to, among other things, vote their Units in favour of the Arrangement Resolution and take certain other actions required to implement the Transaction. A&W Food Services has also agreed to vote all of its Limited Voting Units and Exchangeable Securities in favour of the Arrangement Resolution. Together, this represents an aggregate of approximately 32.2% of the issued and outstanding Trust Units as of the Record Date on a fully-diluted basis. For more information, see *“Key Agreements Relating to the Transaction – Support and Voting Agreements”*.

Q: When is the Transaction expected to close and are there any other approvals required for the Transaction?

A: The Transaction is expected to close in October of this year and is subject to customary closing conditions, including Court approval and TSX approval. Clearance under the Competition Act was obtained on August 2, 2024. For more information, see *“The Transaction – Court Approval”* and *“The Transaction – TSX Approval”*.

The Fund and A&W Food Services will issue a press release once all the necessary approvals have been received and conditions to the completion of the Transaction have been satisfied or waived, other than conditions that, by their terms, cannot be satisfied until the Effective Time.

Q: Will the A&W Food Services NewCo Shares be listed on the TSX after the Transaction?

A: It is a condition of closing the Transaction that the TSX conditionally approve the listing and posting for trading on the TSX of the A&W Food Services NewCo Shares, subject only to compliance with the customary requirements of the TSX. A&W Food Services NewCo has applied to have the A&W Food Services NewCo Shares listed on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved A&W Food Services NewCo's listing application and there is no assurance that the TSX will do so.

Subject to the approval of the TSX, it is expected that (a) the Units will be delisted from the TSX after the close of business on the Effective Date, (b) the A&W Food Services NewCo Shares will be listed (but not yet posted for trading) after the close of business on the Effective Date, and (c) the A&W Food Services NewCo Shares will be posted and begin trading on the Business Day immediately following the Effective Date. The Fund and A&W Food Services will issue a press release after the Final Order is obtained specifying the scheduled Effective Date and Effective Time.

For more information, see *“The Transaction – TSX Approval”*.

Q: When do I need to submit my Letter of Transmittal and Election Form to make a valid election as to the form of consideration that I wish to receive under the Transaction, and, if applicable, to be able to make a Section 85 Election?

A: The Transaction provides a choice of consideration, subject to proration, and also provides Eligible Holders with the opportunity to elect to receive any A&W Food Services NewCo Shares on a wholly or partially tax-deferred basis for Canadian federal income tax purposes. If you are a Registered Unitholder, to make a valid election as to the form of consideration that you wish to receive under the Transaction (an **“Election”**), and, if applicable, to be able to make a Section 85 Election, you must complete and sign the enclosed letter of transmittal and election form (**“Letter of Transmittal and Election Form”**) and return it with the accompanying certificate(s) or direct registration statement(s) representing your Units to Depository prior to 5:00 p.m. (Vancouver Time) on October 4, 2024 (or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Vancouver Time) on the date that is two Business Days prior to the date of the adjourned or postponed Meeting) (the **“Election Deadline”**).

If you are a Beneficial Unitholder, you will not receive a Letter of Transmittal and Election Form and you should contact your Intermediary for instructions and assistance and carefully follow any instructions provided to you by such Intermediary. Your Intermediary is required to seek your instructions with respect to your Election, and, if applicable, whether you will make a Section 85 Election. Please follow the instructions provided by your Intermediary for assistance in making an Election, and, if applicable, indicating whether you will make a Section 85 Election. If you are a Beneficial Unitholder, your Intermediary may require that you complete your elections at a date and time earlier than 5:00 p.m. (Vancouver Time) on October 4, 2024.

If a valid election is not made by the Election Deadline, Unitholders will be deemed to have made an election to receive the Share Consideration for each Unit held, or, only to the extent of any deemed election to receive Cash Consideration as a result of proration, the Cash Consideration, and will not be able to make a Section 85 Election to receive any Share Consideration on a tax-deferred basis. For more information, see *“Procedure For Exchange Units, Elections and Payment of Consideration”*.

Q: What happens if the Transaction is not completed?

A: If the Transaction is not completed for any reason, Unitholders will not receive the Share Consideration, the Cash Consideration or the Combination Consideration for any of their Units, the Fund will remain a reporting issuer and the Units will continue to be listed and traded on the TSX. Upon termination of the Combination Agreement prior to consummation of the Transaction, under certain circumstances, the Fund will be required to pay to A&W Food Services a termination fee of \$17.8 million (the **“Termination Fee”**). The Combination Agreement also provides for expense reimbursement of \$4.0 million payable by the Fund to A&W Food Services or A&W Food Services to the Fund, as applicable (less, in the case of reimbursement by A&W Food Services, the amount of expenses of the Fund previously reimbursed by A&W Food Services) in certain circumstances if the Transaction is not completed and the Combination Agreement is terminated. In certain circumstances, the Combination Agreement also requires the Fund to repay to A&W Food Services certain expenses of the Fund previously reimbursed by A&W Food Services pursuant to the Expense Agreement. For more information, see *“Key Agreements Relating to the Transaction – Combination Agreement”*.

Q: Will the Fund continue to pay monthly distributions prior to the closing of the Transaction?

A: The Fund will continue to pay its monthly cash distribution to Unitholders prior to closing of the Transaction. Pursuant to the terms of the Transaction, the Fund will also pay the Accrued Distribution to Unitholders, which will be an amount per Unit equal to \$1.92 multiplied by a fraction, the numerator of which is the number of days between (a) the payment date of the last monthly distribution in respect of the Units for which the payment date occurs prior to the Effective Date and (b) the Effective Date, and the denominator of which is 365, so that, in effect, Unitholders receive the monthly distribution for the month in which the Effective Date occurs, prorated for the number of days up to the Effective Date. Following closing, A&W Food Services NewCo expects to initially pay a quarterly dividend at the same annualized rate as current distributions of the Fund (currently equal to \$1.92 per Unit per year). For more information on dividends and distributions, see *“The Transaction – Arrangement”* and *“Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction”*.

Q: Are there risks I should consider in deciding whether to vote for the Transaction?

A: Yes. Unitholders should carefully consider the specific risks and uncertainties relating to the Transaction and the A&W Food Services NewCo Shares set out in *“Risk Factors”* and the risk factors relating to the business of A&W Food Services NewCo set out in *“Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction”*.

Q: What are the Canadian federal income tax considerations of the Transaction?

A: For a summary of certain material Canadian income tax considerations of the Transaction, see *“Certain Canadian Federal Income Tax Considerations”*. Such summary is not intended to be legal, financial or tax advice to any particular Unitholders. Unitholders should consult their own professional advisors with respect to their particular circumstances.

Q: Am I entitled to Dissent Rights?

A: Pursuant to the Interim Order, Registered Unitholders have the right to exercise Dissent Rights with respect to the Arrangement Resolution and, if the Transaction becomes effective, to be paid the fair value of their Units by A&W Food Services NewCo in accordance with the provisions of Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement pertaining to the Arrangement (the **“Plan of Arrangement”**). A Registered Unitholder wishing to exercise Dissent Rights must provide a Dissent Notice to the Fund, which the Fund must receive, at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9, Attention: Catherine Anderson, with a copy to Davies Ward Phillips & Vineberg LLP, 155 Wellington Street West, Toronto, ON M5V 3J7, Attention: Kevin Greenspoon, email:

kgreenspoon@dwpv.com, by no later than 5:00 p.m. (Vancouver Time) on October 4, 2024 (or, if the Meeting is adjourned or postponed, by no later than 5:00 p.m. (Vancouver Time) on the second Business Day, excluding Saturdays, Sundays and statutory holidays, prior to the commencement of the reconvened Meeting), and must otherwise strictly comply with the dissent procedures described herein, the Interim Order, the Plan of Arrangement and Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. A Beneficial Unitholder and who wishes to exercise Dissent Rights should be aware that only Registered Unitholders are entitled to exercise Dissent Rights. A Beneficial Unitholder who wishes to exercise Dissent Rights must make arrangements for the Registered Unitholders of such Units to exercise Dissent Rights on behalf of such Unitholder. A Registered Unitholder who intends to exercise Dissent Rights must do so with respect to all of the Units registered in the Unitholder's name that either: (a) they hold on their own behalf; or (b) they hold on behalf of any one Beneficial Unitholder, and must deliver a Dissent Notice to the Fund in the manner and within the time described above. There is no right to a partial Dissent Right. It is recommended that you seek independent legal advice if you wish to exercise Dissent Rights. For more information, see "*Dissenting Unitholders*".

Questions Relating to the Equity Incentive Plan

Q: Why am I being asked to approve the Equity Incentive Plan?

A: Long-term incentive compensation awards issued pursuant to the Equity Incentive Plan will provide ongoing motivation for executive officers and directors to achieve the business and financial objectives of A&W Food Services NewCo following completion of the Transaction, and also align their interests with the long-term interests of shareholders. It is expected that, following the completion of the Transaction, each eligible executive of A&W Food Services NewCo will be provided with an individual long-term equity incentive plan target for a given fiscal year, established as a percentage of such participant's base salary.

Subject to the approval of the Arrangement Resolution, at the Meeting, Unitholders will be asked to consider and, if deemed advisable, pass, with or without variation, the Equity Incentive Plan Resolution, the full text of which is set out in Appendix J to this Circular, to approve the Equity Incentive Plan of A&W Food Services NewCo, to be effective following closing of the Transaction. In order for A&W Food Services NewCo to be able to grant awards under the Equity Incentive Plan following completion of the Transaction, the Equity Incentive Plan Resolution must be approved by a simple majority of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting.

Unitholders are being asked to approve the Equity Incentive Plan at the Meeting to provide A&W Food Services NewCo with the ability to issue awards under the Equity Incentive Plan in accordance with its compensation program to be effective following closing of the Transaction. See "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Statement of Proposed Executive Compensation*".

Q: What are the terms of the Equity Incentive Plan?

A: The Equity Incentive Plan will allow for a variety of equity-based awards that provide different types of incentives to be granted to certain directors, officers, employees and/or consultants providing ongoing services to A&W Food Services NewCo and its Subsidiaries, being Options, PSUs, RSUs and DSUs.

The maximum number of A&W Food Services NewCo Shares reserved for issuance under the Equity Incentive Plan will be 10% of the aggregate number of A&W Food Services NewCo Shares issued and outstanding from time to time, which will represent approximately 2.4 million A&W Food Services NewCo Shares immediately following closing of the Transaction.

A copy of the Equity Incentive Plan is attached as Appendix K to this Circular and a summary thereof is set out under the heading "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Statement of Executive Compensation – Principal Elements of Compensation – Long-Term Equity Incentives – Omnibus Long-Term Incentive Plan*".

Q: When will the Equity Incentive Plan be effective?

A: The Equity Incentive Plan, if approved, will only be effective following closing of the Transaction. If the Arrangement Resolution is not approved, Unitholders will not be asked to approve the Equity Incentive Plan Resolution. If the Equity Incentive Plan Resolution is not approved, A&W Food Services NewCo will not be able to grant awards under the Equity Incentive Plan following completion of the Transaction.

Q: Have any awards been granted under the Equity Incentive Plan?

A: No. The Equity Incentive Plan will only become effective following closing of the Transaction and no awards under the Equity Incentive Plan have been granted to any person.

Questions Relating to the Meeting

Q: What am I voting on at the Meeting?

A: You are being asked to consider and, if deemed advisable, pass the Arrangement Resolution approving the Transaction. The full text of the Arrangement Resolution is set out in Appendix A to this Circular. For more information, see "*The Transaction*".

Subject to the approval of the Arrangement Resolution, you are also being asked to consider, and, if deemed advisable, pass, the Equity Incentive Plan Resolution approving the Equity Incentive Plan. The full text of the Equity Incentive Plan Resolution and the Equity Incentive Plan is set out in Appendix J and K, respectively. For more information, see "*A&W Food Services NewCo Equity Incentive Plan*".

Q: When and where is the Meeting?

A: The Meeting will be held at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 on October 8, 2024 at 10:00 a.m. (Vancouver Time). Unitholders who do not attend the Meeting in person will have the option of listening to the Meeting via teleconference at 1-437-781-4585 (Canada) or 1-617-675-4444 (United States), PIN 724 785 712 1793#. Unitholders listening to the Meeting via teleconference will not be permitted to vote, ask questions or otherwise participate at the Meeting. For more information, see "*Information Concerning the Meeting*".

Q: Which Unitholders can attend and vote at the Meeting?

A: Only Registered Unitholders as of the Record Date, August 27, 2024, are entitled to receive notice of and vote at the Meeting or any adjournment(s) or postponement(s) of the Meeting. You will not be entitled to vote at the Meeting if you acquired Units after the Record Date. For more information, see "*Information Concerning the Meeting – Record Date*".

Q: What is required at the Meeting to approve the Arrangement Resolution and the Equity Incentive Plan Resolution?

A: In order for the Transaction to become effective, the Arrangement Resolution must be approved by at least (a) two thirds (66 2/3%) of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting and (b) a simple majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting, excluding the Excluded Votes required to be excluded for Minority Approval under MI 61-101.

In order for the Equity Incentive Plan to become effective, the Equity Incentive Plan Resolution must be approved by a simple majority of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting.

See "*Information Concerning the Meeting – Approval of Resolutions*".

Q: What constitutes quorum for the Meeting?

A: Two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 25.0% of the votes attached to the total of the Trust Units then outstanding and the Trust Units issuable upon the conversion, exercise or exchange of the outstanding Exchangeable Securities. For more information, see "*Information Concerning the Meeting – Quorum*".

Q: Who is soliciting my proxy?

A: Your proxy is being solicited by management of the Fund for use at the Meeting or any adjournment(s) or postponement(s) thereof. This Circular is furnished in connection with that solicitation. The Fund has retained Laurel Hill as its proxy solicitation agent and shareholder communications advisor for assistance in connection with the solicitation of proxies for the Meeting. The solicitation of proxies will be conducted primarily by mail but may also be made by telephone or electronic means of communication or in person by management of the Fund or Laurel Hill. The Fund will bear the cost of such solicitation and will reimburse Intermediaries for their reasonable charges and expenses

incurred in forwarding proxy materials to Beneficial Unitholders. A&W Food Services may also participate in the solicitation of proxies. For more information, see *“Information Concerning the Meeting – Solicitation of Proxies”*.

Q: Am I a Registered Unitholder or a Beneficial Unitholder?

A: You are a Registered Unitholder if your name appears on your certificate(s) or direct registration statement(s) representing your Units. You are a Beneficial Unitholder if you beneficially own Units that are held in the name of an Intermediary. Beneficial Unitholders should carefully follow the instructions of their Intermediaries to ensure that their Units are voted at the Meeting in accordance with their instructions and an Election with respect to the form of consideration they wish to receive, and, if applicable, that they are eligible to make a Section 85 Election. For more information, see *“Information Concerning the Meeting – Registered Unitholders”* and *“Information Concerning the Meeting – Beneficial Unitholders”*.

Q: How many Trust Units are entitled to vote?

A: Each Unit and Limited Voting Unit entitles its holder to one vote with respect to the matters to be voted on at the Meeting. Each Exchangeable Security entitles its holder to one vote for each Trust Unit they would receive upon conversion or exchange of the Exchangeable Security with respect to the matters to be voted on at the Meeting. For more information, see *“Information Concerning the Meeting – Approval of Resolutions”*.

As at the Record Date, there were outstanding 14,585,673 Units, 1,507,020 Limited Voting Units and Exchangeable Securities convertible into 4,562,957 Limited Voting Units. For more information, see *“Information Concerning the Meeting – Voting Securities”*.

Q: How do I vote and what is the voting deadline?

A: If you are a Registered Unitholder, you may vote in person at the Meeting. Alternatively, if you are a Registered Unitholder and cannot attend the Meeting, you can exercise your right to vote by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways: (a) by internet by visiting the website shown on your form of proxy; (b) by telephone by calling the telephone number shown on your form of proxy; or (c) by delivery in person or by mail by sending the form of proxy in the envelope enclosed with the form of proxy to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. Proxies must be submitted no later than 10:00 a.m. (Vancouver Time) on October 7, 2024 or on the day other than a Saturday, Sunday or statutory holiday which is at least 24 hours prior to any adjourned or postponed Meeting. The deadline for depositing proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice. For more information, see *“Information Concerning the Meeting – Registered Unitholders”*.

If you are a Beneficial Unitholder, Intermediaries are required to seek your voting instructions in advance of the Meeting. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. The voting instruction form supplied to you by your Intermediary will be similar to the proxy provided to Registered Unitholders. However, its purpose is limited to instructing the Intermediary on how to vote your Units on your behalf. Beneficial Unitholders should carefully follow the instructions of their Intermediaries to ensure that their Units are voted at the Meeting in accordance with their instructions. If you are a Beneficial Unitholder and wish to vote in person at the Meeting, please fill in your name in the space provided on the voting instruction form sent to you by your Intermediary. In so doing, you are instructing your Intermediary to appoint you as proxyholder. Then follow the execution and return instructions provided by your Intermediary. For further details, contact your Intermediary directly. For more information, see *“Information Concerning the Meeting – Beneficial Unitholders”*.

Q: How do I appoint a third party as my proxyholder?

A: Each person named in the form of proxy to represent Registered Unitholders at the Meeting is a Trustee of the Fund. However, you can appoint someone else to represent you at the Meeting. The person you appoint does not need to be a Unitholder but must attend the Meeting in order for your vote to be cast. If you wish to appoint a person other than the names that appear on the proxy, then insert the name of your chosen proxyholder in the space provided on the form of proxy. Beneficial Unitholders should carefully follow the instructions on the voting instruction form provided by their Intermediary to appoint someone else to represent them at the Meeting. For more information, see *“Information Concerning the Meeting – Appointment of Proxyholders”*.

Q: As a Unitholder, can I revoke my proxy or change my vote after I have submitted a signed proxy?

A: Yes. If you are a Registered Unitholder and want to revoke your proxy (or proxies) after you have delivered it (them), you can do so by (a) attending the Meeting and voting in person, (b) signing a proxy (or proxies) bearing a later date and returning such form(s) at any time before the proxy cut-off time, (c) by signing a written statement which indicates,

clearly, that you want to revoke your proxy or proxies and delivering this signed written statement to the registered office of the Fund no later than 10:00 a.m. (Vancouver Time) on October 7, 2024, or (d) in any other manner permitted by Law.

If you revoke your proxy (or proxies) and do not replace it (or them) with another that is properly deposited before the proxy cut-off time, you can still vote, but to do so you must attend and vote at the Meeting in person.

If you are a Beneficial Unitholder and wish to revoke previously provided voting instructions, you should contact your Intermediary to discuss whether this is possible and what procedures you need to follow. The change or revocation of voting instructions by a Beneficial Unitholder can take several days or longer to complete and, accordingly, any such action should be completed well in advance of the deadline given in the proxy or voting instruction form by the Intermediary or its service company to ensure it is effective. For more information, see "*Information Concerning the Meeting – Revocation of Proxies*".

Q: Who can help answer questions?

A: If you have any questions or require more information with respect to the procedures for voting or completing your Letter of Transmittal and Election Form, please contact our proxy solicitation agent, Laurel Hill Advisory Group by telephone at 1-877-452-7184 (North American Toll Free) or 1-416- 304-0211 (Outside North America), or by email at assistance@laurelhill.com.

SUMMARY

The following information is a summary of the contents of this Circular. This summary is provided for convenience only and the information contained in this summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information and financial data and statements contained elsewhere in this Circular. Capitalized terms in this summary have the meaning set out in the “*Glossary of Terms*” or as set out herein.

Date, Time and Place of Meeting The Meeting will be held at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 on October 8, 2024 at 10:00 a.m. (Vancouver Time). Unitholders who do not attend the Meeting in person will have the option of listening to the Meeting via teleconference at 1-437-781-4585 (Canada) or 1-617-675-4444 (United States), PIN 724 785 712 1793#. Unitholders listening to the Meeting via teleconference will not be permitted to vote, ask questions or otherwise participate at the Meeting. For more information, see “*Information Concerning the Meeting – Date, Time and Place of the Meeting*”.

The Record Date Pursuant to the Interim Order, the Record Date for determining Unitholders, Limited Voting Unitholders and Exchangeable Securityholders who are entitled to receive notice of and to vote at the Meeting is August 27, 2024. Only registered Unitholders, Limited Voting Unitholders and Exchangeable Securityholders as of the Record Date are entitled to receive notice of and to vote at the Meeting. For more information, see “*Information Concerning the Meeting – Record Date*”.

Purpose of the Meeting At the Meeting, Unitholders will be asked (a) to consider and, if deemed advisable, pass, with or without variation, the Arrangement Resolution, the full text of which is set out in Appendix A to this Circular, approving the Transaction, (b) subject to the approval of the Arrangement Resolution, to consider, and, if deemed advisable, pass, with or without variation, the Equity Incentive Plan Resolution, the full text of which is set out in Appendix J to this Circular, and (c) to transact such further or other business as may properly come before the Meeting and any adjournments or postponements thereof. For more information, see “*Information Concerning the Meeting – Purpose of the Meeting*”.

Background to the Transaction The Transaction is the product of extensive arm’s length negotiations between the Board and representatives of the shareholders of A&W Food Services. See “*The Transaction – Background to the Transaction*” for a summary of certain relevant background information that informed the negotiations as well as the principal events leading to the execution of the Combination Agreement and the public announcement of the Transaction.

Consideration Under the terms of the Transaction, each Unitholder can elect to receive in exchange for each Unit:

- the Cash Consideration, consisting of \$37.00 in cash (representing a premium of 30% to the closing trading price of the Units on the TSX of \$28.54 on July 19, 2024, the last trading day prior to the public announcement of the Transaction);
- the Share Consideration, consisting of one A&W Food Services NewCo Share; or
- the Combination Consideration, consisting of a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of an A&W Food Services NewCo Share).

The elections of Unitholders to receive Cash Consideration or Share Consideration will be subject to proration in the event that Unitholders elect, in the aggregate, to receive more or less than \$175.6 million in cash consideration, such that in all cases, a total of 4,746,582 Units will be purchased for cash at \$37.00 per Unit, representing approximately 32.5% of the outstanding Units as of July 19, 2024 (not counting the Limited Voting Units and Exchangeable Securities owned by A&W Food Services). Unitholders electing Combination Consideration will not be subject to further proration. Following closing of the Transaction, there will be approximately 24.0 million A&W Food Services NewCo Shares issued and outstanding.

In addition, Unitholders will be entitled to receive the Accrued Distribution, which will be an amount per Unit equal to \$1.92 multiplied by a fraction, the numerator of which is the number of days between (a) the payment date of the last monthly distribution in respect of the Units for which the payment date occurs prior to the Effective Date and (b) the Effective Date, and the denominator of which is 365. For more information, see “*The Transaction – Arrangement*”.

Recommendation of the Board in respect of the Transaction

The Board, after careful consideration of a number of factors and receiving legal, financial and tax advice, the TD Formal Valuation and Fairness Opinion and the RBC Fairness Opinion, has unanimously determined that the Transaction is in the best interests of the Fund and fair to Unitholders (other than A&W Food Services and its affiliates) and unanimously recommends that Unitholders vote **FOR** the Arrangement Resolution. In making its recommendation, the Board considered a number of factors as described in the Circular under the heading “*The Transaction – Reasons for the Recommendation*”.

Reasons for the Recommendation

With the assistance of its independent financial and legal advisors, the Board carefully considered a number of factors relating to the Transaction, including those listed below. The Board’s recommendation is based upon the totality of the information presented to and considered by it. In light of the variety of factors considered in connection with the Board’s evaluation of the Transaction, the Board did not find it practicable to, and did not attempt to, quantify or otherwise assign any relative weight to the various factors that it considered in making its recommendation. In making its recommendation, the Board considered and relied upon a number of substantive and procedural factors, including, among others, the following:

- **Full Participation in A&W’s Growth and Valuation Upside while Maintaining Existing Distribution Level in the Form of Dividends.** Under the current structure, Unitholders’ participation in A&W’s growth and performance is largely limited to the same store sales growth (SSSG) of existing restaurants in the royalty pool. As new restaurants are added to the system, A&W Food Services receives additional Exchangeable Securities as consideration, thereby increasing its ownership interest in the Fund and resulting in minimal initial accretion benefit of new restaurants to Unitholders. In the current structure, the Fund receives its income from A&W Food Services in the form of royalties based on the reported sales of A&W restaurants in the royalty pool. After deduction of certain expenses, the Fund pays these royalties out to Unitholders in the form of monthly distributions. The Transaction provides Unitholders with the opportunity to participate in the ownership of the operating company with a simplified traditional corporate structure that is directly comparable to other global publicly listed QSR franchisors, providing the following expected benefits to Unitholders who become shareholders in A&W Food Services NewCo:
 - **Full participation in the growth and performance of the entire A&W business**, including upside from new restaurant openings, margin expansion due to operating leverage and economies of scale, new concepts like Pret A Manger, and the retail root beer business, among other value-enhancing opportunities;
 - **Attractive future dividends** as A&W Food Services NewCo is expected to maintain current distributions in the form of an attractive quarterly dividend at the same annualized rate as the current monthly distributions paid to Unitholders (currently equal to \$1.92 per Unit per year). Furthermore, such dividends are generally expected to constitute “eligible dividends” for shareholders of A&W Food Services NewCo for Canadian income tax purposes, whereas distributions from the Fund have been treated as dividends that did not qualify as “eligible dividends”;
 - **Potential for enhanced capital markets profile** as, in contrast with the Fund, A&W Food Services NewCo’s simplified corporate structure and growth mandate will allow for greater liquidity in the A&W Food Services NewCo Shares than the Units and is more likely to attract institutional investor interest and research analyst coverage;
 - **Attractive share price upside potential** as the trading valuation for A&W Food Services NewCo Shares is expected to be based on A&W Food Services NewCo’s business fundamentals and operating performance (in contrast with the Units, the market price of which is primarily driven by their yield relative to interest rates). A&W Food Services’ track record of strong operating performance relative to its global peer set, coupled with an enhanced capital markets profile, could result in a future public trading valuation for the A&W Food Services NewCo Shares that is more comparable to those of other publicly traded QSRs;
 - **Affords A&W Food Services NewCo greater financial flexibility** to invest in growth opportunities and strategic initiatives, while allowing for balance sheet optimization to typical leverage levels observed in publicly-traded QSR peers; and
 - **Better strategic alignment** as the simplified structure of A&W Food Services NewCo will fully align the interests of Unitholders and shareholders of A&W Food Services, which is expected to enhance the long-term stewardship of the A&W business.

- **Experienced Board of Directors and Management Team.** Following completion of the Transaction, A&W Food Services NewCo will continue to be led by Ms. Senecal, the experienced President and Chief Executive Officer of both A&W Food Services and the Fund, along with her proven management team. Additionally, it will be governed by an experienced and majority independent board of directors, consisting of the three existing independent Trustees, four additional independent directors (three of whom currently serve as directors of A&W Food Services) and Ms. Senecal.
- **Choice for Unitholders; Cash Consideration Provides Significant Premium to Market Price.** The Transaction provides that Unitholders will have the ability to choose whether to receive (a) \$37.00 in cash, (b) one A&W Food Services NewCo Share or (c) a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of an A&W Food Services NewCo Share) for each Unit held, subject to proration. Unitholders may have a preference for cash or share consideration depending upon their particular circumstances. Subject only to proration, Unitholders have the opportunity to elect the consideration of their choice in accordance with such preferences. The Cash Consideration represents a 30% premium to the closing trading price of the Units on the TSX of \$28.54 on July 19, 2024, the last trading day prior to the public announcement of the Transaction.
- **Formal Valuation and Fairness Opinions.** The Board received the TD Formal Valuation and Fairness Opinion which concluded that, as of the date thereof, and subject to certain assumptions, limitations and qualifications set forth therein, (a) the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit, (b) the fair market value of the A&W Food Services NewCo Shares is in the range of \$32.00 to \$38.00 per share, (c) based on the fair market value range of the A&W Food Services NewCo Shares, the value of the Combination Consideration is in the range of \$33.63 to \$37.67, and (d) the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates). The midpoint of the value range of the Combination Consideration of \$35.65 exceeds the midpoint of the valuation range of the Units of \$34.50 and the Cash Consideration is at the high-end of the valuation range for the Units. The Board also received the RBC Fairness Opinion which concluded that as of the date thereof, and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates).
- **Extensive Arm's Length Negotiations and Comprehensive Due Diligence.** The Transaction is the product of extensive arm's length negotiations between the Board and representatives of the shareholders of A&W Food Services. Through the negotiations, the Board was advised by independent and highly qualified legal, financial and tax advisors and conducted comprehensive legal, financial and tax due diligence in respect of A&W Food Services, which did not identify any material concerns.
- **Superior Proposals.** The Combination Agreement allows the Board, in the exercise of its fiduciary duties and subject to compliance with the Combination Agreement, to respond to an Acquisition Proposal if it is determined that such proposal would reasonably be expected to lead to a Superior Proposal. The ability to terminate the Combination Agreement in specified circumstances, subject to a "right to match", to accept a Superior Proposal on payment of the Termination Fee of \$17.8 million provided further assurance to the Board that the Board would have a reasonable opportunity to consider a potential superior unsolicited alternative transaction if one is subsequently proposed.
- **Opportunity for Tax Deferral for Eligible Holders.** By providing Unitholders the ability to elect to receive A&W Food Services NewCo Shares as consideration for their Units, subject to proration, and allowing Eligible Holders to make a Section 85 Election, the Transaction provides an opportunity for Eligible Holders to defer the Canadian federal income tax that otherwise might be payable if such Eligible Holders received cash for their Units. In particular, the Transaction has been structured such that Eligible Holders who receive A&W Food Services NewCo Shares as consideration for their Units may receive such shares on a tax-deferred "roll-over" basis for Canadian federal income tax purposes, subject to making the Section 85 Election. For Eligible Holders who want to remain invested in A&W Food Services NewCo, the Transaction allows them to do so, subject to proration, while also, by making a Section 85 Election, deferring Canadian federal income tax that might be realized

had such Eligible Holders sold their Units in the market for cash or elected for Cash Consideration pursuant to the Transaction.

- **Procedural Safeguards for Unitholders.** The Board considered the fact that (a) in order to become effective, the Arrangement Resolution must be approved by at least (i) two thirds (66 2/3%) of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting and (ii) a simple majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting, excluding the Excluded Votes required to be excluded for Minority Approval under MI 61-101, (b) the Transaction requires approval by the Court; and (c) Registered Unitholders have the ability to exercise Dissent Rights with respect to the Transaction.
- **Likelihood of Completion.** The Transaction is expected to close in October of this year and is subject to customary closing conditions, including TSX approval, Court approval and approval of the Unitholders, and the Board believes that the closing conditions that are outside the control of the Fund are reasonable such that the likelihood of the Transaction being completed is considered to be high. Clearance under the Competition Act was obtained on August 2, 2024.
- **Support and Voting Agreements.** Each of the Trustees and the Chief Executive Officer, the Chief Financial Officer and the Secretary of the Fund, and certain shareholders of A&W Food Services have entered into Support and Voting Agreements agreeing to, among other things, vote their Units in favour of the Arrangement Resolution and take certain other actions required to implement the Transaction. A&W Food Services has also agreed to vote all of its Limited Voting Units and Exchangeable Securities in favour of the Arrangement Resolution. Together, this represents an aggregate of approximately 32.2% of the issued and outstanding Trust Units as of the Record Date on a fully-diluted basis.
- **Investor Rights Agreement.** Upon completion of the Transaction, key A&W Food Services shareholders, who will own approximately 54.0% of the A&W Food Services NewCo Shares, will enter into an investor rights agreement with A&W Food Services NewCo, pursuant to which they will agree to a customary 180-day lock-up and 24-month standstill following closing of the Transaction, as well as certain independent director requirements of A&W Food Services NewCo, which will help mitigate certain of the potential risks and potential negative factors considered by the Board.

In making its recommendation with respect to the Transaction, the Board also considered a number of potential risks and potential negative factors, which the Board concluded were outweighed by the positive substantive and procedural factors described above. For more information, see "*The Transaction – Reasons for the Recommendation*".

Formal Valuation and Fairness Opinions

The Board received the TD Formal Valuation and Fairness Opinion which concluded that, as of the date thereof, and subject to certain assumptions, limitations and qualifications set forth therein, (a) the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit, (b) the fair market value of the A&W Food Services NewCo Shares is in the range of \$32.00 to \$38.00 per share, (c) based on the fair market value range of the A&W Food Services NewCo Shares, the value of the Combination Consideration is in the range of \$33.63 to \$37.67, and (d) the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates). The midpoint of the value range of the Combination Consideration of \$35.65 exceeds the midpoint of the valuation range of the Units of \$34.50 and the Cash Consideration is at the high-end of the valuation range for the Units. The Board also received the RBC Fairness Opinion which concluded that as of the date thereof, and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates). For more information, see "*The Transaction – TD Formal Valuation and Fairness Opinion*" and "*The Transaction – RBC Fairness Opinion*".

Pre-Arrangement Reorganization

The Fund, TMI, TradeMarks LP and the AWFS Entities have agreed to implement the Pre-Arrangement Reorganization prior to the Arrangement. The Fund, TMI and TradeMarks LP will not be obligated to implement the Pre-Arrangement Reorganization unless A&W Food Services, on behalf of the AWFS Entities, irrevocably waives or confirms the satisfaction of all of the conditions in their favour in the Combination Agreement and confirms that the AWFS Entities are prepared to immediately proceed with effecting the Transaction and that the Debt Financing will be funded if the Pre-Arrangement Reorganization is implemented. In addition, the AWFS Entities will implement certain transactions to reorganize their corporate and capital structure prior to the Arrangement pursuant to the Pre-Arrangement Reorganization. For more information, see "*The Transaction – Pre-Arrangement Reorganization*".

Declaration of Trust Amendment

As part of the Plan of Arrangement, the Declaration of Trust Amendment, the full text of which is set forth in Appendix C, will become effective. The Declaration of Trust Amendment will amend the Declaration of Trust to the extent necessary to facilitate and permit the Plan of Arrangement and the implementation of the steps and transactions contemplated therein. For more information, see "*The Transaction – The Declaration of Trust Amendment*".

Financing of the Transaction

On July 21, 2024, A&W Food Services entered into the Debt Commitment Letter with Canadian Imperial Bank of Commerce and Royal Bank of Canada to provide the Debt Financing consisting of a \$325 million revolving credit facility, which will be used to fund the cash portion of the Transaction, repay existing indebtedness of the Fund and A&W Food Services on closing of the Transaction and pay fees and expenses in connection with the Transaction. The obligation of Canadian Imperial Bank of Commerce and Royal Bank of Canada to provide this Debt Financing is subject to a number of customary closing conditions, including execution and delivery of definitive documentation, including the Credit Agreement, and there is a risk that one or more of these conditions will not be satisfied and the Debt Financing may not be funded when required. For more information, see "*The Transaction – Financing of the Transaction*".

Intentions of Supporting Investors

Each of the Trustees and the Chief Executive Officer, the Chief Financial Officer and the Secretary of the Fund, and certain shareholders of A&W Food Services have entered into Support and Voting Agreements agreeing to, among other things, vote their Units in favour of the Arrangement Resolution and take certain other actions required to implement the Transaction. A&W Food Services has also agreed to vote all of its Limited Voting Units and Exchangeable Securities in favour of the Arrangement Resolution. Together, this represents an aggregate of approximately 32.2% of the issued and outstanding Trust Units as of the Record Date on a fully-diluted basis. See "*The Transaction – Intention of Supporting Investors*".

Required Unitholder Approval for the Transaction

At the Meeting, Unitholders will be asked to consider and, if deemed advisable, pass the Arrangement Resolution to approve the Transaction. The Arrangement Resolution, if passed, will constitute a "Special Resolution" within the meaning of the Declaration of Trust, which is required pursuant to the Declaration of Trust and the Interim Order in order for the Fund to effect the Transaction and the Declaration of Trust Amendment and authorize TMI and TradeMarks LP to implement the Pre-Arrangement Reorganization. The complete text of the Arrangement Resolution is set forth in Appendix A to this Circular.

In order to become effective, the Arrangement Resolution must be approved by at least (a) two thirds (66 2/3%) of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting and (b) a simple majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting, excluding the Excluded Votes required to be excluded for the purposes of Minority Approval under MI 61-101. To the knowledge of the Fund and A&W Food Services, the Excluded Votes which will be excluded from the calculation of Minority Approval under MI 61-101, represent an aggregate of 564,569 Units, representing approximately 3.9% of the issued and outstanding Units as of the Record Date. In addition, the Limited Voting Units and Exchangeable Securities, all of which are held by A&W Food Services, are not included for purposes of determining Minority Approval. See "*Certain Legal Matters – Securities Laws Matters – Application of MI 61-101*".

TSX Approvals

The conditional approval of the TSX for the listing and posting for trading on the TSX of the A&W Food Services NewCo Shares, subject only to the compliance with the customary requirements (including customary post-closing deliveries) of the TSX, as the case may be, is a condition to the completion of the Transaction. A&W Food Services NewCo has applied to have the A&W Food Services NewCo Shares listed on the TSX. Listing is subject to the approval of the TSX in

accordance with its original listing requirements. The TSX has not conditionally approved A&W Food Services NewCo's listing application and there is no assurance that the TSX will do so.

Subject to the approval of the TSX, it is expected that (a) the Units will be delisted from the TSX after the close of business on the Effective Date, (b) the A&W Food Services NewCo Shares will be listed (but not yet posted for trading) after the close of business on the Effective Date, and (c) the A&W Food Services NewCo Shares will be posted and begin trading on the Business Day immediately following the Effective Date. The Fund and A&W Food Services will issue a press release after the Final Order is obtained specifying the scheduled Effective Date and Effective Time.

See "*The Transaction – TSX Approval*".

Court Approval

The Transaction requires approval by the Court under Section 192 of the CBCA. Prior to the mailing of this Circular, the parties obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. Subject to the terms of the Combination Agreement, following the approval of the Arrangement Resolution by Unitholders, the parties will make an application to the Court for the Final Order. The Final Hearing in respect of the application for the Final Order approving the Transaction is expected to be heard before the Ontario Superior Court of Justice (Commercial List) on October 11, 2024 at 12:00 p.m. (Toronto Time), or as soon as counsel may be heard, by videoconference, via a link to be provided by the Court at a later date. At the Final Hearing, the Court will consider, among other things, the procedural and substantive fairness of the Transaction. The Court may approve the Transaction in any manner the Court may direct and determine appropriate, subject to compliance with such terms and conditions, if any, as the Court deems fit. For more information, see "*The Transaction – Court Approval*".

Competition Act Clearance

The Transaction is a "notifiable transaction" for the purposes of Part IX of the Competition Act. When a transaction is a notifiable transaction under the Competition Act, certain prescribed information must be provided to the Commissioner of Competition under Part IX of the Competition Act and the Commissioner of Competition must review and clear the transaction. The Transaction may not be completed until either: (a) both (i) the expiry or termination of the applicable waiting period under Section 123 of the Competition Act, or the waiver of compliance with Part IX of the Competition Act under Section 113(c) of the Competition Act and, (ii) unless waived in writing by A&W Food Services, the Commissioner of Competition has advised in writing that he does not intend, at such time, to make an application for an order under Section 92 of the Competition Act and the Commissioner of Competition has not amended or rescinded that notice; or (b) the Commissioner of Competition has issued an ARC with respect to the Transaction. On August 2, 2024, the Commissioner of Competition issued an ARC pursuant to Section 102 of the Competition Act in respect of the transactions contemplated by the Combination Agreement. Receipt of this ARC satisfies the Competition Act clearance condition to closing of the Transaction under the Combination Agreement. For more information, see "*The Transaction – Competition Act Clearance*".

Procedure for Exchange of Units, Elections and Payment of Consideration

A Letter of Transmittal and Election Form has been mailed, together with this Circular, to each person who was a Registered Unitholder on the Record Date. Each Registered Unitholder must forward a properly completed and signed Letter of Transmittal and Election Form, with accompanying certificate(s) or direct registration statement(s) representing their Units, in order to receive the consideration and any other entitlements to which such Unitholder is entitled under the Transaction, including the Accrued Distribution. It is recommended that Registered Unitholders complete, sign and return the Letter of Transmittal and Election Form with accompanying certificate(s) or direct registration statement(s) representing the Units to the Depository as soon as possible.

If you are a Registered Unitholder, to make a valid Election as to the form of consideration that you wish to receive under the Transaction, and, if applicable, to be able to make a Section 85 Election, you must sign the Letter of Transmittal and Election Form and make a proper Election thereunder and return it with the accompanying certificate(s) or direct registration statement(s) representing the Units to the Depository prior to the Election Deadline of 5:00 p.m. (Vancouver Time) on October 4, 2024 (or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Vancouver Time) on the date that is two Business Days prior to the date of the adjourned or postponed Meeting). If a valid election is not made by the Election Deadline, Unitholders will be deemed to have made a Share Election to receive the Share Consideration for each Unit held, or, only to the extent of any deemed Cash Election as a result of proration (as further described below), the Cash Consideration, and will not be able to make a Section 85 Election to receive any Share Consideration on a tax-deferred basis.

If you are a Beneficial Unitholder, you will not receive a Letter of Transmittal and Election Form and you should contact your Intermediary for instructions and assistance and carefully follow any instructions provided to you by such Intermediary. Your Intermediary is required to seek your instructions with respect to your Election as to the form of consideration you wish to receive, and, if applicable, whether you will make a Section 85 Election. Please follow the instructions provided by your Intermediary for assistance in making an Election with respect to the form of consideration you wish to receive, and, if applicable, indicating whether you will make a Section 85 Election. If you are a Beneficial Unitholder, your Intermediary may require that you complete your elections at a date and time earlier than 5:00 p.m. (Vancouver Time) on October 4, 2024.

For more information, see *“Procedure for Exchange of Units, Elections and Payment of Consideration – Letter of Transmittal and Election Form”*.

Combination Agreement

The Transaction will be carried out by way of a court-approved plan of arrangement under the CBCA pursuant to the terms of the Combination Agreement dated July 21, 2024, by and among the Fund, AWFS Holdings, A&W Food Services, TradeMarks LP, TMI, A&W Canada, A&W Holdings 1, A&W Holdings 2 and Buddy Holdings, which contains representations, warranties and covenants of and from the foregoing parties as well as closing conditions and termination provisions in respect of the Transaction and the Combination Agreement, respectively. The Combination Agreement also provides that, upon the occurrence of certain termination events, the Fund will be required to pay to A&W Food Services the Termination Fee of \$17.8 million.

A summary of certain terms of the Combination Agreement is set forth under *“Key Agreements Relating to the Transaction – Combination Agreement”*.

Support and Voting Agreements

Concurrently with the execution and delivery of the Combination Agreement, the Supporting Investors entered into the Support and Voting Agreements. There are two forms of the Support and Voting Agreements: (a) a form for Supporting Investors who are shareholders, directors and/or officers of the AWFS Entities (such Supporting Investors being TorQuest Partners Fund IV, L.P., TorQuest Partners Fund (U.S.) IV, L.P., TorQuest Capital Fund IV, L.P., David Mindell, Jefferson Mooney, Paul Hollands, Axel Rehkatsch, Graham Cooke, Donald Leslie, Patricia Sahlstrom, Bill Levine, Susan Senecal, Catherine Anderson and Kelly Blankstein, including in certain cases, their respective personal holding companies), and (b) a form for the Trustees.

Subject to the terms and conditions of the Support and Voting Agreements, each Supporting Investor has agreed to, among other things, vote their Units in favour of the Arrangement Resolution and take certain other actions required to implement the Transaction. For more information, see *“Key Agreements Relating to the Transaction – Support and Voting Agreements”*.

Investor Rights Agreement

Concurrently with the completion of the Transaction, A&W Food Services NewCo will enter into the Investor Rights Agreement with each of TorQuest Partners Fund IV, Paul Hollands, David Mindell, Jefferson Mooney, Wavin’ in the Breeze Holdings Inc., DM Ventures Inc., Weeo Gweat Enterprises Inc. and Western Corporate Enterprises Inc., with respect to certain director nomination rights, information rights, registration rights, standstill and lock-up arrangements and the composition of the board of directors of A&W Food Services NewCo. For more information, see *“Key Agreements Relating to the Transaction – Investor Rights Agreement”*.

Dissent Rights

Pursuant to the Interim Order, Registered Unitholders have the right to exercise Dissent Rights dissent with respect to the Arrangement Resolution and, if the Transaction becomes effective, to be paid the fair value of their Units by A&W Food Services NewCo in accordance with the provisions of Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. A Registered Unitholder wishing to exercise Dissent Rights must provide a Dissent Notice to the Fund, which the Fund must receive, at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9, Attention: Catherine Anderson, with a copy to Davies Ward Phillips & Vineberg LLP, 155 Wellington Street West, Toronto, ON M5V 3J7, Attention: Kevin Greenspoon, email: kgreenspoon@dwpv.com, by no later than 5:00 p.m. (Vancouver Time) on October 4, 2024 (or, if the Meeting is adjourned or postponed, by no later than 5:00 p.m. (Vancouver Time) on the second Business Day, excluding Saturdays, Sundays and statutory holidays, prior to the commencement of the reconvened Meeting), and must otherwise strictly comply with the dissent procedures described herein, the Interim Order, the Plan of Arrangement and Section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement. A Beneficial Unitholder and who wishes to exercise Dissent Rights should be

aware that only Registered Unitholders are entitled to exercise Dissent Rights. A Beneficial Unitholder who wishes to exercise Dissent Rights must make arrangements for the Registered Unitholders of such Units to exercise Dissent Rights on behalf of such Unitholder. A Registered Unitholder who intends to exercise Dissent Rights must do so with respect to all of the Units registered in the Unitholder's name that either: (a) they hold on their own behalf; or (b) they hold on behalf of any one Beneficial Unitholder, and must deliver a Dissent Notice to the Fund in the manner and within the time described above. There is no right to a partial Dissent Right. It is recommended that you seek independent legal advice if you wish to exercise Dissent Rights. For more information, see "*Dissenting Unitholders*".

The Fund

The Fund is a limited purpose trust established under the Laws of the Province of British Columbia as of December 18, 2001, and governed by the Declaration of Trust. The Fund does not conduct an active business. All of the revenue of the Fund is indirectly derived from the Licence and Royalty Agreement between TradeMarks LP and A&W Food Services, whereby TradeMarks LP granted A&W Food Services a licence to use the A&W Marks in Canada for a term expiring December 30, 2100 in connection with its franchised quick service restaurant business. A&W Food Services pays a royalty to TradeMarks LP equal to three percent of gross sales reported by A&W restaurants in the royalty pool. TradeMarks LP then distributes this royalty to its limited partner, TMI. The Fund holds common shares of TMI. TMI distributes the royalty to the Fund by declaring dividends on its common shares. For more information, see "*Information Concerning the Fund*".

A&W Food Services

A&W Food Services is a corporation amalgamated under the laws of Canada on March 30, 2000. A&W Food Services is the franchisor of A&W restaurants in Canada and is the second largest hamburger QSR chain in Canada. A&W restaurants operate as freestanding restaurants with drive-thru facilities, restaurants in shopping centres, restaurants on street fronts in urban areas or gas/convenience store restaurants on shared sites. For further information regarding A&W Food Services and its business activities, see "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*" and "*Information Concerning A&W Food Services*".

**A&W Food Services
NewCo**

The Transaction will result in the strategic combination of the Fund and A&W Food Services that will create a leading publicly traded growth-focused quick service restaurant franchisor, A&W Food Services NewCo. The Transaction is structured as a statutory plan of arrangement under the CBCA pursuant to which A&W Food Services will be amalgamated with certain of its holding companies to form A&W Food Services NewCo as a corporation existing under the CBCA, and A&W Food Services NewCo will acquire all the Units for A&W Food Services NewCo Shares or cash, as the case may. Following the completion of the Transaction, the Fund will become a wholly-owned subsidiary of A&W Food Services NewCo, and A&W Food Services NewCo will continue the operations of A&W Food Services. For more information, see "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*".

**Selected Pro Forma
Financial Information of
A&W Food Services
NewCo**

The unaudited *pro forma* consolidated financial statements of A&W Food Services NewCo after giving effect to the Transaction for the 52-week period ended December 31, 2023 and as at and for the 24-week period ended June 16, 2024 are included in Appendix I. The unaudited *pro forma* consolidated financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating or financial results that would have occurred had the Transaction actually occurred at the times contemplated by the notes to the unaudited *pro forma* consolidated financial statements or of the results expected in future periods. See "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Selected Pro Forma Financial Information*".

**A&W Food Services
NewCo Equity Incentive
Plan**

Subject to the approval of the Arrangement Resolution, at the Meeting, Unitholders will also be asked to consider and, if deemed advisable, pass, with or without variation, the Equity Incentive Plan Resolution, the full text of which is set out in Appendix J to this Circular, to approve the Equity Incentive Plan of A&W Food Services NewCo, the full text of which is set out in Appendix K to this Circular, to be effective following closing of the Transaction. In order for the Equity Incentive Plan to become effective, the Equity Incentive Plan Resolution must be approved by a simple majority of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting.

Long-term incentive compensation awards issued pursuant to the Equity Incentive Plan will provide ongoing motivation for executive officers and directors to achieve the business and financial objectives of A&W Food Services NewCo, and also align their interests with the long-

term interests of shareholders. Each executive officer of A&W Food Services NewCo will be provided with an individual long-term equity incentive plan target for a given fiscal year, established as a percentage of such participant's base salary. For more information, see "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*".

Interests of Certain Persons in the Arrangement; Benefits from the Transaction

In considering the recommendation of the Board with respect to the Transaction, Unitholders should be aware that certain of the Trustees, officers and other insiders of the Fund, including directors and officers of A&W Food Services, have interests in connection with the Transaction, as described herein, that may be in addition to, or separate from, those of Unitholders generally in connection with the Transaction. The Board is aware of these interests and considered them along with other matters described herein. For more information, see "*Certain Legal Matters – Interest of Certain Persons in the Transaction; Benefits from the Transaction*".

MI 61-101

The Transaction is a "business combination" within the meaning of and subject to the provisions of MI 61-101. A&W Food Services is a "related party" of the Fund as it has beneficial ownership of, or control or direction over, directly or indirectly, 6,069,977 Trust Units on a fully-diluted basis, representing approximately 29.4% of the issued and outstanding Trust Units as of the Record Date on a fully-diluted basis, and, after amalgamating with certain of its holding companies to form A&W Food Services NewCo, will acquire all the Units of the Fund in exchange for shares or cash, as described in this Circular. Pursuant to MI 61-101, a formal valuation of the Units and the A&W Food Services NewCo Shares is required since the Arrangement is a "business combination" within the meaning of MI 61-101 and an "interested party" will, as a consequence of the Transaction, directly or indirectly, acquire the Fund, whether alone or with joint actors.

In connection with its review of the Transaction and its recommendation that Unitholders vote **FOR** the Arrangement Resolution, the Board obtained and considered, among other things, the TD Formal Valuation and Fairness Opinion. For more information, see "*The Transaction – TD Formal Valuation and Fairness Opinion*". The full text of the TD Formal Valuation and Fairness Opinion is attached to this Circular as Appendix G.

In addition, MI 61-101 provides that, in addition to any other required security holder approval, a "business combination" also requires "minority approval" (as defined in MI 61-101) of every class of "affected securities" (as defined in MI 61-101) of the issuer, in each case voting separately as a class. Consequently, in relation to the Transaction, the approval of the Arrangement Resolution will require the affirmative vote of a simple majority (more than 50.0%) of the votes cast by the Unitholders present or represented by proxy at the Meeting, excluding, for the purposes of this Minority Approval, the Excluded Votes. To the knowledge of the Fund and A&W Food Services, after reasonable inquiry, the Unitholders whose votes are required to be excluded for purposes of determining whether Minority Approval has been obtained collectively equal 564,569 Units, representing, in the aggregate, approximately 3.9% of the outstanding Units of the Record Date. In addition, the Limited Voting Units and Exchangeable Securities, all of which are held by A&W Food Services, are not included for purposes of determining Minority Approval. For more information, see "*Certain Legal Matters – Securities Laws Matters – Application of MI 61-101*".

Stock Exchange Delisting and Reporting Issuer Status

The Fund is currently a reporting issuer in all of the provinces of Canada. By virtue of the Transaction, A&W Food Services NewCo will become a reporting issuer in all of the provinces of Canada upon completion of the Transaction. After the Transaction, the Fund will be a wholly-owned subsidiary of A&W Food Services NewCo. It is expected that A&W Food Services NewCo will cause the Fund to apply to cease to be a reporting issuer under the securities legislation of each of the provinces in Canada under which it is currently a reporting issuer. Subject to the approval of the TSX, it is expected that (a) the Units will be delisted from the TSX after the close of business on the Effective Date, (b) the A&W Food Services NewCo Shares will be listed (but not yet posted for trading) after the close of business on the Effective Date, and (c) the A&W Food Services NewCo Shares will be posted and begin trading on the Business Day immediately following the Effective Date. The Fund and A&W Food Services will issue a press release after the Final Order is obtained specifying the scheduled Effective Date and Effective Time. For more information, see "*Certain Legal Matters – Securities Laws Matters – Exchange Delisting and Reporting Issuer Status*".

Distribution and Resale of the A&W Food Services NewCo Shares under Canadian Securities Laws

The distribution of the A&W Food Services NewCo Shares pursuant to the Transaction will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian Securities Laws and is exempt from or otherwise is not subject to the registration requirements under applicable Canadian Securities Laws. The A&W Food Services NewCo Shares received pursuant to the Transaction will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (a) the trade is not a “control distribution” as defined in National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators, (b) no unusual effort is made to prepare the market or to create a demand for the A&W Food Services NewCo Shares, as the case may be, (c) no extraordinary commission or consideration is paid to a person or company in respect of such sale, and (d) if the selling security holder is an insider or officer of A&W Food Services NewCo, the selling security holder has no reasonable grounds to believe that A&W Food Services NewCo is in default of applicable Securities Laws. For more information, see “*Certain Legal Matters – Securities Laws Matters – Distribution and Resale of the Shares of A&W Food Services NewCo Under Canadian Securities Laws*”.

United States Securities Law Matters

The A&W Food Services NewCo Shares issuable to Unitholders in exchange for their Units pursuant to the Transaction have not been registered under the U.S. Securities Act or applicable state securities Laws and are being issued in the United States in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof based on the approval of the Court, and similar exemptions from registration under applicable state securities Laws. The solicitation of proxies and the transactions contemplated in this Circular are not subject to the proxy rules under the U.S. Exchange Act, and therefore this solicitation is not being effected in accordance with United States securities Laws. Accordingly, the solicitation and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate Laws and Securities Laws and the Declaration of Trust, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. For more information, see “*Certain Legal Matters – Securities Law Matters – United States Securities Laws Matters*”.

Risk Factors

Unitholders should carefully consider the specific risks and uncertainties relating to the Transaction and the A&W Food Services NewCo Shares set out in “*Risk Factors*” and the risk factors relating to the business of A&W Food Services NewCo set out in “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*”. For more information, see “*Risk Factors*”.

Income Tax Considerations

A summary of the principal Canadian federal income tax considerations generally applicable to the Transaction are described below under the heading “*Certain Canadian Federal Income Tax Considerations*”. Such summary is not intended to be legal, financial or tax advice to any particular Unitholder. Unitholders are urged to consult with their personal tax advisors regarding their particular circumstances.

INFORMATION CONCERNING THE MEETING

Purpose of the Meeting

At the Meeting, Unitholders will be asked (a) to consider and, if deemed advisable, pass, with or without variation, the Arrangement Resolution, the full text of which is set out in Appendix A to this Circular, approving the Transaction, (b) subject to the approval of the Arrangement Resolution, to consider, and, if deemed advisable, pass, with or without variation, the Equity Incentive Plan Resolution, the full text of which is set out in Appendix J to this Circular, and (c) to transact such further or other business as may properly come before the Meeting and any adjournments or postponements thereof.

Date, Time and Place of the Meeting

The Meeting will be held at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 on October 8, 2024 at 10:00 a.m. (Vancouver Time). Unitholders have the option of listening to the Meeting via teleconference at 1-437-781-4585 (Canada) or 1-617-675-4444 (United States), PIN 724 785 712 1793#. Unitholders listening to the Meeting via teleconference will not be permitted to vote, ask questions or otherwise participate at the Meeting.

Record Date

Pursuant to the Interim Order, the record date for determining Unitholders, Limited Voting Unitholders and Exchangeable Securityholders who are entitled to receive notice of and to vote at the Meeting is August 27, 2024 (the "**Record Date**"). Only registered Unitholders, Limited Voting Unitholders and Exchangeable Securityholders as of the Record Date are entitled to receive notice of and to vote at the Meeting. The Record Date will remain the same for any adjournment(s) or postponement(s) of the Meeting.

Registered Unitholders

You are a registered Unitholder ("**Registered Unitholder**") if your name appears on your certificate(s) or direct registration statement(s) representing your Units. If you are a Registered Unitholder, you may vote in person at the Meeting. Alternatively, if you are a Registered Unitholder and cannot attend the Meeting, you can exercise your right to vote by signing and returning the form of proxy in accordance with the directions on the form. You can complete and return the form of proxy in a number of ways: (a) by internet by visiting the website shown on your form of proxy; (b) by telephone by calling the telephone number shown on your form of proxy; or (c) by delivery in person or by mail by sending the form of proxy in the envelope enclosed with the form of proxy to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1. Proxies must be submitted no later than 10:00 a.m. (Vancouver Time) on October 7, 2024 or on the day other than a Saturday, Sunday or statutory holiday which is at least 24 hours prior to any adjourned or postponed Meeting. The deadline for depositing proxies may be waived or extended by the Chair of the Meeting at his or her discretion, without notice.

If you are a Registered Unitholder, to make a valid Election as to the form of consideration that you wish to receive under the Transaction, and, if applicable, to be able to make a Section 85 Election, you must sign the Letter of Transmittal and Election Form and make a proper election thereunder and return it with accompanying certificate(s) or direct registration statement(s) representing your Units to the Depository before 5:00 p.m. (Vancouver Time) on October 4, 2024.

Beneficial Unitholders

You are a beneficial Unitholder ("**Beneficial Unitholder**") if you beneficially owned Units that are held in the name of an intermediary such as a broker, investment dealer, bank, trust company, trustee, clearing agency (such as CDS) or other nominee (each, an "**Intermediary**"). Intermediaries are required to seek voting instructions from Beneficial Unitholders in advance of meetings of Unitholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. The voting instruction form supplied to you by your Intermediary will be similar to the proxy provided to Registered Unitholders. However, its purpose is limited to instructing the Intermediary on how to vote your Units on your behalf. Beneficial Unitholders should carefully follow the instructions of their Intermediaries to ensure that their Units are voted at the Meeting in accordance with their instructions. If you are a Beneficial Unitholder and wish to vote in person at the Meeting, please fill in your name in the space provided on the voting instruction form sent to you by your Intermediary. In so doing, you are instructing your Intermediary to appoint you as proxyholder. Then follow the execution and return instructions provided by your Intermediary. For further details, contact your Intermediary directly.

Generally, Beneficial Unitholders will either:

- (a) be given a proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Units beneficially owned by the Beneficial Unitholder but which is otherwise uncompleted. This form of proxy need not be signed by the Beneficial Unitholder. In this

case, the Beneficial Unitholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it with Computershare, as described above under “Registered Unitholders”; or

- (b) more typically, be given a voting instruction form (“**VIF**”) which must be completed and signed by the Beneficial Unitholder in accordance with the directions on the voting instruction form. Most Intermediaries delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge mails a VIF in lieu of a form of proxy provided by the Fund. The completed VIF must be returned by mail (using the return envelope provided). Alternatively, Beneficial Unitholders may call a toll-free number or go online to www.proxyvote.com to vote. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Units to be represented at the Meeting. The Fund may utilize Broadridge’s QuickVote™ service to assist Beneficial Unitholders that are NOBOs with voting their Units over the telephone. Laurel Hill Advisory Group, the Fund’s proxy solicitation agent, may contact NOBOs to assist in conveniently voting their Units directly over the telephone.

If you are a Beneficial Unitholder, you will not receive a Letter of Transmittal and Election Form and you should contact your Intermediary for instructions and assistance and carefully follow any instructions provided to you by such Intermediary. Your Intermediary is required to seek your instructions with respect to your Election as to the form of consideration you wish to receive, and, if applicable, whether you intend to make a Section 85 Election. Please follow the instructions provided by your Intermediary for assistance in making an Election with respect to the form of consideration you wish to receive, and, if applicable, to indicate your intention to make a Section 85 Election. If you are a Beneficial Unitholder, your Intermediary may require that you complete your elections at a date and time earlier than 5:00 p.m. (Vancouver Time) on October 4, 2024.

Under Securities Laws, a Beneficial Unitholder is a “non-objecting beneficial owner” (or “**NOBO**”) if such Beneficial Unitholder has or is deemed to have provided instructions to the Intermediary holding their Units on such Beneficial Unitholder’s behalf not objecting to the Intermediary disclosing ownership information about the Beneficial Unitholder in accordance with Securities Laws, and a Beneficial Unitholder is an “objecting beneficial owner” (or “**OBO**”) if such Beneficial Unitholder has or is deemed to have provided instructions objecting to same. In reliance on NI 54-101, which permits the Fund to deliver proxy-related materials indirectly to its NOBOs and OBOs, both OBOs and NOBOs can expect to receive these materials from their Intermediary. The Fund has agreed to pay for Intermediaries to deliver proxy-related materials and Form 54-101F7 – Request for Voting Instructions to OBOs in accordance with NI 54-101.

Solicitation of Proxies

Your proxy is being solicited by management of the Fund for use at the Meeting or any adjournment(s) or postponement(s) thereof. This Circular is furnished in connection with that solicitation. The Fund has retained Laurel Hill as its proxy solicitation agent and shareholder communications advisor for assistance in connection with the solicitation of proxies for the Meeting, and will pay Laurel Hill fees of \$80,000 for such services in addition to certain out-of-pocket expenses. The solicitation of proxies will be conducted primarily by mail but may also be made by telephone or electronic means of communication or in person by management of the Fund or Laurel Hill. The Fund will bear the cost of such solicitation and will reimburse Intermediaries for their reasonable charges and expenses incurred in forwarding proxy materials to Beneficial Unitholders. A&W Food Services may also participate in the solicitation of proxies.

Appointment of Proxyholders

Each person named in the form of proxy to represent Registered Unitholders at the Meeting is a Trustee of the Fund. However, you can appoint someone else to represent you at the Meeting. The person you appoint does not need to be a Unitholder but must attend the Meeting in order for your vote to be cast. If you wish to appoint a person other than the names that appear on the proxy, then insert the name of your chosen proxyholder in the space provided on the form of proxy. Beneficial Unitholders should carefully follow the instructions on the voting instruction form provided by their Intermediary to appoint someone else to represent them at the Meeting.

If you appoint someone else to represent you at the Meeting, you should notify such person, obtain their consent to act as proxy, and should provide instruction to such person on how your Units should be voted at the Meeting. Such person must attend the Meeting in person and should bring personal identification to the Meeting.

Revocation of Proxies

If you are a Registered Unitholder and want to revoke your proxy (or proxies) after you have delivered it (them), you can do so by (a) attending the Meeting and voting in person, (b) signing a proxy (or proxies) bearing a later date and returning such form(s) at any time before the proxy cut-off time, (c) by signing a written statement which indicates, clearly, that you want to revoke your proxy or proxies and delivering this signed written statement to the registered office of the Fund no later than 10:00 a.m. (Vancouver Time) on October 7, 2024, or (d) in any other manner permitted by Law.

If you revoke your proxy (or proxies) and do not replace it (or them) with another that is properly deposited before the proxy cut-off time, you can still vote, but to do so you must attend and vote at the Meeting in person.

If you are a Beneficial Unitholder and wish to revoke previously provided voting instructions, you should contact your Intermediary to discuss whether this is possible and what procedures you need to follow. The change or revocation of voting instructions by a Beneficial Unitholder can take several days or longer to complete and, accordingly, any such action should be completed well in advance of the deadline given in the proxy or voting instruction form by the Intermediary or its service company to ensure it is effective.

Questions

If you have any questions or need assistance completing your form of proxy or voting instruction form, please contact our proxy solicitation agent, Laurel Hill Advisory Group, by telephone at 1-877-452-7184 (North American toll-free) or 1-416-304-0211 (outside of North America), or by email at assistance@laurelhill.com.

Voting of Units Represented by Management Proxies

As described above, you may give voting instructions on the matters outlined in this Circular by marking the appropriate boxes on the enclosed form of proxy or voting instruction form and the proxyholder will be required to vote in that manner. If the boxes are not marked, the proxyholder may vote the Units as he or she sees fit.

If you appoint the Trustees of the Fund as the proxyholder as designated in the enclosed form of proxy or voting instruction form, unless otherwise specified, your Units will be voted at the Meeting FOR the Arrangement Resolution and FOR the Equity Incentive Plan Resolution as described in this Circular.

The form of proxy and voting instruction form confers discretionary authority with respect to: (a) amendments or variations to the matters of business to be considered at the Meeting; and (b) other matters that may properly come before the Meeting. As of the date of this Circular, management of the Fund is not aware of any amendments, variations or other matters to come before the Meeting, other than the matters set forth in the Notice of Meeting included in this Circular. If, however, other matters properly come before the Meeting, the persons named in the form of proxy and voting instruction form will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred upon them by the form of proxy or voting instruction form with respect to such matters.

Approval of Resolutions

In order for the Transaction to become effective, the Arrangement Resolution must be approved by at least (a) two thirds (66 2/3%) of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting and (b) a simple majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting, excluding the Excluded Votes required to be excluded for Minority Approval under MI 61-101.

In order for the Equity Incentive Plan to become effective, the Equity Incentive Plan Resolution must be approved by a simple majority of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting.

Each Unit and Limited Voting Unit entitles its holder to one vote with respect to the matters to be voted on at the Meeting. Each Exchangeable Security entitles its holder to one vote for each Trust Unit they would receive upon conversion or exchange of the Exchangeable Security with respect to the matters to be voted on at the Meeting.

Notice-And-Access

The Fund will not be relying on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting.

Voting Securities

The Fund is authorized to issue two classes of Trust Units pursuant to the Declaration of Trust, Units and Limited Voting Units. Each Unit and Limited Voting Unit entitles its holder to one vote with respect to the matters to be voted on at the Meeting. Each Exchangeable Security entitles its holder to one vote for each Trust Unit they would receive upon conversion or exchange of the Exchangeable Security with respect to the matters to be voted on at the Meeting. As at the Record Date there were outstanding 14,585,673 Units, 1,507,020 Limited Voting Units and Exchangeable Securities convertible into 4,562,957 Limited Voting Units. Other than A&W Food Services, no person holds any Limited Voting Units or any Exchangeable Securities.

Only Registered Unitholders, registered Limited Voting Unitholders and registered Exchangeable Securityholders as of the Record Date, August 27, 2024, are entitled to receive notice of and vote at the Meeting.

Quorum

Two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 25% of the votes attached to the total of the Trust Units then outstanding and the Trust Units issuable upon the conversion, exercise or exchange of the outstanding Exchangeable Securities will constitute quorum for the Meeting.

Principal Unitholders

To the knowledge of the Fund, no person beneficially owns, controls or directs, directly or indirectly, Trust Units or Exchangeable Securities convertible into Trust Units carrying more than 10.0% of the voting rights attached to all the issued and outstanding Trust Units and the Trust Units issuable upon the conversion, exercise or exchange of the outstanding Exchangeable Securities, other than:

Name	Class and Number of Securities	Percentage of Class	Percentage of Trust Units on a Fully Diluted Basis
A&W Food Services ⁽¹⁾	1,507,020 Limited Voting Units Exchangeable Securities convertible into 4,562,957 Limited Voting Units	100% of Limited Voting Units 100% of Exchangeable Securities	29.4%

Notes

- (1) David Mindell, a Director of A&W Trade Marks Inc. and A&W Food Services, and Jefferson Mooney, a director of A&W Food Services, collectively, through their various respective holding companies and pursuant to certain agreements, are indirectly entitled to elect a majority of the directors of A&W Food Services. Accordingly, Mr. Mindell and Mr. Mooney may be said to exercise joint control or direction over the Limited Voting Units and Exchangeable Securities convertible into Limited Voting Units.

THE TRANSACTION

Background to the Transaction

The Transaction is the product of extensive arm's length negotiations between the Board and representatives of the shareholders of A&W Food Services, with the assistance of their respective advisors. The following is a summary of the principal events, meetings, discussions and negotiations leading up to the execution of the Combination Agreement and the public announcement of the Transaction.

Over the past several years, the Fund and representatives of the shareholders of A&W Food Services had periodic discussions about whether the royalty fund structure continued to make sense for all parties. Since the current structure of the Fund was implemented, capital markets have changed and there are several challenges with the status quo. In particular, from the Fund's perspective, these challenges include: (a) Unitholders' participation in A&W's growth and performance is largely limited to SSSG of existing restaurants in the royalty pool, with minimal initial accretion benefit from the addition of new restaurants to the royalty pool, and Unitholders do not fully participate in the growth and performance of the entire A&W business, including from margin expansion due to operating leverage and economies of scale, new concepts like Pret A Manger, and the retail root beer business, among other value-enhancing opportunities; (b) there is limited liquidity in the Units; and (c) distributions from the Fund are treated as dividends and do not qualify as "eligible dividends".

In the Spring of 2023, the Board reviewed certain performance metrics of the Fund compared to its income trust peer group, as well other publicly-traded restaurant franchisors, and considered the Fund's relative performance. In June 2023, Kevin Mahoney, Chair of the Board, and Paul Hollands, Chair of the board of directors of A&W Food Services and a representative of the shareholders of A&W Food Services, held an informal meeting. At this meeting, they discussed generally the future of the Fund and A&W Food Services in light of alternative structures that had been presented by representatives of the shareholders of A&W Food Services for consideration by the Fund in prior years before the current Trustees had joined the Board, as well as the Board's recent consideration of the Fund's performance relative to its peers. Mr. Mahoney and Mr. Hollands met again in August 2023 to discuss the strategic planning process that was underway at A&W Food Services and the merits of potentially revisiting the royalty fund structure after the strategic planning process was completed in late 2023.

Additional meetings were held between members of the Board and representatives of the shareholders of A&W Food Services in September and November 2023 to review the preliminary results of A&W Food Services' strategic planning process and to discuss concerns regarding the royalty fund structure and the merits of considering alternative structures. In light of the

challenges with the current structure, including those described above, the Board and representatives of the shareholders of A&W Food Services agreed that a more structured review to explore the potential to reorganize the Fund's structure was warranted with the assistance of third-party advisors.

On December 18, 2023, the Board retained Davies Ward Phillips & Vineberg LLP ("**Davies**") to act as independent legal counsel to the Board in connection with such review. On December 20, 2023, the Board received advice from Davies in respect of fiduciary duties, independence and other legal obligations and considerations in connection with its review of a potential transaction, including with respect to MI 61-101 given the involvement of A&W Food Services.

On January 23, 2024, after conducting interviews and reviewing relevant materials produced by two prospective financial advisors, the Board determined that it would retain RBC Dominion Securities, a member company of RBC Capital Markets ("**RBC**") as its financial advisor based on RBC's qualifications, expertise and experience, and a formal engagement letter was subsequently entered into. On January 31, 2024, the Board, Davies and RBC met to prepare for an upcoming meeting with representatives of the shareholders of A&W Food Services to discuss a potential transaction between A&W Food Services and the Fund.

On February 2, 2024, the Fund and A&W Food Services entered into the Expense Agreement and a non-disclosure agreement that included a limited duration standstill in favour of the Fund.

At a meeting on February 9, 2024, the Board, RBC and Davies received a presentation from representatives of the shareholders of A&W Food Services for a potential business combination involving the Fund and A&W Food Services whereby A&W Food Services would combine with the Fund with Unitholders receiving for each Unit (a) one share in the combined company, which would equate to Unitholders (other than A&W Food Services) owning approximately 36% of the combined company, assuming Unitholders elected to receive all of the cash consideration, or (b) \$37.00 in cash, subject to a maximum of approximately \$175 million in cash consideration.

Immediately following the meeting, the Board met with RBC and Davies to discuss the potential transaction presented by representatives of the shareholders of A&W Food Services, as well as the viability of other strategic alternatives. In light of the potential benefits presented by a business combination with A&W Food Services, the Board determined that the potential transaction should be fully evaluated and carefully considered, and instructed RBC to analyze the potential transaction from a financial and capital markets perspective. In addition, the Board considered the potential that a third party may be interested in acquiring the Fund on its own; however, it determined that such interest would be unlikely given the Fund's dependence on A&W Food Services for all of its revenues and the fact that representatives of the shareholders of A&W Food Services, which owned approximately 29.4% of the Fund on a fully-diluted basis, indicated that they were not seeking to sell their interest in the Fund. The Board also noted that representatives of the shareholders of A&W Food Services had indicated that they were not interested at this time in engaging in a joint sale process for both the Fund and A&W Food Services.

During the period between February 14, 2024 and March 18, 2024, the Board, RBC and Davies met several times to discuss the potential transaction presented by representatives of the shareholders of A&W Food Services and review related financial and capital markets analysis performed by RBC. During that same period, the Board also considered the potential tax implications to Unitholders and the combined company of the potential transaction and Andrew W. Dunn, on behalf of the Board, discussed the potential tax implications with Davies and A&W Food Services' tax advisor, Deloitte LLP.

On March 19, 2024, a meeting was held among the Board, representatives of the shareholders of A&W Food Services and their respective advisors. At that meeting, RBC and the Board communicated to the representatives of the shareholders of A&W Food Services that while the rationale for the potential transaction presented by the representatives of the shareholders of A&W Food Services had merit, the specific economics and the total value of the consideration proposed to be received by Unitholders were not sufficiently compelling as compared to the status quo, including because the consideration did not result in sufficient pro forma ownership of the combined company for Unitholders in light of the risks relating to the potential transaction.

On April 2, 2024, the Board met with the representatives of the shareholders of A&W Food Services to share their perspectives on the proposed cash purchase price for the Units, the proposed pro forma ownership of the combined company and the potential short- and long- term trading values of the shares of the combined company, including the potential period of time it might take for the shares of the combined company to achieve a trading valuation multiple that would be more comparable to those of other publicly traded QSRs.

On April 8, 2024, CIBC World Markets Inc. ("**CIBC**"), financial advisor to A&W Food Services, presented revised potential transaction terms to RBC, which provided for A&W Food Services combining with the Fund with Unitholders receiving for each Unit (a) one share in the combined company, which would equate to Unitholders (other than A&W Food Services) owning approximately 36.4% of the combined company, or (b) \$35.00 in cash, subject to a maximum of approximately \$175 million in cash consideration. These terms were reconfirmed by representatives of the shareholders of A&W Food Services to the Board on April 19, 2024. During the period between April 9 and April 26, the Board, RBC and Davies met several times to consider how to respond to the revised potential transaction terms, including whether to simply reject the potential transaction terms,

make a counterproposal, encourage the representatives of the shareholders of A&W Food Services to improve the transaction terms, or provide guidance to the representatives of the shareholders of A&W Food Services on a range of cash consideration and ownership percentage in the combined company that the Board believed would provide compelling value to Unitholders.

On April 30, 2024, the Board, having given due consideration to the advice and analysis provided by RBC and Davies, and believing that the potential transaction could be in the long-term best interests of Unitholders if improved economic terms could be obtained from A&W Food Services, determined it would provide specific guidance to the representatives of the shareholders of A&W Food Services as to the economic terms which it believed would provide compelling value to Unitholders, and which it would be prepared to recommend to Unitholders, subject to the negotiation of definitive documentation, confirmatory due diligence, acceptable governance arrangements in respect of the combined company, and the receipt of fairness opinions and a formal valuation from an independent valuator as required by MI 61-101. The Board determined that \$37.00 per Unit represented cash consideration for the Units that would provide compelling value for Unitholders who wished to receive cash consideration, and that the pro forma ownership interest for Unitholders in the combined company would need to be higher in order for the share consideration in the combined company to provide compelling value to Unitholders relative to the status quo. Based on the analysis and advice received by the Board, the Board determined that the pro forma ownership of the Unitholders in the combined company should be at least 41%. At that same meeting, the Board, Davies and RBC discussed certain key benefits and risks associated with the potential transaction and Davies reviewed with the Board its fiduciary duties and certain considerations for the Board in discharging those duties in the context of the potential transaction.

On May 2, 2024, the Board communicated to the representatives of the shareholders of A&W Food Services that in order for it to support a potential transaction, the economics must be demonstrably better than the status quo for Unitholders and that in order to continue the discussions regarding a potential transaction, (a) the cash consideration must not be less than \$37.00 per Unit, subject to a maximum of approximately \$175 million in cash consideration, and (b) the Unitholders (other than A&W Food Services) must receive an ownership interest in the pro forma combined company in the range of 41%-43%. The Board further communicated that any transaction would be conditional on confirmatory legal, tax and financial due diligence and agreement on satisfactory post-closing governance arrangements.

On May 10, 2024, the representatives of the shareholders of A&W Food Services presented further revised transaction terms to the Board, which provided for a 38.9% pro forma ownership of the combined company for Unitholders (other than A&W Food Services) (as compared to a range of 41%-43% in the guidance provided by the Board on May 2, 2024) and cash consideration of \$36.00 per Unit (as compared to \$37.00 per Unit in the guidance provided by the Board), subject to a maximum of approximately \$175 million in cash consideration. The Board advised the representatives of the shareholders of A&W Food Services that they would consider the terms and revert. In addition, the representatives of the shareholders of A&W Food Services reconfirmed that they had previously considered a joint sale process, but were not interested in pursuing one at this time as an alternative to a combination transaction.

On May 13, 2024, the Board (other than Mr. Dunn who was not available to attend but shared his views with Mr. Mahoney and Ms. Glowinsky in advance), RBC and Davies met to discuss the latest terms presented by the representatives of the shareholders of A&W Food Services. The Board was of the view that while the revised terms fell short of the specific guidance provided by the Board on May 2, 2024, they represented a material improvement compared to the prior terms from the representatives of the shareholders of A&W Food Services and was close to the guidance provided by the Board. The Board also remained of the view that the potential transaction could be in the long-term best interests of the Unitholders if sufficiently compelling economic terms could be obtained from A&W Food Services. The Board considered whether to reject the terms proposed by the representatives of the shareholders of A&W Food Services and terminate discussions, reiterate the guidance previously provided by the Board and encourage the representatives of the shareholders of A&W Food Services to revert after re-considering the guidance, or provide even more specific guidance on transaction terms that the Board could support. Following discussion, Mr. Mahoney and Ms. Glowinsky were of the view that, subject to first discussing with Mr. Dunn to ensure he agreed, the most effective way to increase the economic value provided to the Unitholders would be by having a Chair-to-Chair discussion between Mr. Mahoney and Mr. Hollands, where Mr. Mahoney would reiterate the firmness of the guidance previously provided by the Board on May 2, 2024 and encourage A&W Food Services to determine whether its stakeholders could support transaction terms in line with that guidance.

On May 14, 2024, Mr. Mahoney communicated to Mr. Hollands that the Board was firm about the guidance previously provided and that the Board would not be willing to support a transaction that was not in line with that guidance. Mr. Mahoney also communicated that if alignment could be reached on economic terms, the Board would be prepared to engage an independent valuator to commence work on the formal valuation that would be required under MI 61-101 and that the Board's support for the potential transaction would ultimately be subject to the negotiation of definitive documentation, confirmatory due diligence, acceptable governance arrangements in respect of the combined company and the receipt of fairness opinions and a formal valuation.

On May 17, 2024, Mr. Hollands communicated to Mr. Mahoney that, after considering the feedback received from Mr. Mahoney on May 14, 2024, Mr. Hollands would speak to the other key shareholders of A&W Food Services to determine whether they would be supportive of a transaction that provided for (a) pro forma ownership in the combined company for the Unitholders (other than A&W Food Services) of 41%, and (b) cash consideration of \$37.00 per Unit, subject to a maximum of approximately

\$175.6 million in cash consideration, but with the caveat that the shareholders of A&W Food Services would be unwilling to be diluted below 59% pro forma ownership of the combined company, and therefore the full amount of the cash consideration would need to be used to acquire Units from the Unitholders. On May 20, 2024, at a meeting between the Board and representatives of the shareholders of A&W Food Services, it was communicated to the Board that a transaction that provided for such terms would be supported by the shareholders of A&W Food Services.

On May 21, 2024, the Board met with RBC and Davies. After discussing the prior day's meeting with the representatives of the shareholders of A&W Food Services, the Board determined that since the transaction terms were in line with the economic guidance provided by the Board to the representatives of the shareholders of A&W Food Services, the Board was prepared to engage an independent valuator to prepare a formal valuation as required by MI 61-101, commence confirmatory legal, financial and tax due diligence, and engage in detailed discussions with the representatives of the shareholders of A&W Food Services regarding the other terms of a potential transaction, including governance arrangements in respect of the combined company following closing. Following discussions with Davies and RBC as to an appropriate independent valuator in the context of this transaction, the Board determined that it would interview TD Securities Inc. ("**TD Securities**") for the independent valuator role based on TD's qualifications, expertise and experience. At the same meeting, RBC presented its perspectives on the pro forma capital structure of the combined company and advised that under the potential transaction, based on management's financial model and assuming approximately \$175 million of Units are purchased in cash from Unitholders with the proceeds of newly incurred debt, the combined company's Net Debt / EBITDA leverage ratio would be approximately 3.0x at closing and that the combined company was projected to support this level of debt while maintaining the capacity to pay shareholders of the combined company an annualized dividend in an amount per share equal to the Fund's current annualized distribution per Unit. At the direction of the Board, Davies commenced confirmatory legal due diligence of A&W Food Services following the meeting.

On May 31, 2024, the Board interviewed TD Securities for the role of independent valuator. On June 4, 2024, after reviewing relevant materials provided by TD Securities and determining that TD Securities was a qualified and independent valuator for purposes of MI 61-101, the Board determined that it would retain TD Securities as its independent valuator to prepare an independent valuation as required under MI 61-101 in connection with the potential transaction, and a formal engagement letter was subsequently entered into.

On June 7, 2024, the Board, the representatives of the shareholders of A&W Food Services and their respective advisors met to discuss various next steps and related workstreams having reached alignment on the key economic terms of a potential transaction. On June 10, 2024, the Board engaged KPMG LLP to conduct financial and tax due diligence of A&W Food Services.

On June 12, 2024, Davies sent to Stikeman Elliott LLP ("**Stikeman**"), legal counsel to A&W Food Services, a draft term sheet of the proposed governance arrangements for the combined company that would form the basis of the Investor Rights Agreement to be entered into on closing between the combined company (i.e. A&W Food Services NewCo) and TorQuest Partners Fund IV, Paul Hollands, Jefferson Mooney and David Mindell, who would in aggregate own approximately 54% of the shares of the combined company as of closing of the transaction. On June 21 and 22, 2024, respectively, Stikeman sent to Davies a revised draft of the term sheet for the Investor Rights Agreement and an initial draft of the proposed Combination Agreement.

During the period between June 23, 2024 and July 20, 2024, the Board, representatives of A&W Food Services and its shareholders and their respective advisors reviewed and negotiated the terms of the proposed Combination Agreement (including the Plan of Arrangement and the transaction sequencing set forth therein), Investor Rights Agreement and Support and Voting Agreements. During the same period, representatives of A&W Food Services and its shareholders and Stikeman, with input from the Board and Davies, negotiated the terms of the Debt Financing and Debt Commitment Letter with Canadian Imperial Bank of Commerce, Royal Bank of Canada and their counsel.

On July 15, 2024, Mr. Dunn, Ms. Glowinsky and representatives of RBC met with KPMG LLP to review their draft tax and financial due diligence findings in respect of A&W Food Services. On July 16, 2024, the Board and Davies received a presentation from TD Securities regarding its preliminary views on the value of the Units and shares of the pro forma combined company, and the value of the consideration to be received by Unitholders assuming the election of Combination Consideration, based on its work performed to date. In its presentation, TD Securities provided an explanation of the analysis and assumptions underlying its preliminary views on value. The Board discussed TD Securities' preliminary views on value and noted that, while TD Securities had not yet provided valuation ranges, it appeared that the Cash Consideration, Share Consideration and Combination Consideration would compare favourably with the valuation metrics presented by TD Securities for the Units. On July 17, 2024, the Board met with Davies to review their legal due diligence findings in respect of A&W Food Services.

By July 20, 2024, the Board, representatives of A&W Food Services and its shareholders and their respective advisors had negotiated the final terms of the proposed Combination Agreement, Investor Rights Agreement and Support and Voting Agreements, and the terms of the Debt Commitment Letter were finalized with Canadian Imperial Bank of Commerce and Royal Bank of Canada.

In the afternoon of July 21, 2024, the Board met with Davies, RBC and TD Securities. The Board first received a presentation from Davies regarding the proposed final terms of the Combination Agreement, Investor Rights Agreement and Support and Voting Agreements and then discussed with Davies the benefits and risks in proceeding with the Transaction as well as their

fiduciary duties. Immediately following the discussion with Davies, RBC joined the meeting and orally delivered the RBC Fairness Opinion, subsequently confirmed in writing, which concluded that, as of July 21, 2024 and subject to the assumptions, limitations and qualifications set forth therein, the full text of which is set forth in Appendix H, the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates). Immediately following the delivery of the RBC Fairness Opinion, TD Securities joined the meeting and orally delivered the TD Formal Valuation and Fairness Opinion, subsequently confirmed in writing, which concluded that, as of July 21, 2024 and subject to certain assumptions, limitations and qualifications set forth therein, the full text of which is set forth in Appendix G, (a) the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit, (b) the fair market value of the A&W Food Services NewCo Shares is in the range of \$32.00 to \$38.00 per share, (c) based on the fair market value range of the A&W Food Services NewCo Shares, the value of the Combination Consideration is in the range of \$33.63 to \$37.67, and (d) the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates). Following the careful consideration of the benefits and risks of the Transaction, including those described in the Circular under the heading “*The Transaction – Reasons for the Recommendation*”, and receiving legal, financial and tax advice, the TD Formal Valuation and Fairness Opinion and the RBC Fairness Opinion, the Board unanimously determined (a) that the Transaction is in the best interests of the Fund and fair to Unitholders (other than A&W Food Services and its affiliates), (b) to recommend that Unitholders vote for the Arrangement Resolution, and (c) to proceed with the entering into of the Combination Agreement and the performance by the Fund of its obligations thereunder.

In the evening of July 21, 2024, following the meeting of the Board, the Combination Agreement, Support and Voting Agreements and Debt Commitment Letter were finalized and executed.

On the morning of July 22, 2024, prior to the opening of trading on the TSX, the Transaction was publicly announced.

Recommendation of the Board

The Board, after careful consideration of a number of factors and receiving legal, financial and tax advice, the TD Formal Valuation and Fairness Opinion and the RBC Fairness Opinion, has unanimously determined that the Transaction is in the best interests of the Fund and fair to Unitholders (other than A&W Food Services and its affiliates) and unanimously recommends that Unitholders vote **FOR** the Arrangement Resolution. In making their recommendation, the Board considered a number of factors as described below.

Reasons for the Recommendation

With the assistance of its independent financial and legal advisors, the Board carefully considered a number of factors relating to the Transaction, including those listed below. The Board’s recommendation is based upon the totality of the information presented to and considered by it. In light of the variety of factors considered in connection with the Board’s evaluation of the Transaction, the Board did not find it practicable to, and did not attempt to, quantify or otherwise assign any relative weight to the various factors that it considered in making its recommendation. In making its recommendation, the Board considered and relied upon a number of substantive and procedural factors, including, among others, the following:

- **Full Participation in A&W’s Growth and Valuation Upside while Maintaining Existing Distribution Level in the Form of Dividends.** Under the current structure, Unitholders’ participation in A&W’s growth and performance is largely limited to the same store sales growth (SSSG) of existing restaurants in the royalty pool. As new restaurants are added to the system, A&W Food Services receives additional Exchangeable Securities as consideration, thereby increasing its ownership interest in the Fund and resulting in minimal initial accretion benefit of new restaurants to Unitholders. In the current structure, the Fund receives its income from A&W Food Services in the form of royalties based on the reported sales of A&W restaurants in the royalty pool. After deduction of certain expenses, the Fund pays these royalties out to Unitholders in the form of monthly distributions. The Transaction provides Unitholders with the opportunity to participate in the ownership of the operating company with a simplified traditional corporate structure that is directly comparable to other global publicly listed QSR franchisors, providing the following expected benefits to Unitholders who become shareholders in A&W Food Services NewCo:
 - **Full participation in the growth and performance of the entire A&W business**, including upside from new restaurant openings, margin expansion due to operating leverage and economies of scale, new concepts like Pret A Manger, and the retail root beer business, among other value-enhancing opportunities;
 - **Attractive future dividends** as A&W Food Services NewCo is expected to maintain current distributions in the form of an attractive quarterly dividend at the same annualized rate as the current monthly distributions paid to Unitholders (currently equal to \$1.92 per Unit per year). Furthermore, such dividends are generally expected to constitute “eligible dividends” for shareholders of A&W Food Services NewCo for Canadian income tax purposes, whereas distributions from the Fund have been treated as dividends that did not qualify as “eligible dividends”;

- **Potential for enhanced capital markets profile** as, in contrast with the Fund, A&W Food Services NewCo's simplified corporate structure and growth mandate will allow for greater liquidity in the A&W Food Services NewCo Shares than the Units and is more likely to attract institutional investor interest and research analyst coverage;
- **Attractive share price upside potential** as the trading valuation for A&W Food Services NewCo Shares is expected to be based on A&W Food Services NewCo's business fundamentals and operating performance (in contrast with the Units, the market price of which is primarily driven by their yield relative to interest rates). A&W Food Services' track record of strong operating performance relative to its global peer set, coupled with an enhanced capital markets profile, could result in a future public trading valuation for the A&W Food Services NewCo Shares that is more comparable to those of other publicly traded QSRs;
- **Affords A&W Food Services NewCo greater financial flexibility** to invest in growth opportunities and strategic initiatives, while allowing for balance sheet optimization to typical leverage levels observed in publicly-traded QSR peers; and
- **Better strategic alignment** as the simplified structure of A&W Food Services NewCo will fully align the interests of Unitholders and shareholders of A&W Food Services, which is expected to enhance the long-term stewardship of the A&W business.
- **Experienced Board of Directors and Management Team.** Following completion of the Transaction, A&W Food Services NewCo will continue to be led by Ms. Senecal, the experienced President and Chief Executive Officer of both A&W Food Services and the Fund, along with her proven management team. Additionally, it will be governed by an experienced and majority independent board of directors, consisting of the three existing independent Trustees, four additional independent directors (three of whom currently serve as directors of A&W Food Services) and Ms. Senecal.
- **Choice for Unitholders; Cash Consideration Provides Significant Premium to Market Price.** The Transaction provides that Unitholders will have the ability to choose whether to receive (a) \$37.00 in cash, (b) one A&W Food Services NewCo Share or (c) a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of an A&W Food Services NewCo Share) for each Unit held, subject to proration. Unitholders may have a preference for cash or share consideration depending upon their particular circumstances. Subject only to proration, Unitholders have the opportunity to elect the consideration of their choice in accordance with such preferences. The Cash Consideration represents a 30% premium to the closing trading price of the Units on the TSX of \$28.54 on July 19, 2024, the last trading day prior to the public announcement of the Transaction.
- **Formal Valuation and Fairness Opinions.** The Board received the TD Formal Valuation and Fairness Opinion which concluded that, as of the date thereof, and subject to certain assumptions, limitations and qualifications set forth therein, (a) the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit, (b) the fair market value of the A&W Food Services NewCo Shares is in the range of \$32.00 to \$38.00 per share, (c) based on the fair market value range of the A&W Food Services NewCo Shares, the value of the Combination Consideration is in the range of \$33.63 to \$37.67, and (d) the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates). The midpoint of the value range of the Combination Consideration of \$35.65 exceeds the midpoint of the valuation range of the Units of \$34.50 and the Cash Consideration is at the high-end of the valuation range for the Units. The Board also received the RBC Fairness Opinion which concluded that as of the date thereof, and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates).
- **Extensive Arm's Length Negotiations and Comprehensive Due Diligence.** The Transaction is the product of extensive arm's length negotiations between the Board and representatives of the shareholders of A&W Food Services. Through the negotiations, the Board was advised by independent and highly qualified legal, financial and tax advisors and conducted comprehensive legal, financial and tax due diligence in respect of A&W Food Services, which did not identify any material concerns.
- **Superior Proposals.** The Combination Agreement allows the Board, in the exercise of its fiduciary duties and subject to compliance with the Combination Agreement, to respond to an Acquisition Proposal if it is determined that such proposal would reasonably be expected to lead to a Superior Proposal. The ability to terminate the Combination Agreement in specified circumstances, subject to a "right to match", to accept a Superior Proposal on payment of the Termination Fee of \$17.8 million provided further assurance to the Board that the Board would have a reasonable opportunity to consider a potential superior unsolicited alternative transaction if one is subsequently proposed.
- **Opportunity for Tax Deferral for Eligible Holders.** By providing Unitholders the ability to elect to receive A&W Food Services NewCo Shares as consideration for their Units, subject to proration, and allowing Eligible Holders to make a Section 85 Election, the Transaction provides an opportunity for Eligible Holders to defer the Canadian federal income tax that otherwise might be payable if such Eligible Holders received cash for their Units. In particular, the Transaction has been structured such that Eligible Holders who receive A&W Food Services NewCo Shares as consideration for their Units may receive such shares on a tax-deferred "roll-over" basis for Canadian federal income tax purposes, subject to making the Section 85 Election. For Eligible Holders who want to remain invested in A&W Food Services NewCo, the Transaction allows them to do so, subject to proration, while also, by making a Section 85 Election, deferring Canadian federal income

tax that might be realized had such Eligible Holders sold their Units in the market for cash or elected for Cash Consideration pursuant to the Transaction.

- **Procedural Safeguards for Unitholders.** The Board considered the fact that (a) in order to become effective, the Arrangement Resolution must be approved by at least (i) two thirds (66 2/3%) of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting and (ii) a simple majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting, excluding the Excluded Votes required to be excluded for Minority Approval under MI 61-101, (b) the Transaction requires approval by the Court; and (c) Registered Unitholders have the ability to exercise Dissent Rights with respect to the Transaction.
- **Likelihood of Completion.** The Transaction is expected to close in October of this year and is subject to customary closing conditions, including TSX approval, Court approval and approval of the Unitholders, and the Board believes that the closing conditions that are outside the control of the Fund are reasonable such that the likelihood of the Transaction being completed is considered to be high. Clearance under the Competition Act was obtained on August 2, 2024.
- **Support and Voting Agreements.** Each of the Trustees and the Chief Executive Officer, the Chief Financial Officer and the Secretary of the Fund, and certain shareholders of A&W Food Services have entered into Support and Voting Agreements agreeing to, among other things, vote their Units in favour of the Arrangement Resolution and take certain other actions required to implement the Transaction. A&W Food Services has also agreed to vote all of its Limited Voting Units and Exchangeable Securities in favour of the Arrangement Resolution. Together, this represents an aggregate of approximately 32.2% of the issued and outstanding Trust Units as of the Record Date on a fully-diluted basis.
- **Investor Rights Agreement.** Upon completion of the Transaction, key A&W Food Services shareholders, who will own approximately 54.0% of the A&W Food Services NewCo Shares, will enter into an investor rights agreement with A&W Food Services NewCo, pursuant to which they will agree to a customary 180-day lock-up and 24-month standstill following closing of the Transaction, as well as certain independent director requirements of A&W Food Services NewCo, which will help mitigate certain of the potential risks and potential negative factors considered by the Board.

In making its recommendation with respect to the Transaction, the Board also considered a number of potential risks and potential negative factors, which the Board concluded were outweighed by the positive substantive and procedural factors described above, including, among others, the risk factors under the section “*Risk Factors*” and the following:

- **“Seasoning” Period to Realize Enhanced Capital Markets Profile and Associated Benefits.** In order for the A&W Food Services NewCo Shares to achieve a trading valuation multiple that is more comparable to those of other publicly traded QSRs, A&W Food Services NewCo must, among other things, successfully and consistently execute its business strategies and achieve sufficient profile in the capital markets through increased institutional ownership, research coverage and improved liquidity in the A&W Food Services NewCo Shares. This “seasoning” is likely to take time to achieve. See “*Risk Factors*” for more information. In addition, the required liquidity in the A&W Food Services NewCo Shares may be dependent on new share issuances or future sell-downs by current shareholders of A&W Food Services, which will be out of the control of A&W Food Services NewCo.
- **Short-Term Trading Pressure.** Unitholders who elect to receive the Cash Consideration and receive A&W Food Services NewCo Shares in the Transaction as a result of proration may be more likely to sell some or all of those shares in the public market, causing downward pressure on the price of A&W Food Services NewCo Shares. There is heightened risk that these sales will be substantial in the short-term following closing of the Transaction as an investment in the A&W Food Services NewCo Shares may not fit the investment objectives of certain of the Fund’s current Unitholders. The ability to mitigate such resulting pressure will depend, in part, on whether a sufficient number of buyers of A&W Food Services NewCo Shares will exist at the relevant time. In the short-term, the downward pressure on the market price for A&W Food Services NewCo Shares may be amplified, and the ability to mitigate such pressure may be limited, due to the limited liquidity and limited institutional ownership in the Units currently.
- **Exposure to Earnings Volatility.** Under the current structure, the Fund only assumes top-line revenue risk, which influences any fluctuation in Unitholder distributions. Under the proposed new structure, due to the fact that more than 99.0% of A&W Food Services’ restaurant locations are franchised, earnings of A&W Food Services NewCo will also be largely based on sales of franchised restaurants. However, Unitholders who receive A&W Food Services NewCo Shares will also be exposed to earnings volatility of the underlying A&W business from other factors, including corporate expenses, operating expenses related to corporate-owned locations (less than 1.0% of locations), fluctuations in margins on sales of products and services to franchisees based on volume and product mix, and unusual or non-recurring costs. The level of future cash dividends is not guaranteed and may fluctuate with A&W Food Services NewCo’s performance and the performance of the system.
- **Influence of Key Shareholders.** Unitholders (other than A&W Food Services) currently own approximately 70.6% of the Fund on a fully-diluted basis and will own 41.0% of A&W Food Services NewCo following completion of the Transaction. Certain key shareholders of A&W Food Services may be able to exercise significant influence over A&W Food Services NewCo.

- **Increased Leverage.** The Transaction will impose greater leverage on the business of A&W Food Services NewCo as compared to the Fund, and A&W Food Services NewCo will be subject to additional restrictions pursuant to the terms of the Credit Agreement to be entered into in connection with the closing of the Debt Financing.
- **No Broad Sale Process.** The Fund did not conduct a broad public sale process or auction since A&W Food Services, which owns approximately 29.4% of the Fund on a fully-diluted basis, indicated that it did not want to sell its interest in the Fund or engage in a joint sale process.
- **Failure to Close.** There are risks to the Fund if the Transaction is not completed, including the costs to the Fund in pursuing the Transaction and the Expense Amount payable to A&W Food Services in certain circumstances, including the repayment to A&W Food Services of previously reimbursed expenses of the Fund in certain circumstances.
- **Restrictions on Solicitation.** The Combination Agreement restricts the Fund from soliciting third parties to make an Acquisition Proposal prior to completion of the Transaction and prescribes specific requirements regarding what constitutes a Superior Proposal.
- **Termination Fee.** The Termination Fee of \$17.8 million payable to A&W Food Services in certain circumstances, including if the Fund enters into an agreement with a third party to acquire the Fund that constitutes a Superior Proposal.
- **Conditions to Closing.** Although limited, there are conditions to the obligation of A&W Food Services to complete the Transaction, and certain of the conditions to closing are outside the control of the Fund. In addition, A&W Food Services has the right to terminate the Combination Agreement in certain circumstances. There is potential risk of not obtaining the approvals from the TSX, the Court and Unitholders in order to complete the Transaction.
- **Other Interests.** Certain of the Trustees, officers and other insiders of the Fund, including directors and officers of A&W Food Services, have interests in connection with the Transaction that may be in addition to, or separate from, those of Unitholders generally in connection with the Transaction.

The Board's reasons for recommending the Transaction include certain assumptions relating to forward-looking information and such information and assumptions are subject to various risks. This information should be read in light of the factors described under the sections entitled "*Cautionary Note Regarding Forward-Looking Statements*" and "*Risk Factors*".

TD Formal Valuation and Fairness Opinion

In making its determination that the Transaction is in the best interests of the Fund and fair to Unitholders (other than A&W Food Services and its affiliates), the Board considered, among other things, the TD Formal Valuation and Fairness Opinion.

Cautionary Note Regarding Management Fund Forecast and Management NewCo Forecast

Certain financial data referred to in the TD Formal Valuation and Fairness Opinion, including the summaries of specific portions of the Management Fund Forecast and the Management NewCo Forecast, were made available by or on behalf of management of the Fund and management of A&W Food Services ("**A&W Management**") to TD Securities for the purposes of the TD Formal Valuation and Fairness Opinion. The summaries of specific portions of each of the Management Fund Forecast and the Management NewCo Forecast is included in this Circular, by virtue of its inclusion in the TD Formal Valuation and Fairness Opinion, not to influence your decision whether to vote for or against the Arrangement Resolution, but because each of the Management Fund Forecast and the Management NewCo Forecast was made available to TD Securities and formed part of the basis for the TD Formal Valuation and Fairness Opinion.

Each of the Management Fund Forecast and the Management NewCo Forecast is based on A&W Management's current views and strategies. Each is subjective in many respects and is based on numerous judgments, estimates, assumptions and expectations by each of the Fund and A&W Food Services, respectively, regarding, among other things, industry performance, general business, economic, regulatory, market and financial conditions, costs and expenses, as well as other future events. The assumptions underlying the Management Fund Forecast and the Management NewCo Forecast include the key assumptions underlying the financial outlook identified "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Description of the Business – Financial Outlook*" and certain of the other material assumptions identified in "*Cautionary Note Regarding Forward-Looking Statements*".

A&W Management believes that the Management Fund Forecast and Management NewCo Forecast and the judgments, estimates, assumptions and expectations underlying such forecasts, are reasonable in the current industry environment. However, there can be no assurance that the Management Fund Forecast or Management NewCo Forecast will be realized, that the judgments, estimates, assumptions and expectations underlying such forecasts will prove to be accurate or that actual results will not be significantly higher or lower than projected.

A number of risks, challenges and uncertainties could cause actual results to differ from the Management Fund Forecast and the Management NewCo Forecast. In addition, since each of the Management Fund Forecast and Management NewCo Forecast covers many years, such information by its nature becomes less reliable with each successive year. The Management

Fund Forecast and the Management NewCo Forecast, and the judgments, estimates, assumptions and expectations underlying such forecasts, constitute forward-looking information for purposes of applicable securities laws in Canada and readers are therefore cautioned that actual results may vary from those described above. See “*Cautionary Note Regarding Forward-Looking Statements*” and “*Risk Factors*”.

Neither the Management Fund Forecast nor the Management NewCo Forecast was prepared with a view toward public disclosure, soliciting proxies or complying with the published guidelines of the Canadian securities regulators regarding projections and forecasts or accounting rules, standards and procedures for preparation and presentation of projections and forecasts. Neither the Fund’s nor A&W Food Services’ independent auditors, PricewaterhouseCoopers LLP, nor any other independent auditors have examined, compiled or performed any procedures with respect to the Management Fund Forecast or the Management NewCo Forecast, and accordingly, neither PricewaterhouseCoopers LLP, nor any other independent auditors express an opinion or any other form of assurance with respect to the Management Fund Forecast or the Management NewCo Forecast.

Neither the Management Fund Forecast nor the Management NewCo Forecast should be considered in isolation or in lieu of the operating and other financial information of the Fund and A&W Food Services that is included in this Circular and the documents incorporated by reference herein. In addition, neither the Management Fund Forecast nor the Management NewCo Forecast may be comparable to similarly titled measures of other companies. See “*Non-IFRS Measures*”.

For the foregoing reasons, as well as the bases and assumptions on which each of the Management Fund Forecast and the Management NewCo Forecast was compiled, the inclusion of the summaries of specific portions of the Management Fund Forecast and Management NewCo Forecast in the TD Formal Valuation and Fairness Opinion should not be regarded as an indication that the Fund, A&W Food Services or TD Securities considers the Management Fund Forecast or the Management NewCo Forecast to be necessarily predictive of actual future events, and the Management Fund Forecast and the Management NewCo Forecast should not be relied on as such an indication. No one has made any representation to any Unitholder or anyone else regarding the ultimate performance of the Fund as reflected in the Management Fund Forecast or A&W Food Services as reflected in the Management NewCo Forecast.

The following summary of the TD Formal Valuation and Fairness Opinion is qualified in its entirety by reference to the full text of the TD Formal Valuation and Fairness Opinion attached to this Circular as Appendix G. The TD Formal Valuation and Fairness Opinion is not a recommendation as to how any Unitholder should vote or act on any matter relating to the Transaction. The full text of the TD Formal Valuation and Fairness Opinion sets out the assumptions made, procedures followed, information reviewed, matters considered, and limitations and qualifications on the review undertaken in connection with the TD Formal Valuation and Fairness Opinion. Unitholders are urged to read the TD Formal Valuation and Fairness Opinion carefully and in its entirety.

Engagement of TD Securities

The Board initially contacted TD Securities on May 23, 2024, and TD Securities was formally engaged by the Board through an agreement (the “**TD Engagement Agreement**”) dated June 14, 2024 to prepare under the Board’s supervision in accordance with MI 61-101 (a) a formal valuation of the Units and the A&W Food Services NewCo Shares as required by, and in accordance with the requirements of, MI 61-101; and (b) an opinion as to the fairness, from a financial point of view, of the consideration to be received by Unitholders (other than A&W Food Services and its affiliates).

The terms of the TD Engagement Agreement provide that TD Securities will receive fees totaling \$1,350,000 for its services and is to be reimbursed for reasonable out-of-pocket expenses. The Fund has agreed to indemnify TD Securities, in certain circumstances, against certain expenses, losses, claims, actions, suits, proceedings, investigations, damages and liabilities that may arise directly or indirectly from services performed by TD Securities in connection with the TD Engagement Agreement. None of the fees payable to TD Securities under the TD Engagement Agreement are contingent in whole or in part upon the conclusions reached by TD Securities in the TD Formal Valuation and Fairness Opinion or with respect to the outcome of the Transaction.

Credentials of TD Securities

TD Securities is a North American investment banking firm with operations in a broad range of investment banking activities, including corporate finance, mergers and acquisitions, equity and fixed income sales and trading, investment management and investment research. TD Securities has participated in a significant number of transactions involving public and private companies and has extensive experience in preparing valuations and fairness opinions, including in connection with transactions that are subject to the formal valuation requirements of MI 61-101. The Board determined that TD Securities was a qualified and independent valuator for purposes of MI 61-101 and selected it based on its qualifications, expertise and reputation, and its experience with MI 61-101 valuations. The TD Formal Valuation and Fairness Opinion represents the opinion of TD Securities and its form and content have been approved by a committee of senior investment banking professionals of TD Securities, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

Independence of TD Securities

Neither TD Securities nor any of its affiliated entities (as such term is defined for the purposes of MI 61-101): (a) is an associated entity or affiliated entity or issuer insider (as such terms are defined in MI 61-101) of the Fund, A&W Food Services or any of their respective associated entities or affiliated entities or issuer insiders, including TorQuest Partners (each an “**Interested Party**”, and collectively, the “**Interested Parties**”); (b) is an advisor to any of the Interested Parties with respect to the Transaction, other than to the Board pursuant to the TD Engagement Agreement; (c) is a manager or co-manager of a soliciting dealer group for the Transaction (or a member of the soliciting dealer group for the Transaction providing services beyond the customary soliciting dealer’s functions or receiving more than the per security or per security holder fees payable to the other members of the group); or (d) has a material financial interest in the completion of the Transaction.

TD Securities and its affiliated entities have not been engaged to provide any financial advisory services to any Interested Party, have not acted as lead or co-lead manager on any offering of securities of any Interested Party, and have not had a material financial interest in any transaction involving any Interested Party during the 24 months preceding the date on which TD Securities was first contacted with respect to the TD Formal Valuation and Fairness Opinion, other than as described herein.

During the 24 months preceding the date on which TD Securities was first contacted with respect to the TD Formal Valuation and Fairness Opinion, TD Securities and/or its affiliated entities have provided ordinary course lending services to certain A&W franchise businesses. In addition, TD Securities and/or its affiliated entities have made limited partner investments in funds connected to TorQuest Partners, have commercial lending relationships with a number of portfolio companies related to TorQuest Partners and earned financing fees on those lending relationships.

The fees paid to, and the limited partner investments made by, TD Securities in connection with the foregoing activities, together with the fees payable to TD Securities pursuant to the TD Engagement Agreement, are not, in aggregate, financially material to TD Securities, and do not give TD Securities any financial incentive in respect of the conclusions reached in the TD Formal Valuation and Fairness Opinion. There are otherwise no understandings or agreements between TD Securities and any Interested Party with respect to future financial advisory or investment banking business. Subject to the terms of the TD Engagement Agreement, TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for any Interested Party.

TD Securities and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, TD Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Transaction, or any other Interested Party.

The Toronto-Dominion Bank, the parent company of TD Securities, directly or through affiliates provides banking services and other financing services to entities related to the Fund and A&W Food Services in the normal course of business, and may, subject to the terms of the TD Engagement Agreement, in the future provide banking services and credit facilities to the Fund, A&W Food Services, or any other Interested Party.

Prior Valuations

The Chief Executive Officer and the Chief Financial Officer of each of the Fund and A&W Food Services, on behalf of the Fund and A&W Food Services, and not in their personal capacities, have represented in certificates provided to TD Securities that, to the best of their knowledge, information and belief after reasonable inquiry, there have been no valuations or appraisals, relating to the Fund or A&W Food Services or any of its subsidiaries or any of their respective material assets or material liabilities made in the preceding 24 months and in its possession or control other than those which have been provided to TD Securities or, in the case of valuations known to the Fund or A&W Food Services which it does not have within its possession or control, notice of which has not been given to TD Securities.

Scope of Review and Assumptions and Limitations

The scope of review, matters considered, reviews undertaken and assumptions, limitations, and qualifications of the TD Formal Valuation and Fairness Opinion are set forth in the full text of the TD Formal Valuation and Fairness Opinion attached as Appendix G.

In particular, TD Securities relied on the accuracy and completeness of all financial and other data and information filed by the Fund or A&W Food Services with securities regulatory or similar authorities (including under the Fund’s profile on SEDAR+), provided to it by or on behalf of the Fund or A&W Food Services or otherwise obtained by TD Securities, including in the certificates provided by senior officers of each of the Fund and A&W Food Services to TD Securities, and the TD Valuation and Fairness Opinion is conditional on such accuracy and completeness in all material respects of such information. Subject to the exercise of professional judgment, TD Securities did not attempt to independently verify the accuracy or completeness of any of such information.

In addition, TD Securities was provided with (a) unaudited projected operating and financial information for the Fund by A&W Management on June 5, 2024, which were subsequently updated by A&W Management to reflect year-to-date 2024 results and a final version was provided to TD Securities on July 9, 2024 (the “**Management Fund Forecast**”); and (b) unaudited projected operating and financial information for A&W Food Services NewCo by A&W Management on June 5, 2024, which were subsequently updated by A&W Management to reflect year-to-date 2024 results and a final version was provided to TD Securities on July 9, 2024 (the “**Management NewCo Forecast**”).

With respect to the budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses, including the Management Fund Forecast and the Management NewCo Forecast, TD Securities noted that projecting future results is inherently subject to uncertainty. TD Securities has assumed, however, that budgets, forecasts, projections or estimates provided to it and used in its analyses were prepared using the assumptions identified therein that TD Securities has been advised are (or were at the time of preparation and, except to the extent expressly stated otherwise in the TD Formal Valuation and Fairness Opinion, continue to be), in the opinion of the Fund and A&W Food Services, reasonable in the circumstances and, with respect to the Management Fund Forecast and the Management NewCo Forecast, were reasonably prepared by A&W Management in good faith based on assumptions reflecting the best currently available estimates and judgments by A&W Management as to the future operating and financial performance of the Fund and A&W Food Services NewCo, respectively. TD Securities expressed no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions on which they are based. Subject to the assumptions and limitations described in the TD Formal Valuation and Fairness Opinion, based on its review of the assumptions underlying each of the Management Fund Forecast and the Management NewCo Forecast, as well as its discussions with A&W Management and the Board regarding such assumptions, TD Securities considered the Management Fund Forecast and the Management NewCo Forecast appropriate for use in its analysis underlying the valuation of the Units and the A&W Food Services NewCo Shares.

Approach to Value

For purposes of the valuation, fair market value is defined as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act.

The valuation contained in the TD Formal Valuation and Fairness Opinion with respect to the Units is based upon techniques and assumptions that TD Securities considered appropriate in the circumstances for the purpose of arriving at an opinion as to the range of fair market value of the Units. In preparing the valuation of the Units, TD Securities primarily considered three methodologies (a) a discounted cash flow analysis, (b) a dividend discount model analysis and (c) a comparable public company analysis. In addition, TD Securities conducted a comparable precedent transactions analysis, but did not rely on this methodology in order to arrive at its conclusion regarding the fair market value of the Units given differences between the Fund and the identified precedent transactions, primarily related to business model (as none of the precedent transactions identified were royalty companies).

In arriving at its opinion as to the fair market value of the Units, TD Securities made qualitative judgments based upon its experience in rendering such opinions and on circumstances prevailing as to the significance and relevance of each valuation methodology. The fair market value of the Units was analyzed on a going concern basis and was expressed as an amount per Unit. For purposes of the valuation of the Units, in accordance with MI 61-101, TD Securities made no downward adjustment to the fair market value of the Units to reflect the liquidity of the Units, the effect of the Transaction on the Units, or the fact that the Units held by Unitholders do not form part of a controlling interest.

The valuation contained in the TD Formal Valuation and Fairness Opinion with respect to the A&W Food Services NewCo Shares is based upon techniques and assumptions that TD Securities considered appropriate in the circumstances for the purpose of arriving at an opinion as to the range of values of the A&W Food Services NewCo Shares. In preparing the valuation of the A&W Food Services NewCo Shares, TD Securities primarily considered two methodologies (a) a discounted cash flow analysis and (b) a comparable public company analysis. In addition, TD Securities conducted a comparable precedent transactions analysis, but did not rely on this methodology in order to arrive at its conclusion regarding the value of the A&W Food Services NewCo Shares, given the structure of the Transaction, where A&W Food Services NewCo Shares to be received by Unitholders will continue to trade publicly, which were not directly comparable to the takeout structures observed in applicable precedent transactions.

In arriving at its opinion as to the fair market value of the A&W Food Services NewCo Shares, TD Securities made qualitative judgments based upon its experience in rendering such opinions and on circumstances prevailing as to the significance and relevance of each valuation methodology. The fair market value of the A&W Food Services NewCo Shares was analyzed on a going concern basis and was expressed as an amount per A&W Food Services NewCo Share.

Valuation Conclusion

Based upon and subject to the analyses assumptions, limitations and qualifications discussed in the TD Formal Valuation and Fairness Opinion, TD Securities was of the opinion that, as of July 21, 2024, (a) the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit; and (b) the fair market value of the A&W Food Services NewCo Shares is in the range of \$32.00 to \$38.00 per A&W Food Services NewCo Share.

Approach to Fairness

In considering the fairness of the consideration to be received by the Unitholders in connection with the Transaction, TD Securities principally considered and relied upon (a) a comparison of the Combination Consideration to the fair market value of the Units as determined in the valuation; and (b) a comparison of the premiums implied by the Combination Consideration to the trading price of the Units as of July 19, 2024 (the last trading day prior to the announcement of the Transaction) and for the 20 trading days prior to announcement, to the premiums implied by Canadian cash and stock takeover transactions.

TD Securities was of the opinion that, as at July 21, 2024, the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit and that, as at July 21, 2024, based on the fair market value range of the A&W Food Services NewCo Shares, the value of the Combination Consideration was in the range of \$33.63 to \$37.67. Thus, the Combination Consideration to be received by Unitholders in connection with the Transaction is above or within the range of fair market value of the Units as at July 21, 2024 as determined by TD Securities.

Fairness Opinion Conclusion

Based upon and subject to the analyses assumptions, limitations and qualifications discussed in the TD Formal Valuation and Fairness Opinion, and such other matters that TD Securities considered relevant, TD Securities was of the opinion that, as of July 21, 2024, the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) in connection with the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates).

RBC Fairness Opinion

In making its determination that the Transaction is in the best interests of the Fund and fair to Unitholders (other than A&W Food Services and its affiliates), the Board considered, among other things, the RBC Fairness Opinion.

The following summary of the RBC Fairness Opinion is qualified in its entirety by reference to the full text of the RBC Fairness Opinion attached to this Circular as Appendix H. The RBC Fairness Opinion is not a recommendation as to how any Unitholder should vote or act on any matter relating to the Transaction. The full text of the RBC Fairness Opinion sets out the scope of review, the assumptions made, general procedures followed, information reviewed, matters considered, and limitations and qualifications on the review undertaken in connection with the RBC Fairness Opinion. Unitholders are urged to read the RBC Fairness Opinion carefully and in its entirety.

Engagement of RBC

The Board initially contacted RBC regarding a potential advisory assignment in January 2024, and RBC was formally engaged by the Board through an agreement (the "**RBC Engagement Agreement**") dated January 23, 2024 to provide analysis and advice to the Board in respect of the Transaction, including, if requested by the Board, the preparation and delivery of RBC's opinion as to the fairness of the consideration to be received under the Transaction from a financial point of view to the Unitholders (other than A&W Food Services). The terms of the RBC Engagement Agreement provide that RBC will be paid a fee for its services, including fees that are contingent on a change of control of the Fund or certain other events, including upon completion of the Transaction. In addition, RBC will be reimbursed for its reasonable out-of-pocket expenses and indemnified by the Fund in certain circumstances.

Credentials of RBC

RBC is one of Canada's largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The RBC Fairness Opinion represents the opinion of RBC and the form and content of the RBC Fairness Opinion has been approved for release by a committee of its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Relationship with Interested Parties

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Fund, A&W Food Services, TorQuest Partners or any of their respective associates or affiliates.

RBC has not been engaged to provide any financial advisory services nor has it participated in any financing involving the Fund, A&W Food Services, TorQuest Partners or any of their respective associates or affiliates, within the past two years, other than the services provided under the RBC Engagement Agreement and as follows. With respect to TorQuest Partners and their affiliates, in the past two years, RBC (a) acted as co-syndication agent on a \$355 million acquisition financing in October 2022, and (b) participated in three acquisition financings for an aggregate amount of USD \$611 million and \$220 million. There are no understandings, agreements or commitments between RBC and the Fund, A&W Food Services, TorQuest Partners or any of their respective associates or affiliates with respect to any future business dealings, other than a commitment to enter into a credit agreement and related financing documentation as co-lead underwriter on a \$325 million credit facility relating to financing of the Transaction as described in this Circular. See “*The Transaction – Financing of the Transaction*”.

RBC may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Fund, A&W Food Services, TorQuest Partners or any of their respective associates or affiliates. Royal Bank of Canada, controlling shareholder of RBC, provides banking services to the Fund and A&W Food Services in the normal course of business.

Scope of Review and Assumptions and Limitations

The scope of review, matters considered, reviews undertaken, general procedures followed and assumptions, limitations and qualifications of the RBC Fairness Opinion are set forth in the full text of the RBC Fairness Opinion attached as Appendix H.

In particular, RBC relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Fund and A&W Food Services) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Fund, and their consultants and advisors, including information provided by A&W Food Services. The RBC Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of such information, and, subject to the exercise of professional judgment and, except as expressly described in the RBC Fairness Opinion, RBC did not attempt to verify independently the completeness, accuracy or fair presentation of any of such information.

Approach to Fairness

In considering the fairness of the consideration to be received under the Transaction from a financial point of view to the Unitholders (other than A&W Food Services and its affiliates), RBC primarily considered and relied upon: (a) a comparison of the consideration to the results of a discounted cash flow analysis of the Fund; and (b) a comparison of the implied consideration paid to A&W Food Services shareholders other than the consideration paid in respect of the Units held by A&W Food Services to the results of a discounted cash flow analysis of A&W Food Services. RBC also compared the multiples implied by the consideration to the implied multiples of publicly traded comparable income trusts, however given that public company values generally reflect minority interest trading values rather than “en bloc” values, RBC did not primarily rely on this methodology.

Fairness Opinion Conclusion

Based upon and subject to the analyses, assumptions, limitations and qualifications in the RBC Fairness Opinion, RBC was of the opinion that, as of July 21, 2024, the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair from a financial point of view to the Unitholders (other than A&W Food Services and its affiliates).

Pre-Arrangement Reorganization

The Fund, TMI, TradeMarks LP and the AWFS Entities have agreed to implement certain specified reorganization transactions prior to the Arrangement, as such transactions may be modified, amended or supplemented in accordance with the Combination Agreement (the “**Pre-Arrangement Reorganization**”). The Fund, TMI and TradeMarks LP will not be obligated to implement the Pre-Arrangement Reorganization unless A&W Food Services, on behalf of the AWFS Entities, irrevocably waives or confirms in writing the satisfaction of all of the conditions in their favour in the Combination Agreement and confirms that the AWFS Entities are prepared to immediately proceed with effecting the Transaction and that the Debt Financing will be funded if the Pre-Arrangement Reorganization is implemented. The following is a summary of the transactions to be implemented by the Fund, TMI and TradeMarks LP pursuant to the Pre-Arrangement Reorganization:

- (a) TradeMarks LP will form a new wholly-owned subsidiary (“**TM Newco**”) under the *Business Corporations Act* (British Columbia);
- (b) A&W Food Services, TMI and TradeMarks LP will agree to settle the accrued and outstanding intercompany obligations on the day prior to the Effective Date, including, if applicable, the issuance of limited partnership interests of TradeMarks LP;

- (c) To the extent that TradeMarks LP issues additional limited partnership units to A&W Food Services, A&W Food Services will transfer all of the limited partnership units to TMI in exchange for additional common shares of TMI;
- (d) TradeMarks LP will use a portion of its cash on hand, including a portion of the cash received in step (b), to pay a distribution to TMI;
- (e) TMI will pay a pro-rata non-eligible dividend to A&W Food Services and the Fund equal to the amount of cash received in step 4, which will be used by the Fund to make the Accrued Distribution pursuant to the Plan of Arrangement;
- (f) TradeMarks LP will transfer all of its assets to TM Newco in exchange for common shares of TM Newco and the assumption of the liabilities of TradeMarks LP; and
- (g) TradeMarks LP will be wound-up and the partners of TradeMarks LP will receive their proportionate interest in the property of TradeMarks LP, being the shares of TM Newco.

In addition, the AWFS Entities will implement certain transactions to reorganize their corporate and capital structure prior to the Arrangement pursuant to the Pre-Arrangement Reorganization.

The Arrangement Resolution authorizes the Fund to take all steps necessary or desirable to implement the Pre-Arrangement Reorganization.

Arrangement

The Transaction is structured as a statutory plan of arrangement under the CBCA, pursuant to which A&W Food Services will be amalgamated with certain of its holding companies and will acquire all the Units for A&W Food Services NewCo Shares or cash, as the case may be. Under the terms of the Transaction, each Unitholder can elect to receive in exchange for each Unit:

- the Cash Consideration;
- the Share Consideration; or
- the Combination Consideration.

The elections of Unitholders to receive Cash Consideration or Share Consideration will be subject to proration in the event that Unitholders elect, in the aggregate, to receive more or less than \$175.6 million in cash consideration, such that in all cases, a total of 4,746,582 Units will be purchased for cash at \$37.00 per Unit, representing approximately 32.5% of the outstanding Units as of July 19, 2024 (not counting the Limited Voting Units and Exchangeable Securities owned by A&W Food Services). Unitholders electing Combination Consideration will not be subject to further proration. Following closing of the Transaction, approximately 24.0 million A&W Food Services NewCo Shares will be issued and outstanding.

In addition, Unitholders will be entitled to receive the Accrued Distribution, which will be an amount per Unit equal to \$1.92 multiplied by a fraction, the numerator of which is the number of days between (a) the payment date of the last monthly distribution in respect of the Units for which the payment date occurs prior to the Effective Date and (b) the Effective Date, and the denominator of which is 365, so that, in effect, Unitholders receive the monthly distribution for the month in which the Effective Date occurs, prorated for the number of days up to the Effective Date.

A&W Food Services currently owns approximately 29.4% of the Fund on a fully-diluted basis through its ownership of Limited Voting Units and Exchangeable Securities. Upon completion of the Transaction, approximately 41.0% of the A&W Food Services NewCo Shares will be owned by Existing Public Unitholders, with the remaining approximately 59.0% being owned by the current shareholders of A&W Food Services. TorQuest Partners Fund IV will own approximately 19.4% of the A&W Food Services NewCo Shares and other current A&W Food Services shareholders will own, as individual beneficial owners, an aggregate of approximately 39.6% of the A&W Food Services NewCo Shares through the exchange of their indirect interests in A&W Food Services.

The following summarizes the steps which will occur under the Plan of Arrangement beginning on the Effective Date, if all conditions to the completion of the Transaction have been satisfied or waived. The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Appendix B to this Circular.

At the Effective Time each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

- (a) Buddy Holdings, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and A&W Food Services will amalgamate under the CBCA to form A&W Food Services NewCo. Upon such amalgamation:
 - (i) Buddy Holdings, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and A&W Food Services will be amalgamated and continue as one corporation under the CBCA and will continue under the name "A & W Food Services of Canada Inc.";
 - (ii) the location of the registered office of A&W Food Services NewCo shall be 171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9;
 - (iii) there shall be no restrictions on the business that A&W Food Services NewCo may carry on or on the powers that A&W Food Services NewCo may exercise;
 - (iv) the classes and any maximum number of shares that A&W Food Services NewCo shall be authorized to issue are an unlimited number of common shares;
 - (v) the number of directors of A&W Food Services NewCo shall be a minimum of 3 and a maximum of 10, until changed in accordance with the CBCA;
 - (vi) until changed by the shareholders of A&W Food Services NewCo, or by the directors of A&W Food Services NewCo if authorized by the shareholders of A&W Food Services NewCo, the number of directors of A&W Food Services NewCo shall be eight (8);
 - (vii) the first directors of A&W Food Services NewCo shall be the following:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
Eric Berke	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Andrew Dunn	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Fern Glowinsky	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Paul Hollands	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Michael Hollend	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Kevin Mahoney	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Andrew Mindell	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Susan Senecal	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes

- (viii) the by-laws of A&W Food Services NewCo shall be the by-laws attached as Schedule A to the Plan of Arrangement;
- (ix) the right to transfer securities of A&W Food Services NewCo shall not be restricted;
- (x) Buddy Holdings, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and A&W Food Services will cease to exist as entities separate from A&W Food Services NewCo;

- (xi) the property of each of Buddy Holdings, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and A&W Food Services will continue to be the property of A&W Food Services NewCo;
 - (xii) A&W Food Services NewCo will continue to be liable for the obligations of each of Buddy Holdings, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and A&W Food Services (including, for greater certainty the AWC Notes);
 - (xiii) a conviction against, or ruling, order or judgement in favour or against any of Buddy Holdings, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and A&W Food Services may be enforced by or against A&W Food Services NewCo;
 - (xiv) a civil, criminal or administrative action or proceeding pending by or against any of Buddy Holdings, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and A&W Food Services may be continued to be prosecuted by or against A&W Food Services NewCo;
 - (xv) an existing cause of action, claim or liability to prosecution against any of Buddy Holdings, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and A&W Food Services will be unaffected;
 - (xvi) the Articles of Arrangement will be deemed to be the articles of incorporation of A&W Food Services NewCo and the Certificate of Arrangement will be deemed to be the certificate of incorporation of A&W Food Services NewCo;
 - (xvii) all of the issued and outstanding shares of A&W Holdings 2, all of which are at the Effective Date held by or on behalf of Buddy Holdings, shall be cancelled without any repayment of capital in respect of such shares and shall not be converted into A&W Food Services NewCo Shares;
 - (xviii) all of the issued and outstanding shares of A&W Canada, all of which are at the Effective Date held by or on behalf of A&W Holdings 2 and Buddy Holdings, shall be cancelled without any repayment of capital in respect of such shares and shall not be converted into A&W Food Services NewCo Shares;
 - (xix) all of the issued and outstanding shares of AWFS Holdings that are at the Effective Date held by or on behalf of A&W Holdings 1 and A&W Canada, shall be cancelled without any repayment of capital in respect of such shares and shall not be converted into A&W Food Services NewCo Shares;
 - (xx) all of the issued and outstanding shares of A&W Food Services, all of which are at the Effective Date held by or on behalf of AWFS Holdings, shall be cancelled without any repayment of capital in respect of such shares and shall not be converted into A&W Food Services NewCo Shares;
 - (xxi) all of the issued and outstanding shares of AWFS Holdings that are not cancelled pursuant to Section 2.3(a)(xix) of the Plan of Arrangement shall be converted into a total of 2,812,860 A&W Food Services NewCo Shares, and allocated among the holders of such AWFS Holdings shares on a pro-rata basis;
 - (xxii) all of the issued and outstanding Buddy Holdings Shares shall be converted into a total of 8,847,023 A&W Food Services NewCo Shares and allocated among the holders of such Buddy Holdings Shares on a pro-rata basis;
 - (xxiii) all of the issued and outstanding A&W Holdings 1 Shares shall be converted into a total of 2,498,807 A&W Food Services NewCo Shares and allocated among the holders of such A&W Holdings 1 Shares on a pro-rata basis;
 - (xxiv) the stated capital attributable to the A&W Food Services NewCo Shares shall be the aggregate of the stated capital attributable to the Buddy Holdings Shares, the A&W Holdings 1 Shares and shares of AWFS Holdings converted into A&W Food Services NewCo Shares;
- (b) the AWC Notes shall be repaid by A&W Food Services NewCo;
 - (c) at 12:01 a.m. (Toronto Time) on the Business Day following the Effective Date, the Declaration of Trust Amendment shall become effective;

- (d) the Fund shall pay the Accrued Distribution to the holders of Units and Limited Voting Units as of the Effective Time;
- (e) the AWFS NIB Loan shall be repaid by A&W Food Services NewCo;
- (f) concurrently with the steps described in Sections 2.3(g) and 2.3(h) of the Plan of Arrangement, after giving effect to any proration in accordance with Sections 2.6 and 2.7 of the Plan of Arrangement, each Cash Election Unit owned by a Section 85 Electing Unitholder outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Cash Election Units, be deemed to be assigned and transferred by the Cash Electing Unitholders who are Section 85 Electing Unitholders to A&W Food Services NewCo in exchange for the Cash Consideration, and:
 - (i) such Cash Electing Unitholders who are Section 85 Electing Unitholders shall cease to be the holders of such transferred Cash Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Cash Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) the names of such Cash Electing Unitholders that are Section 85 Electing Unitholders shall be removed from the register of the Units maintained by or on behalf of the Fund; and
 - (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Cash Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund;
- (g) concurrently with the steps described in Sections 2.3(f) and 2.3(h) of the Plan of Arrangement, after giving effect to any proration in accordance with Sections 2.6 and 2.7 of the Plan of Arrangement, each Share Election Unit owned by a Section 85 Electing Unitholder outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Share Election Units, be deemed to be assigned and transferred by the Share Electing Unitholders who are Section 85 Electing Unitholders to A&W Food Services NewCo in exchange for the Share Consideration, and:
 - (i) such Share Electing Unitholders who are Section 85 Electing Unitholders shall cease to be the holders of such transferred Share Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Share Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) the names of such Share Electing Unitholders that are Section 85 Electing Unitholders shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Share Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Share Electing Unitholders that are Section 85 Electing Unitholders shall be added to the register of A&W Food Services NewCo Shares by or on behalf of A&W Food Services NewCo in respect of the A&W Food Services NewCo Shares issued in exchange for such Share Election Units;
- (h) concurrently with the steps described in Sections 2.3(f) and 2.3(g) of the Plan of Arrangement, each Unit owned by a Combination Electing Unitholder that is a Section 85 Electing Unitholder outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of such Combination Electing Unitholder, be deemed to be assigned and transferred by the Combination Electing Unitholders that are Section 85 Electing Unitholders to A&W Food Services NewCo in exchange for the Combination Consideration, and:
 - (i) such Combination Electing Unitholders that are Section 85 Electing Unitholders shall cease to be the holders of such Units and shall cease to have any rights as holders of such Units other than the right to be paid the Combination Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) the names of such Combination Electing Unitholders that are Section 85 Electing Unitholders shall be removed from the register of the Units maintained by or on behalf of the Fund;

- (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Combination Electing Unitholders that are Section 85 Electing Unitholders shall be added to the register of A&W Food Services NewCo Shares by or on behalf of A&W Food Services NewCo in respect of the A&W Food Services NewCo Shares issued in exchange for such Units;
- (i) A&W Food Services NewCo shall contribute (A) solely at its discretion with notification to the Fund, all of its Limited Voting Units and (B) the Units acquired from Section 85 Electing Unitholders pursuant to Sections 2.3(f), 2.3(g) and 2.3(h) of the Plan of Arrangement, to Subco, in exchange for an aggregate of 1,000 Subco Shares, and:
- (i) A&W Food Services NewCo shall cease to be the holder of such Limited Voting Units, if applicable, and the Units acquired from Section 85 Electing Unitholders pursuant to Sections 2.3(f), 2.3(g) and 2.3(h) of the Plan of Arrangement and shall cease to have any rights as holds of such securities; and
 - (ii) A&W Food Services NewCo shall be removed from the register of the Limited Voting Units, if applicable, and the Units maintained by or on behalf of the Fund;
 - (iii) Subco shall be deemed to be the legal and beneficial owner of such Limited Voting Units, if applicable, and Units so transferred, free and clear of all Liens, and shall be entered in the register of the Limited Voting Units, if applicable, and the Units maintained by or on behalf of the Fund; and
 - (iv) A&W Food Services NewCo shall be added to the register of Subco Shares by or on behalf of Subco in respect of the Subco Shares issued in exchange for such Limited Voting Units, if applicable, and Units;
- (j) each of the Units held by Dissenting Unitholders shall be deemed to have been transferred without any further act or formality to A&W Food Services NewCo in consideration for a debt claim against A&W Food Services NewCo for the amount determined under Article 3 of the Plan of Arrangement, and:
- (i) such Dissenting Unitholders shall cease to be the holders of such Units and to have any rights as holders of such Units other than the right to be paid fair value by A&W Food Services NewCo for such Units as set out in Section 3.1 of the Plan of Arrangement;
 - (ii) such Dissenting Unitholders' names shall be removed as the holders of such Units from the registers of Units maintained by or on behalf of the Fund; and
 - (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Units so transferred, free and clear of all Liens, and shall be entered in the register of Units maintained by or on behalf of the Fund;
- (k) concurrently with the steps described in Section 2.3(l) and Section 2.3(m) of the Plan of Arrangement, after giving effect to any proration in accordance with Sections 2.6 and 2.7 of the Plan of Arrangement, each Cash Election Unit not transferred pursuant to Section 2.3(f) of the Plan of Arrangement and not owned by a Registered Plan Investor outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a Cash Electing Unitholder, be deemed to be assigned and transferred by the Cash Electing Unitholders who are neither Section 85 Electing Unitholders nor Registered Plan Investors to A&W Food Services NewCo in exchange for the Cash Consideration, and:
- (i) the Cash Electing Unitholders shall cease to be the holders of such Cash Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Cash Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) such Cash Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund; and
 - (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Cash Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund;

- (l) concurrently with the steps described in Section 2.3(k) and Section 2.3(m) of the Plan of Arrangement, after giving effect to any proration in accordance with Section 2.6 and 2.7 of the Plan of Arrangement, each Share Election Unit not transferred pursuant to Section 2.3(g) of the Plan of Arrangement and not owned by a Registered Plan Investor outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Share Election Units, be deemed to be assigned and transferred by the Share Electing Unitholders who are neither Section 85 Electing Unitholders nor Registered Plan Investors to A&W Food Services NewCo in exchange for the Share Consideration, and:
- (i) such Share Electing Unitholders shall cease to be the holders of such Share Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Share Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) such Share Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Share Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Share Electing Unitholders shall be added to the register of A&W Food Services NewCo Shares by or on behalf of A&W Food Services NewCo in respect of the A&W Food Services NewCo Shares issued in exchange for such Share Election Units;
- (m) concurrently with the steps described in Section 2.3(k) and Section 2.3(l) of the Plan of Arrangement, each Unit owned by a Combination Electing Unitholder that is not a Registered Plan Investor and is not transferred pursuant to Section 2.3(h) of the Plan of Arrangement outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the Combination Electing Unitholders that are neither Section 85 Electing Unitholders nor Registered Plan Investors, be deemed to be assigned and transferred by such Combination Electing Unitholders to A&W Food Services NewCo in exchange for the Combination Consideration, and:
- (i) such Combination Electing Unitholders shall cease to be the holders of such Units and shall cease to have any rights as holders of such Units other than the right to be paid the Combination Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) such Combination Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Combination Electing Unitholders shall be added to the register of A&W Food Services NewCo Shares by or on behalf of A&W Food Services NewCo in respect of the A&W Food Services NewCo Shares issued in exchange for such Units;
- (n) the then-current Trustees shall resign and A&W Food Services NewCo shall become the sole Trustee.
- (o) Upon the later to occur of (i) the time that is five minutes following the steps described in Section 2.3(k), 2.3(l) and 2.3(m) of the Plan of Arrangement, and (ii) the listing of the A&W Food Services NewCo Shares on the TSX, after giving effect to any proration in accordance with Section 2.6 and 2.7 of the Plan of Arrangement, each Cash Election Unit not transferred pursuant to Sections 2.3(f) and 2.3(k) of the Plan of Arrangement and owned by a Registered Plan Investor outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Cash Election Units, be deemed to be assigned and transferred by the Cash Electing Unitholders who are Registered Plan Investors to A&W Food Services NewCo in exchange for the Cash Consideration, and:
- (i) such Cash Electing Unitholders shall cease to be the holders of such Cash Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Cash Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) such Cash Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund; and

- (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Cash Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund;
- (p) Upon the later to occur of (i) the time that is five minutes following the steps described in Sections 2.3(k), 2.3(l) and 2.3(m) of the Plan of Arrangement, and (ii) the listing of the A&W Food Services NewCo Shares on the TSX, after giving effect to any proration in accordance with Sections 2.6 and 2.7 of the Plan of Arrangement, each Share Election Unit not transferred pursuant to Sections 2.3(g) and 2.3(l) of the Plan of Arrangement and owned by a Registered Plan Investor outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Share Election Units, be deemed to be assigned and transferred by the Share Electing Unitholders who are Registered Plan Investors to A&W Food Services NewCo in exchange for the Share Consideration, and:
- (i) such Share Electing Unitholders shall cease to be the holders of such Share Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Share Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) such Share Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Share Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Share Electing Unitholders shall be added to the register of A&W Food Services NewCo Shares by or on behalf of A&W Food Services NewCo in respect of the A&W Food Services NewCo Shares issued in exchange for such Share Election Units; and
- (q) Upon the later to occur of (i) the time that is five minutes following the steps described in Sections 2.3(k), 2.3(l) and 2.3(m) of the Plan of Arrangement, and (ii) the listing of the A&W Food Services NewCo Shares on the TSX, each Unit owned by a Combination Electing Unitholder that is Registered Plan Investor and not transferred pursuant to Sections 2.3(h) and 2.3(m) of the Plan of Arrangement outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of Combination Electing Unitholders that are a Registered Plan Investors (but not also a Section 85 Electing Unitholder), be deemed to be assigned and transferred by such Combination Electing Unitholder to A&W Food Services NewCo in exchange for the Combination Consideration, and:
- (i) such Combination Electing Unitholders shall cease to be the holders of such Units and shall cease to have any rights as holders of such Units other than the right to be paid the Combination Consideration by A&W Food Services NewCo in accordance with the Plan of Arrangement;
 - (ii) such Combination Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) A&W Food Services NewCo shall be deemed to be the legal and beneficial owner of such Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Combination Electing Unitholders shall be added to the register of A&W Food Services NewCo Shares by or on behalf of A&W Food Services NewCo in respect of the A&W Food Services NewCo Shares issued in exchange for such Units.

Declaration of Trust Amendment

As part of the Plan of Arrangement, the Declaration of Trust Amendment, the full text of which is set forth in Appendix C, will become effective. The Declaration of Trust Amendment will amend the Declaration of Trust to the extent necessary to facilitate and permit the Plan of Arrangement and the implementation of the steps and transactions contemplated therein, including, (a) the payment of the Accrued Distribution, (b) the transfer of each of the Units by Unitholders to A&W Food Services NewCo in the manner, at the times and for the consideration specified in the Plan of Arrangement, without any further action by or on behalf of a Unitholder, the Fund the Trustees or any other Person, after which Unitholders shall cease to be the holders of the Units and shall cease to have any rights other than to be paid the consideration by A&W Food Services NewCo specified in the Plan of Arrangement, and (c) the appointment of A&W Food Services NewCo as the sole Trustee.

Financing of the Transaction

On July 21, 2024, A&W Food Services entered into a commitment letter (the “**Debt Commitment Letter**”) with Canadian Imperial Bank of Commerce and Royal Bank of Canada to provide a \$325 million revolving credit facility, which will be used to fund the cash portion of the Transaction, repay existing indebtedness of the Fund and A&W Food Services on closing of the Transaction and pay fees and expenses in connection with the Transaction (the “**Debt Financing**”). Although the Debt Financing is not subject to a due diligence condition or “market out”, the obligation of Canadian Imperial Bank of Commerce and Royal Bank of Canada to provide this Debt Financing is subject to a number of customary closing conditions, including execution and delivery of definitive documentation, and there is a risk that one or more of these conditions will not be satisfied and the Debt Financing may not be funded when required. If any portion of the Debt Financing becomes unavailable in the manner or from the sources contemplated in the Debt Commitment Letter, A&W Food Services shall use reasonable commercial efforts to arrange and obtain, as promptly as practicable, alternative financing from alternative sources in an amount not less, nor materially more, than the committed amount under the Debt Commitment Letter and on a basis that is not subject to any new or additional conditions precedent not contained in the Debt Commitment Letter and otherwise on terms and conditions not materially less favourable from the perspective of the Fund and A&W Food Services than the terms and conditions contained in the Debt Commitment Letter. If all of the conditions to the Combination Agreement have been satisfied or waived and neither the Debt Financing nor alternative financing is obtained, the Combination Agreement may be terminated by the Fund or A&W Food Services, provided that a party may not terminate the Combination Agreement if such failure to obtain the financing has been caused by or is a result of a breach by such party of any its representations or warranties or the failure to perform any of its covenants or agreements under the Combination Agreement.

The Credit Agreement will contain certain restrictive covenants that will place restrictions on, among other things, the ability of A&W Food Services NewCo to: (a) grant or allow any liens or debt, or provide any financial assistance, other than certain customary permitted liens, debt and financial assistance to be provided for in the Credit Agreement or (b) sell substantially all of the assets of A&W Food Services NewCo and its subsidiaries. The Credit Agreement will also contain customary financial covenants, including, among other things, requiring A&W Food Services NewCo to maintain a ratio of EBITDA to total cash interest expense measured quarterly on a trailing four quarters basis of not less than 2.50:1 in any fiscal quarter. A failure to comply with the obligations under the Credit Agreement could result in an event of default which, if not cured or waived, could permit acceleration of the relevant indebtedness.

Intention of Supporting Investors

Each of the Trustees and the Chief Executive Officer, the Chief Financial Officer and the Secretary of the Fund, and certain shareholders of A&W Food Services have entered into Support and Voting Agreements agreeing to, among other things, vote their Units in favour of the Arrangement Resolution and take certain other actions required to implement the Transaction. A&W Food Services has also agreed to vote all of its Limited Voting Units and Exchangeable Securities in favour of the Arrangement Resolution. Together, this represents an aggregate of approximately 32.2% of the issued and outstanding Trust Units as of the Record Date on a fully-diluted basis.

Required Unitholder Approvals

At the Meeting, Unitholders will be asked to consider and, if deemed advisable, pass the Arrangement Resolution to approve the Transaction. The Arrangement Resolution, if passed, will constitute a “Special Resolution” within the meaning of the Declaration of Trust, which is required pursuant to the Declaration of Trust and the Interim Order in order for the Fund to effect the Transaction and the Declaration of Trust Amendment and authorize TMI and TradeMarks LP to implement the Pre-Arrangement reorganization. The complete text of the Arrangement Resolution is set forth in Appendix A to this Circular.

In order to become effective, the Arrangement Resolution must be approved by at least (a) two thirds (66 2/3%) of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting and (b) a simple majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting, excluding the Excluded Votes required to be excluded for the purposes of “minority approval” under MI 61-101 (“**Minority Approval**”). Each Unit and Limited Voting Unit entitles its holder to one vote with respect to the matters to be voted on at the Meeting. Each Exchangeable Security entitles its holder to one vote for each Trust Unit they would receive upon conversion or exchange of the Exchangeable Security with respect to the matters to be voted on at the Meeting.

To the knowledge of the Fund and A&W Food Services, the Excluded Votes which will be excluded from the calculation of Minority Approval required under MI 61-101, represent an aggregate of 564,569 Units, representing approximately 3.9% of the issued and outstanding Units as of the Record Date. In addition, the Limited Voting Units and Exchangeable Securities, all of which are held by A&W Food Services, are not included for purposes of determining Minority Approval. See “*Certain Legal Matters – Securities Laws Matters – Application of MI 61-101*”.

Notwithstanding the approval by the Unitholders of the Arrangement Resolution in accordance with the foregoing, the Arrangement Resolution authorizes the Board and officers of the Fund, without notice to or approval of the Unitholders, (a) to

amend, modify or supplement the Combination Agreement or the Plan of Arrangement to the extent permitted by their terms, and (b) subject to the terms of the Combination Agreement, not to proceed with the Arrangement, the Pre-Arrangement Reorganization and any related transactions.

Court Approval

Interim Order

The Transaction requires approval by the Court under Section 192 of the CBCA. Prior to the mailing of this Circular, the parties obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters, including, but not limited to: (a) the required approvals of Unitholders, (b) the Dissent Rights, (c) the notice requirements with respect to the presentation of the application to the Court for the Final Order, (d) the ability of the Fund to adjourn or postpone the Meeting from time to time in accordance with the terms of the Combination Agreement without the need for additional approval of the Court and (e) the Record Date for the Meeting, including that the Record Date will not change in respect or as a consequence of any adjournment(s) or postponement(s) of the Meeting. A copy of the Interim Order as issued is attached as Appendix D to this Circular.

Final Order

Subject to the terms of the Combination Agreement, following the approval of the Arrangement Resolution by Unitholders, the parties will make an application to the Court for the Final Order. The application for the Final Order approving the Transaction is expected to be heard before the Ontario Superior Court of Justice (Commercial List) on October 11, 2024 at 12:00 p.m. (Toronto Time), or as soon as counsel may be heard, by videoconference, via a link to be provided by the Court at a later date (the "**Final Hearing**"). A copy of the Notice of Application for the Final Order is set forth in Appendix E to this Circular. Any Unitholder and any other interested party who wishes to participate, be represented, or present evidence or argument at the Final Hearing may do so, subject to filing a notice of appearance as set out in the Notice of Application and satisfying certain other requirements as set out in the Interim Order, as soon as practicable, and, in any event, prior to October 9, 2024, at 12:00 p.m. (Toronto Time).

At the Final Hearing, the Court will consider, among other things, the procedural and substantive fairness of the Transaction. The Court may approve the Transaction in any manner the Court may direct and determine appropriate, subject to compliance with such terms and conditions, if any, as the Court deems fit. In the event that the Final Hearing is postponed, adjourned or rescheduled, then, subject to any further order of the Court, only those persons having previously served a notice of appearance in compliance with the Notice of Application and the Interim Order will be given notice of the postponement, adjournment or rescheduled date.

TSX Approval

The conditional approval of the TSX for the listing and posting for trading on the TSX of the A&W Food Services NewCo Shares, subject only to the compliance with the customary requirements (including customary post-closing deliveries) of the TSX, as the case may be, is a condition to the completion of the Transaction. A&W Food Services NewCo has applied to have the A&W Food Services NewCo Shares listed on the TSX. Listing is subject to the approval of the TSX in accordance with its original listing requirements. The TSX has not conditionally approved A&W Food Services NewCo's listing application and there is no assurance that the TSX will do so.

Subject to the approval of the TSX, it is expected that (a) the Units will be delisted from the TSX after the close of business on the Effective Date, (b) the A&W Food Services NewCo Shares will be listed (but not yet posted for trading) after the close of business on the Effective Date, and (c) the A&W Food Services NewCo Shares will be posted and begin trading on the Business Day immediately following the Effective Date. The Fund and A&W Food Services will issue a press release after the Final Order is obtained specifying the scheduled Effective Date and Effective Time.

Competition Act Clearance

The Transaction is a "notifiable transaction" for the purposes of Part IX of the Competition Act. When a transaction is a notifiable transaction under the Competition Act, certain prescribed information must be provided to the Commissioner of Competition under Part IX of the Competition Act and the Commissioner of Competition must review and clear the transaction. In particular, the Transaction may not be completed until either: (a) both (i) the expiry or termination of the applicable waiting period under Section 123 of the Competition Act, or the Commissioner has waived compliance with Part IX of the Competition Act under Section 113(c) of the Competition Act and, (ii) unless waived in writing by A&W Food Services, the Commissioner of Competition has advised A&W Food Services in writing that he does not intend, at such time, to make an application for an order under Section 92 of the Competition Act ("**No Action Letter**") and the Commissioner of Competition has not amended or rescinded that notice; or (b) the Commissioner of Competition has issued an advance ruling certificate under section 102 of the Competition Act ("**ARC**") with respect to the Transaction.

The Commissioner of Competition may, upon application by the parties to a proposed transaction, issue an ARC where he is satisfied that he would not have sufficient grounds on which to apply to the Competition Tribunal for an order under Section 92 of the Competition Act. Where the Commissioner of Competition declines to issue an ARC, he may instead issue a No Action Letter confirming that he does not intend to make an application under Section 92 of the Competition Act in respect of the transaction.

On July 25, 2024, A&W Food Services requested that the Commissioner of Competition issue an ARC, or alternatively, a No Action Letter and a waiver of the pre-merger notification requirement pursuant to Section 113(c) of the Competition Act in respect of the Transaction.

On August 2, 2024, the Commissioner of Competition issued an ARC pursuant to Section 102 of the Competition Act in respect of the transactions contemplated by the Combination Agreement. Receipt of this ARC satisfies the Competition Act clearance condition to closing of the Transaction under the Combination Agreement.

PROCEDURE FOR EXCHANGE OF UNITS, ELECTIONS AND PAYMENT OF CONSIDERATION

Letter of Transmittal and Election Form

A Letter of Transmittal and Election Form has been mailed, together with this Circular, to each person who was a Registered Unitholder on the Record Date. Each Registered Unitholder must forward a properly completed and signed Letter of Transmittal and Election Form, with accompanying certificate(s) or direct registration statement(s) representing their Units, in order to receive the consideration and any other entitlements to which such Unitholder is entitled under the Transaction, including the Accrued Distribution. It is recommended that Registered Unitholders complete, sign and return the Letter of Transmittal and Election Form with accompanying certificate(s) or direct registration statement(s) representing the Units to the Depositary as soon as possible. If you are Beneficial Unitholder, you should contact your Intermediary for instructions and assistance and carefully follow any instructions provided to you by such Intermediary.

If you are a Registered Unitholder, to make a valid Election as to the form of consideration that you wish to receive under the Transaction, and, if applicable, to be able to make a Section 85 Election, you must sign the Letter of Transmittal and Election Form and make a proper Election thereunder and return it with the accompanying certificate(s) or direct registration statement(s) representing the Units to the Depositary prior to the Election Deadline, being 5:00 p.m. (Vancouver Time) on October 4, 2024 (or if the Meeting is adjourned or postponed, prior to 5:00 p.m. (Vancouver Time) on the date that is two Business Days prior to the date of the adjourned or postponed Meeting). If a valid election is not made by the Election Deadline, Unitholders will be deemed to have made a Share Election to receive the Share Consideration for each Unit held, or, only to the extent of any deemed Cash Election as a result of proration (as further described below), the Cash Consideration, and will not be able to make a Section 85 Election to receive any Share Consideration on a tax-deferred basis.

If you are a Beneficial Unitholder, you will not receive a Letter of Transmittal and Election Form and you should contact your Intermediary for instructions and assistance and carefully follow any instructions provided to you by such Intermediary. Your Intermediary is required to seek your instructions with respect to your Election as to the form of consideration you wish to receive, and, if applicable, to make a Section 85 Election. Please follow the instructions provided by your Intermediary for assistance in making an Election with respect to the form of consideration you wish to receive, and, if applicable, to make a Section 85 Election. If you are a Beneficial Unitholder, your Intermediary may require that you complete your elections at a date and time earlier than 5:00 p.m. (Vancouver Time) on October 4, 2024.

The Letter of Transmittal and Election Form contains procedural information relating to the Transaction and should be reviewed carefully. The tendering of a Letter of Transmittal and Election Form will constitute a binding agreement between the Fund, A&W Food Services NewCo and the Unitholder upon the terms and subject to the conditions of the Letter of Transmittal and Election Form and the Transaction.

All questions as to validity, form, eligibility (including timely receipt) and acceptance of any Units deposited pursuant to the Combination Agreement will be determined by the Depositary and, prior to the Effective Time, the Fund and A&W Food Services, or, after the Effective Time, A&W Food Services NewCo. Depositing Unitholders agree that such determination will be final and binding. The Fund, A&W Food Services, and, after the Effective Time, A&W Food Services NewCo reserve the absolute right to reject any and all deposits which it determines not to be in proper form and to waive any defect or irregularity in the deposit of any Units.

The method of delivery of certificate(s) or direct registration statement(s) representing Units and all other required documents is at the option and risk of the person depositing the same. The Fund recommends that such documents be delivered by hand to the Depositary and a receipt be obtained or, if mailed, that registered mail with return receipt requested be used and that appropriate insurance be obtained. If Units are forwarded separately in multiple deliveries to the Depositary, a properly completed and duly executed Letter of Transmittal and Election Form (or a manually signed facsimile copy thereof) must accompany each such delivery.

Available Elections

Consideration Election

The Transaction provides a choice of consideration, subject to proration. Each Unitholder who has not exercised Dissent Rights may elect to receive either: (a) the Cash Consideration in respect of each Unit held by such Unitholder (such election being a “**Cash Election**”), the aggregate amount of which Cash Consideration to be paid in respect of such Units being subject to proration (as further described below); (b) the Share Consideration in respect of each Unit held by such Unitholder (such election being a “**Share Election**”), the aggregate amount of which Share Consideration to be paid in respect of such Units being subject to proration (as further described below); or (c) the Combination Consideration in respect of each Unit held by such Unitholder (such election being a “**Combination Election**”).

If a valid election is not made by the Election Deadline, Unitholders will be deemed to have made a Share Election to receive the Share Consideration for each Unit held, or, only to the extent of any deemed Cash Election as a result of proration (as further described below), the Cash Consideration.

Section 85 Election

Each Unitholder that is an Eligible Holder who has made or is deemed (as a result of the proration as further described below) to have made either a Share Election or a Combination Election has the opportunity to make a joint income tax election with A&W Food Services NewCo, pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax Law) (a “**Section 85 Election**”).

In order to make the Section 85 Election, an electing Unitholder that is an Eligible Holder must deposit with the Depository, prior to the Election Deadline, a duly completed and executed Letter of Transmittal and Election Form indicating such Unitholder’s intention to make a Section 85 Election (including with respect to any Units subject to a deemed Share Election pursuant to proration as further described below), together with any certificate(s) or direct registration statement(s) representing the Units held by such electing Unitholder and such additional documents and instruments as the Depository or A&W Food Services NewCo may reasonably require.

Any Unitholder that is an Eligible Holder who does not indicate their intention to make a Section 85 Election (including with respect to Units subject to a deemed Share Election pursuant to the proration mechanics as further described below) in a Letter of Transmittal and Election Form before the Election Deadline will not be able to make a Section 85 Election to receive its A&W Food Services NewCo Shares on a tax-deferred basis.

For purposes of ensuring that each Section 85 Electing Unitholder may file a valid Section 85 Election in respect of each Unit transferred pursuant to the Plan of Arrangement, each Section 85 Electing Unitholder receiving both Cash Consideration and Share Consideration shall be deemed to have received partial Cash Consideration and partial Share Consideration (in the same proportions as the total consideration received by such Unitholder pursuant to the Plan of Arrangement) in respect of each Unit so transferred to A&W Food Services NewCo.

An Eligible Holder who has indicated their intention to make a Section 85 Election, as described above, shall provide two signed copies of the necessary joint election forms to an appointed representative, as directed by A&W Food Services NewCo, by the earlier of (a) the date that is 45 days after the Effective Date and (b) December 10, 2024 (such earlier date “**Section 85 Election Deadline Date**”), duly completed with the details of the number of Units transferred and the applicable agreed amounts for the purposes of such joint elections. A&W Food Services NewCo shall, within 30 days after receiving the completed joint election forms from an Eligible Holder, and subject to such joint election forms being correct and complete and in compliance with requirements imposed under the Tax Act (or applicable provincial income tax law), sign and return them to such Eligible Holder for filing with the CRA (or the applicable provincial tax authority). Neither the Fund, A&W Food Services NewCo nor any successor corporation shall be responsible for the proper completion of any joint election form nor, for any taxes, interest or penalties resulting from the failure of an Eligible Holder to properly complete or file such joint election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, A&W Food Services NewCo or any successor corporation may choose to accept, sign and return a joint election form received by it after the Section 85 Election Deadline Date, but will have no obligation to do so.

Upon receipt of a Letter of Transmittal and Election Form in which an Eligible Holder has indicated that such Eligible Holder intends to make a Section 85 Election, A&W Food Services will promptly deliver a tax instruction letter (and a tax instruction letter for the equivalent Quebec election, if applicable), together with the relevant tax election forms (including the Quebec tax election forms, if applicable), to the Eligible Holder.

Proration

Cash Proration

The maximum aggregate amount of cash consideration to be paid to the Unitholders in connection with the Transaction is \$175,623,534.00 (the "**Maximum Cash Consideration**"). In the event that the aggregate amount of cash consideration that would otherwise be payable to the Unitholders but for the proration (the "**Total Elected Cash Consideration**") exceeds the Maximum Cash Consideration, then the aggregate amount of cash to be paid to Cash Electing Unitholders will be determined by multiplying the aggregate amount of cash that would, but for the application of the proration, be paid to such Cash Electing Unitholders by the Cash Pro-Ration Factor; and such Cash Electing Unitholder will be deemed to have made (a) the Cash Election for such number of his, her or its Units, rounded down to the nearest whole number, as is equal to the aggregate amount of cash to be paid to such Cash Electing Unitholder, as adjusted pursuant to the proration, divided by the Cash Consideration, and (b) the Share Election for the remainder of his, her or its Units for which, but for the proration, such Cash Electing Unitholder would otherwise have received the Cash Consideration. Unitholders electing Combination Consideration will not be subject to such proration.

Share Proration

The maximum aggregate amount of A&W Food Services NewCo Shares to be paid to Unitholders in connection with the Transaction is 9,839,091 (the "**Maximum Share Consideration**"). In the event that the aggregate amount of consideration that would otherwise be payable in A&W Food Services NewCo Shares to the Unitholders but for the proration (the "**Total Elected Share Consideration**") exceeds the Maximum Share Consideration, then the aggregate number of A&W Food Services NewCo Shares to be paid to Share Electing Unitholders will be determined by multiplying the aggregate number of A&W Food Services NewCo Shares that would, but for the proration, be paid to such Share Electing Unitholder by the Share Pro-Ration Factor; and such Share Electing Unitholder will be deemed to have made (a) the Share Election for such number of his, her or its Units, rounded down to the nearest whole number, as is equal to the aggregate number of A&W Food Services NewCo Shares to be delivered to such Share Electing Unitholder, as adjusted pursuant to the proration, divided by the Share Consideration, and (b) the Cash Election for the remainder of his, her or its Units for which, but for the proration, such Share Electing Unitholder would otherwise have received the Share Consideration. Unitholders electing Combination Consideration will not be subject to such proration.

Delivery of Consideration

Prior to the filing of the Articles of Arrangement, (a) A&W Food Services will deposit or arrange to be deposited with the Depository and for the benefit of Unitholders (i) sufficient funds and (ii) an irrevocable treasury direction for the issuance of a sufficient number of A&W Food Services NewCo Shares, in each case, to satisfy the aggregate consideration payable to Unitholders pursuant to the Plan of Arrangement, and (b) the Fund will deposit or arrange to be deposited with the Depository for the benefit of Unitholders sufficient cash to satisfy the Accrued Distribution payable to Unitholders pursuant to the Plan of Arrangement. The funds and treasury direction will be held by the Depository in escrow on terms and conditions satisfactory to the Fund and A&W Food Services, each acting reasonably.

In accordance with the timing set out in the Plan of Arrangement, the Depository will, in the case of the Unitholders entitled to Cash Consideration or Combination Consideration (but only in respect of the cash component of the Combination Consideration) and any other entitlements under the Transaction, including the Accrued Distribution, cause individual cheques (or, if required by applicable Law, wire transfers) and, in the case of the Unitholders entitled to the Share Consideration or the Combination Consideration (but only in respect of the component of the Combination Consideration consisting of A&W Food Services NewCo Shares), cause certificates or direct registration statements representing the A&W Food Services NewCo Shares, to be sent to those persons who have deposited a Letter of Transmittal and Election Form, duly completed and executed in the manner described therein, together with the certificate(s) or direct registration statement(s) representing such Unitholders' Units, and accompanied by such other documents and instruments as A&W Food Services NewCo or the Depository may reasonably require, in each case, less any amounts withheld for Taxes as described below.

It is expected that Beneficial Unitholders will have their brokerage accounts credited with the consideration and other amounts payable to them in connection with the Transaction. If you are a Beneficial Unitholder you should contact your Intermediary for more information.

In the event of the surrender of a certificate or direct registration statement of Units that is not registered in the transfer records of the Fund under the name of the person surrendering such certificate or direct registration statement, the consideration to which the registered holder is entitled pursuant to the Plan of Arrangement shall be paid to such a transferee if such certificate or direct registration statement is presented to the Depository and such certificate or direct registration statement is duly endorsed or is accompanied by all documents required to evidence and effect such transfer and to evidence to the satisfaction of A&W Food Services NewCo that (a) any applicable stock transfer Taxes or any other similar Taxes required by reason of such payments being made in a name other than the registered holder have been paid or (b) no such Taxes are payable.

From and after the Effective Time, Unitholders will cease to have any rights as Unitholders, other than the right to receive, in the case of each Dissenting Unitholder, the fair value of the Units as determined under the Plan of Arrangement, and in the case of each other Unitholder, the consideration that the former Unitholder is entitled to in accordance with the terms of the Plan of Arrangement, including the Accrued Distribution, less any amounts withheld for Taxes as described below, upon such former Unitholder depositing with the Depositary the Letter of Transmittal and Election Form duly executed and completed and the certificate(s) or direct registration statement(s) and such other documents and instruments as A&W Food Services NewCo or the Depositary may reasonably require, subject to compliance with the Plan of Arrangement. In addition, as of the applicable time specified in the Plan of Arrangement, the Unitholders will cease to be holders of Units.

Until surrendered to the Depositary, each certificate or direct registration statement that immediately prior to the Effective Time represented Units, shall be deemed after the Effective Time to represent only the right to receive upon such surrender the consideration in lieu of such certificate or direct registration statement as contemplated by the Plan of Arrangement, including the Accrued Distribution, less any amounts withheld for Taxes as described below. Any such certificate or direct registration statement formerly representing Units that were transferred pursuant to the Plan of Arrangement, and not duly surrendered with all other instruments required by the Depositary and A&W Food Services NewCo, on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former Unitholder of any kind or nature in the consideration or against or in the Fund or A&W Food Services NewCo or any of their respective affiliates. On such date, all consideration to which such former Unitholder was entitled shall be deemed to have been surrendered to A&W Food Services NewCo or the Fund, as applicable, and the cash amount forming part of such consideration shall be paid or returned over by the Depositary to A&W Food Services NewCo or as directed by A&W Food Services NewCo and A&W Food Services NewCo Shares forming part of such consideration shall be returned over by the Depositary to A&W Food Services NewCo, cancelled by A&W Food Services NewCo or acquired by A&W Food Services NewCo for no consideration (in the sole discretion of A&W Food Services NewCo).

Any payment made by way of cheque by the Depositary that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Units pursuant to the Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to A&W Food Services NewCo or the Fund, as applicable, for no consideration.

No holder of Units shall be entitled to receive any consideration with respect to such Units other than any consideration to which such holder is entitled to receive in accordance with the Plan of Arrangement (including the Accrued Distribution) less any amount withheld for Taxes as described below and, for greater certainty, subject to the following, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith. Other than the Accrued Distribution, no dividends or other distributions declared or made after the Effective Time with respect to Units with a record date after the Effective Time shall be delivered to the former Unitholders which immediately prior to the Effective Time owned outstanding Units that were transferred pursuant to the Plan of Arrangement. All dividends and distributions made after the Effective Time with respect to any A&W Food Services NewCo Shares allotted and issued pursuant to the Plan of Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the holder of such A&W Food Services NewCo Shares. All monies received by the Depositary shall be invested by it in interest bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. Subject to the Plan of Arrangement, the Depositary shall pay and deliver to any such holder, as soon as reasonably practicable after application therefor is made by such holder to the Depositary in such form as the Depositary may reasonably require, such dividends and distributions and any interest thereon to which such holder is entitled pursuant to the Plan of Arrangement, net of any applicable withholding and other Taxes.

Notwithstanding anything to the contrary in the Plan of Arrangement, if the Fund has declared any distribution on the Units with a record date that occurs prior to the Effective Date, but for which payment has not been made prior to the Effective Date, the Unitholders of record on the record date for such distribution shall remain entitled to receive payment of such distribution on or after the Effective Date in accordance with the Declaration of Trust.

No Fractional Shares and Rounding of Cash

In no event shall any Unitholder receiving A&W Food Services NewCo Shares pursuant to the Plan of Arrangement be entitled to a fractional A&W Food Services NewCo Share. Where the aggregate number of A&W Food Services NewCo Shares to be issued to a Unitholder as consideration pursuant to the Plan of Arrangement would result in a fraction of an A&W Food Services NewCo Share being issuable, then the number of A&W Food Services NewCo Shares to be issued to such Unitholder shall be rounded down to the nearest whole number. In any case where the aggregate cash amount payable to a particular Unitholder under the Plan of Arrangement would include a fraction of a cent, the amount payable will be rounded down to the nearest whole cent.

Lost Certificates

In the event that any certificate or direct registration statement which immediately prior to the Effective Time represented one or more outstanding Units that were transferred pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Unitholder claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, the consideration deliverable in accordance with such Unitholder's duly completed and executed Letter of Transmittal and Election Form. When authorizing such payment or delivery in exchange for any lost, stolen or destroyed certificate, the Unitholder to whom such consideration is to be delivered shall as a condition precedent to the delivery of such consideration, give a bond satisfactory to A&W Food Services NewCo and the Depositary (each acting reasonably) in such sum as A&W Food Services NewCo may direct (acting reasonably), or otherwise indemnify A&W Food Services NewCo and the Fund and their respective affiliates in a manner satisfactory to A&W Food Services NewCo and the Fund, each acting reasonably, against any claim that may be made against A&W Food Services NewCo and the Fund or their respective affiliates with respect to the certificate alleged to have been lost, stolen or destroyed.

Withholding Rights

A&W Food Services NewCo, the Fund, the Depositary and any other person that has any withholding obligation with respect to any amount or consideration paid or deemed paid pursuant to the Plan of Arrangement, as applicable, shall be entitled to deduct and withhold or direct A&W Food Services NewCo, the Fund or the Depositary to deduct and withhold on their behalf, from any amount or consideration otherwise payable or deliverable to any person under the Plan of Arrangement, such amounts as A&W Food Services NewCo, the Fund, the Depositary or such person, as applicable, are required to deduct and withhold, or reasonably believe to be required to deduct and withhold, from such amount otherwise payable or deliverable under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the amount or consideration otherwise payable or deliverable pursuant to the Plan of Arrangement and shall be treated for all purposes under the Plan of Arrangement as having been paid to the person in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Authority.

KEY AGREEMENTS RELATING TO THE TRANSACTION

Combination Agreement

The Transaction will be carried out pursuant to the terms of the Combination Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Combination Agreement. This summary does not purport to be complete and may not contain all of the information about the Combination Agreement that is important to Unitholders. The following summary is qualified in its entirety by reference to the Combination Agreement, a copy of which is available under the Fund's SEDAR+ profile at www.sedarplus.ca, and to the Plan of Arrangement, which is attached as Appendix B. The rights and obligations of the parties to the Combination Agreement (the "**Parties**" and each a "**Party**") are governed by the express terms and conditions of the Combination Agreement and not by this summary or any other information contained in this Circular.

Representations and Warranties of the Parties

The Combination Agreement contains representations and warranties made by the AWFS Entities and the Fund. Such representations and warranties were made by such Parties for the purposes of the Combination Agreement and are subject, in some cases, to specified exceptions and qualifications agreed to by the Parties as set forth in the Combination Agreement. In addition, certain representations and warranties were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to Unitholders, or may have been used for the purposes of allocating risks between the Parties rather than for the purpose of establishing facts. Moreover, information concerning the subject matter of the representations and warranties may have changed since the date of the Combination Agreement and do not purport to be accurate as of the date of this Circular and subsequent developments or new information qualifying a representation or warranty may not have been included in this Circular.

The representations and warranties of the Fund relate to the following: formation and status; Subsidiaries; capitalization; due authorization; validity of agreement; no other obligations to issue securities; Securities Laws matters; financial information; litigation; the absence of undisclosed liabilities; indebtedness; employee plans; tax status; the absence of unusual transactions and events; intellectual property rights; whistleblower reporting; anti-corruption; money laundering; the absence of any Fund Material Adverse Change; and brokers' or finders' fees.

The representations and warranties of A&W Food Services relate to the following: formation and status; corporate power and due authorization; capitalization; Subsidiaries; shareholders' and similar agreements; validity of agreement; required authorizations; approvals and consents; residence; insurance; franchise matters; compliance with Laws; whistleblower reporting; anti-corruption; money laundering; financial statements; litigation and other proceedings; the absence of undisclosed liabilities; indebtedness; the absence of unusual transactions and events; non-arm's length transactions; the absence of any default under material agreements; real property; title to assets; sufficiency of assets; environmental matters; Tax matters;

employment matters; employee plans; permits and registrations; restrictions on business; corporate records; suppliers and franchisees; intellectual property rights; information technology; data security and privacy requirements; the absence of any AWFS Material Adverse Change; brokers' or finders' fees; the Debt Financing; food and safety regulatory Laws; the A&W Food Services NewCo Shares issuable to Unitholders in the Transaction; and Securities Laws matters.

The representations and warranties of the other AWFS Entities relate to the following: incorporation and status; corporate power and due authorization; capitalization; Subsidiaries; shareholders' and similar agreements; validity of agreement; required authorizations; approvals and consents; residence; litigation and other proceedings; the absence of liabilities; assets; prior operations; corporate records; Taxes; and brokers' or finders' fees.

For purposes of the Combination Agreement, the representations and warranties of each of the Parties to the Combination Agreement will expire upon the Effective Time and, accordingly, none of the Parties are entitled to seek indemnification for breaches of representations and warranties that are discovered following the Effective Time. However, pursuant to the Support and Voting Agreements, the representations and warranties of the AWFS Entities (other than A&W Food Services) are deemed to survive the Effective Time for a period of 12 months to support certain indemnification rights of the Fund and A&W Food Services NewCo under the Support and Voting Agreements against Supporting Investors who have a direct or indirect interest in the applicable AWFS Entities (other than A&W Food Services). See "*Key Agreements Relating to the Transaction – Support and Voting Agreements*".

Conditions Precedent to the Consummation of the Combination Agreement

Mutual Conditions Precedent

The obligations of the Parties to complete the transactions contemplated by the Combination Agreement, including the Arrangement, are subject to the fulfillment, on or before the Effective Time, of each of the following conditions precedent, each of which may be waived, in whole or in part, only with the mutual consent of the Parties:

- (a) the Arrangement Resolution shall have received Unitholder approval, including the Minority Approval, at the Meeting in accordance with the conditions imposed by the Interim Order;
- (b) the Interim Order and the Final Order shall each have been obtained in form and on terms satisfactory to each of the Fund and A&W Food Services, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to the Fund and A&W Food Services, acting reasonably, on appeal or otherwise;
- (c) no Law shall be in effect that makes the consummation of the Pre-Arrangement Reorganization or the Arrangement illegal or restrains, enjoins or otherwise prohibits the Parties from consummating the Pre-Arrangement Reorganization or the Arrangement;
- (d) the Court approval, conditional approval of the TSX for the listing and posting for trading on the TSX of the A&W Food Services NewCo Shares and clearance under the Competition Act shall each have been obtained and be in full force and effect; and
- (e) the Investor Rights Agreement shall have been executed by the parties thereto.

Additional Conditions Precedent to the Obligations of the Fund

The obligation of the Fund to complete the Pre-Arrangement Reorganization and the Arrangement pursuant to the Combination Agreement is subject to the satisfaction of, or compliance with, at or prior to the Effective Time, each of the following conditions (each of which is for the exclusive benefit of the Fund and may be waived by the Fund at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that the Fund may have):

- (a) (1) The representations and warranties of the AWFS Entities relating to (i) formation and status, (ii) corporate power and due authorization, (iii) capitalization, (iv) Subsidiaries, (v) shareholders' and similar agreements, (vi) validity of agreement, (vii) residence, (viii) brokers' or finders' fees, (ix) the A&W Food Services NewCo Shares issuable to Unitholders in the Transaction and (x) the absence of liabilities of the AWFS Entities other than A&W Food Services shall be true and correct in all respects (except for de minimis inaccuracies) at the date of the Combination Agreement and at the Effective Time as though made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date); (2) the other representations and warranties of the AWFS Entities set forth in the Combination Agreement shall be true and correct at the date of the Combination Agreement and at the Effective Time as though made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except in the case of clause (2), to the extent that the failure or failures of such representations and warranties to be so true and correct (and,

for this purpose, determined without regard to any qualification by any of the terms “material”, “AWFS Material Adverse Effect” or other concepts of materiality in such representations and warranties), has not had and would not have an AWFS Material Adverse Effect; and (3) each of the covenants contained in the Combination Agreement to be performed by the AWFS Entities at or prior to the Effective Time shall have been performed in all material respects. The Fund shall have received certificates confirming the foregoing, signed for and on behalf of AWFS Entities by senior officers of A&W Food Services or other Persons acceptable to the Fund (but without personal liability) in form and substance satisfactory to the Fund, acting reasonably.

- (b) No AWFS Material Adverse Effect shall have occurred since the date of the Combination Agreement.

Additional Conditions Precedent to the Obligations of the AWFS Entities

The obligation of the AWFS Entities to complete the Pre-Arrangement Reorganization and the Arrangement pursuant to the Combination Agreement is subject to the satisfaction of, or compliance with, at or prior to the Effective Time, each of the following conditions (each of which is for the exclusive benefit of the AWFS Entities and may be waived by A&W Food Services, on behalf of the AWFS Entities, at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that the AWFS Entities may have):

- (a) (1) The representations and warranties of the Fund relating to (i) formation and status, (ii) Subsidiaries, (iii) capitalization, (iv) due authorization, (v) validity of agreement, (vi) tax status and (vii) brokers' or finders' fees shall be true and correct in all respects (except for de minimis inaccuracies) at the date of the Combination Agreement and at the Effective Time as though made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date) (2) the other representations and warranties of the Fund set forth in the Combination Agreement being true and correct at the date of the Combination Agreement and at the Effective Time as though made at such time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except in the case of clause (2), to the extent that the failure or failures of such representations and warranties to be so true and correct (and, for this purpose, determined without regard to any qualification by any of the terms “material”, “Fund Material Adverse Effect” or other concepts of materiality in such representations and warranties), has not had and would have a Fund Material Adverse Effect; and (3) each of the covenants contained in the Combination Agreement to be performed by the Fund at or prior to the Effective Time shall have been performed in all material respects. A&W Food Services shall have received a certificate confirming the foregoing, signed for and on behalf of the Fund by a Trustee or other Persons acceptable to A&W Food Services (but without personal liability), in form and substance satisfactory to A&W Food Services, acting reasonably.
- (b) No Fund Material Adverse Effect shall have occurred since the date of the Combination Agreement.

Covenants

The Combination Agreement contains negative and affirmative covenants of each Party, including those described below.

General

The Parties have each given in favour of the other Parties usual and customary mutual covenants for an agreement in the nature of the Combination Agreement, including, among others, mutual covenants to, until the earlier of the Effective Time and the time that the Combination Agreement is terminated in accordance with its terms: (a) conduct its business and operations in the ordinary course of business, consistent with past practice, and in accordance with Law, use commercially reasonable efforts to maintain and preserve each of its own and its Subsidiaries' business, organization, assets, properties, employees, franchisees, goodwill, and business relationships with customers, suppliers, partners, franchisees, as applicable, and others with which it or any of its Subsidiaries have business relations, and to not engage in certain kinds of transactions or take certain actions during such period unless (i) consented to in writing by the other Parties (such consent not to be unreasonably withheld, delayed or conditioned), (ii) expressly required or permitted by the Combination Agreement (including in connection with the Pre-Arrangement Reorganization), (iii) as required by Law or (iv) in the case of the AWFS Entities, as contemplated in the Disclosure Letter; (b) use their respective commercially reasonable efforts to satisfy or cause the satisfaction of the conditions precedent to their respective obligations under the Combination Agreement to the extent they are within such Party's control; and (c) perform all obligations required to be performed by such Party or any of its Subsidiaries under the Combination Agreement, and to co-operate with the other Parties in connection therewith, and do or cause to be done all such further acts and things as may be necessary or reasonably desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Combination Agreement.

The Parties have agreed to notify each other in writing of (a) any Fund Material Adverse Effect or AWFS Material Adverse Effect, as applicable; (b) any material notice or other communication from any Person alleging that the consent (or waiver,

permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with the Combination Agreement or the Transaction; (c) any material notice or other communication from any Person to the effect that such Person is terminating or otherwise materially adversely modifying its relationship with any Party or any of their respective Subsidiaries as a result of the Combination Agreement or the Transaction; or (d) any filings, actions, suits, claims, investigations or proceedings commenced or, to the knowledge of any Party, threatened against, relating to or involving any Party or any of their respective Subsidiaries that are material to any Party and its Subsidiaries, taken as a whole, or that relate to the Combination Agreement or the Transaction.

A&W Food Services has agreed not to transfer any Trust Units or Exchangeable Securities held by it, and shall vote all Trust Units and Exchangeable Securities held by it in favour of the Arrangement Resolution and against any resolution submitted by any Unitholder that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by the Combination Agreement.

The AWFS Entities (other than A&W Food Services) have agreed not to, and have agreed to cause their respective Subsidiaries not to, conduct any business or operations, acquire any assets (other than cash), enter into any contract or incur any liability or obligation of any nature (whether known or unknown and whether absolute, accrued, contingent, or otherwise), nor any outstanding commitments or obligations of any kind, in each case other than the dividend or distribution of any cash on hand and the incurrence of *de minimis* corporate maintenance expenditures.

Covenants Regarding Dividends and Distributions

A&W Food Services has agreed not to pay any dividend or distribution, other than (a) dividends or distributions of cash received from dividends and distributions paid to A&W Food Services by the Fund and TMI after the date of the Combination Agreement and (b) an additional cash dividend or distribution payable prior to the Effective Date in an aggregate amount of \$10,000,000 as part of the Pre-Arrangement Reorganization.

The Fund has agreed not to pay any distributions, except that the Fund is not prevented from declaring or paying its monthly cash distributions in respect of its Trust Units or the Accrued Distribution as set forth in and pursuant to the Plan of Arrangement and provided further that TMI and TradeMarks LP are not prevented from paying dividends or distributions to their shareholders or partners, as applicable.

Covenants Regarding Required Regulatory Approvals

The AWFS Entities have agreed to apply for and use commercially reasonable efforts to obtain and maintain in force the conditional approval of the TSX for the listing and posting for trading on the TSX of the A&W Food Services NewCo Shares. Subject to Securities Laws, the Fund has agreed to use commercially reasonable efforts to cause the Units to be de-listed from the TSX with effect prior to or as promptly as practicable following the acquisition by A&W Food Services NewCo of the Units pursuant to the Arrangement.

The Combination Agreement also provides that the Parties shall, and shall cause each of their respective Affiliates to, cooperate in good faith and use commercially reasonable efforts to promptly and expeditiously take all steps to obtain the Interim Order, the Final Order, the conditional approval of the TSX for the listing and posting for trading on the TSX of the A&W Food Services NewCo Shares and clearance under the Competition Act in order to permit the Effective Date to occur at the earliest possible date and in any event prior to the Outside Date. Any governmental filing fees incurred in connection with such approvals shall be borne by A&W Food Services.

Pre-Arrangement Reorganization

The Parties have agreed to take all actions reasonably necessary to implement the Pre-Arrangement Reorganization in accordance with and subject to the terms of the Combination Agreement. Prior to the completion of the Pre-Arrangement Reorganization, each Party is required to give to the other Parties and their respective advisors a reasonable opportunity to review and comment on drafts of any documentation relating to the Pre-Arrangement Reorganization, and are required to accept and implement the reasonable comments of such Parties and their respective advisors. The Fund and its Subsidiaries are not obligated to implement the Pre-Arrangement Reorganization unless A&W Food Services, on behalf of the AWFS Entities, irrevocably waives or confirms in writing the satisfaction of all of the conditions set out in the Combination Agreement in their favour and confirms in writing that the AWFS Entities and their respective shareholders are prepared to proceed immediately with effecting the Pre-Arrangement Reorganization and the Arrangement, and that the Debt Financing will be funded if the Pre-Arrangement Reorganization is implemented.

Non-Solicitation

The Fund has agreed not to, and shall cause its Subsidiaries not to, directly or indirectly, through any representatives of the Fund or any of its Subsidiaries or otherwise, and shall not permit any such Person to:

- (a) solicit, assist, initiate, 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 the Fund or any of its Subsidiaries or entering into any form of agreement, arrangement or understanding) 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 discussions or negotiations with any Person (other than the AWFS Entities and their respective Affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
- (c) make a Change in Recommendation;
- (d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than five Business Days following the formal announcement or public disclosure of such Acquisition Proposal will not be considered to be in violation of this covenant provided that the Board has rejected such Acquisition Proposal and affirmed the Board Recommendation before the end of such five Business Day period (or in the event that the Meeting is scheduled to occur within such five Business Day period, before the third Business Day prior to the Meeting));
- (e) enter into any contract or agreement in principle requiring or expressly contemplating the Fund or any of its Subsidiaries to abandon, terminate or fail to consummate the Arrangement or any other transactions contemplated by the Combination Agreement or to breach its obligations thereunder in any material respect; or
- (f) accept or enter into or publicly propose to accept or enter into any contract or agreement, understanding or arrangement in respect of an Acquisition Proposal other than as permitted in the Combination Agreement, including any acceptable confidentiality agreement (in accordance with the terms of the Combination Agreement).

The Fund has agreed to, and shall cause its Subsidiaries and its and their respective representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the date of the Combination Agreement with any Person (other than the AWFS Entities and their respective Affiliates and representatives) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal.

Notification of Acquisition Proposals

The Fund has agreed that if the Fund or any of its Subsidiaries or any of their respective representatives receives or otherwise becomes aware of 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 the Fund or any of its Subsidiaries, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Fund or any of its Subsidiaries, the Fund will promptly notify A&W Food Services, at first orally, and then within 24 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and will provide A&W Food Services with copies of all written documents, substantive correspondence or other material received in respect of, from or on behalf of any such Person. The Fund has agreed to keep A&W Food Services informed on a current basis of the status of developments and (to the extent permitted by the Combination Agreement) negotiations with respect to any Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and to provide to A&W Food Services copies of all material or substantive correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communicated to the Fund by or on behalf of any Person making any such Acquisition Proposal, inquiry, proposal, offer or request.

Responding to Acquisition Proposals

Notwithstanding the restrictions described under “*Non-Solicitation*” above, if at any time prior to obtaining Unitholder Approval, the Fund receives a written Acquisition Proposal from any Person, the Fund may engage in or participate in discussions or negotiations with such Person and its representatives regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of information, properties, facilities, books or records of the Fund or its Subsidiaries, if and only if:

- (a) the Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or would reasonably be expected to constitute or lead to a Superior Proposal, and, after consultation with its outside legal counsel that the failure to engage in such discussions or negotiations would be inconsistent with its fiduciary duties;
- (b) such Person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction;
- (c) the Fund has been, and continues to be, in compliance with the obligations regarding non-solicitation under the Combination Agreement (except for de minimis non-compliance);
- (d) prior to providing any such copies, access, or disclosure, the Fund enters into an acceptable confidentiality agreement (in accordance with the terms of the Combination Agreement) with such Person and any such copies, access or disclosure provided to such Person shall have already been (or simultaneously be) provided to A&W Food Services; and
- (e) the Fund promptly provides A&W Food Services with (i) prior written notice stating the Fund’s intention to participate in such discussions or negotiations and to provide such copies, access or disclosure and (ii) prior to providing any such copies, access or disclosure, a true, complete and final executed copy of the acceptable confidentiality agreement (in accordance with the terms of the Combination Agreement).

Right to Match

If the Fund receives an Acquisition Proposal that constitutes a Superior Proposal prior to obtaining Unitholder Approval, the Board may, subject to compliance with the provisions of the Combination Agreement, enter into a definitive agreement with respect to such Acquisition Proposal, if and only if:

- (a) the Person making the Acquisition Proposal was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, business permitted purpose or similar agreement, restriction or covenant;
- (b) the Fund has been, and continues to be, in compliance (except for de minimis non-compliance) with its obligations under the non-solicitation provisions described above;
- (c) the Fund has delivered to A&W Food Services written notice of its receipt of such Acquisition Proposal and of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal (the “**Superior Proposal Notice**”);
- (d) the Fund has provided A&W Food Services a copy of the proposed definitive agreement for such Acquisition Proposal and all supporting materials, including any financing documents supplied to the Fund in connection therewith;
- (e) at least five Business Days (the “**Matching Period**”) have elapsed from the date that is the later of the date on which the A&W Food Services received the Superior Proposal Notice and all of the materials required above;
- (f) during any Matching Period, the AWFS Entities have had the opportunity (but not the obligation), in accordance with the Combination Agreement, to offer to amend the Combination Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;
- (g) if the AWFS Entities have offered to amend the Combination Agreement and the Arrangement, the Board has determined in good faith, after consultation with the Fund’s outside legal counsel and financial advisors, that

such Acquisition Proposal continues to constitute a Superior Proposal compared to the terms of the Arrangement as proposed to be amended by the AWFS Entities;

- (h) the Board has determined in good faith, after consultation with the Fund's outside legal counsel that the failure to enter into a definitive agreement with respect to such Acquisition Proposal would be inconsistent with its fiduciary duties; and
- (i) prior to or concurrently with entering into such definitive agreement with respect to such Acquisition Proposal, the Fund terminates the Combination Agreement and pays the Termination Fee.

During the Matching Period, or such longer period as the Fund may approve in writing for such purpose:

- (a) the AWFS Entities shall have the opportunity (but not the obligation) to offer to amend the Combination Agreement and the Arrangement;
- (b) the Board shall review any offer made by the AWFS Entities to amend the terms of the Combination Agreement and the Arrangement in good faith in order to determine, after consultation with the Fund's outside legal counsel and financial advisors, whether such offer made by the AWFS Entities would, upon giving effect to such amendments, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and
- (c) the Fund shall negotiate in good faith with the AWFS Entities to make such amendments to the terms of the Combination Agreement and the Arrangement as would enable the AWFS Entities to proceed with the transactions contemplated by the Combination Agreement on such amended terms. If the Board determines that such Acquisition Proposal would cease to be a Superior Proposal after giving effect to the offer made by the AWFS Entities, the Fund shall promptly so advise the AWFS Entities and the Fund and the AWFS Entities shall amend the Combination Agreement to reflect such offer made by the AWFS Entities, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment to any Acquisition Proposal that results in a material modification to the terms thereof shall constitute a new Acquisition Proposal, and the AWFS Entities shall be afforded a new five Business Day Matching Period from the later of the date on which the AWFS Entities received the new Superior Proposal Notice and all of the materials described above for the new Superior Proposal from the Fund.

The Board is required to promptly reaffirm the Board Recommendation by press release after any Acquisition Proposal which is not determined to be a Superior Proposal is publicly announced or publicly disclosed, or the Board determines that a proposed amendment to the terms of the Combination Agreement would result in an Acquisition Proposal no longer being a Superior Proposal. The Fund is required to provide A&W Food Services and its outside legal counsel and financial advisors with a reasonable opportunity to review the form and content of any such press release and is required to make all reasonable amendments to such press release as requested by A&W Food Services and its outside legal counsel and financial advisors.

If the Fund provides a Superior Proposal Notice to A&W Food Services after a date that is less than ten Business Days before the Meeting, the Fund may, or if requested by A&W Food Services, be required to postpone the Meeting to a date that is not more than 15 Business Days after the scheduled date of the Meeting but in any event the Meeting shall not be postponed to a date which would prevent the Effective Date from occurring on or prior to the Outside Date.

Nothing in the Combination Agreement will prevent the Board from (a) responding through a directors' circular or otherwise, only to the extent required by Securities Laws, to an Acquisition Proposal that it determines is not a Superior Proposal; (b) calling and holding a meeting of Unitholders requisitioned by Unitholders or (c) calling and holding a meeting of Unitholders ordered to be held by a court in accordance with Law.

Access to Information; Confidentiality

From the date of the Combination Agreement until the earlier of the Effective Time and the termination of the Combination Agreement, subject to Law and the terms of any existing contracts or agreements, each Party has agreed to (a) provide the other Parties and their respective representatives reasonable access to the offices, properties, books and records and representatives of such Party during normal business hours; and (b) furnish to the other Parties and their respective representatives such financial and operating data and other information as such Parties may reasonably request. None of the Parties nor any of their respective representatives will contact non-executive employees, customers, suppliers or other business partners of the other Parties except after receiving the prior written consent of such Party. The Parties have and their respective Affiliates have agreed to treat, and to cause their respective Representatives to treat, all information furnished to such Parties or any of their respective Affiliates or Representatives in connection with the Arrangement or pursuant to the terms of the Combination Agreement in accordance with the terms of the Confidentiality Agreement.

Termination of Agreements

The Parties have agreed that the following agreements shall be terminated immediately prior to the Effective Time, and each of the parties thereto shall be deemed to automatically provide a release to each other party thereto:

- (a) the amended and restated general security agreement between A&W Food Services and TradeMarks LP, dated December 22, 2010, as amended;
- (b) the amended and restated governance agreement, dated December 22, 2010, among, *inter alios*, the Fund, TMI, TradeMarks LP and A&W Food Services, as amended;
- (c) the administration agreement dated February 15, 2002, as amended May 16, 2002, between the Fund and TMI whereby TMI agreed to provide or arrange for the provision of services required for the administration of the Fund;
- (d) the registration rights agreement between the Fund and A&W Food Services dated February 15, 2002;
- (e) the amended and restated agreement of limited partnership, dated December 22, 2010, between TMI and A&W Food Services governing TradeMarks LP, as amended;
- (f) the agreement, dated April 8, 2022, between TMI and A&W Food Services whereby A&W Food Services agreed to provide administrative and advisory services required for the administration of the Fund; and
- (g) the amended and restated exchange agreement, dated December 22, 2010, among A&W Food Services, TradeMarks LP, TMI and the Fund, as amended.

To the extent not terminated automatically as a result of the transactions contemplated by the Combination Agreement, the AWFS Entities agreed to take all such actions as are necessary to cause (a) the amended and restated shareholders agreement of AWFS Holdings dated April 17, 2021, and (b) the management rights agreement of AWFS Holdings dated February 22, 2018, to be terminated immediately prior to the Effective Time with no further liability or obligation under, or arising out of, each such agreement, and to provide evidence thereof to the Fund.

The AWFS Entities also agreed to take all such actions as are necessary under the terms of the stock option plan of AWFS Holdings dated May 1, 2018, as amended (the “**Option Plan**”), to cause the acceleration and termination of all outstanding stock options that remain unexercised immediately prior to the Effective Time and to terminate the Option Plan immediately prior to the Effective Time with no further liability or obligation under, or arising out of, the Option Plan, and to provide evidence thereof to the Fund.

Debt Financing

The Combination Agreement contains customary covenants of A&W Food Services with respect to the Debt Financing including a covenant that A&W Food Services shall use commercially reasonable efforts to take or cause to be taken all actions and to do, or cause to be done all things necessary, proper or advisable to arrange and obtain the proceeds of the Debt Financing on the terms and conditions described in the Debt Commitment Letter by no later than the Effective Date. If any portion of the Debt Financing becomes unavailable in the manner or from the sources contemplated in the Debt Commitment Letter, A&W Food Services has agreed to use reasonable commercial efforts to arrange and obtain, as promptly as practicable, alternative financing from alternative sources on the terms set out in the Combination Agreement. In no event shall the Fund or any of its Subsidiaries be required to pay any commitment or similar fee or incur any liability or out-of-pocket cost or expense for which it is not indemnified or reimbursed in a manner satisfactory to the Fund, acting reasonably, in connection with assisting A&W Food Services in arranging the Debt Financing.

Assistance with Purchaser Financing

The Combination Agreement contains customary covenants of the Fund and its Subsidiaries to use their commercially reasonable efforts to provide to A&W Food Services reasonable and timely cooperation as may be reasonably requested and that is customary in connection with the arrangement, syndication, marketing or consummation of a financing comparable to the Debt Financing (subject to customary limitations and reasonableness requirements, including that such cooperation shall not unreasonably interfere with the ongoing operations of the Fund or any of its Subsidiaries).

Termination of the Combination Agreement

The Combination Agreement may be terminated at any time prior to the Effective Time by:

- (a) mutual written agreement of A&W Food Services and the Fund;
- (b) either the Fund or A&W Food Services, if:
 - (i) the Meeting is duly convened and held and Unitholder Approval is not obtained at the Meeting in accordance with the Interim Order; provided that a Party may not terminate the Combination Agreement if the failure to obtain Unitholder Approval has been caused by, or is a result of, a breach by such Party (or, in the case of A&W Food Services, any AWFS Entity) of any of its representations or warranties or the failure of such Party (or, in the case of A&W Food Services, any AWFS Entity) to perform any of its covenants or agreements under the Combination Agreement;
 - (ii) after the date of Combination Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Parties from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate has used its commercially reasonable 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 that a Party may not terminate the Combination Agreement if the Law has been caused by, or is a result of, a breach by such Party (or, in the case of A&W Food Services, any AWFS Entity) of any of its representations or warranties or the failure of such Party (or, in the case of A&W Food Services, any AWFS Entity) to perform any of its covenants or agreements under the Combination Agreement;
 - (iii) the Effective Time does not occur on or prior to the Outside Date; except that the right to terminate the Combination Agreement will not be available to any Party if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party (or, in the case of A&W Food Services, any AWFS Entity) of any of its representations or warranties or the failure of such Party (or, in the case of A&W Food Services, any AWFS Entity) to perform any of its covenants or agreements under the Combination Agreement; or
 - (iv) (A) all closing conditions (other than those conditions that, by their terms, are to be satisfied on the Effective Date) have been satisfied or waived, and (B) neither the Debt Financing, nor alternative financing from alternative sources as contemplated by the Combination Agreement, has been obtained prior to the deadline for submitting the Articles of Arrangement to the Director pursuant to the Combination Agreement; provided that a Party may not terminate the Combination Agreement if such failure has been caused by, or is a result of, a breach by such Party (or, in the case of A&W Food Services, any AWFS Entity) of any of its representations or warranties or the failure of such Party (or, in the case of A&W Food Services, any AWFS Entity) to perform any of its covenants or agreements under the Combination Agreement;
- (c) the Fund:
 - (i) if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the AWFS Entities under the Combination Agreement occurs that would cause any closing condition not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date in accordance with the terms of the Combination Agreement; provided that the Fund is not then in breach of the Combination Agreement so as to cause any closing condition not to be satisfied;
 - (ii) prior to Unitholder Approval being obtained, if the Board authorizes the Fund to enter into a written agreement (other than an acceptable confidentiality agreement permitted by and in accordance with the Combination Agreement) with respect to a Superior Proposal, provided the Fund is then in compliance with the covenants regarding non-solicitation in the Combination Agreement (other than de minimis non-compliance) and that prior to or concurrent with such termination, the Fund pays the Termination Fee in accordance with the Combination Agreement; or
 - (iii) if there has occurred an AWFS Material Adverse Effect; or
- (d) A&W Food Services:
 - (i) if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Fund under the Combination Agreement occurs that would cause any closing condition not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of the Combination Agreement; provided that no

AWFS Entity is then in breach of the Combination Agreement so as to cause any closing condition not to be satisfied;

- (ii) prior to Unitholder Approval being obtained or after Unitholder Approval is obtained if the Court does not grant the Final Order following the hearing of the application therefor, if the Board or any committee of the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, publicly proposes or states its intention to do so, or fails to publicly reaffirm (without qualification) within five Business Days after having been requested in writing by the AWFS Entities to do so (or in the event that the Meeting is scheduled to occur within such five Business Day period, within two Business Days of such request), the Board Recommendation or takes no position or a neutral position with respect to an Acquisition Proposal for more than five Business Days after first learning of an Acquisition Proposal (or in the event that the Meeting is scheduled to occur within such five Business Day period, for more than two Business Days), or accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal, or enters into a written agreement (other than an acceptable confidentiality agreement permitted by and in accordance with the Combination Agreement) with respect to an Acquisition Proposal, or the Fund breaches the covenants regarding non-solicitation in the Combination Agreement in any material respect, or the Board or any committee of the Board resolves to take any of the foregoing actions; or
- (iii) if there has occurred a Fund Material Adverse Effect.

The Party desiring to terminate the Combination Agreement pursuant to the foregoing termination rights (other than by mutual written agreement) shall give notice of such termination to the other Party.

No Party shall be relieved of any liability for any willful breach of any covenant, representation or warranty contained in the Combination Agreement or knowing and intentional fraud, in each case, arising prior to the termination of the Combination Agreement.

Termination Fee and Expenses

Termination Fee

A&W Food Services shall be entitled to the Termination Fee if the Combination Agreement is terminated:

- (a) by A&W Food Services pursuant to paragraph (d)(ii) above under the heading “*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*” (*Change in Recommendation*);
- (b) by the Fund pursuant to paragraph (c)(ii) above under the heading “*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*” (*Superior Proposal*);
- (c) by either the Fund or A&W Food Services pursuant to paragraph (b)(i) above under the heading “*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*” (*Unitholder Approval*) if, at such time, A&W Food Services is entitled to terminate the Combination Agreement pursuant to paragraph (d)(ii) above under the heading “*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*” (*Change in Recommendation*); or
- (d) by (i) either the Fund or A&W Food Services pursuant to paragraph (b)(i) above under the heading “*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*” (*Unitholder Approval*) or pursuant to paragraph (b)(iii) above under the heading “*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement (Outside Date)*” or (ii) A&W Food Services pursuant to paragraph (d)(i) above under the heading “*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*” (*Fund Breach*) if: (A) prior to such termination, an Acquisition Proposal is made to the Fund or any of its Subsidiaries or any of their respective Representatives and is publicly announced or otherwise publicly disclosed by any Person (other than the AWFS Entities or any of their respective Affiliates or Representatives) or any Person (other than the AWFS Entities or any of their Affiliates or Representatives) shall have publicly announced an intention to do so; and (B) within 365 days following the date of such termination, (x) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) is consummated or effected, or (y) the Fund or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a contract in respect of an Acquisition Proposal (whether or not such Acquisition

Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is later consummated or effected (whether or not within 365 days after such termination). For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term in the Combination Agreement, except that references to "20.0% or more" shall be deemed to be references to 50.0% or more.

Expense Amount

If the Combination Agreement is terminated by (a) either A&W Food Services or the Fund pursuant to paragraph (b)(i) above under the heading "*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*" (*Unitholder Approval*), (b) by the Fund pursuant to paragraph (c)(ii) above under the heading "*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*" (*Superior Proposal*), or (c) by A&W Food Services pursuant to any subsection of paragraph (d) above under the heading "*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*" (*Fund Breach, Change in Recommendation or Fund Material Adverse Effect*), then all amounts previously reimbursed by A&W Food Services to the Fund or its Affiliates pursuant to the Expense Agreement shall be required to be returned to A&W Food Services within two Business Days of such termination, and the Expense Agreement shall be immediately terminated without any further liability on the part of A&W Food Services or its Affiliates thereunder (and, for the avoidance of doubt, all amounts then owing pursuant to the Expense Agreement shall immediately cease to be owing).

The Expense Agreement outlines the arrangement among the Fund, A&W Food Services and TMI in respect of the payment of certain costs, fees, expenses and disbursements incurred or to be incurred by the Fund and TMI in connection with their consideration, evaluation and negotiation of the Combination Arrangement incurred at or prior to the public announcement of the Transaction. Pursuant to the Expense Agreement, A&W Food Services has agreed to (a) reimburse the Fund and TMI for certain expenses paid by the Fund or TMI, (b) advance funds to the Fund and/or TMI to permit the Fund and/or TMI, as applicable, to pay such expenses or (c) pay such expenses directly, in each case, subject to certain caps as set forth therein.

In addition to the foregoing, if the Combination Agreement is terminated by A&W Food Services pursuant to paragraph (d)(i) above under the heading "*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*" (*Fund Breach*), the Fund is required to pay the Expense Amount to A&W Food Services.

If the Combination Agreement is terminated by the Fund pursuant to paragraph (c)(i) above under the heading "*Key Agreements Relating to the Transaction – Combination Agreement – Termination of the Combination Agreement*" (*AWFS Entity Breach*), A&W Food Services is required to pay to the Fund the difference, if any, between (a) the Expense Amount and (b) the aggregate of all amounts previously reimbursed by A&W Food Services to the Fund or its Affiliates pursuant to the Expense Agreement.

Insurance and Indemnification

The Combination Agreement provides that:

- (a) for a period of six years after the Effective Date, A&W Food Services NewCo is required to maintain directors' and officers' insurance in the form of a six-year "run off" policy for the benefit of all current and past Trustees and directors and officers of the AWFS Entities and TMI and their predecessors (in their capacity as such) covering any claims made during such six-year period, in scope and coverage no less favourable than the insurance the Fund maintains for its Trustees and A&W Food Services and TMI maintains for their officers and directors as of the date of the Combination Agreement;
- (b) as of the Effective Date, A&W Food Services NewCo is required to maintain a directors' and officers' insurance policy for the directors and officers of A&W Food Services NewCo (in their capacity as such), in scope and coverage no less favourable than the insurance the Fund maintains for its Trustees and A&W Food Services and TMI maintain for their officers and directors as of the date of the Combination Agreement;
- (c) A&W Food Services NewCo is required to, to the extent permitted by Law, honour all rights to indemnification or exculpation existing as of the date of the Combination Agreement in favour of current and past Trustees and directors and officers of the AWFS Entities and TMI and their predecessors (in their capacity as such), and such rights will survive the completion of the Arrangement and continue in full force and effect in accordance with their terms, without modification, to the extent permitted by Law, for a period of not less than six years from the Effective Date; and
- (d) if A&W Food Services NewCo or any of its successors or assigns (i) amalgamates, consolidates with or merges or winds up into any other Person and is not the continuing or surviving corporation or entity; or (ii) transfers all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions are required to be made so that the successors and assigns and transferees of A&W Food Services NewCo, as the case may be, shall assume all of the obligations of A&W Food Services NewCo set forth above.

Specific Performance

The Parties have agreed 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 the Combination Agreement were not performed in accordance with their specific terms or were otherwise breached. Subject to the provisions of the Combination Agreement, the Parties will be entitled to injunctive and other equitable relief (including specific performance) to prevent breaches or threatened breaches of the Combination Agreement, and to enforce compliance with the terms of the Combination Agreement, without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief (including specific performance), and no Party will oppose any such application on the basis that the applicant has an adequate remedy at Law, this being in addition to any other remedy to which the Parties may be entitled at Law or in equity. The Parties have acknowledged and agreed that the right of injunctive relief and specific enforcement is an integral part of the transactions contemplated by the Combination Agreement and without that right, none of the Parties would have entered into the Combination Agreement.

Amendment and Waiver

The Combination Agreement and the Plan of Arrangement may, at any time and from time to time prior to the Effective Time, be amended by mutual written agreement of the Fund and A&W Food Services, and any provision thereof may be waived in writing by the Fund (on behalf of itself and/or TMI and TradeMarks LP) or A&W Food Services (on behalf of itself and/or the other AWFS Entities), in each case, without further notice to or authorization on the part of the Unitholders, AWFS Entities, TMI, TradeMarks LP or their respective shareholders or other investors, 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) modify any representation or warranty contained in the Combination Agreement or in any document delivered pursuant to the Combination Agreement; (c) modify any of the covenants contained in the Combination Agreement and waive or modify performance of any of the obligations of the Parties; and/or (d) modify any conditions contained in the Combination Agreement. No waiver of any provision of the Combination Agreement will constitute a waiver of any other provision nor shall any waiver of any provision of the Combination Agreement constitute a continuing waiver unless otherwise expressly provided.

Governing Law and Jurisdiction

The Combination Agreement is governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein. Each Party has irrevocably and unconditionally consented to submit to the jurisdiction of the courts of the Province of Ontario and all courts of appeal therefrom for any actions, suits and proceedings occurring out of or relating to the Combination Agreement and the transactions contemplated thereby and agreed not to commence any action, suit or proceeding relating thereto except in such courts.

Support and Voting Agreements

The Supporting Investors entered into the Support and Voting Agreements concurrently with the execution of the Combination Agreement. There are two forms of the Support and Voting Agreements: (a) a form for Supporting Investors who are shareholders, directors and/or officers of the AWFS Entities (such Supporting Investors being TorQuest Partners Fund IV, L.P., TorQuest Partners Fund (U.S.) IV, L.P., TorQuest Capital Fund IV, L.P., David Mindell, Jefferson Mooney, Paul Hollands, Axel Rehkatsch, Graham Cooke, Donald Leslie, Patricia Sahlstrom, Bill Levine, Susan Senecal, Catherine Anderson and Kelly Blankstein, including in certain cases, their respective personal holding companies) (each, an “**AWFS Support and Voting Agreement**”), and (b) a form for the Trustees (each, a “**Trustee Support and Voting Agreement**”).

The following is a summary of the principal terms of the AWFS Support and Voting Agreement and the Trustee Support and Voting Agreement and is qualified in its entirety by reference to the complete texts of the completed and executed Support and Voting Agreements, copies of which are available under the Fund’s profile on SEDAR+ at www.sedarplus.ca. This summary does not purport to be complete and may not contain all of the information about the Support and Voting Agreements that is important to Unitholders.

AWFS Support and Voting Agreement

References to “Supporting Investors” in this section are to the Supporting Investors that signed an AWFS Support and Voting Agreement.

Voting Covenants

Each Supporting Investor has agreed to:

- (a) vote or to cause to be voted the Units comprising the Subject Securities (to the extent that such Units are entitled to vote in respect of such matter under Securities Laws) at any meeting of the Fund, including the Meeting, in favour of the Pre-Arrangement Reorganization and the Arrangement, including the Arrangement Resolution, and any other matter that could reasonably be expected to facilitate the Pre-Arrangement Reorganization and the Arrangement;
- (b) vote or cause to be voted the Units comprising the Subject Securities (to the extent that such Units are entitled to vote in respect of such matter under Securities Laws) at any meeting of the Unitholders against any Acquisition Proposal and any other matter that could reasonably be expected to delay, prevent or frustrate the successful completion of the Pre-Arrangement Reorganization or the Arrangement;
- (c) no later than five Business Days prior to the date of the Meeting, deliver or cause to be delivered to the Fund or the intermediary through which the Supporting Investor holds its beneficial interest in the Units comprising the Subject Securities, duly completed and executed forms of proxy or voting instruction forms directing the holder of such forms of proxy or voting instruction forms to vote in favour of the Pre-Arrangement Reorganization and the Arrangement, including the Arrangement Resolution, and any matter that could reasonably be expected to facilitate the Pre-Arrangement Reorganization and the Arrangement, such forms of proxy or voting instruction forms will name those individuals as designated by the Fund therein and shall not be revoked;
- (d) vote or to cause to be voted all Subject Securities in the AWFS Entities, and partnership interests in AWC GP that it directly or indirectly owns or exercises control or direction over, at any meeting of the AWFS Entities or AWC GP (or any adjournment or postponement thereof), and execute any necessary written consents and resolutions, in favour of the Pre-Arrangement Reorganization and the Arrangement, and any other matter that could reasonably be expected to facilitate the Pre-Arrangement Reorganization and the Arrangement; and
- (e) vote or to cause to be voted all Subject Securities in the AWFS Entities, and partnership interests in AWC GP that it directly or indirectly owns or exercises control or direction over, at any meeting of the AWFS Entities or AWC GP (or any adjournment or postponement thereof), and execute any necessary written consents and resolutions, against any matter that could reasonably be expected to delay, prevent or frustrate the successful completion of the Pre-Arrangement Reorganization or the Arrangement.

General Covenants

Each Supporting Investor has also agreed to:

- (a) not option, offer, sell, assign, transfer, tender, exchange, dispose of, pledge, encumber, grant a security interest in, hypothecate or otherwise convey or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Subject Securities, or any right or interest therein (legal or equitable), to any Person or group or agree to do any of the foregoing, other than pursuant to the Pre-Arrangement Reorganization and the Arrangement;
- (b) not grant or agree to grant any proxy, power of attorney or other right to vote the Subject Securities, or enter into any voting agreement, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of the AWFS Entities or the Fund, or give any consent or approval of any kind with respect to any of the Subject Securities or relinquish or modify the Supporting Investor's right to exercise control or direction over or to vote any Subject Securities or agree to do any of the foregoing;
- (c) not purchase or otherwise acquire additional Subject Securities or enter into any agreement to do so, other than pursuant to the Pre-Arrangement Reorganization and the Arrangement;
- (d) not requisition or join in any requisition of any meeting of the Fund or the AWFS Entities, without the prior written consent of the Fund;
- (e) irrevocably waive, and not exercise any rights of dissent or appraisal (including the Dissent Rights) or any other security holder rights or remedies provided under any Law or otherwise in connection with the Pre-Arrangement Reorganization or the Arrangement;
- (f) do, make, execute, or cause to be done, made, executed or delivered, all such acts, documents and things as the Fund and A&W Food Services shall both agree, acting reasonably, are necessary for the purposes of giving effect to the transactions contemplated by the Combination Agreement, including the Pre-Arrangement Reorganization and the Arrangement, take all such steps as may be reasonably within its power or required to implement to their full extent the provisions of the Combination Agreement, including the Pre-Arrangement

Reorganization and the Arrangement, and obtain all required board and shareholder approvals for each AWFS Entity to the extent the Supporting Investor has an interest therein as are required for the transactions occurring pursuant to the Arrangement (including the amalgamation of the AWFS Entities as part of the Arrangement), prior to the application to the Court for the Interim Order;

- (g) not take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the Pre-Arrangement Reorganization, the Arrangement and the other transactions contemplated by the Combination Agreement and its AWFS Support and Voting Agreement; and
- (h) not do indirectly that which it may not do directly by the restrictions and obligations described immediately above.

In addition, each of TorQuest Partners Fund IV, Paul Hollands, David Mindell and Jefferson Mooney has agreed to, pursuant to the terms of their respective AWFS Support and Voting Agreements, to execute and deliver the Investor Rights Agreement at the completion of the Transaction, and each of Paul Hollands, David Mindell and Jefferson Mooney has agreed to, pursuant to the terms of their respective AWFS Support and Voting Agreements, provide consent to the transfer of all of the Units subject to the A&W Canada Governance Agreement pursuant to the Arrangement.

Power of Attorney

Each Supporting Investor has irrevocably appointed the directors and officers of A&W Food Services as a true and lawful attorney and agent, with full power of substitution and authority, for, in the name of and on behalf of, the Supporting Investor to take all such actions, and execute and deliver all such documents, that the Supporting Investor is required to take or execute and deliver pursuant to voting covenants and general covenants described above.

Indemnity

Each Supporting Investor has agreed to indemnify and save harmless each of the Fund, A&W Food Services and any successors to the Fund and A&W Food Services, including A&W Food Services NewCo, from and against any and all losses and damages as a result of, or arising out of, or in connection with, directly or indirectly, (a) any inaccuracy or breach of any representation or warranty of the AWFS Entities (other than A&W Food Services) in the Combination Agreement in which the Supporting Investor has a direct or indirect interest in, provided, however, that the indemnification obligations of the Supporting Investor will be joint and several amongst each other Supporting Investor to the same Support and Voting Agreement (i.e., their personal holding companies), but will be on a several (and not joint and several) basis with the other direct and indirect investors in the applicable AWFS Entity who also entered into Support and Voting Agreements in proportion to their respective direct and indirect interests in the applicable AWFS Entity; and (b) any breach or non-performance by such Supporting Investor of any covenant contained in its AWFS Support and Voting Agreement. For the purpose of this indemnity, the representations and warranties of the AWFS Entities (other than A&W Food Services) are deemed to survive the completion of the Transaction for a period of 12 months. The AWFS Support and Voting Agreement entered into by Catherine Anderson does not contain the foregoing terms as Catherine Anderson does not have an interest in any of the AWFS Entities.

Release

Effective at the completion of the Transaction, each Supporting Investor, on its own behalf and on behalf of its affiliates and their respective heirs, successors, executors, administrators, agents, legal representatives and assigns (in each case, a "**Releasing Party**") agreed to unconditionally release and forever discharge the AWFS Entities, their respective successors, including A&W Food Services NewCo, and assigns, and each of their respective past, present and future securityholders, directors, officers and employees, and their respective heirs, executors, administrators, legal representatives and assigns (collectively, the "**Releasees**"), of and from all actions, causes of action, suits, demands, debts, accounts, covenants, damages and all other claims whatsoever (collectively, "**Claims**") which the Releasing Party ever had, now has or may have in the future against the Releasees for or by reason of, or in any way arising out of, any cause, matter or thing whatsoever existing prior to the completion of the Transaction, but excluding any such Claim that the Releasing Party may have relating to or arising out of (a) its rights under the Plan of Arrangement, (b) solely in his or her capacity as an employee of A&W Food Services, his or her employment with A&W Food Services, and (c) solely in his or her capacity as a director or officer of any of the AWFS Entities, any right of indemnification from the applicable AWFS Entity or under any policy of directors' and officers' insurance.

Fiduciary Duties

Each Supporting Investor is bound by their AWFS Support and Voting Agreement solely in his or her capacity as a direct or indirect security holder of the AWFS Entities and/or the Fund and, if the Supporting Investor is a director or officer of any AWFS Entity and/or the Fund, nothing in their AWFS Support and Voting Agreement shall or shall be interpreted to bind the Supporting Investor in his or her capacity as a director or officer of any AWFS Entity and/or the Fund, and nothing shall limit or affect any

actions taken by the Supporting Investor in his or her capacity as a director or officer of any AWFS Entity and/or the Fund, or prohibit, limit or restrict the exercise of such Supporting Investor's fiduciary duties as a director or officer of any AWFS Entity and/or the Fund.

Termination

Each AWFS Support and Voting Agreement may be terminated: (a) at any time, by collective written agreement among the Fund, A&W Food Services and the Supporting Investor; or (b) prior to the completion of the Transaction, by any of the Fund, A&W Food Services or the Supporting Investor, by providing written notice to the other parties thereto if the Combination Agreement has been terminated in accordance with its terms, provided, however, that any such termination shall not relieve any party of liability for any breach of any representation, warranty or covenant in the AWFS Support and Voting Agreement or fraud arising prior to such termination, and shall not prejudice the rights of any party as a result of any breach or fraud.

Trustee Support and Voting Agreement

References to "Supporting Investors" in this section are to the Supporting Investors that signed a Trustee Support and Voting Agreement.

Voting Covenants

Each Supporting Investor has agreed to:

- (a) vote or to cause to be voted the Units comprising the Subject Securities (to the extent that such Units are entitled to vote in respect of such matter under Securities Laws) at any meeting of the Fund, including the Meeting, in favour of the Arrangement, including the Arrangement Resolution, and any other matter that could reasonably be expected to facilitate the Arrangement;
- (b) vote or cause to be voted the Units comprising the Subject Securities (to the extent that such Units are entitled to vote in respect of such matter under Securities Laws) at any meeting of the Unitholders against any Acquisition Proposal and any other matter that could reasonably be expected to delay, prevent or frustrate the successful completion of the Arrangement; and
- (c) no later than five Business Days prior to the date of the Meeting, deliver or cause to be delivered to the Fund or the intermediary through which the Supporting Investor holds its beneficial interest in the Units comprising the Subject Securities, duly completed and executed forms of proxy or voting instruction forms directing the holder of such forms of proxy or voting instruction forms to vote in favour of the Arrangement, including the Arrangement Resolution, and any matter that could reasonably be expected to facilitate the Arrangement, such forms of proxy or voting instruction forms will name those individuals as designated by the Fund therein and shall not be revoked.

General Covenants

- (a) not option, offer, sell, assign, transfer, tender, exchange, dispose of, pledge, encumber, grant a security interest in, hypothecate or otherwise convey or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Subject Securities, or any right or interest therein (legal or equitable), to any Person or group or agree to do any of the foregoing, other than pursuant to the Arrangement;
- (b) not grant or agree to grant any proxy, power of attorney or other right to vote the Subject Securities, or enter into any voting agreement, voting trust, vote pooling or other agreement with respect to the right to vote, or give any consent or approval of any kind with respect to any of the Subject Securities or relinquish or modify the Supporting Investor's right to exercise control or direction over or to vote any Subject Securities or agree to do any of the foregoing;
- (c) not purchase or otherwise acquire additional Subject Securities or enter into any agreement to do so, other than pursuant to the Arrangement;
- (d) not requisition or join in any requisition of any meeting of the Fund without the prior written consent of A&W Food Services;
- (e) irrevocably waive, and not exercise any rights of dissent or appraisal (including the Dissent Rights) or any other security holder rights or remedies provided under any Law or otherwise in connection with the Arrangement;

- (f) not take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the Arrangement and the other transactions contemplated by the Combination Agreement and its Trustee Support and Voting Agreement; and
- (g) not do indirectly that which it may not do directly by the restrictions and obligations described immediately above.

Fiduciary Duties

Each Supporting Investor is bound by the Trustee Support and Voting Agreement solely in his or her capacity as a direct or indirect security holder of the Fund, nothing in the Trustee Support and Voting Agreement shall or shall be interpreted to bind the Supporting Investor in his or her capacity as a trustee or officer of the Fund, and nothing shall limit or affect any actions taken by the Supporting Investor in his or her capacity as a trustee or officer of the Fund, or prohibit, limit or restrict the exercise of such Supporting Investor's fiduciary duties as a trustee or officer of the Fund.

Termination

Each Trustee Support and Voting Agreement may be terminated: (a) at any time, by collective written agreement among A&W Food Services and the Supporting Investor; or (b) prior to the completion of the Transaction, by any of A&W Food Services or the Supporting Investor, by providing written notice to the other parties thereto if the Combination Agreement has been terminated in accordance with its terms, provided, however, that any such termination shall not relieve any party of liability for any breach of any representation, warranty or covenant in the Trustee Support and Voting Agreement or fraud arising prior to such termination, and shall not prejudice the rights of any party as a result of any breach or fraud.

Investor Rights Agreement

As a condition to the completion of the Transaction and in accordance with the terms of the Combination Agreement, concurrently with the completion of the Transaction, A&W Food Services NewCo will enter into an investor rights agreement (the "**Investor Rights Agreement**") with TorQuest Partners Fund IV, Paul Hollands, David Mindell, Jefferson Mooney (collectively the "**Investors**" and each an "**Investor**"), Wavin' in the Breeze Holdings Inc., DM Ventures Inc., Weeo Gweat Enterprises Inc., and Western Corporate Enterprises Inc. (collectively the "**Holdcos**" and each a "**Holdco**"), with respect to certain director nomination rights, information rights, registration rights, standstill and lock-up arrangements and the composition of the board of directors of A&W Food Services NewCo (the "**NewCo Board**").

The following is a summary of the principal terms of the Investor Rights Agreement and is qualified in its entirety by reference to the complete text of the Investor Rights Agreement, the form of which is appended as Schedule D to the Combination Agreement. This summary does not purport to be complete and may not contain all of the information about the Investor Rights Agreement that is important to Unitholders. A copy of the Combination Agreement, including the form of Investor Rights Agreement, is available under the Fund's profile on SEDAR+ at www.sedarplus.ca. The executed Investor Rights Agreement will be filed and made available under the A&W Food Services NewCo's profile on SEDAR+ at www.sedarplus.ca following the completion of the Transaction.

Board Composition and Nomination Rights

On closing of the Transaction, the NewCo Board will consist of eight directors, which shall initially be Andrew Dunn, Fern Glowinsky, Kevin Mahoney, Eric Berke (an initial Nominee of TorQuest Partners Fund IV), Michael Hollend (an initial Nominee of TorQuest Partners Fund IV), Andrew Mindell (the initial Nominee of David Mindell), Paul Hollands (the initial Nominee of Jefferson Mooney) and Susan Senecal.

The composition of the NewCo Board will at all times take into consideration the skills matrix and requirements of the NewCo Board, as determined in good faith by the NewCo Board or an authorized NewCo Board Committee, and including, for greater certainty, applicable law and the rules of any stock exchange on which the A&W Food Services NewCo Shares are then listed (provided A&W Food Services NewCo applied to list such shares on such stock exchange). The NewCo Board will have a chairperson, who may be appointed and replaced from time to time by a majority of the NewCo Board.

The Investor Rights Agreement will provide the following rights with respect to the nomination of individuals for election as a director of A&W Food Services NewCo (a "**Nominee**") by Paul Hollands, David Mindell and Jefferson Mooney:

- (a) for as long as Paul Hollands and his Investor Group beneficially own that number of A&W Food Services NewCo Shares that is equivalent to at least 7.5% of the issued and outstanding A&W Food Services NewCo Shares as at the completion of the Transaction (subject to adjustment for any subdivision, reduction, combination or consolidation of such A&W Food Services NewCo Shares), Paul Hollands will have the right to nominate one Nominee;

- (b) for as long as David Mindell and his Investor Group beneficially own that number of A&W Food Services NewCo Shares that is equivalent to at least 7.5% of the issued and outstanding A&W Food Services NewCo Shares as at the completion of the Transaction (subject to adjustment for any subdivision, reduction, combination or consolidation of such A&W Food Services NewCo Shares), David Mindell will have the right to nominate one Nominee; and
- (c) for as long as Jefferson Mooney and his Investor Group beneficially own that number of A&W Food Services NewCo Shares that is equivalent to at least 7.5% of the issued and outstanding A&W Food Services NewCo Shares as at the completion of the Transaction (subject to adjustment for any subdivision, reduction, combination or consolidation of such A&W Food Services NewCo Shares), Jefferson Mooney will have the right to nominate one Nominee.

However, at any time that Paul Hollands, David Mindell and Jefferson Mooney and their respective Investor Groups each beneficially own at least that number of A&W Food Services NewCo Shares that is equivalent to at least 7.5% of the issued and outstanding A&W Food Services NewCo Shares as at the completion of the Transaction (subject to adjustment for any subdivision, reduction, combination or consolidation of such A&W Food Services NewCo Shares), the Investor amongst Paul Hollands, David Mindell and Jefferson Mooney who, together with his respective Investor Group, beneficially owns the least amount of A&W Food Services NewCo Shares amongst such Investors will not have any right to nominate a Nominee.

The Investor Rights Agreement will also provide that for as long as TorQuest Partners Fund IV and its Investor Group beneficially own:

- (a) that number of A&W Food Services NewCo Shares that is equivalent to at least 15.0% of the issued and outstanding A&W Food Services NewCo Shares as at the completion of the Transaction (subject to adjustment for any subdivision, reduction, combination or consolidation of such A&W Food Services NewCo Shares), TorQuest Partners Fund IV will have the right to nominate two Nominees; and
- (b) that number of A&W Food Services NewCo Shares that is equivalent to at least 10.0% (but less than 15.0%) of the issued and outstanding A&W Food Services NewCo Shares as at the completion of the Transaction (subject to adjustment for any subdivision, reduction, combination or consolidation of such A&W Food Services NewCo Shares), TorQuest Partners Fund IV will have the right to nominate one Nominee.

In addition, for so long as TorQuest Partners Fund IV has the right to nominate at least one Nominee, TorQuest Partners Fund IV will be entitled to designate one individual who is a partner or employee of TorQuest Partners Fund IV, or any of its Investor Funds, to attend as an observer the meetings of the NewCo Board and any NewCo Board Committee of which a Nominee of TorQuest Partners Fund IV is a member. The observer shall not have the right to vote at any meeting of the NewCo Board or any NewCo Board Committee or be counted towards determining whether there is quorum for such meeting, but shall be entitled to participate in the discussions of the NewCo Board or any NewCo Board Committee at meetings of the NewCo Board or such NewCo Board Committee, as applicable.

Notwithstanding the foregoing nomination rights, each Nominee of the Investors entitled to nomination rights (a) shall, at all times while serving on the NewCo Board, meet the qualification requirements to serve as a director under A&W Food Services NewCo's constituting documents, applicable law and the rules of any stock exchange on which the A&W Food Services NewCo Shares are then listed (provided A&W Food Services NewCo applied to list such shares on such stock exchange) and (b) must first be approved by a majority of the NewCo Board, other than directors who are Nominee(s) of the Investor who has submitted the Nominee for approval, and such approval shall not be unreasonably withheld, provided, however, that if any Nominee is Paul Hollands, David Mindell, Jefferson Mooney, a partner or employee of TorQuest Partners Fund IV or any of its Investor Funds, or any of the initial Nominees of the Investors on the closing of the Transaction, no such approval will be required.

For so long as the Investors collectively are entitled to nominate at least three Nominees, if the aggregate ownership percentage of the Investors of the A&W Food Services NewCo Shares is at any time (a) less than 40.0% but greater than or equal to 30.0% for a continuous 90 day period, A&W Food Services NewCo and the NewCo Board shall take all necessary corporate action, to the fullest extent permitted by applicable law, so that there are at least four Independent Directors on the NewCo Board, including by appointing new Independent Directors between Directors Election Meetings or by nominating a new Independent Director for election as a director at the next Directors Election Meeting, or (b) less than 30.0% for a continuous 90 day period, A&W Food Services NewCo and the NewCo Board shall take all necessary corporate action, to the fullest extent permitted by applicable law so that there are at least five Independent Directors on the NewCo Board, including by appointing new Independent Directors between Director Election Meetings or by nominating new Independent Directors for election as directors at the next Directors Election Meeting, to the extent that, in each of (a) and (b), the prescribed number of Independent Directors are not already serving on NewCo Board.

During the Standstill Period only (a) any decision by the NewCo Board, including any authorized committee of the NewCo Board (each, a "**NewCo Board Committee**"), to not re-nominate an Independent Director for election to the NewCo Board at a Directors

Election Meeting requires approval by a majority of the Independent Directors, and (b) unless otherwise approved by a majority of the Independent Directors, (i) each Independent Director shall be nominated by or at the direction of the NewCo Board, including any authorized NewCo Board Committee, including pursuant to a notice of meeting, to stand for election to the NewCo Board at each Directors Election Meeting, and (ii) to the fullest extent permitted by applicable law, A&W Food Services NewCo shall include the Independent Directors in the slate of Nominees that are proposed for election as directors by A&W Food Services NewCo in a management information circular of A&W Food Services NewCo relating to the election of directors at each Directors Election Meeting, support the Independent Directors for election in a manner no less rigorous and favourable in which A&W Food Services NewCo supports its other Nominees and recommend such individual to be elected as a director and agrees to use commercially reasonable efforts to cause the election of each such Independent Director to the NewCo Board, including nominating each such individual to be elected as a director, recommending such individual's election and soliciting proxies or consents from shareholders in favour of the election thereof. Nothing shall require the NewCo Board to appoint (or not accept the resignation of) an Independent Director who fails to receive a majority of votes for his or her election as director to the NewCo Board at a Directors Election Meeting.

Each Investor and Investor Group Member will agree pursuant to the terms of the Investor Rights Agreement to not, in respect of all A&W Food Services NewCo Shares that such Investor or Investor Group Member beneficially owns, vote against or withhold its vote or consent in respect of, or cause to be voted against or cause to be withheld against, (a) during the Standstill Period, any Nominee nominated to the NewCo Board by the then current directors of the NewCo Board, including the Nominees nominated by any other Investor pursuant to the Investor Rights Agreement and the Independent Directors nominated for election to the NewCo Board pursuant to the Investor Rights Agreement and (b) after the Standstill Period, the Nominees of any other Investor under the Investor Rights Agreement. In addition, during the Standstill Period only, each Investor and Investor Group Member shall, in respect of all A&W Food Services NewCo Shares beneficially owned by such Investor and Investor Group Member, not vote in favour of (a) any nomination of a director to the NewCo Board by a shareholder of A&W Food Services NewCo that is not approved by the NewCo Board and (b) any proposal or resolution to remove any director of the NewCo Board, in each case, at any meeting of the shareholders of A&W Food Services NewCo.

In addition, for so long as any Investor entitled to nominate at least one Nominee to the NewCo Board, one Nominee of such Investor shall be appointed to each NewCo Board Committee, provided however, that the applicable Nominee shall satisfy the eligibility criteria to serve on such NewCo Board Committee, including any requirements under applicable laws (including Securities Laws) and the rules of any securities exchange on which A&W Food Services NewCo has applied to list the A&W Food Services NewCo Shares. For greater certainty, the Audit Committee of A&W Food Services shall be comprised of directors that are independent for the purposes of Sections 1.4 and 1.5 of NI 52-110 and each other NewCo Board Committee shall be comprised of a number of directors the majority of whom are independent within the meaning of section 1.4 of NI 52-110.

Information Rights

Pursuant to the Investor Rights Agreement, for so long as an Investor has an aggregate ownership percentage of A&W Food Services NewCo Shares of at least 5.0%, the Investor Group Members of such Investor Group shall be entitled to (a) reasonable access to the books, records and accounts, business plans and budgets of A&W Food Services NewCo and its Subsidiaries during normal business hours in connection with a legitimate business purpose of such Investor, (b) reasonable access and consultation with officers, directors and management of A&W Food Services NewCo and its Subsidiaries upon reasonable prior notice, at a reasonable frequency and at mutually convenient times, and (c) such other information regarding the financial condition, operations, or business of A&W Food Services NewCo and its Subsidiaries as such Investor may reasonably request. Each Investor Group Member shall be subject to customary confidentiality provisions in respect of all confidential information of A&W Food Services NewCo.

Registration Rights

Pursuant to the Investor Rights Agreement the Investors will be entitled to certain demand registration rights which will enable them to require A&W Food Services NewCo to use commercially reasonable efforts to file one or more prospectuses in Canada and take such other steps as may be reasonably necessary to facilitate an offering of the Eligible Securities under applicable Securities Laws, in accordance with the terms and conditions of the Investor Rights Agreement (a "**Demand Registration**").

A&W Food Services NewCo will not be required to effect a Demand Registration in certain circumstances, including: (a) prior to the date which is 180 days after the Effective Date, without the prior written consent of a majority of the Independent Directors; (b) if, within any 12-month period, A&W Food Services NewCo has already effected two Demand Registrations; (c) prior to the date that is less than 90 days following the completion of an offer or sale or other disposition or distribution of A&W Food Services NewCo Shares to the public by way of a prospectus under applicable Securities Laws (a "**Distribution**"); (d) that is a Demand Registration in respect of Eligible Securities that would reasonably be expected to result in gross proceeds of less than \$50 million to all Investor Groups participating under such Demand Registration; (e) during any of A&W Food Services NewCo's regular annual and quarterly blackout periods in respect of its release of its financial results, without the prior written consent of a majority of Independent Directors, which consent will not be unreasonably withheld, conditioned or delayed; (f) if A&W Food Services NewCo has announced a Distribution prior to its receipt of a Demand Registration notice and provides, or has provided, the Investor seeking to exercise its Demand Registration right with a Piggy-Back Notice (as discussed below) in respect thereof;

(g) in the event that a majority of the Independent Directors determines in its good faith judgement that there is a valid business reason and that it is, therefore, in the best interests of A&W Food Services NewCo to defer the filing of a prospectus at such time until the earlier of five Business Days after the valid business reason ceases to exist and 120 days from the receipt of the Demand Registration notice; or (h) in any jurisdiction outside of Canada.

All registration expenses (which, for the avoidance of doubt, does not include underwriters' fees, discounts or brokers' commissions), including Investors' reasonable and documented legal fees and disbursements, incurred in respect of a Demand Registration will be borne by A&W Food Services NewCo.

Piggy-Back Registration Rights

Each Investor that owns at least 5.0% of the issued and outstanding A&W Food Services NewCo Shares at the applicable time will have piggy-back registration rights permitting such Investor to cause A&W Food Services NewCo to use reasonable commercial efforts to provide for the ability of such Investor to participate in future public offerings of A&W Food Services NewCo Shares (including public offerings initiated pursuant to a Demand Registration) and providing such Investor the right to receive written notice of any proposed Distribution (a "**Piggy-Back Notice**") in accordance with the terms and conditions of the Investor Rights Agreement (a "**Piggy-Back Registration**").

A&W Food Services NewCo will not be required to effect a Piggy-Back Registration in certain circumstances, including: (a) in respect of or related to any Distribution conducted in connection with an acquisition, merger, arrangement or similar transaction involving A&W Food Services NewCo or any of its Subsidiaries; or (b) where the form or manner of the applicable Distribution, or the prospectus to be used to qualify such Distribution, would not permit the qualification of the Distribution of the Eligible Securities that such requesting Investor is seeking to have qualified pursuant to such Piggy-Back Registration, including, but not limited to, with a Distribution that is an "at-the-market distribution" pursuant to National Instrument 44-102 – *Shelf Distributions*.

A&W Food Services NewCo will also be permitted to postpone or terminate any Distribution associated with a Piggy-Back Registration at any time prior to a receipt having been issued for a final prospectus by a Governmental Authority pursuant to Securities Laws or a supplement to a shelf prospectus being filed with a Governmental Authority pursuant to Securities Laws.

If a proposed Distribution to which a Piggy-Back Notice was provided is not completed within 180 days of a request by an Investor pursuant to such Piggy-Back Notice to effect a Piggy-Back Registration, such request to effect a Piggy-Back Registration delivered by the Investor will be deemed to be withdrawn and the notice required by the Investor Rights Agreement will be deemed to have not been given (in each case, unless otherwise agreed between A&W Food Services NewCo and the Investor requesting such Piggy-Back Registration).

Expiration of Registration Rights

If, at any time after completion of the Transaction, the aggregate number of A&W Food Services NewCo Shares (subject to adjustment for any subdivision, reduction, combination or consolidation of such A&W Food Services NewCo Shares) that are Eligible Securities beneficially owned by an Investor Group at such time ceases to represent at least 5.0% of the total number of A&W Food Services NewCo Shares issued and outstanding immediately following completion of the Transaction, then the rights in respect of a Demand Registration and Piggy-Back Registration granted to such Investor Group will automatically terminate and be of no further force or effect with respect to such Investor Group.

Other Registration Rights

For so long as the Investor Groups collectively beneficially own at least 25.0% of the aggregate number of A&W Food Services NewCo Shares issued to the Investors and their Holdcos pursuant to the Transaction (subject to adjustment for any subdivision, reduction, combination or consolidation of such shares) that are Eligible Securities, A&W Food Services NewCo may not grant any demand registration or piggy-back registration rights to any shareholder or future shareholder unless: (a) such registration rights are subordinated in priority to the Demand Registration and Piggy-Back Registration rights granted to the Investors in connection with any underwriters' cutback; or (b) with the prior written consent of the Investors that, at such time, are entitled to a Demand Registration and holding (together with their respective Investor Groups) a majority of the issued and outstanding A&W Food Services NewCo Shares held by all Investors (together with their respective Investor Groups) that are entitled to a Demand Registration, such consent not to be unreasonably withheld, conditioned or delayed.

For so long as an Investor is entitled to a Demand Registration, A&W Food Services NewCo may not grant any registration rights of the types described above to any shareholder or future shareholder that rank senior in priority to the Demand Registration and Piggy-Back Registration rights granted to the Investors in connection with any underwriters' cutback without the prior written consent of such Investor, such consent not to be unreasonably withheld, conditioned or delayed.

Lock-Up Arrangements

During the period beginning on the Effective Date and terminating on the date that is 18 months after such date, each Investor Group Member shall not, without the prior written consent of a majority of the Independent Directors, directly or indirectly, offer or sell or grant any option, warrant or other right to purchase or agree to sell or otherwise lend, transfer, assign, exchange, tender, convey or otherwise dispose of (including through the sale or purchase of options or other derivative instruments, hedging activities or otherwise), directly or indirectly, through one or more related transactions (each, a “**Transfer**”), any Eligible Securities that such Investor Group Member, beneficially owns, or agree or publicly announce any intention to do any of the foregoing; provided, however, that such Transfer restrictions will not be applicable to any Transfer: (a) to Permitted Transferees of the Investor associated with such Investor Group Member; (b) of Eligible Securities pursuant to a public distribution of Eligible Securities underwritten by one or a syndicate of underwriters pursuant to a Demand Registration or a Piggy-Back Registration; (c) by way of a block or private trade that is not qualified by a prospectus that is agreed to and completed after the 180 day anniversary of the Effective Date; or (d) to alleviate financial hardship faced by such Investor so long as such Transfer is approved by a majority of the Independent Directors.

Standstill

During the period beginning on the date that the Investor Rights Agreement is executed and terminating on the date that is two years thereafter (the “**Standstill Period**”), each Investor Group Member will agree that, neither such Investor Group Member nor any Permitted Transferees or Holdco of the Investor associated with such Investor Group Member, nor any Person that such Investor Group Member or any Permitted Transferee or Holdco of the Investor associated with such Investor Group Member is acting jointly or in concert with shall, directly or indirectly, without the prior written consent of a majority of the Independent Directors:

- (a) acquire or agree to acquire or make any proposal or offer to acquire any equity securities of A&W Food Services NewCo or its Affiliates (or any securities convertible, exercisable or exchangeable into equity securities of A&W Food Services NewCo or its Affiliates), except as a result of any stock split, stock dividend or distribution, other subdivision, reorganization, reclassification or similar capital transaction involving any A&W Food Services NewCo Shares (or any securities convertible, exercisable or exchangeable into A&W Food Services NewCo Shares);
- (b) commence, offer or propose a take-over bid for any securities of A&W Food Services NewCo or its Affiliates;
- (c) effect, seek, offer or propose any amalgamation, merger, arrangement, business combination, reorganization, restructuring, liquidation, disposition of a material portion of the assets or other extraordinary transaction by or with respect to A&W Food Services NewCo or its Affiliates;
- (d) requisition a meeting of or solicit proxies from security holders of A&W Food Services NewCo or its Affiliates or form, join or participate in a group to so solicit;
- (e) seek to obtain representation on the NewCo Board for any individual who is (i) an employee or officer of TorQuest Partners Fund IV or its Permitted Transferees (or any individual who serves in any similar capacity), (ii) a member of the immediate family of any employee or officer of TorQuest Partners Fund IV or its Permitted Transferees (or any person who serves in any similar capacity), (iii) a member of the immediate family of any of Paul Hollands, David Mindell or Jefferson Mooney or (iv) that is not independent within the meaning of section 1.4 of NI 52-110, in all cases, other than pursuant to any its nomination rights provided for in the Investor Rights Agreement and the service of such Nominees on the NewCo Board;
- (f) assist, advise or encourage any other Person to engage in any of the foregoing activities; or
- (g) make any public announcement or disclosure regarding an intention to do any of the foregoing activities.

However, the foregoing standstill restrictions will not:

- (a) restrict any Investor Group Member or any Permitted Transferees or Holdco of the Investor associated with such Investor Group Member, acting alone or jointly or in concert with any other Person, from making any proposal regarding a transaction directly to the NewCo Board on a confidential basis, or making and submitting to A&W Food Services NewCo and/or the NewCo Board any confidential request for A&W Food Services NewCo and/or the NewCo Board to waive, amend or provide a release of any provision of the standstill provisions (as described above) in the Investor Rights Agreement (whether or not in connection with any such proposal), provided that such Investor Group Member, any Permitted Transferees or Holdco of the Investor associated with such Investor Group Member, any Person such Investor Group Member or any Permitted Transferee or Holdco of the Investor associated with such Investor Group Member are acting jointly or in

concert with and their respective Representatives do not make any public announcement in respect thereof and the making of such proposal does not require A&W Food Services NewCo to make a public announcement in respect thereof;

- (b) apply from and after: (i) the commencement or public announcement of a take-over bid, which if completed would result in the acquisition of more than 50.0% of the then outstanding equity securities of A&W Food Services NewCo by any person or group of persons (other than an Investor Group Member, any Permitted Transferee or Holdco of the Investor associated with such Investor Group Member or their respective joint actors); or (ii) the approval or entering into by A&W Food Services NewCo of, or the public announcement of the approval or entering into by A&W Food Services NewCo of, a transaction or definitive agreement providing a transaction, which if completed would result in the acquisition of more than 50.0% of the then outstanding equity securities of A&W Food Services NewCo or all or substantially all of the assets of A&W Food Services NewCo by any person or group of persons (other than an Investor Group Member, any Permitted Transferees or Holdco of the Investor associated with such Investor Group Member or their respective joint actors); and
- (c) restrict the ability of any Nominee, in his or her capacity as a director of A&W Food Services NewCo, from participating in meetings of the NewCo Board (including by voting as a director at such meetings) in any manner required by his or her fiduciary duties to as a director of A&W Food Services NewCo.

Amendments and Modifications

The Investor Rights Agreement may be amended, modified, extended or terminated only by an agreement in writing signed by A&W Food Services NewCo and each of the Investors that, at such time, have rights under the Investor Rights Agreement, provided, that, no agreement for such amendment, modification, extension or termination shall be valid or binding unless approved in writing by a majority of the Independent Directors.

Assignment

The Investor Rights Agreement is not assignable by the Investors without A&W Food Services NewCo's prior written consent and is not assignable by A&W Food Services NewCo without the prior written consent of the Investors.

DISSENTING UNITHOLDERS

The Interim Order expressly provides Registered Unitholders with the right to dissent from the Arrangement Resolution in the manner provided in section 190 of the CBCA, as modified by the Interim Order and the Plan of Arrangement (the "**Dissent Rights**"). Any Registered Unitholder who duly and validly exercises the Dissent Rights (a "**Dissenting Unitholder**") from the Arrangement Resolution in compliance with the relevant provisions of the CBCA set out in Appendix F and as may be modified by the Plan of Arrangement and the Interim Order, will be entitled, in the event the Transaction becomes effective, to be paid the fair value of the Units held by such Dissenting Unitholder, determined as of the close of business on the day before the Arrangement Resolution was adopted. A Dissenting Unitholder will not be entitled to any other payment or consideration, including any payment that would be payable under the Transaction had such holder not exercised its Dissent Rights, including the Accrued Distribution. Registered Unitholders are cautioned that fair value of the Units could be determined to be less than the consideration payable pursuant to the terms of the Transaction.

Only a Registered Unitholder may exercise the Dissent Rights in respect of Units registered in such Unitholder's name (the "**Dissenting Units**"). Section 190 of the CBCA provides that a Dissenting Unitholder may only make a claim under that section with respect to all of the Units held by the Dissenting Unitholder on behalf of any one Beneficial Unitholder and registered in the Dissenting Unitholder's name. One consequence of this provision is that a Registered Unitholder may exercise Dissent Rights only in respect of Units that are registered in that Registered Unitholder's name. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Unitholder of consideration for such Dissenting Units.

In many cases, Units beneficially owned by a Beneficial Unitholder are registered either: (a) in the name of an Intermediary, or (b) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant. Accordingly, a Beneficial Unitholder will not be entitled to exercise its Dissent Rights directly unless the Units are re-registered in such Unitholder's name. A Beneficial Unitholder who wishes to exercise Dissent Rights should immediately contact the Intermediary with whom such Unitholder deals in respect of their Units and either: (a) instruct the Intermediary to exercise Dissent Rights on its behalf (which, if the Units are registered in the name of CDS & Co. or other clearing agency, may require that such Units first be re-registered in the name of the Intermediary), or (b) instruct the Intermediary to re-register such Units in the name of such Unitholder, in which case the Beneficial Unitholder would be able to exercise Dissent Rights directly.

A Registered Unitholder who wishes to dissent must provide a written notice of dissent (a "Dissent Notice") to the Fund, which the Fund must receive, at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9, Attention: Catherine Anderson, with a copy to Davies Ward Phillips & Vineberg LLP, 155 Wellington Street West,

Toronto, ON M5V 3J7, Attention: Kevin Greenspoon, email: kgreenspoon@dwpv.com by no later than 5:00 p.m. (Vancouver Time) on October 4, 2024 (or, if the Meeting is adjourned or postponed, by no later than 5:00 p.m. (Vancouver Time) on the second Business Day, excluding Saturdays, Sundays and statutory holidays, prior to the commencement of the reconvened Meeting). Failure to properly exercise Dissent Rights may result in the loss or unavailability of the right to dissent.

The filing of a Dissent Notice does not deprive a Registered Unitholder of the right to vote at the Meeting. However, no Registered Unitholder who has voted **FOR** the Arrangement Resolution shall be entitled to exercise Dissent Rights with respect to their Units. **A vote against the Arrangement Resolution, an abstention from voting or a proxy submitted instructing a proxyholder to vote against the Arrangement Resolution does not constitute a Dissent Notice. However, any proxy granted by a Registered Unitholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such Units FOR the Arrangement Resolution and thereby causing the Registered Unitholder to forfeit his or her Dissent Rights.**

If the Arrangement Resolution is passed at the Meeting, within ten days from the Meeting, the Fund must send to every Dissenting Unitholder (other than Dissenting Unitholders who voted for the Arrangement Resolution or withdrew their Dissent Notice) ("**Notice of Intention**"): (a) informing such Dissenting Unitholder that the Arrangement Resolution has been adopted and the Fund intends to complete the Transaction, subject to receipt of the Final Order and satisfaction of the other conditions set out in the Combination Agreement; and (b) advising the Dissenting Unitholder that if the Dissenting Unitholder intends to proceed with its exercise of its right to dissent, it must deliver to the Fund: (i) within 20 days of the date of the Notice of Intention, a written statement (a "**Demand for Payment**") containing the Dissenting Unitholder's name and address, the number of Units in respect of which the Dissenting Unitholder dissents (which must be all of their Units) and providing that the Dissenting Unitholder requires the payment of fair value of the Units in respect of which the Dissenting Unitholder has dissented; and (ii) within 30 days after sending the Demand for Payment, the certificate(s) and/or direct registration statement(s) representing the Dissenting Units to the Fund. Failure to strictly comply with the relevant requirements of the CBCA, as modified by the Plan of Arrangement and the Interim Order, may result in the loss of any right to dissent.

A&W Food Services NewCo shall, not later than seven days after the later of the day on which the Transaction is effective or the day the Fund received the Demand for Payment, send to each Dissenting Unitholder who has sent such notice a written offer to pay for its Dissenting Units in an amount considered by the NewCo Board of A&W Food Services NewCo to be the fair value accompanied by a statement showing how the fair value was determined (an "**Offer to Pay**"). Each Offer to Pay must be on the same terms as every other Offer to Pay.

In the event that a Dissenting Unitholder accepts the corresponding Offer to Pay, A&W Food Services NewCo shall arrange to pay for the Units of such Dissenting Unitholder within ten days after such acceptance, but any such offer lapses if A&W Food Services NewCo does not receive an acceptance thereof within 30 days after the Offer to Pay has been made.

In the event that the Offer to Pay is not made to, or not accepted by, the Dissenting Unitholder within 50 days after the Transaction becomes effective or such further period as a Court may allow, A&W Food Services NewCo may apply to the Court to fix the fair value of such Units. There is no obligation on A&W Food Services NewCo to apply to the Court. If A&W Food Services NewCo fails to make such an application to the Court, a Dissenting Unitholder has the right to so apply to the Court within a further 20 days or such further period as a Court may allow. If an application is made by either party, the Court may determine whether any other person is a Dissenting Unitholder who should be joined as a party, and the Court shall then fix a fair value for the Units that the Dissenting Unitholders will be entitled to be paid.

In no case shall A&W Food Services NewCo, the Fund or any other Person be required to recognize any Dissenting Unitholder as a Registered Unitholder of Units in respect of which Dissent Rights have been validly exercised after the Effective Time. If the Effective Time occurs, the names of such Dissenting Unitholders shall be removed from the register of holders of Units in respect of which Dissent Rights have been validly exercised at the applicable time specified in the Plan of Arrangement and A&W Food Services NewCo shall be recorded as the registered holder of such Units and shall be deemed to be the legal owner of such Units.

On sending a Demand for Payment, a Dissenting Unitholder ceases to have any rights as a Unitholder other than to be paid the fair value of their Dissenting Units, determined as of the close of business of the day before the Arrangement Resolution was adopted, and will not be entitled to any other payment or consideration (including the Accrued Distribution), including any payment that would be payable under the Transaction had such Unitholders not exercised their Dissent Rights in respect of such Units, except that the Dissenting Unitholder's rights will be reinstated as of the date the Demand for Payment was sent (a) where such Unitholder withdraws the Demand for Payment in accordance with the CBCA, including doing so before (i) A&W Food Services NewCo makes an Offer to Pay; or (ii) A&W Food Services NewCo fails to make an Offer to Pay in accordance with the CBCA and the Dissenting Unitholder withdraws the Demand for Payment, or (b) where the Fund determines not to proceed with the Transaction as permitted by the Arrangement Resolution. Upon validly exercising the Dissent Rights, the names of such Dissenting Unitholders shall be removed from the registers of Unitholders in respect of which Dissent Rights have been validly exercised.

A Dissenting Unitholder who for any reason is not entitled to be paid the fair value of the holder's Dissenting Units will, in respect of such Dissenting Units, be treated as having participated in the Transaction as if such Dissenting Unitholder had not dissented and did not deposit with the Depositary a duly completed Letter of Transmittal and Election Form (and shall be entitled to receive the consideration (including the Accrued Distribution) in the same manner as such non-dissenting Unitholder, including proration). The foregoing is only a summary of the Dissenting Unitholder provisions of the CBCA (as may be modified by the Plan of Arrangement or the Interim Order), which are technical and complex, and is qualified in its entirety by the full text of Section 190 of the CBCA, as well as the terms of the Plan of Arrangement and the Interim Order, copies of which are set out in Appendix F, Appendix B and Appendix D, respectively. It is recommended that any Unitholder wishing to avail itself of its Dissent Rights under those provisions seek legal advice, as failure to comply strictly with the provisions of the CBCA (as may be modified by the Plan of Arrangement and the Interim Order) may prejudice its Dissent Rights or may result in the loss of Dissent Rights.

Notwithstanding anything to the contrary in the Plan of Arrangement, if the Fund has declared any distribution on the Units with a record date that occurs prior to the Effective Date, but for which payment has not been made prior to the Effective Date, the Unitholders of record on the record date for such distribution shall remain entitled to receive payment of such distribution on or after the Effective Date in accordance with the Declaration of Trust, regardless of if a Unitholder exercised its Dissent Rights.

For a general summary of certain Canadian federal income tax considerations to a Dissenting Unitholder, see "*Certain Canadian Federal Income Tax Considerations*".

INFORMATION CONCERNING THE FUND

The following information about the Fund should be read in conjunction with the documents incorporated by reference in this Circular and the information concerning the Fund appearing elsewhere in this Circular. See "*Documents Incorporated by Reference*".

General

The Fund is a limited purpose trust established under the Laws of the Province of British Columbia as of December 18, 2001, and governed by the Declaration of Trust. The registered office of the Fund is located at 22nd Floor, 885 West Georgia Street Vancouver, British Columbia V6C 3E8 and the principal office of the Fund is located at Suite 300, 171 West Esplanade, North Vancouver, British Columbia V7M 3K9.

The Fund does not conduct an active business. All of the revenue of the Fund is indirectly derived from the Licence and Royalty Agreement between TradeMarks LP and A&W Food Services, whereby TradeMarks LP granted A&W Food Services a licence to use the A&W Marks in Canada for a term expiring December 30, 2100 in connection with its franchised quick service restaurant business. A&W Food Services pays a royalty to TradeMarks LP equal to three percent of gross sales reported by A&W restaurants in the royalty pool. TradeMarks LP then distributes this royalty to its limited partner, TMI. The Fund holds common shares of TMI. TMI distributes the royalty to the Fund by declaring dividends on its common shares.

Description of Authorized and Issued Capital of the Fund

The Fund is authorized to issue two classes of Trust Units pursuant to the Declaration of Trust, Units and Limited Voting Units. An unlimited number of Units and Limited Voting Units may be issued pursuant to the Declaration of Trust. Each Trust Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund whether of net income, net realized capital gains or other amounts, and in the net assets of the Fund in the event of termination or winding-up of the Fund. All Units and Limited Voting Units have equal rights and privileges except that holders of the Limited Voting Units or Exchangeable Securities are not entitled in the aggregate to cast more than 40.0% of the votes cast upon a resolution with respect to the appointment or removal of Trustees of the Fund and are not entitled to cast any votes upon a resolution to amend the Declaration of Trust in respect of the limitation upon the voting rights of the holders of Limited Voting Units and Exchangeable Securities (unless the resolution to amend the Declaration of Trust would prejudice or interfere with any of the rights, privileges, restrictions or conditions attached to the Limited Voting Units or the Exchangeable Securities, in which case holders of Limited Voting Units and the holders of Exchangeable Securities, shall be entitled to vote separately as one class on such resolution). Neither the Units, nor the Limited Voting Units, are subject to future calls or assessments. Except as set out above and in the following, the Trust Units have no conversion, retraction, redemption or pre-emptive rights. Trust Units are redeemable at any time on demand by the holders thereof and upon receipt of the redemption notice by the Fund, all rights to and under the Trust Units tendered for redemption are surrendered and the holder thereof is entitled to receive a price per Trust Unit equal to the lesser of: (a) 90.0% of the "market price" of the Units on the principal market on which the Units are quoted for trading on the trading day immediately subsequent to the date on which the Trust Units were surrendered for redemption and (b) 100% of the "closing market price" on the principal market on which the Units are quoted for trading on the trading day immediately subsequent to the date on which the Trust Units were surrendered for redemption. As well, in the event of the sale of a Limited Voting Unit by the holder thereof, the holder of such Limited Voting Unit may convert the Limited Voting Unit into a Unit on a one for one basis for the purpose of delivering a Unit to the purchaser on the transfer of such Limited Voting Unit.

As at the Record Date there were outstanding 14,585,673 Units, 1,507,020 Limited Voting Units and Exchangeable Securities convertible into 4,562,957 Limited Voting Units. For further information regarding the capital structure of the Fund, TMI and TradeMarks LP, see “Description of the Fund”; “Description of the Partnership” and “Share and Loan Capital of the Company” in the AIF, which is incorporated herein by reference.

Distribution Policy

The Fund makes monthly cash distributions to Unitholders from dividends on or in respect of the common shares of TMI owned by the Fund, less (a) administrative expenses and other obligations of the Fund; (b) amounts which may be paid by the Fund in connection with any cash redemptions of Trust Units; and (c) any other interest expense incurred by the Fund between distributions. The actual amount of each monthly distribution is determined by the Trustees in their sole discretion. The table below sets out the amount of cash distributions per Unit paid by the Fund to Unitholders for each of the three most recently completed fiscal years and for the current fiscal year. The Fund will continue to pay its monthly cash distribution to Unitholders prior to closing of the Transaction and, pursuant to the Plan of Arrangement, will pay the Accrued Distribution to Unitholders that submit a Letter of Transmittal and Election Form.

2024		2023		2022		2021	
February 29, 2024	\$0.160	February 28, 2023	\$0.160	February 28, 2022	\$0.155	February 26, 2021	\$0.100
March 29, 2024	\$0.160	March 31, 2023	\$0.160	March 31, 2022	\$0.155	March 31, 2021	\$0.135
April 30, 2024	\$0.160	April 28, 2023	\$0.160	April 29, 2022	\$0.155	April 30, 2021	\$0.135
May 31, 2024	\$0.160	May 31, 2023	\$0.160	May 31, 2022	\$0.155	May 31, 2021	\$0.135
June 28, 2024	\$0.160	June 30, 2023	\$0.160	June 30, 2022	\$0.155	June 30, 2021	\$0.135
July 31, 2024	\$0.160	July 31, 2023	\$0.160	July 29, 2022	\$0.155	July 30, 2021	\$0.135
August 30, 2024 ⁽²⁾	\$0.160	August 31, 2023	\$0.160	August 31, 2022	\$0.155	August 31, 2021	\$0.150
		September 29, 2023	\$0.160	September 30, 2022	\$0.155	September 30, 2021	\$0.150
		October 31, 2023	\$0.160	October 31, 2022	\$0.155	October 29, 2021	\$0.150
		November 30, 2023	\$0.160	November 30, 2022	\$0.160	November 30, 2021	\$0.155
		December 29, 2023	\$0.160	December 30, 2022	\$0.160	December 31, 2021	\$0.155
		January 31, 2024	\$0.160	January 31, 2023	\$0.160	January 31, 2022	\$0.155
						December 31, 2021 ⁽¹⁾	\$0.050
	<u>\$1.280</u>		<u>\$1.920</u>		<u>\$1.875</u>		<u>\$1.740</u>

Notes

- (1) Special distribution.
(2) Declared but not yet paid.

Prior Sales

Other than the following, no securities of the Fund or securities that are convertible or exchangeable into securities of the Fund were purchased or sold during the 12-month period preceding the date of this Circular: On December 7, 2023, 109,332 limited partnership units of TradeMarks LP were issued to A&W Food Services at a price of \$33.90 per unit in connection with the adjustment to the consideration for the addition of new A&W restaurants to the royalty pool on January 5, 2023 based on the actual sales reported by the new restaurants, which were immediately exchanged for 218,664 Non-Voting Common Shares without Par Value in the capital of TMI, exchangeable at the option of A&W Food Services for 109,332 Limited Voting Units of the Fund. On January 5, 2024, 218,029 limited partnership units of TradeMarks LP were issued to A&W Food Services at a price of \$30.48 per unit in connection with the addition of new A&W restaurants to the royalty pool, which were immediately exchanged for 436,058 Non-Voting Common Shares without Par Value in the capital of TMI, exchangeable at the option of A&W Food Services for 218,029 Limited Voting Units of the Fund.

Trading Prices and Volumes

The Units are listed and posted for trading on the TSX under the symbol "AW.UN". The following table sets forth the price ranges and volume traded for the Units on the TSX for the period indicated:

Period	High (\$)	Low (\$)	Volume (000s)
2023			
August	34.85	32.99	210
September	33.50	31.68	172
October	32.23	29.33	235
November	31.50	30.48	160
December	31.71	30.60	341
2024			
January	32.74	30.99	358
February	32.47	30.16	290
March	31.37	29.78	313
April	30.05	29.01	476
May	29.62	28.53	343
June	30.14	28.33	334
July	35.34	28.30	924
August 1 – 28	34.36	33.11	541

On July 19, 2024, the last trading day on which the Units traded prior to public announcement of the Transaction, the closing price of the Units on the TSX was \$28.54. On August 28, 2024, the closing price of the Units on the TSX was \$34.00.

Expenses of the Transaction

The Fund estimates that expenses in the aggregate amount of approximately \$9.7 million will be incurred by it in connection with the Transaction, including legal, financial advisory, accounting, filing fees and costs, the cost of preparing, printing and mailing this Circular, costs with respect to the Meeting and fees in respect of the TD Formal Valuation and Fairness Opinion and RBC Fairness Opinion. Except as otherwise expressly provided in the Combination Agreement, all out-of-pocket costs, fees and expenses incurred in connection with the Combination Agreement or the transactions contemplated by the Combination Agreement, whether prior to or after the date of the Combination Agreement, shall be paid by the party incurring such costs, expenses and fees, whether or not the Transaction is consummated. Certain out-of-pocket costs, fees and expenses incurred by the Fund prior to the announcement of the Transaction are subject to reimbursement by A&W Food Services pursuant to the Expense Agreement. The Combination Agreement provides for an expense reimbursement, and for repayment by the Fund of expenses previously reimbursed by A&W Food Services, in certain circumstances, as further detailed in the Combination Agreement. For more information, see "*Key Agreements Relating to the Transaction – Combination Agreement*".

Commitments to Acquire Securities of the Fund

Except as described in this Circular or in the documents incorporated by reference herein, none of the Fund and its Trustees and executive officers or, to the knowledge of the Trustees and executive officers of the Fund, any of their respective associates or affiliates, any other insiders of the Fund, any person acting jointly or in concert with the Fund, or their respective associates or affiliates, has made any agreement, commitment or understanding to acquire securities of the Fund.

Material Changes in the Affairs of the Fund

Except as described in this Circular or in the documents incorporated by reference herein, the Trustees and executive officers of the Fund are not aware of any plans or proposals for material changes in the affairs of the Fund.

Recent Developments

Except as described in this Circular, there have been no material recent developments in the business of the Fund since June 16, 2024, the date of the Fund's most recently filed interim financial statements.

Consolidated Capitalization

Except as described in this Circular, there have been no material changes in the Fund's unit or loan capital on a consolidated basis since June 16, 2024, the date of the Fund's most recently filed interim condensed consolidated financial statements. See the table under the heading "*Information Concerning the A&W Food Services NewCo After Giving Effect to the Transaction – Pro Forma Consolidated Capitalization*" in this Circular for more information about the consolidated capitalization of A&W Food Services NewCo after giving effect to the Transaction.

Arrangements between the Fund and Security Holders

Except as otherwise described in this Circular, the Fund has not made or proposed to be made any agreement, commitment or understanding with a security holder of the Fund relating to the Transaction.

Transfer Agent and Registrar

The transfer agent and registrar for the Units is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

Interests of Informed Persons in Material Transactions

Except as described in this Circular or in the documents incorporated by reference herein, no informed person of the Fund (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*), or any associate or affiliate of any informed person, has had any material interest in any transaction, or proposed transaction, which has materially affected or would materially affect the Fund or any of its subsidiaries since the commencement of the most recently completed financial year of the Fund.

Material Contracts

Except as described in this Circular or in the documents incorporated by reference herein, during the 12 months prior to the date of this Circular, the Fund has not entered into any contracts, nor are there any contracts still in effect, that are material to the Fund or any of its subsidiaries, other than contracts entered into in the ordinary course of business.

Interests of Experts

Each of TD Securities and RBC is named as having prepared or certified a report, statement or opinion in this Circular, specifically the TD Formal Valuation and Fairness Opinion and RBC Fairness Opinion, respectively. Except for the fees to be paid to each of TD Securities and RBC, to the knowledge of the Fund, none of the foregoing financial advisors, their directors, officers, employees and partners, as applicable, or their respective associates or affiliates, beneficially owns, directly or indirectly, 1.0% or more of any outstanding securities of the Fund or any associate or affiliate of the Fund, has received or will receive any direct or indirect interests in the property of the Fund or any of its associates or affiliates, or is expected to be elected, appointed or employed as a director, officer or employee of the Fund or any associate or affiliate thereof.

PricewaterhouseCoopers LLP, Chartered Professional Accountants, is the external auditor of the Fund and has prepared the Auditors' Report to the Unitholders dated February 27, 2024, with respect to the consolidated financial statements of the Fund for the years ended December 31, 2023 and December 31, 2022. As of February 27, 2024 and as of the date of this Circular, PricewaterhouseCoopers LLP was independent from the Fund within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Additional Information

Additional information relating to the Fund may be found under its profile on SEDAR+ at www.sedarplus.ca. Additional financial information is provided in the Fund's audited financial statements and management's discussion and analysis for the Fund's most recently completed financial year. A copy of the Fund's financial statements and management's discussion and analysis is available upon written request to the Chief Financial Officer of the Fund at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 (Telephone: 604-988-2141).

INFORMATION CONCERNING A&W FOOD SERVICES NEWCO AFTER GIVING EFFECT TO THE TRANSACTION

General

The Transaction will result in the strategic combination of the Fund and A&W Food Services that will create a leading publicly traded growth-focused quick service restaurant franchisor, A&W Food Services NewCo. The Transaction is structured as a

statutory plan of arrangement under the CBCA pursuant to which A&W Food Services will be amalgamated with certain of its holding companies to form A&W Food Services NewCo and A&W Food Services NewCo will acquire all the Units for A&W Food Services NewCo Shares or cash, as the case may be. Under the terms of the Transaction, each Unitholder can elect to receive in exchange for each Unit, the Cash Consideration, the Share Consideration or the Combination Consideration. Unitholders that receive the Share Consideration or the Combination Consideration (including as a result of proration) will become shareholders in A&W Food Services NewCo.

Upon completion of the Transaction, approximately 41% of the A&W Food Services NewCo Shares will be owned by existing Unitholders (other than A&W Food Services). TorQuest Partners Fund IV will own approximately 19.4% of the A&W Food Services NewCo Shares and other current A&W Food Services shareholders will own, as individual beneficial owners, an aggregate of approximately 39.6% of the A&W Food Services NewCo Shares through the exchange of their indirect interests in A&W Food Services. Following completion of the Transaction, the Fund will become a wholly owned subsidiary of A&W Food Services NewCo.

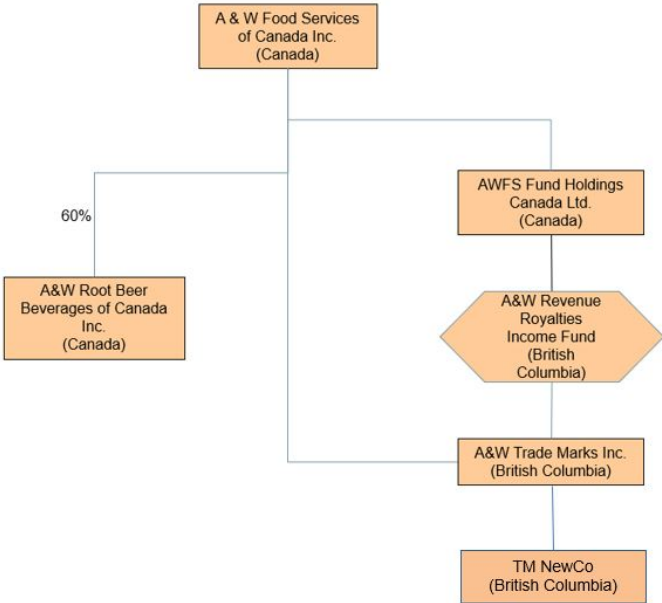
The following sets forth certain information relating to the Fund and A&W Food Services, together with pro forma information of A&W Food Services NewCo after giving effect to the Transaction and certain other adjustments. See “*Cautionary Note Regarding Forward-Looking Statements*”. Additional information concerning each of the Fund and A&W Food Services is set forth elsewhere in this Circular. See “*Information Concerning the Fund*” and “*Information Concerning A&W Food Services*”.

The information concerning A&W Food Services NewCo contained in this Circular has been provided by A&W Food Services. Although the Fund has no knowledge that would indicate that any of such information is untrue or incomplete, the Fund does not assume any responsibility for the accuracy or completeness of such information or the failure by A&W Food Services to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the Fund.

Corporate Structure

Following completion of the Transaction, A&W Food Services NewCo will exist under the CBCA, and its registered and head office will be located at Suite 300, 171 West Esplanade, North Vancouver, British Columbia V7M 3K9.

The following is an organizational chart showing the anticipated intercorporate relationships of A&W Food Services NewCo and its subsidiaries immediately following the completion of the Transaction:



Each subsidiary indicated on the above chart is wholly-owned unless otherwise indicated. TradeMarks LP will be wound-up pursuant to Pre-Arrangement Reorganization and it is expected that TM NewCo and TMI will be amalgamated in the months following the closing of the Transaction.

Description of the Business

A&W Food Services is the franchisor of A&W restaurants in Canada. A&W Food Services derives its revenues from service fees, sales of good and supplies, initial franchise fees, equipment sales, technology, turnkey and other fees. It also generates revenues from the A&W restaurants which it owns and operates and from the sale of A&W Root Beer® concentrate to Coca-Cola Refreshments Canada Co. for the production and distribution of A&W Root Beer in cans and bottles sold in Canadian retail stores. A&W Food Services also generates sales and profit from operating 10 corporately owned restaurants, all located in the Ottawa region.

Following the consummation of the Transaction, A&W Food Services NewCo will carry on the businesses of A&W Food Services. For a detailed description of the business of A&W Food Services, see the AIF which is incorporated by reference in this Circular. Also see “*Documents Incorporated by Reference*”.

A&W is an Industry Leading Canadian Burger QSR with a Fortress Brand

Established in 1956, A&W was Canada’s first burger QSR restaurant. Over its 68 year history, A&W Food Services has established a strong brand name and a reputation as a leader in the burger segment of the QSR market, recently being recognized as Canada’s strongest brand¹. With 1,062 restaurants across Canada as of June 16, 2024 and System Sales of \$1.85 billion for the 52-week period ended December 31, 2023², A&W Food Services is the second largest burger QSR chain³ in the \$12.5 billion Canadian QSR burger market.⁴ A&W restaurants have a loyal customer base, serving hundreds of millions of guests across Canada each year.

A&W Food Services has a proven history of growing the number of A&W restaurants across Canada, which grew by nearly 70% from January 2004 to the end of June 2024. A&W restaurants operate as freestanding restaurants with drive-thru facilities, restaurants in shopping centres, restaurants on street fronts in urban areas or gas/convenience store restaurants on shared sites. The A&W product line includes hamburgers (The Burger Family®), chicken products through the Chubby Chicken® line of products and, joining the roster in 2023, a new lineup of Chicken Cruncher sandwiches, russet thick-cut fries, sweet potato fries, A&W Root Beer®, fresh hand-cut onion rings, breakfast items, soft drinks, coffee as well as a variety of frozen and espresso-based beverages that are offered through the A&W Brew Bar®.

A&W has received numerous accolades, including having Canada’s best tasting burger, best quality beef and the #1 onion rings and #1 retail root beer in Canada⁵. Bold innovation is also a core strength of A&W and key in attracting guests, through menu innovation, restaurant concept innovation, great tasting natural ingredients and award winning advertising. Management believes that the success of the A&W brand in Canada can also be attributed to:

- its proven franchise system;
- its proprietary restaurant operating system designed to deliver high quality food to guests served quickly and with minimal food waste;
- it keeping the cost of becoming an A&W franchisee affordable relative to other competing franchises in the burger QSR industry; and
- its proven and effective strategic processes and ability to align the organization through A&W Climate processes, A&W Climate goals and behaviours that drive A&W’s unique culture, practiced across all of A&W including franchisees and 26,000+ team members across Canada.

Best-in-Class Operating and Financial Performance

Between 2014 and 2023, A&W Food Services was the fastest growing large-scale QSR burger brand in Canada. During that period, A&W Food Services had Average Annual System Sales Growth of 9.1% and Average Annual Same Store Sales Growth

¹ Per Brand Finance Canada 100 2024 report. Ranked based on relative strength of brands through a balanced scorecard of metrics evaluating marketing investment, stakeholder equity, and business performance.

² See “*Non-IFRS measures*”.

³ See “*Market and Industry Data*”.

⁴ See “*Market and Industry Data*”.

⁵ Ratings are with respect to the six major QSR burger chains in Canada and are based on market consumer research of Synqrinus (conducted in 2023 and commissioned by A&W Food Services of Canada). See “*Market and Industry Data*”.

of 5.4%.⁶ During that same period, A&W Food Services added 223 restaurants to its network, representing an average annual net unit growth of 2.8%.

Capital-Light Franchisor Model

Of the 1,062 A&W restaurants in operation in Canada as of June 16, 2024, 1,052 are owned and operated by more than 300 owner/operators under franchise agreements with A&W Food Services and ten are owned and operated by A&W Food Services.

A&W Food Services has a highly scalable and motivated franchisee base, in which each franchisee owns 3.4 A&W restaurants on average, with a strong balance of small, medium and large franchisees. Over the past three years ending December 31, 2023, approximately 75% of new restaurants opened are by existing franchisees and approximately 75% of resale restaurants are bought by existing franchisees.

Strategically Focused on Growth

As a strategically driven company, A&W Food Services is pursuing a disciplined strategic plan to further drive growth, just as it has done for the past 70 years. The first strategic thrust is to continue an industry leading pace of new restaurant openings. With the current potential for approximately 400 more A&W restaurants across Canada, including in the underserved markets of Ontario and Quebec, restaurant growth will be driven largely by the existing base of highly successful expansion-oriented franchisees. Petro Canada, one of the largest franchisees, has agreed to open over 90 new A&W restaurants in the next few years. Growing customer traffic and sales through menu innovation, including the A&W Brew Bar® beverage lineup, is a key growth strategy for A&W. In addition, enhancing the guest experience and building greater loyalty through mobile and digital ordering offers exciting growth potential. Finally, the opportunity to expand into the sizable QSR Sandwich segment through A&W's exclusive Canadian rights to the internationally acclaimed Pret A Manger ("Pret") brand is an important area of potential. The first stand alone Pret restaurant opened in Toronto in early 2024 and other locations are being actively pursued. See "Cautionary Note Regarding Forward-Looking Statements".

Financial Outlook

A&W Food Services NewCo is well-positioned for continued growth. In 2025, management expects Annual Same Store Sales Growth and Annual System Sales Growth in the ranges of 3.0% - 4.5% and 5.0% - 7.0%, respectively. Management also expects total number of restaurants to grow to 1,080-1,095 by the end of 2025, and Pro Forma Adjusted EBITDA to grow from \$91 million in 2023 to \$98-\$103 million in 2025. For the three-year period of 2025 to 2027, management expects Average Annual Same Store Sales Growth and Average Annual System Sales Growth in the ranges of 3.0% - 5.0% and 5.0% - 7.0%, respectively. Management also expects total number of restaurants to grow to 1,140 - 1,160 by the end of 2027 and Pro Forma Adjusted EBITDA to grow to \$115-\$130 million in 2027.⁷

The above financial outlook is based on management's current views and strategies. It is subjective in many respects and based on numerous judgments, estimates, assumptions and expectations by management regarding, among other things, industry performance, general business, economic, regulatory, market and financial conditions, costs and expenses, as well as other future events.

The assumptions underlying the financial outlook include certain of the material assumptions identified in "Cautionary Note Regarding Forward-Looking Statements", and the following key underlying assumptions:

- A&W Food Services NewCo increasing the total number of A&W restaurants as contemplated;
- continued Same-Store Sales Growth (driven in part by continued brand appeal, menu developments, growth in Ontario and growing a successful A&W Brew Bar® and mobile app business);
- no significant changes in economic conditions that impact consumer spending (including economic recession or changes in rates of inflation or deflation); and
- revenue growth outpacing growth in costs which is expected to be achieved by leveraging the existing platform over a larger scale.

Management approved the above financial outlook as of the date of this Circular. The purpose of the financial outlook is to give readers an indication of management's expected and targeted financial results as of the date of this presentation. Readers are cautioned that using this information for other purposes may not be appropriate.

⁶ Average Annual System Sales Growth and Average Annual Same Store Sales Growth excludes 2020 and 2021 due to COVID pandemic. See "Non-IFRS Measures".

⁷ See "Non-IFRS Measures".

Management currently believes that the above financial outlook, and the judgments, estimates, assumptions and expectations underlying the above financial outlook, are reasonable in the current industry environment. However, there can be no assurance that the financial outlook will be realized, that the judgments, estimates, assumptions and expectations underlying the above financial outlook will prove to be accurate or that actual results will not be significantly higher or lower than projected. A&W Food Services NewCo's ability to achieve the financial outlook is subject to a number of risks, challenges and uncertainties that could cause actual future results to differ materially from the financial outlook. See "*Risk Factors*", including "*Assumptions underlying the forward-looking information contained herein may prove to be materially incorrect due to the other risks identified above and the risk factors relating to the business of A&W Food Services NewCo set out in 'Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction', which could cause the actual future results and future events to differ materially from such forward-looking information*". As such, undue reliance should not be placed on this financial outlook. Management may review and revise the financial outlook as economic, geopolitical, market and regulatory environments change.

The above financial outlook has been calculated using accounting policies that management used to prepare the financial statements of the Fund and A&W Food Services and the unaudited pro forma consolidated financial statements included in this Circular. See "*Documents Incorporated by Reference*" and Appendix I.

The above financial outlook, and the assumptions and factors underlying that financial outlook, constitute forward-looking information for purposes of applicable securities laws in Canada and readers are therefore cautioned that actual results may vary from those described above. See "*Cautionary Note Regarding Forward-Looking Statements*", "*Risk Factors*" and "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Risk Factors*".

Dividend Policy

Following completion of the Transaction, A&W Food Services NewCo is expected to initially pay a quarterly dividend at the same annualized rate as current distributions of the Fund (equal to \$1.92 per Unit per year). The amount of future dividends and the declaration and payment thereof will be at the discretion of the NewCo Board, will be based upon A&W Food Services NewCo's financial position, results of operations, cash flow and capital requirements, as well as broader market and economic conditions, among other factors, and will be subject to compliance with applicable law. The NewCo Board will retain the power to amend A&W Food Services NewCo's dividend policy in any manner and at any time as it may deem necessary or appropriate in the future. For these reasons, as well as others, there can be no assurance that dividends in the future will be equal or similar to the amount historically paid on the Units and that the NewCo Board will not decide to suspend or discontinue the payment of cash dividends in the future. See "*Cautionary Note Regarding Forward-Looking Statements*".

Description of A&W Food Services NewCo Share Capital

A&W Food Services NewCo will be authorized to issue an unlimited number of A&W Food Services NewCo Shares. Holders of A&W Food Services NewCo Shares will be entitled to one vote per share at meetings of holders of A&W Food Services NewCo Shares, to receive dividends if, as and when declared by the NewCo Board and to receive pro rata the remaining property and assets of A&W Food Services NewCo upon its dissolution or winding-up, subject to the rights of shares having priority over the A&W Food Services NewCo Shares, if any.

A&W Food Services NewCo's by-laws will contain advance notice requirements for director nominations, in order to provide a transparent, structured and fair process in which holders of A&W Food Services NewCo Shares can submit their proxy voting instructions on an informed basis. Holders of A&W Food Services NewCo Shares who wish to nominate candidates for election as directors must provide timely notice in writing to the corporate secretary of A&W Food Services NewCo and include the information required by the by-laws, generally not less than 30 days prior to the date of the applicable shareholder meeting. The form of A&W Food Services NewCo's by-laws is appended as Schedule "A" to the Plan of Arrangement and will be available on its website following the Effective Date. See Appendix B, "*Plan of Arrangement*".

Approximately 23,997,781 A&W Food Services NewCo Shares are expected to be issued and outstanding immediately after giving effect to the Transaction.

Pro Forma Consolidated Capitalization

The following table sets forth the consolidated capitalization of A&W Food Services NewCo as at June 16, 2024 on a *pro forma* basis after giving effect to the completion of the Transaction. For detailed information on the total debt and share capitalization of the Fund and Food Services as at June 16, 2024, see the Fund's and Food Services' respective unaudited interim consolidated financial statements for the period ended June 16, 2024, each of which are incorporated by reference into this Circular. See also Appendix I, "*Pro-Forma Financial Statements*".

Description	Pro Forma as at June 16, 2024 after giving effect to the Transaction
	(C\$ millions)
Long-term debt	269,315
Shareholders' Equity ⁽¹⁾	
Share capital	430,250
Accumulated deficit	(267,139)
Total shareholders' equity	163,111
Total capitalization	432,426

Notes

- (1) Following completion of the Transaction, the authorized capital of A&W Food Services NewCo will consist of an unlimited number of A&W Food Services NewCo Shares. See "Description of A&W Food Services NewCo Share Capital". The *pro forma* shareholders' equity of A&W Food Services NewCo was prepared based on the number of outstanding Units and A&W Food Services Common Shares as at June 16, 2024. See note 4 to the unaudited *pro forma* consolidated financial statements of A&W Food Services NewCo included in Appendix I of this Circular.

A&W Food Services NewCo Shares Subject to Contractual Restriction on Transfer

Following completion of the Transaction, it is expected that an aggregate of approximately 12,996,890 A&W Food Services NewCo Shares, representing approximately 54% of the issued A&W Food Services NewCo Shares, will be subject to a customary 180-day lock-up and certain other limited restrictions on transfer for a period of 18 months following closing of the Transaction pursuant to the Investor Rights Agreement, subject to customary exceptions. See "Key Agreements Relating to the Transaction - Investor Rights Agreement".

Principal Holders of A&W Food Services NewCo Shares

After giving effect to the Transaction, to the knowledge of the trustees, directors and officers of the Fund and A&W Food Services, as applicable, it is not anticipated that any person will own, direct, or control, directly or indirectly, 10% or more of the issued and outstanding A&W Food Services NewCo Shares other than as disclosed below. The table below sets out the number and percentage of A&W Food Services NewCo Shares following completion of the Transaction that each such person is expected to beneficially own, or control, directly or indirectly, as a result of their existing ownership in A&W Food Services, without taking into account any elections made by such persons for Share Consideration, Cash Consideration or Combination Consideration in exchange for any Units held by them.

Name of Shareholder	Nature of Ownership	Number of A&W Food Services NewCo Shares	Percentage of Issued and Outstanding ⁽⁴⁾
TorQuest Partners Fund IV ⁽¹⁾ <i>Toronto, ON</i>	Beneficial	4,663,327	19.43%
David Mindell ⁽²⁾ <i>Vancouver, BC</i>	Beneficial	2,853,065	11.89%
Jefferson Mooney ⁽³⁾ <i>Vancouver, BC</i>	Beneficial	2,853,065	11.89%

Notes

- (1) Comprised of TorQuest Partners Fund IV, L.P., TorQuest Partners Fund (U.S.) IV, L.P. and TorQuest Capital Fund IV, L.P.
(2) David Mindell will indirectly own such A&W Food Services NewCo Shares through his holding company, DM Ventures Inc. (957,466 A&W Food Services NewCo Shares), and through his interest in Western Corporate Enterprises Inc. (1,895,599 A&W Food Services NewCo Shares). If Mr. Mindell and Cedarhurst Foundation receive Share Consideration for all of their Units, Mr. Mindell's direct and indirect ownership interest in A&W Food Services NewCo would increase to 2,920,190 A&W Food Services NewCo Shares (12.17%).
(3) Jefferson Mooney will indirectly own such A&W Food Services NewCo Shares through his holding company, Weeo Gweat Enterprises Inc. If Weeo Gweat Enterprises Inc. receives Share Consideration for all of its Units, Mr. Mooney's indirect ownership interest in A&W Food Services NewCo would increase to 3,006,837 A&W Food Services NewCo Shares (12.53%).
(4) Based on 23,997,781 A&W Food Services NewCo Shares expected to be issued and outstanding following closing of the Transaction.

Directors and Executive Officers of A&W Food Services NewCo

The following are the names and province and country of residence of each proposed director and officer of A&W Food Services NewCo, the positions and offices to be held with A&W Food Services NewCo, the period of time for which they have served as

a director, trustee or officer of the Fund or A&W Food Services, as applicable, and each of their respective principal occupations within the five preceding years. The table also sets out the number and percentage of A&W Food Services NewCo Shares following completion of the Transaction that each such person is expected to beneficially own, or control, directly or indirectly, as a result of their existing ownership in A&W Food Services and assuming that each such person received the Share Consideration in exchange for any Units held by them.

The term of office of the directors of A&W Food Services NewCo expires annually at the time of A&W Food Services NewCo's annual meeting or when or until their successors are duly appointed or elected. Upon completion of the Transaction, it is expected that seven out of eight of the directors of A&W Food Services NewCo will be considered independent of A&W Food Services NewCo within the meaning of National Instrument 52-110 – *Audit Committees*. Susan Senecal will not be independent of A&W Food Services NewCo as she will be a member of management of A&W Food Services NewCo.

Name, Province and Country of Residence	Position to be Held with A&W Food Services NewCo	Director of A&W Food Services or Trustee of the Fund Since	Principal Occupation(s) for the Past 5 Years	Number of A&W Food Services NewCo Shares to be Owned	Percentage of A&W Food Services NewCo Shares Outstanding (%)⁽⁴⁾
Eric Berke <i>Ontario, Canada</i>	Director	Director of A&W Food Services since 2018	Co-Founder and Managing Partner, TorQuest Partners	4,663,327 A&W Food Services NewCo Shares ⁽³⁾	19.43%
Andrew W. Dunn ⁽²⁾ <i>Ontario, Canada</i>	Director	Trustee of the Fund since 2023	Founder and Managing Partner, Canadian Shield Capital	5,000 A&W Food Services NewCo Shares	– ⁽⁵⁾
Fern Glowinsky ⁽²⁾ <i>Ontario, Canada</i>	Director	Trustee of the Fund since 2021	President, Chief Executive Officer and Director, Haventree Bank (banking services) (2023 – present) President, Chief Executive Officer and Director, Merrco Payments Inc. (2018 – 2023)	906 A&W Food Services NewCo Shares	– ⁽⁵⁾
Paul Hollands ⁽¹⁾ <i>British Columbia, Canada</i>	Director and Chair of the Board	Director of A&W Food Services since 2015	Corporate Director	2,150,188 A&W Food Services NewCo Shares	8.96%
Michael Hollend ⁽¹⁾ <i>Ontario, Canada</i>	Director	Director of A&W Food Services since 2018	Partner, TorQuest Partners	4,663,327 A&W Food Services NewCo Shares ⁽³⁾	19.43%
Kevin Mahoney ⁽¹⁾ <i>British Columbia, Canada</i>	Director	Trustee of the Fund since 2022	Corporate Director	1,000 A&W Food Services NewCo Shares	– ⁽⁵⁾
Andrew Mindell ⁽²⁾ <i>British Columbia, Canada</i>	Director	N/A	Founder, The Hazelton Group	Nil	Nil

Name, Province and Country of Residence	Position to be Held with A&W Food Services NewCo	Director of A&W Food Services or Trustee of the Fund Since	Principal Occupation(s) for the Past 5 Years	Number of A&W Food Services NewCo Shares to be Owned	Percentage of A&W Food Services NewCo Shares Outstanding (%)⁽⁴⁾
Susan D. Senecal <i>British Columbia, Canada</i>	Director and Chief Executive Officer	N/A	President and Chief Executive Officer, A&W Food Services	832,507 A&W Food Services NewCo Shares	3.5%
Kelly A. Blankstein <i>British Columbia, Canada</i>	Chief Financial Officer	N/A	Chief Financial Officer, A&W Food Services (2020 – present) Controller, Cadillac Fairview Corporation Ltd. (2010 – 2020)	23,749 A&W Food Services NewCo Shares	-(5)
Patricia Parente <i>British Columbia, Canada</i>	Vice President, Development	N/A	Vice President, Development, A&W Food Services (2018 – present)	23,349 A&W Food Services NewCo Shares	-(5)
Neil Farmer <i>British Columbia, Canada</i>	Vice President, Restaurants	N/A	Vice President, Restaurants, A&W Food Services (2020 – present) Vice President, Operations, A&W Food Services (2012 – 2020)	23,079 A&W Food Services NewCo Shares	-(5)
Brent Todd <i>British Columbia, Canada</i>	Vice President, Purchasing and Distribution	N/A	Vice President, Purchasing and Distribution, A&W Food Services (2020 – present) Vice President, Business Optimization and Results, A&W Food Services (2018 – 2020)	23,714 A&W Food Services NewCo Shares	-(5)
Nancy Wuttunee <i>British Columbia, Canada</i>	Vice President, People Potential	N/A	Vice President, People Potential, A&W Food Services (2018 – present)	Nil	Nil
Robert D. Fussey <i>British Columbia, Canada</i>	Vice President, Innovation	N/A	Vice President, Innovation, A&W Food Services (2018 – present)	23,604 A&W Food Services NewCo Shares	-(5)
Tom Newitt <i>British Columbia, Canada</i>	Vice President, Marketing	N/A	Vice President, Marketing, A&W Food Services (2012 – present)	11,540 A&W Food Services NewCo Shares	-(5)

Name, Province and Country of Residence	Position to be Held with A&W Food Services NewCo	Director of A&W Food Services or Trustee of the Fund Since	Principal Occupation(s) for the Past 5 Years	Number of A&W Food Services NewCo Shares to be Owned	Percentage of A&W Food Services NewCo Shares Outstanding (%) ⁽⁴⁾
Angela Griffiths <i>British Columbia, Canada</i>	Vice President, Food Safety and Brand Integrity	N/A	Vice President, Food Safety and Brand Integrity, A&W Food Services (2016 – present)	Nil	Nil
Mike Atkinson <i>Ontario, Canada</i>	Vice President, Ontario	N/A	Vice President, Ontario, A&W Food Services (2023 – present) Vice President, Operations, A&W Food Services (2020 – 2023) Regional Vice President, Eastern Canada, A&W Food Services (2012 – 2020) Secretary of the Fund and General Counsel of A&W Food Services (2023 – present)	15,535 A&W Food Services NewCo Shares	-(5)
Catherine Anderson <i>British Columbia, Canada</i>	General Counsel and Corporate Secretary	N/A	Secretary of the Fund and Senior Counsel of A&W Food Services (2019 – 2023)	Nil	Nil

Notes

- (1) Proposed Governance and Compensation Committee member.
- (2) Proposed Audit, Finance and Risk Committee member.
- (3) No single individual will have sole control or direction over such A&W Food Services NewCo Shares. TorQuest Fund IV GP Inc. is the general partner of each of TorQuest Partners Fund IV, L.P. and TorQuest Partners Fund (U.S.) IV, L.P. and TorQuest Capital Fund IV GP Inc. is the general partner of TorQuest Capital Fund IV, L.P., which will be the owners of record of such A&W Food Services NewCo Shares. Each of Michael Hollend and Eric Berke is an indirect investor in TorQuest Partners Fund IV and an indirect shareholder of TorQuest Fund IV GP Inc. and TorQuest Capital Fund IV GP Inc.
- (4) Based on 23,997,781 A&W Food Services NewCo Shares expected to be issued and outstanding following closing of the Transaction.
- (5) Less than 1.0%.

On completion of the Transaction, the proposed directors and executive officers of A&W Food Services NewCo, as a group, are expected to beneficially own, directly or indirectly, approximately 32.5% of the issued and outstanding A&W Food Services NewCo Shares as a result of their existing ownership in A&W Food Services and assuming that each such person received the Share Consideration in exchange for any Units held by them.

Directors and Executive Officers

The following is a brief description of each of the proposed directors and executive officers of A&W Food Services NewCo.

Eric Berke, Director

Eric Berke is the co-founder and Managing Partner of TorQuest Partners, which was formed in 2002. Prior to TorQuest, Mr. Berke led the turnaround and sale of Gustin Kramer, a manufacturer of paper and non-woven consumer products, where he served as the company's President and CEO and controlling shareholder from 1994 to 2002. Mr. Berke serves as a director or observer on each of the TorQuest portfolio companies. Outside of TorQuest, Mr. Berke has formerly served as a director of the Toronto Board of Trade, the Canadian Venture Capital Association and Crescent School. Eric has been a member of the World

Presidents' Organization/Young Presidents' Organization since 1994. Mr. Berke holds an MBA from Boston University and a B.A. from the University of Vermont.

Andrew W. Dunn, Director

Andrew W. Dunn is the Founder and Managing Partner at Canadian Shield Capital, a growth equity investment boutique focused on energy transition, food and water supply, and smart industrial businesses. Mr. Dunn is a member of the Board of Directors of Ocean Renewable Power Corporation, Creyos, and GS Dunn. He is also Chair of the Board of Directors for NutriPea and a member of the Board of Advisers for Noveon Magnetics. Mr. Dunn is currently the Chair of the McMichael Canadian Art Foundation and is the past Chair of the McMichael Canadian Art Collection. Mr. Dunn is a former member of the Board of Directors of Hatch, Right Health/Akira, DGI Geoscience NSC Minerals and Aquila Resources, for which he was also Chair of the Audit Committee. Mr. Dunn was a Co-Founder, Managing Partner and Chief Operating Officer with Altas Partners and has held numerous philanthropic roles including serving as Chair of the Audit Committees of the Childrens' Aid Foundation of Canada and Upper Canada College Foundation. In his 27 years at Deloitte, Mr. Dunn was the Managing Partner, Tax for Canada, where he also served as the Chair of the Client Cabinet and Vice-Chair of the firm. Mr. Dunn has supervised individuals engaged in preparing, analyzing and evaluating financial statements. This experience provides Mr. Dunn with an understanding of accounting principles, an ability to assess the general application of accounting principles in connection with accounting for estimates, accruals and provisions, and an understanding of internal controls and procedures for financial reporting. Mr. Dunn is currently a Trustee of A&W Revenue Royalties Income Fund and a Director of A&W Trade Marks Inc. Mr. Dunn has a Bachelor of Arts and Master of Accounting, Taxation from the University of Waterloo, and holds the Fellow of Chartered Professional Accountants, Fellow Chartered Accountant, and Certified Management Accountant designations.

Fern Glowinsky, Director

Fern Glowinsky is President, Chief Executive Officer and Director of Haventree Bank, a privately owned Schedule 1 bank seeking to provide financial security and upward mobility to Canadians. Ms. Glowinsky is also formerly the Chair of the Board of Directors of Merrco Payments Inc., a payment processing provider that develops and delivers technology, financial services and innovative payment solutions tailored to the cannabis industry. Ms. Glowinsky was formerly President and Chief Executive Officer of Merrco, and former Chief Executive Officer and a Director of Cliffside Capital, investing in the alternative lending sector. Ms. Glowinsky spent 15 years with Moneris, an RBC and BMO joint venture, in senior executive roles, including Chief Operations Officer. Ms. Glowinsky holds the ICD.D designation and serves on the Boards of Baycrest Foundation and Baycrest Academy, formerly serving on the Board of Sinai Health Foundation. Ms. Glowinsky is also a Director of the Bank and Trust Companies Association. She began her career practicing law at Torys LLP, having been called to the Bar in Ontario. Ms. Glowinsky's experience and education provide her with an understanding of accounting principles, an ability to assess the general application of accounting principles in connection with accounting for estimates, accruals and provisions, and an understanding of internal controls and procedures for financial reporting. Ms. Glowinsky is currently a Trustee of A&W Revenue Royalties Income Fund and a Director of A&W Trade Marks Inc. Ms. Glowinsky is a graduate of the MBA/JD program at the Schulich School of Business and Osgoode Hall Law School, and earned a Bachelor of Arts (Economics) degree from Western University.

Paul Hollands, Director

Paul Hollands is the Chairman of the Board of A&W Food Services. He joined A&W Food Services in 1980. He was appointed a Vice President in 1991, Executive Vice President and Chief Operating Officer in 1995 and President from 2002 to 2015. He was Chief Executive Officer from February 2005 until February 2018 when he retired. Mr. Hollands has been involved in all major areas of the business of A&W Food Services including marketing, operations, franchising and development. He is past Chairman of Restaurants Canada (formerly called the Canadian Restaurant and Foodservices Association) and the past Chairman of the Canadian Association of Income Funds. He is past Chair of the Faculty Advisory Board of the Sauder School of Business and Director and past Chair of St. Paul's Hospital Foundation. He is Director and Chair of the Board of Vendesta Technologies Ltd. He is also a Director of the Open Road Auto Group, and a member of the Advisory Board of Northland Properties Limited. Mr. Hollands holds a Bachelor of Commerce degree from the University of British Columbia.

Michael Hollend, Director

Michael Hollend is a Partner at TorQuest Partners. Mr. Hollend is the Chair of TorQuest's Management Committee and member of the Investment Committee. Prior to joining TorQuest, Mr. Hollend was a Partner in the Venture Capital Funds of EdgeStone Capital Partners. Earlier in his career, Mr. Hollend was with Goodmans LLP, where he established the Venture Group. Outside TorQuest, Mr. Hollend is a Director of Circle of Care, a Toronto-based not-for-profit community homecare organization. Mr. Hollend previously served as a Director of the Canadian Venture Capital & Private Equity Association. Mr. Hollend holds both LL.B. and M.B.A. degrees from the University of Toronto and a B.A. (Economics) from the University of Western Ontario.

Kevin Mahoney, Director

Mr. Mahoney is a corporate director and is currently Chair of the Board of A&W Revenue Royalties Income Fund, Chair of the Board of A&W Trade Marks Inc. and, Chair of the Board of InTransit British Columbia GP Ltd., the private sector concessionaire for the Canada Line in Vancouver, BC. Mr. Mahoney previously served as Chair of the Boards of Universal Rail Systems Inc., Delta Hotels & Resorts, SilverBirch Hotels & Resorts and BC Transit and Lead Director for RIWI Corp.(TSXV:RIWI), a publicly traded digital intelligence information services company. Mr. Mahoney formerly served as a senior executive in a number of companies including as President and Chief Executive Officer of the British Columbia Railway Company, Senior Vice President, Industrial Components for Wajax Limited and Vice President and General Manager, Customer Services for the Saskatchewan Power Corporation. Mr. Mahoney holds a Bachelor of Administration, Personnel/Industrial Relations degree from Lakehead University.

Andrew Mindell, Director

Prior to founding The Hazelton Group in 2010, Mr. Mindell was the Director of Acquisitions and Finance at Shape Properties Corp. in Vancouver. There he led the acquisition team on all prospective new projects, managed the due diligence and secured financing on all completed acquisitions. From 2002 to 2007, Mr. Mindell worked at Sterling Centrecorp in Toronto and Florida as the Associate Director of U.S. Investments. Mr. Mindell received his Bachelor of Commerce degree from McGill University.

Susan D. Senecal, Director / Chief Executive Officer

Susan Senecal is the Chief Executive Officer of A&W Food Services. She joined A&W Food Services in 1992 as an Area Manager. She became Regional Director of Operations in 1996, General Manager, Quebec in 1997, Vice President, Operations in 2002, Chief Marketing Officer in 2012, and President and Chief Operating Officer in 2015, until she was appointed Chief Executive Officer in February 2018. In 2019, Ms. Senecal was the recipient of the "New CEO of the Year" award from The Globe and Mail. Ms. Senecal is a former Director and past Chair of Restaurants Canada (formerly known as the Canadian Restaurant and Foodservices Association) and was honoured with the "2024 Restaurants Canada Leadership Award of Excellence". She has also served as Director and Chair of MS Canada and is currently its past Chair. Ms. Senecal earned her Bachelor of Science degree from McGill University.

Kelly A. Blankstein, Chief Financial Officer

Kelly Blankstein joined A&W Food Services in November 2020 as Chief Financial Officer and currently leads the finance, legal, and technology departments and oversees corporate restaurant operations. Ms. Blankstein has two decades of finance, risk management, corporate strategy and technology experience, most recently with Cadillac Fairview Corporation. Ms. Blankstein is also on the Board of the British Columbia Children's Hospital Foundation and serves on the Foundation's Investment and Finance Committee. Ms. Blankstein holds a Bachelor of Science degree in Mathematics and a Bachelor of Business Administration degree from Simon Fraser University and is a Chartered Professional Accountant.

Patricia Parente, Vice President, Development

Ms. Parente is Vice President, Development of A&W Food Services. She joined A&W Food Services in 1999 as Director of Shopping Centres following a career with a western based development company in commercial real estate development. Ms. Parente has been very active in the real estate industry serving the International Council of Shopping Centres (ICSC) in several volunteer capacities including Provincial Director for British Columbia, and as a member of the Canadian Committee as Divisional Retail Chair, and Divisional Government Relations Chair. Ms. Parente is a graduate of the University of British Columbia's Urban Land Economics diploma program.

Neil Farmer, Vice President, Restaurants

Mr. Farmer is Vice President, Restaurants of A&W Food Services. He joined an A&W corporate restaurant in Regina, Saskatchewan in 1976 and he became Restaurant Manager in 1985. He then moved to Head Office as a Marketing Analyst in 1987. Since then Mr. Farmer has held a variety of positions throughout the company and in 2012 was appointed to the position of Vice President, Operations. In 2020 Neil was appointed Vice President, Restaurants.

Brent Todd, Vice President, Purchasing and Distribution

Mr. Todd is Vice President, Purchasing and Distribution of A&W Food Services. He joined A&W Food Services in 2002 as Director, New Restaurant Development, Ontario and held various positions in the New Restaurant Expansion department until he joined the Purchasing and Distribution team as Manager, Distribution and Equipment Services in 2005. He was appointed Director, Franchise Sales and Marketing in 2008 and Senior Director, Facilities and Franchise Sales in 2012. He joined the operations team as Regional Vice President, Western Canada in 2014, and was appointed Vice President, Business Optimization and Results in 2018. In 2020 he was appointed Vice President, Purchasing and Distribution. Prior to joining the

A&W Food Services, Mr. Todd spent a decade in various managerial roles with Toronto based Bachly Construction culminating in the role of Vice President. Mr. Todd holds a Bachelor of Administrative Studies from York University and a Masters in Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

Nancy Wuttunee, Vice President, People Potential

Ms. Wuttunee is Vice President, People Potential of A&W Food Services. She joined A&W Food Services in July 1978 as an employee at a corporate owned restaurant in Coquitlam, British Columbia. She became a restaurant manager in Vancouver in 1986, Marketing Analyst at the corporate office in 1989, Manager of Training in 1994, Director of Operating Systems & Training in 2002, and Senior Director Operating Standards in 2015. She was appointed Vice President, People Potential in September 2018. Ms. Wuttunee holds a Bachelor of Business Administration degree from Simon Fraser University.

Robert D. Fussey, Vice President, Innovation

Mr. Fussey is Vice President, Innovation of A&W Food Services. He joined A&W Food Services in 1981 as a cook in a corporate restaurant in Winnipeg, Manitoba, became a Restaurant Manager, and then in 1990, an Area Manager in Vancouver. From 2005 to 2008, Mr. Fussey led franchise operations as Director, Western Canada. He became Director of Urban Concept Development in 2008, joined the marketing team as Senior Director, Concept Innovation in 2012 and was appointed Vice President Marketing, Concept Innovation, and Design and Construction in August 2014. He was appointed Vice President, Innovation in August 2018. Mr. Fussey has also served as Chair on several boards including BC Restaurant and Food Services Association and Go2HR. Mr. Fussey is a graduate of the University of Guelph Advanced Management Program for the Hospitality Industry and has also earned a Certificate of Business Administration with a marketing major from Red River Community College in Winnipeg, Manitoba.

Tom Newitt, Vice President, Marketing

Mr. Newitt is Vice President, Marketing of A&W Food Services. He joined A&W Food Services in 2012 as it began a new strategy and Mr. Newitt has led the Marketing and Communications team in repositioning the brand successfully as the leader in great tasting natural food for burger lovers in Canada. Originally from the UK, Mr. Newitt has held various marketing positions with Reckitt Benckiser and Kellogg's in the UK. Mr. Newitt moved with his young family to Vancouver in 2007 and joined Nature's Path Organic Foods where he was Director of Brand Management and Research before joining A&W in 2012. Mr. Newitt holds a BA Degree in Human Science from Oxford University.

Angela Griffiths, Vice President, Food Safety and Brand Integrity

Dr. Griffiths is Vice President, Food Safety and Brand Integrity of A&W Food Services. She joined A&W Food Services in June 2016 as the Vice President of Food Safety, Quality Assurance and Animal Welfare. Prior to joining A&W Food Services, Dr. Griffiths held the position of Director of Innovation for UL Supply Chain and Sustainability from 2010 to 2016, and prior to that held various director and executive positions in environmental, conservation and consulting firms including the Vancouver Aquarium, The Sheltair Group, Clean Nova Scotia and Jacques Whitford. In August 2021, she joined the Board of Recycle BC. Dr. Griffiths holds a Bachelor of Science from the University of Western Ontario, a Master of Science in Microbiology and a PhD in Resource Management and Environmental Studies from the University of British Columbia.

Mike Atkinson, Vice President, Ontario

Mr. Atkinson is Vice President, Ontario of A&W Food Services. He joined A&W Food Services in 1986 as a corporate restaurant manager in Vancouver, BC. He has held several positions through his 30+ years including Franchise Business Manager, Regional Manager, Director - Franchise Development, Director - Marketing, Regional Vice President - Eastern Canada and currently Vice President - Operations. Mr. Atkinson is a former board member of the Ontario Restaurant Hotel Motel Association. Mr. Atkinson holds a Masters in Business Administration from the University of Western Ontario.

Catherine Anderson, General Counsel and Corporate Secretary

Ms. Anderson is the General Counsel of A&W Food Services and Secretary of the Fund. She joined A&W Food Services in 2019 as Legal Counsel, became Senior Counsel in 2021, and General Counsel in 2023. She was appointed Secretary of the Fund in 2021. From 2012 to 2019, Ms. Anderson founded and managed a contract food manufacturing business in Burnaby, BC, servicing brands selling into the retail and food service sales channels, as well as manufacturing private label products. Ms. Anderson was called to the Bar in British Columbia in 2006, and practiced corporate and securities law at both Farris LLP and McCarthy Tetrault LLP in Vancouver. Ms. Anderson is a former member of the board of directors of the Capilano University Foundation, the Greater Vancouver Food Bank, the College of Registered Nurses of BC, the Lower Mainland Christmas Bureau, and the Dixon Transition Society. She is also the former Chair of the Securities Subsection of the BC Branch of the Canadian Bar Association and was a member of a new legislation special projects team at the BC Securities Commission. Ms. Anderson started her career in human resources with Orca Bay Sports & Entertainment, the former owner of the Vancouver Canucks NHL

hockey team. Ms. Anderson holds a Bachelor of Business Administration from Simon Fraser University and a Bachelor of Laws from the University of British Columbia.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Fund and A&W Food Services, none of the proposed directors or executive officers of A&W Food Services NewCo (nor any personal holding company of any of such individuals) is, or has been within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any other company (including the Fund or A&W Food Services) that:

- (a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;

where “**order**” refers to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 days.

Except as noted below, to the knowledge of the Fund and A&W Food Services, none of the proposed directors or executive officers of A&W Food Services NewCo (nor any personal holding company of any of such individuals), or a shareholder holding a sufficient number of securities of A&W Food Services NewCo to affect materially the control of A&W Food Services NewCo:

- (a) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including A&W Food Services NewCo) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Andrew Mindell was a director of DDK Ventilation Products Ltd. DDK Ventilation Products Ltd. was placed into receivership on March 2, 2020 pursuant to a Court Order issued by the Supreme Court of British Columbia. The order provides for a stay of proceedings against DDK Ventilation Products Ltd.

Eric Berke was a director of Herbal Magic Inc. until May 20, 2014. In July 2014, Herbal Magic Inc. filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) and in August 2015, made an assignment into bankruptcy.

Eric Berke was a director of FirstOnSite G.P. when it filed for protection on April 21, 2016 under the *Companies’ Creditors Arrangement Act*. Mr. Berke ceased being a director of FirstOnSite G.P. on June 28, 2016.

Penalties or Sanctions

To the knowledge of the Fund and A&W Food Services, no proposed director or executive officer of A&W Food Services NewCo (nor any personal holding company of any of such individuals), or a shareholder anticipated to hold sufficient securities of A&W Food Services NewCo to affect materially the control of A&W Food Services NewCo, has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision about A&W Food Services NewCo.

Interests of Management and Others in Material Transactions

Other than as set forth in this Circular, no proposed director or officer of A&W Food Services NewCo, person or company that will beneficially own, control or direct, directly or indirectly, more than 10% of any class or series of outstanding voting securities of A&W Food Services NewCo, or associate or affiliate of any of the foregoing, has any material interest, direct or indirect, in any transaction since May 1, 2021, or in any proposed transaction which has materially affected or would materially affect A&W Food Services NewCo. See “*Certain Legal Matters — Interests of Certain Persons in the Transaction; Benefits from the Transaction*”.

Conflicts of Interest

Upon closing of the Transaction, there will be no known existing or potential conflicts of interest among A&W Food Services NewCo or its subsidiaries and any proposed director or officer of A&W Food Services NewCo or of its subsidiaries.

The proposed directors and officers of A&W Food Services NewCo may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm’s length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to A&W Food Services NewCo which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of A&W Food Services NewCo. It is expected that all conflicts of interest will be resolved in accordance with the CBCA. It is expected that any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to A&W Food Services NewCo, and, depending upon the magnitude of the transactions and the absence of any disinterested board members, may be submitted to the shareholders for their approval.

Statement of Proposed Executive Compensation

The following discussion describes the significant elements of the compensation of A&W Food Services NewCo’s named executive officers (collectively, the “**named executive officers**” or “**NEOs**”) and A&W Food Services NewCo’s compensation program that are expected to be implemented following completion of the Transaction. Following completion of the Transaction, the anticipated NEOs for A&W Food Services NewCo for fiscal 2024 are:

- Susan Senecal, *President and Chief Executive Officer*;
- Kelly Blankstein, *Chief Financial Officer*;
- Patricia Parente, *Vice President, Development*;
- Neil Farmer, *Vice President, Restaurants*; and
- Brent Todd, *Vice President, Purchasing and Distribution*.

Overview

Following completion of the Transaction, A&W Food Services NewCo will carry on the businesses of A&W Food Services and will operate in a dynamic and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, A&W Food Services NewCo will need to attract, retain and motivate a highly talented team of executive officers. Accordingly, it is expected that A&W Food Services NewCo will implement a new executive officer compensation program following completion of the Transaction.

The executive officer compensation program will be designed to achieve the following objectives:

- provide market-competitive compensation opportunities in order to attract and retain talented, high-performing and experienced executive officers, whose knowledge, skills and performance are critical to A&W Food Services NewCo’s success;
- motivate the executive officers to achieve A&W Food Services NewCo’s business and financial objectives;
- align the interests of the executive officers with those of the shareholders by tying a portion of compensation directly to the long-term value and growth of A&W Food Services NewCo’s business; and
- provide incentives that encourage appropriate levels of risk-taking by the executive officers and provide a strong pay-for-performance relationship.

A&W Food Services NewCo will offer its executive officers cash compensation in the form of base salary and an annual bonus, participation in a defined contribution pension plan and equity-based or equity-like compensation under the Equity Incentive Plan. The selected approaches will help to motivate the executive officers to achieve the business and financial objectives of A&W Food Services NewCo, and also align their interests with the long-term interests of the shareholders. A&W Food Services NewCo will provide base salary to compensate employees for their day-to-day responsibilities, at levels that it believes are necessary to attract and retain executive officer talent. While the executive officer compensation program that is expected to

be implemented following completion of the Transaction is intended to be effective at attracting and maintaining executive officer talent, A&W Food Services NewCo will evaluate its compensation practices on an ongoing basis to ensure that it is providing market-competitive compensation opportunities for its executive team.

As part of its ongoing review process, A&W Food Services NewCo expects to be guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost that would be required to find a replacement for a key employee. See *“Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Statement of Proposed Executive Compensation — Principal Elements of Compensation — Long-Term Equity Incentives — Omnibus Long-Term Incentive Plan”*.

Compensation-Setting Process

Following completion of the Transaction, A&W Food Services NewCo’s Governance and Compensation Committee (the **“Governance and Compensation Committee”**) will be responsible for assisting the NewCo Board in fulfilling its governance and supervisory responsibilities, and overseeing human resources, succession planning, and compensation policies, processes and practices. The Governance and Compensation Committee will also be responsible for ensuring that compensation policies and practices provide an appropriate balance of risk and reward consistent with its risk profile. Following completion of the Transaction, the NewCo Board will adopt a written charter for the Governance and Compensation Committee setting out its responsibilities for, among other things administering the compensation programs and reviewing and making recommendations to the NewCo Board concerning the level and nature of the compensation payable to the officers. The Governance and Compensation Committee’s oversight will include reviewing objectives, evaluating performance and ensuring that total compensation paid to executive officers, personnel who report directly to its chief executive officer and various other key executive officers and managers is fair, reasonable and consistent with the objectives of the compensation program. See also *“Corporate Governance — Governance and Compensation Committee”*.

Principal Elements of Compensation

Following completion of the Transaction, the compensation of A&W Food Services NewCo’s executive officers is expected to include four major elements: (a) base salary; (b) annual bonus; (c) participation in a defined contribution pension plan; and (d) long-term equity incentives. Perquisites and personal benefits provided to the executive officers (such as group benefits including disability insurance, medical, paramedical and dental coverage and a vehicle allowance) will reflect competitive practices and generally will not form a significant component of the executive compensation program.

Base Salaries

Base salary is provided as a fixed source of compensation for executive officers. Adjustments to base salaries are expected to be determined annually and may be increased based on the executive officer’s success in meeting or exceeding individual objectives, as well as to maintain market competitiveness. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive officer’s role or responsibilities.

Annual Bonuses

Annual cash bonuses are designed to motivate executive officers to meet business and financial objectives generally and annual financial performance targets in particular. Each executive officer will be provided with an individual bonus target for a given fiscal year, established as a percentage of such participant’s base salary. Target achievement is expected to be based on a combination of business and financial objectives and individual contribution.

Pension Plan

A&W Food Services has a registered defined contribution plan for eligible employees. All of the NEOs participate in the defined contribution plan. A&W Food Services NewCo will become liable as the successor to the defined contribution plan following completion of the Transaction and expects to contribute between 4-6% of the NEO’s pensionable earnings to the defined contribution plan every two weeks up to the annual maximum allowed by the CRA.

Long-Term Equity Incentives

Long-term incentive compensation awards will provide ongoing motivation for executive officers and directors to achieve the business and financial objectives of A&W Food Services NewCo, and also align their interests with the long-term interests of shareholders. Following completion of the Transaction, assuming that Unitholders vote in favour of the Equity Incentive Plan Resolution, A&W Food Services NewCo intends to adopt a new long-term equity incentive plan (the **“Equity Incentive Plan”**).

Each eligible executive will be provided with an individual long-term equity incentive plan target for a given fiscal year, established as a percentage of such participant's base salary.

Omnibus Long-Term Incentive Plan

Following completion of the Transaction, assuming that Unitholders vote in favour of the Equity Incentive Plan Resolution, A&W Food Services NewCo will adopt the Equity Incentive Plan to allow for a variety of equity-based awards that provide different types of incentives to be granted to certain directors, officers, employees and/or consultants providing ongoing services to A&W Food Services NewCo and its Subsidiaries, being options ("**Options**"), performance share units ("**PSUs**"), restricted share units ("**RSUs**") and deferred share units ("**DSUs**"). Options, PSUs, RSUs and DSUs are collectively referred to herein as "**Awards**". Each Award will represent the right to receive A&W Food Services NewCo Shares or, in the case of PSUs, RSUs and DSUs, A&W Food Services NewCo Shares or cash, or a combination thereof, in accordance with the terms of the Equity Incentive Plan. The following is only a summary of the Equity Incentive Plan provisions. A copy of the full text of the Equity Incentive Plan is set out in Appendix K.

Under the terms of the Equity Incentive Plan, the NewCo Board, or if authorized by the NewCo Board, the applicable NewCo Board committee, may grant Awards to eligible participants, as applicable. Participation in the Equity Incentive Plan will be voluntary and, if an eligible participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, other than by will or the laws of descent and distribution, provided that Options may be transferred or assigned by a participant to a permitted assign with the NewCo Board's prior written consent and subject to such conditions as the NewCo Board may stipulate.

The Equity Incentive Plan will provide that appropriate adjustments, if any, will be made by the NewCo Board in connection with any stock dividend, stock split, combination or exchange of A&W Food Services NewCo Shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of A&W Food Services NewCo's assets to shareholders, or any other change in the A&W Food Services NewCo Shares for the purpose of preserving the value of the Awards under the Equity Incentive Plan.

The maximum number of A&W Food Services NewCo Shares reserved for issuance under the Equity Incentive Plan and under all other equity compensation arrangements of A&W Food Services NewCo will be 10% of the aggregate number of A&W Food Services NewCo Shares issued and outstanding from time to time, which will represent approximately 2.4 million A&W Food Services NewCo Shares immediately following closing of the Transaction. Following the completion of the Arrangement, the Equity Incentive Plan will be the sole equity compensation arrangement of A&W Food Services NewCo. For the purposes of calculating the maximum number of A&W Food Services NewCo Shares reserved for issuance under the Equity Incentive Plan and under all other equity compensation arrangements of A&W Food Services NewCo, any issuance from treasury by A&W Food Services NewCo that is issued in reliance upon an exemption under applicable stock exchange rules applicable to equity-based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of A&W Food Services NewCo will not be included. All of the A&W Food Services NewCo Shares covered by exercised, settled in cash, cancelled or terminated Awards will automatically become available A&W Food Services NewCo Shares for the purposes of Awards that may be subsequently granted under the Equity Incentive Plan. As a result, the Equity Incentive Plan will be considered an "evergreen" plan.

The maximum number of A&W Food Services NewCo Shares that may be: (a) issued to insiders of A&W Food Services NewCo within any one-year period; or (b) issuable to insiders of A&W Food Services NewCo at any time, in each case, under the Equity Incentive Plan alone, or when combined with all of A&W Food Services NewCo's other security-based compensation arrangements cannot exceed 10% of the aggregate number of A&W Food Services NewCo Shares issued and outstanding from time to time. In addition, the total annual grant to any one non-employee director under all security-based compensation arrangements may not exceed an aggregate grant value of \$100,000 in Options and \$150,000 in equity.

Unless the NewCo Board determines otherwise, or as otherwise set out in the participant's employment or grant agreement, the participant's grant agreement will provide that any Options granted subsequent to closing of the Transaction will vest over a five-year period following the date of the grant, with twenty percent (20%) of the total number of Options forming part of any grant to vest on each anniversary date after the date of the grant, commencing on the first anniversary date of the grant. An Option will be exercisable during a period established by the NewCo Board which will commence on the date of the grant and will terminate no later than 10 years after the date of the granting of the Option or such shorter period as the NewCo Board may determine. The minimum exercise price of an Option will be determined based on the closing price of the A&W Food Services NewCo Shares on the TSX on the last trading day before the date such Option is granted. The Equity Incentive Plan will provide that the exercise period will automatically be extended if the date on which it is scheduled to terminate shall fall during a black-out period or within nine business days immediately following a date upon which a participant is prohibited from exercising an Option due to a black-out period. In such cases, the extended exercise period will terminate 10 business days after the last day of the black-out period. In order to facilitate the payment of the exercise price of the Options, the Equity Incentive Plan has a cashless exercise feature pursuant to which a participant may elect to undertake either a broker assisted "cashless

exercise” or a “net exercise” subject to the procedures set out in the Equity Incentive Plan, including the consent of the NewCo Board, where required.

The following table describes the impact of certain events upon the rights of holders of Awards under the Equity Incentive Plan, including termination for cause, resignation, retirement and termination other than for cause, and death or long-term disability, subject to the terms of a participant’s employment agreement, grant agreement, applicable employee standards legislation and the change of control provisions described below:

Event	Stock Options	RSUs and PSUs
Termination for cause	Immediate termination of all vested and unvested Options.	Immediate termination of all unvested RSUs and PSUs. Vested and unsettled RSUs and PSUs will be settled.
Resignation, retirement and termination other than for cause	Termination of all unvested Options and expiry of vested Options the earlier of the original expiry date and 90 days after resignation, retirement or termination (or such longer period as the NewCo Board may determine in its sole discretion).	Immediate termination of all unvested RSUs and PSUs. Vested and unsettled RSUs and PSUs will be settled.
Death or long-term disability	Termination of all unvested Options and expiry of vested Options the earlier of the original expiry date and 12 months after date of death or long-term disability (or such longer period as the NewCo Board may determine in its sole discretion).	A pro rata portion of each unvested RSU and PSU held by the participant, based on the number of complete months of active service or employment of the participant between the grant date of the RSU or PSU and the date of death or long-term disability relative to the number of months in the original vesting period associated with such award, will immediately vest. Achievement of any performance criteria will be determined on a pro rata basis by the NewCo Board in its sole discretion. All remaining unvested RSUs and PSUs will immediately terminate. Vested and unsettled RSUs and PSUs will be settled.

The terms and conditions of grants of RSUs, PSUs and DSUs, including the quantity, type of award, grant date, vesting conditions, vesting periods, termination provisions, settlement date and other terms and conditions with respect to these Awards, will be set out in the participant’s grant agreement. Impact of certain events upon the rights of holders of these types of Awards, including termination for cause, resignation, retirement, termination other than for cause and death or long-term disability, will be as described above, or as determined by the NewCo Board and set out in the participant’s grant agreement. Grants of RSUs and PSUs will allow participants to acquire A&W Food Services NewCo Shares at a purchase price, as determined by the NewCo Board, subject to such restrictions, limitations and conditions as the NewCo Board may determine at the time of grant. The purchase price may be zero, and below market price for the A&W Food Services NewCo Shares.

Unless the NewCo Board determines otherwise at the time of grant or issuance of the Award, when normal cash dividends (other than stock dividends) are paid on A&W Food Services NewCo Shares, participants shall receive additional DSUs, RSUs and/or PSUs, as applicable (“**Dividend Share Units**”) as of the dividend payment date. The number of Dividend Share Units to be granted to the participant shall be determined by multiplying the aggregate number of DSUs, RSUs and/or PSUs, as applicable, held by the participant on the relevant record date by the amount of the dividend paid by A&W Food Services NewCo on each A&W Food Services NewCo Share, and dividing the result by the average closing price for the A&W Food Services NewCo Shares on the TSX for the five trading days before the dividend payment date, which Dividend Share Units shall be in the form of DSUs, RSUs and/or PSUs, as applicable. Dividend Share Units granted to a participant shall be subject to the same vesting conditions and settlement terms as applicable to the related DSUs, RSUs and/or PSUs in accordance with the respective grant agreement.

In connection with a change of control event (as defined in the Equity Incentive Plan) of A&W Food Services NewCo, all unvested Awards then outstanding will be substituted or replaced with awards of the continuing entity on the same terms and conditions as the original Awards, subject to appropriate adjustments that do not diminish the value of the original Awards. If, however, the continuing entity fails to appropriately substitute or replace the unvested Awards, the vesting of all then

outstanding Awards (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will, at the sole discretion of the NewCo Board, be accelerated in full. Despite anything to the contrary in the Equity Incentive Plan, the NewCo Board will have the power, in its sole discretion, to modify the terms of the Equity Incentive Plan and/or the Awards to assist participants in tendering to a transaction leading to a change of control event including the ability to accelerate the vesting of Awards and to permit participants to conditionally exercise or settle their Awards. If a participant is terminated without cause or resigns for good reason during the 12 month period following a change of control event, then the vesting of all Awards then held by such participant (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will be accelerated in full, except that in the event that an Award is subject to vesting upon the attainment of performance criteria, then the number or value, as applicable, of Awards that vest will be calculated having regard to the pro rata achievement of any applicable performance criteria up to the date of termination or resignation.

The NewCo Board may, in its sole discretion, suspend or terminate the Equity Incentive Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Equity Incentive Plan or of any Award granted under the Equity Incentive Plan and any grant agreement relating thereto, subject to compliance with applicable law and any required shareholder, regulatory and/or TSX approval, provided that any such amendment or revision to an outstanding Award may not materially adversely affect the rights of any participant under the Equity Incentive Plan without such participant's consent.

Pursuant to the terms of the Equity Incentive Plan and subject to the applicable rules of the TSX, approval from the holders of A&W Food Services NewCo Shares will not be required for the following amendments, and the NewCo Board may make any amendments to the Equity Incentive Plan or to any Awards from time to time which may include but are not limited to:

- any amendment to the vesting and assignability provisions of the Equity Incentive Plan and any Awards;
- any amendment regarding the effect of termination of a participant's employment, engagement, contract or office;
- any amendment which accelerates the date on which any Award may be exercised under the Equity Incentive Plan;
- any amendment necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over A&W Food Services NewCo, the Equity Incentive Plan or the A&W Food Services NewCo shareholders;
- any amendment to add provisions permitting for the granting of cash-settled awards, a form of financial assistance, clawback or dividend equivalents and any amendment to a cash-settled award, financial assistance, clawback or dividend equivalent provision which is adopted;
- any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Equity Incentive Plan or any agreement ancillary thereto, correct or supplement any provision of the Equity Incentive Plan that is inconsistent with any other provision of the Equity Incentive Plan, correct any grammatical or typographical errors or amend certain definitions in the Equity Incentive Plan regarding administration of Equity Incentive Plan;
- any amendment regarding the administration of the Equity Incentive Plan; and
- any other amendment that does not require the approval of shareholders pursuant to the amendment provisions of the Equity Incentive Plan as described below.

Pursuant to the terms of the Equity Incentive Plan, the approval of A&W Food Services NewCo shareholders is required for any amendments that: (a) increase the maximum number of A&W Food Services NewCo Shares issuable under the Equity Incentive Plan, other than an adjustment pursuant to the terms of the Equity Incentive Plan described above; (b) reduce the exercise price or purchase price (in respect of the settlement of RSUs, PSUs and/or DSUs) of an Award; (c) extend the term of an Award (including the expiry date of an Option) benefitting an insider; (d) provide for the cancellation and reissue of Awards, other than an adjustment pursuant to the terms of the Equity Incentive Plan described above; (e) extend the expiry date of an Award, except in case of an extension due to a black-out period; (f) remove or exceed the insider participation limits or the non-employee director grant limit; (g) amend any of the amendment provisions of the Equity Incentive Plan; or (h) permit Options to be transferable or assignable other than by will or the laws of descent and distribution (provided that Options may be transferred or assigned by a participant to a permitted assign with the NewCo Board's prior written consent and subject to such conditions as the NewCo Board may stipulate).

A&W Food Services NewCo does not intend to provide any form of financial assistance to participants in connection with the Equity Incentive Plan.

Employment Agreements, Termination and Change of Control Benefits

Employment agreements between A&W Food Services NewCo and its NEOs are expected to be entered into following closing of the Transaction. The new employment agreements are expected to provide for base salary, annual bonus and an entitlement to participate and receive awards under the Equity Incentive Plan, and to include, among other things, typical provisions regarding confidentiality, non-competition and non-solicitation, eligibility for benefit plans, as well as customary change of control provisions. The specific terms of the employment agreements will be subject to review and approval by the NewCo Board and have not yet been determined as of the date of this Circular.

Director Compensation

Following completion of the Transaction, the NewCo Board, through the Governance and Compensation Committee, will be responsible for setting, reviewing and approving any changes to the directors' compensation arrangements. A&W Food Services NewCo's director compensation program will be designed to attract and retain global talent to serve on the NewCo Board, taking into account the risks and responsibilities of being an effective director. A&W Food Services NewCo's objective regarding director compensation will be to follow best practices with respect to retainers and the format and weighting of the cash and equity components of compensation, and the implementation of share ownership guidelines. The selected approaches will help to attract and retain strong members for the NewCo Board who will be able to fulfill their fiduciary responsibilities without competing interests.

The total compensation for all non-executive directors is expected to be comprised of cash and/or DSUs under the Equity Incentive Plan. Non-executive directors are expected to have the option to elect to take all or a portion of their annual NewCo Board retainer in the form of DSUs. The number of DSUs to be awarded to non-executive directors annually are expected to be calculated as the applicable amount of the non-executive director's annual or quarterly retainer elected to be paid by way of DSUs and any additional compensation for NewCo Board services, divided by the market value of the A&W Food Services NewCo Shares. Directors are also expected to be eligible to receive dividend equivalents in the form of additional DSUs with the same vesting conditions and settlement terms as the underlying awards. DSUs will only be paid out following the director's resignation or retirement from the NewCo Board, or death. The value of the amount paid out will be determined as the then fair market value of the accrued amount. In addition, directors are eligible to receive other forms of equity awards under the Equity Incentive Plan as part of director compensation arrangements, including Options and RSUs, subject to the non-executive director limits set out in the Equity Incentive Plan as summarized in "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Statement of Proposed Executive Compensation — Principal Elements of Compensation — Long-Term Equity Incentives — Omnibus Long-Term Incentive Plan*".

It is expected that A&W Food Services NewCo will not offer a meeting fee for directors and that the total non-executive director retainer will be deemed to be full payment for the role of director. It is expected that the exception to this approach would be in the event of a merger or acquisition, or other special circumstance that requires more meetings than are typically required, in which case a "special" fee may be granted. It is also expected that an additional retainer premium will be provided to the chair of the NewCo Board and of each of its standing committees to reflect the additional time commitment, level of responsibility and skills required in such roles. It is expected that all directors will be entitled to be reimbursed for expenses reasonably incurred by them in their capacity as directors.

Paul Hollands, the proposed Chair of the NewCo Board and a former employee of A&W Food Services, receives ongoing payments under A&W Food Services' legacy defined benefits plan in connection with his prior service with A&W Food Services that ended in February 2018, which payments are not contingent in any way on his proposed service to the NewCo Board. A&W Food Services NewCo will become liable as the successor to the defined benefits plan following completion of the Transaction.

Indebtedness of Directors and Officers

Upon completion of the Transaction, A&W Food Services NewCo expects that none of the directors, executive officers, employees, former directors, former executive officers or former employees of A&W Food Services NewCo or any of its subsidiaries and none of their respective associates, to be indebted to A&W Food Services NewCo or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided to A&W Food Services NewCo or any of its subsidiaries.

Corporate Governance

Statement of Corporate Governance Practices

A&W Food Services NewCo's corporate governance disclosure obligations are set out in the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"). These instruments and policies set out a series of guidelines and requirements for effective corporate governance of reporting issuers in Canada (collectively, the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards as well as the functions to be performed by boards and their committees.

Set out below is a description of A&W Food Services NewCo's anticipated approach to corporate governance in relation to the Guidelines.

Board of Directors

Pursuant to the Articles of Arrangement, which are deemed to be the articles of incorporation of A&W Food Services NewCo (the “**Articles**”), the NewCo Board will consist of a minimum of three and a maximum of ten directors as determined from time to time. On the Effective Date, it is expected that the NewCo Board will be comprised of eight directors: Eric Berke, Andrew W. Dunn, Fern Glowinsky, Paul Hollands (who is expected to serve as Chair of the NewCo Board), Michael Hollend, Kevin Mahoney, Andrew Mindell and Susan Senecal. Thereafter, each director will be required to be elected by the shareholders at each annual meeting of shareholders, and will hold office until the next annual meeting of A&W Food Services NewCo, unless: (a) his or her office is earlier vacated in accordance with the Articles; or (b) he or she becomes disqualified to act as a director.

Certain aspects of the composition and functioning of the NewCo Board are subject to the terms of the Investor Rights Agreement. For a summary of the terms of the Investor Rights Agreement, see “*Key Agreements Relating to the Transaction – Investor Rights Agreement*”. Pursuant to the Investor Rights Agreement, as of the Effective Date, it is expected that TorQuest Partners Fund IV will be entitled to designate two nominees and each of David Mindell and Jefferson Mooney will be entitled to designate one nominee for election or appointment to the NewCo Board. Eric Berke and Michael Hollend will be the initial nominees of TorQuest Partners Fund IV, Andrew Mindell will be the initial nominee of David Mindell, and Paul Hollands will be the initial nominee of Jefferson Mooney.

The primary function of the NewCo Board will be to supervise the management of the business and affairs of A&W Food Services NewCo, including the responsibility for the strategic planning process, risk management, corporate governance, senior management oversight and approving material transactions and contracts. The proposed NewCo Board mandate, in substantially the form included in Appendix L, is expected to be formally adopted by the NewCo Board in connection with the closing of the Transaction.

The NewCo Board will establish an Audit, Finance and Risk Committee and Governance and Compensation Committee. See “*Audit, Finance and Risk Committee*” and “*Governance and Compensation Committee*” for a description and the proposed membership of each of the committees of the NewCo Board.

Independence of the NewCo Board

NI 52-110 defines an “independent director” as a director who has no direct or indirect material relationship with the issuer. A “material relationship” is in turn defined as a relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with such member’s independent judgment. In determining whether a particular director is an “independent director” or a “non-independent director”, the NewCo Board will consider the factual circumstances of each director. Based on the information provided by each proposed director concerning his or her background, employment and affiliations, it is expected that seven of the eight proposed directors will be considered independent of A&W Food Services NewCo for purposes of NI 52-110. Susan Senecal will not be considered independent for purposes of NI 52-110 as a result of her role as President and Chief Executive Officer (“**CEO**”) of A&W Food Services NewCo.

Meeting In-camera

The NewCo Board and its committees are expected to hold regularly scheduled meetings at each quarterly board meeting without management and non-independent directors, including the CEO. These discussions are intended to generally form part of the committee chairs’ reports to the NewCo Board. The Chair intends to encourage open and candid discussions among the independent directors by providing them with an opportunity to express their views on key topics before decisions are taken.

Board Renewal

It is expected that the NewCo Board will periodically review its processes for board renewal, and in this respect will evaluate the skills, diversity, and contribution of individual directors in light of the combination of skills and experience required for the NewCo Board to function well, as well the nomination rights provided for under the Investor Rights Agreement.

Orientation and Continuing Education of Directors

It is expected that an orientation program will be implemented, whereby each new director will be provided with a baseline of knowledge about A&W Food Services NewCo that will serve as a basis for informed decision-making. The program will be tailored for each new director, taking into account their unique mix of skills, experience, education, and knowledge.

New directors will be given copies of all policies, codes and mandates, and provided with guidance concerning trading in securities, blackout periods, and disclosure practices. Senior officers will be made available to meet with new members to familiarize them with operations, programs and projects. Presentations made at these meetings, together with site visits, are intended to provide insight into A&W Food Services NewCo’s business and familiarize new directors with the policies and

programs they require to perform their duties effectively, as well as with the role of the NewCo Board, its committees and its directors.

It is also expected that a formal ongoing director education program will be implemented which may entail presentations or briefing by internal and external experts on matters of particular import or emerging significance, distribution of written background materials on matters of relevance to A&W Food Services NewCo's business, site visits, and identification of external opportunities for continuing education that may be of interest to individual directors.

Position Descriptions

The NewCo Board is expected to adopt written position descriptions for the Chair, CEO and each of the committee chairs. The Chair, CEO and each of the committee chairs are responsible for working collaboratively together to enhance the effectiveness and performance of the NewCo Board, its committees and directors. All work together to ensure that directors are being provided with timely and relevant information necessary to discharge their statutory duties and responsibilities.

Board and Senior Executive Diversity

Having a diverse board can offer a breadth and depth of perspectives that enhances performance. Commitment to increasing workforce diversity and making an impact on the community also extends to the NewCo Board and senior management. This includes valuing diversity of abilities, experience, perspective, education, gender, background, race and national origin. Recommendations concerning director nominees will be based on a number of factors, including merit and past performance as well as expected contribution to the NewCo Board's performance and, accordingly, diversity shall be taken into consideration.

In furtherance of commitment to diversity on the NewCo Board and in senior management positions, following the completion of the Transaction, the NewCo Board is expected to adopt a written diversity policy (the "**Diversity Policy**"). In accordance with the Diversity Policy, the Governance and Compensation Committee will consider a number of factors in addition to skills, experience, independence and knowledge, including diversity criteria such as the level of representation of women, Indigenous peoples, members of visible minorities, persons with disabilities and members of the LGBTQ+ community, when seeking and considering new members for nomination or evaluating member nominees for re-election.

With respect to A&W Food Services NewCo's expected gender diversity representation: (a) of the NewCo Board members, other than directors nominated pursuant to the Investor Rights Agreement, two of four (or 50%) identify as female; and (b) of the proposed NEOs, three of five (or 60%) identify as female, including the CEO and CFO.

Audit, Finance and Risk Committee

It is expected that A&W Food Services NewCo will establish an Audit, Finance and Risk Committee following completion of the Transaction. The Audit, Finance and Risk Committee is expected to be comprised of three directors of A&W Food Services NewCo: Andrew W. Dunn (who will act as chair), Fern Glowinsky and Andrew Mindell, all of whom are independent and financially literate for purposes of NI 52-110. The members of the Audit, Finance and Risk Committee will be appointed annually taking into consideration requirements under the Investor Rights Agreement, and each member of the Audit, Finance and Risk Committee will serve until the member resigns, is removed, or ceases to be a member of the NewCo Board.

The primary mandate of the Audit, Finance and Risk Committee will be to oversee the work and review the qualifications and independence of external auditors, to review the financial statements of A&W Food Services NewCo, the design of internal controls and public disclosure documents containing financial information, to oversee the risk identification, assessment and management processes, and to assist with the legal compliance and ethics programs as established by management and by the NewCo Board and as required by law. The role and operation of the Audit, Finance and Risk Committee is set out in A&W Food Services NewCo's proposed Audit, Finance and Risk Committee Mandate, the text of which is included as Appendix M to this Circular.

Governance and Compensation Committee

It is expected that A&W Food Services NewCo will establish a Governance and Compensation Committee following completion of the Transaction. The Governance and Compensation Committee is expected to be comprised of three directors of A&W Food Services NewCo, all of whom are independent for purposes of NI 52-110: Kevin Mahoney (who will act as chair), Michael Hollend and Paul Hollands.

The members of the Governance and Compensation Committee will be appointed annually taking into consideration requirements under the Investor Rights Agreement, and it is expected that each member will serve until the member resigns, is removed, or ceases to be a member of the NewCo Board.

The primary mandate of the Governance and Compensation Committee with respect to compensation will be to approve corporate goals and objectives relevant to the compensation of executive officers and other members of senior management and to make recommendations with respect to their compensation based on its evaluation, to recommend compensation arrangements for the directors, committee members and chairs, to administer and interpret the incentive compensation and equity compensation plans, to review the executive compensation disclosure before it is publicly disclosed and to approve the compensation and terms of employment for executive officers and senior management.

The primary mandate of the Governance and Compensation Committee with respect to corporate governance will be to assess the effectiveness of the directors and the committees of the NewCo Board, to recommend to the NewCo Board candidates for election as directors and to advise the NewCo Board on enhancing corporate governance through a continuing assessment of A&W Food Services NewCo's approach to corporate governance, taking into consideration requirements under the Investor Rights Agreement. The Governance and Compensation Committee is also expected to provide primary oversight of succession planning for the CEO and senior management, the performance assessment of the CEO, and the CEO's assessments of the other executives.

Code of Conduct

Following the completion of the Transaction, the NewCo Board is expected to adopt a written code of conduct (the "**Code of Conduct**") in due course that applies to all of its directors, officers and employees. The objective of the Code of Conduct would be to provide guidelines for maintaining integrity, reputation, honesty, objectivity and impartiality. The Code of Conduct is expected to address, among other things, conflicts of interest, protection and proper use of corporate assets and opportunities, confidentiality, fair dealing with shareholders, competitors, customers, suppliers, franchisees and employees, compliance with laws and reporting any illegal or unethical behaviour. Any person subject to the Code of Conduct will be required to avoid or fully disclose interests or relationships that are harmful or detrimental to A&W Food Services NewCo's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The NewCo Board will have ultimate responsibility for the stewardship of the Code of Conduct.

Risk Factors Related to the Business of A&W Food Services NewCo

In addition to the risks set out in the documents incorporated by reference in this Circular, the proposed combination of the Fund and A&W Food Services in connection with the Transaction is subject to certain risks. See "*Risk Factors*" in the Circular. Unitholders should carefully consider such risk factors related to the Transaction. Material risks related to A&W Food Services NewCo's business (including those generally impacting the QSR industry) are identified below. These risks could materially and adversely impact the results, financial condition, performance or prospects of A&W Food Services NewCo's business and, consequently, cause the market price or value A&W Food Services NewCo Shares to decline or reduce the amount of any dividend paid on those shares.

Risk Factors Related to the Business of A&W Food Services NewCo

Negative customer perceptions could adversely impact the A&W brands and the financial results, condition and outlook of A&W Food Services NewCo.

Adverse publicity related to litigation, regulation (including initiatives intended to drive customer behaviour) or incidents involving A&W Food Services NewCo, its franchisees, spokespeople, competitors or suppliers may impact the value of A&W's brands by discouraging customers from buying A&W products. A&W Food Services NewCo and A&W franchisees may be the subject of complaints or litigation from guests alleging injuries suffered on the premises or other food quality, health or operational concerns. Adverse publicity resulting from such allegations may materially affect the A&W brands and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo, regardless of whether such allegations are true or whether A&W Food Services NewCo or an A&W franchisee is held liable.

Customer perceptions may also be affected by activist campaigns to promote adverse perceptions of the QSR industry, the A&W brands or A&W Food Services NewCo's operations, suppliers, franchisees or other partners. Customer demands for A&W's products and A&W's brand equity could diminish if A&W, or A&W franchisees or other business partners, fail to preserve the quality of its products, act or are perceived to act as unethical, illegal, inequitable, racially-biased or in a socially irresponsible manner, including with respect to the sourcing, content or sale of A&W products or the use of customer data for general or direct marketing or other purposes, failing to comply with laws and regulations, publicly taking controversial positions or actions or failing to deliver a consistently positive customer experience in each of A&W's markets.

A&W Food Services NewCo and A&W franchisees may also be adversely affected by the increased use of social media. Events reported in the media, including social media, whether or not accurate or involving A&W restaurants, could create and/or amplify negative publicity for A&W restaurants or the industry or market segments in which A&W restaurants operate. This could reduce demand for A&W's products and could decrease guest traffic to A&W restaurants as customers shift their preferences to

competitors or to other products or food types. A decrease in guest traffic to A&W restaurants as a result of negative publicity from the media, including social media, could result in a decline in revenues at those restaurants.

Customer acceptance of A&W products may also be influenced by or subject to change for a variety of reasons. For example, adverse publicity associated with nutritional, health and other scientific studies and conclusions may drive popular opinion against QSRs in general, which may impact the demand for A&W products. Moreover, health campaigns against products A&W restaurants offer in favor of foods that are perceived as healthier may affect customer perception of A&W's product offerings and impact the value of A&W's brands. Some products sold at A&W restaurants contain beef, fats, sugar, caffeine, dairy products, and other compounds, the health effects of which are the subject of public scrutiny, including suggesting that excessive consumption of beef, fats, sugar, caffeine, dairy products, and other compounds can lead to a variety of adverse health effects. There is increasing customer awareness of the health risks, including obesity, as well as increased customer litigation based on alleged adverse health impacts of consumption of various food products. An unfavourable report on the health effects of caffeine or other compounds present in products sold at A&W restaurants, or negative publicity or litigation arising from other health risks such as obesity, could significantly reduce the demand for the beverages and food products sold at A&W restaurants.

If A&W Food Services NewCo is unsuccessful in addressing customer adverse perceptions, the value of the A&W brands and the revenues of A&W restaurants and, consequently, the financial results, condition and outlook of A&W Food Services NewCo, may suffer.

Food borne illnesses or other food safety events may have an adverse effect on A&W Food Services NewCo and may lead to complaints and litigation.

Publicity from any food borne illness, such as salmonella and E. coli, or other food safety event could adversely affect the revenues and reputation of A&W restaurants and the A&W brands and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo. A&W restaurants are committed to ensuring customers enjoy safe and quality food products. However, food safety events have occurred in the food industry in the past and could occur in the future. Also, reliance on third-party food suppliers, distributors and food delivery aggregators increases the risk that food-borne illness incidents could be caused by factors outside of A&W Food Services NewCo's control and that multiple locations would be affected rather than a single restaurant. A&W Food Services NewCo and A&W franchisees may be the subject of complaints or litigation from guests alleging food-related illness (including illness resulting from widespread epidemics such as "mad cow disease" or avian flu), injuries suffered on the premises or other food quality, health or operational concerns. The actual occurrence of a food borne illness or contamination or other food safety event or any negative publicity (including through social media) linking A&W Food Services NewCo or any of its franchisees or suppliers to a food safety event (including as a result of complaints, litigation or public health inspection reports, regardless of whether such allegations are true or whether A&W Food Services NewCo or an A&W franchisee is actually held responsible) could require the temporary closure of impacted A&W restaurants, reduce revenues and profits and adversely affect the A&W brands and reputation. Any such event within the food service industry more generally (even if it does not affect any A&W restaurants), or the perception that such an event might occur, could also have an adverse effect on the financial results, condition and outlook of A&W Food Services NewCo.

Issues impacting the supply chain of A&W Food Services NewCo or its franchisees may have an adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

Revenues of A&W franchisees are dependent upon the availability and quality of the raw materials used in A&W products. The availability and prices of these raw materials, such as beef or chicken, may fluctuate due to an increase in demand, a shortage of supply, disease (including disease resulting from widespread epidemics such as "mad cow disease" or avian flu), seasonal fluctuations, foreign currency fluctuations, potential cross-border taxes or tariffs, and other factors. Weather-related issues, such as freezes, wildfires or drought, may also lead to temporary spikes in the prices of some ingredients such as produce or meats. Increasing weather volatility or other long-term changes in global weather patterns, including any changes associated with global climate change, could have a significant impact on the price or availability of some ingredients used by A&W restaurants. A significant reduction in the availability or quality of raw materials necessary for the operation of A&W restaurants resulting from any of the above factors could have an adverse effect on the financial results, condition and outlook of A&W Food Services NewCo.

A&W has advertised its commitment to being a leader in sourcing simple, great-tasting natural ingredients for A&W restaurants. This includes serving grass-fed beef raised without the use of hormones or steroids, serving other proteins from animals that were raised without the use of artificial hormones and antibiotics, and serving organic and fair-trade coffee and root beer made from natural cane sugar and all natural ingredients. There are risks associated with this commitment. In particular, restricting the supply of products to suppliers who meet these specifications reduces the total number of potential supplier partners and may make prices for these products more sensitive to a fluctuation in supply. If there is a shortage of ingredients that meet these specifications, A&W Food Services NewCo may not be able to meet this commitment, which could have an adverse effect on A&W restaurants' reputation and the financial results, condition and outlook of A&W Food Services NewCo.

In addition, it will be necessary for A&W Food Services NewCo to carefully monitor its supply chain and the ingredients A&W restaurants use in the preparation of its products, as publicity regarding a break in this commitment or supply chain could have an adverse effect upon the financial results, condition and outlook of A&W Food Services NewCo, as well as the A&W brands.

Availability disruptions and delivery delays of equipment and construction material, as well as permits, may also impact the construction and renovation of new and existing restaurants.

A&W Food Services NewCo's retail root beer business may be impacted by the inability to retain shelf space and the reliance on a third party for the production of root beer.

A&W Food Services NewCo will continue to sell A&W root beer concentrate to Coca-Cola Refreshments Canada Co. for the production and distribution of A&W Root Beer in cans and bottles sold in Canadian retail stores. A&W Root Beer is distributed through retail grocery stores by Coca-Cola Canada Bottling Ltd. under licence. There can be no assurance that A&W Food Services NewCo will be able to retain shelf space in grocery stores for the sale of A&W Root Beer. Events affecting the ability of Coca-Cola Refreshments Canada Co. or Coca-Cola Canada Bottling Ltd. to manufacture and distribution of root beer, as applicable, could have a material adverse effect on the retail root beer business of A&W Food Services NewCo.

Third-party financings in the future may not be available on terms favourable to A&W Food Services NewCo, or at all, and there is no assurance that A&W Food Services NewCo will be able to satisfy its cash flow requirements.

Third-party financings in the future may not be available on terms favourable to A&W Food Services NewCo, or at all, and A&W Food Services NewCo may not manage costs and working capital successfully. A&W Food Services NewCo's ability to obtain funding will be subject to various factors, some of which are out of A&W Food Services NewCo's control, including general market conditions, A&W Food Services NewCo's operating performance, the market's perception of A&W Food Services NewCo's growth potential, lender sentiment, and A&W Food Services NewCo's ability to incur debt in compliance with other contractual restrictions. These factors may make the timing, amount, terms and conditions of additional financings unattractive. There is no assurance that A&W Food Services NewCo will generate cash flow in an amount sufficient to fund its liquidity needs. A&W Food Services NewCo's inability to satisfy its cash flow requirements could have a material adverse effect on the financial results, condition and outlook of A&W Food Services NewCo.

A failure to comply with the obligations under the Credit Agreement could result in an event of default which, if not cured or waived, could permit acceleration of the relevant indebtedness. If the indebtedness under the Credit Agreement were to be accelerated, there can be no assurance that A&W Food Services NewCo's assets would be sufficient to repay in full that indebtedness.

Advertising campaigns may not be successful, which may adversely affect the financial results, condition, and outlook of A&W Food Services NewCo.

Revenues of A&W restaurants and the value of A&W's brands will be heavily influenced by brand marketing and advertising, as well as the success of ongoing promotional activities. A&W Food Services NewCo's marketing and advertising programs may not be successful, which may lead A&W Food Services NewCo and A&W franchisees to fail to attract new guests and retain existing guests, which, in turn, could materially and adversely impact the revenues of A&W restaurants and the A&W brands and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo. Advertising campaigns may also become more expensive over time without yielding greater revenues. Moreover, because franchisees contribute to advertising funds based on a percentage of revenues at their franchise restaurants, advertising fund expenditures are dependent upon revenues of all franchised A&W restaurants. If revenues decline, there will be a reduced amount available for A&W Food Services NewCo's marketing and advertising programs. Furthermore, to the extent that A&W Food Services NewCo and A&W franchisees use value offerings in their marketing and advertising programs to drive traffic, the low price offerings may condition guests to resist higher prices.

New product and restaurant related innovations may not be successful, which may adversely affect the financial results, condition, and outlook of A&W Food Services NewCo.

Revenue and long-term business development will be impacted by A&W Food Services NewCo's ability to develop and launch new and innovative products, restaurant design concepts and restaurant equipment. New product and other innovations may not be successful. A&W Food Services NewCo will continue to focus on restaurant design and equipment, modernization and technology and digital engagement in order to transform the restaurant experience. As part of these initiatives, A&W Food Services NewCo will seek to improve its service model and strengthen relationships with customers, as well as expand digital channels, loyalty initiatives, mobile ordering and payment systems and delivery models. These initiatives may not have the anticipated impact on revenues; therefore, A&W Food Services NewCo and A&W franchisees may not fully realize the intended benefits of these significant investments. While A&W Food Services NewCo will continue to invest resources in technologies that benefit its customers, there can be no guarantee that A&W Food Services NewCo will continue to be able to adapt to technological change, and A&W Food Services NewCo may have to invest additional capital to adapt in the future.

The failure of information technology systems, networks, and services to operate effectively could result in litigation, damage to A&W Food Services NewCo's reputation, and harm to A&W Food Services NewCo's financial results, condition, and outlook.

A&W Food Services NewCo will depend on the uninterrupted operation of its information systems, networks and services, including point-of-sale processing at restaurants and the mobile app, to operate its business. A&W Food Services NewCo's operations depend on its ability to protect its computer equipment and systems against damage from physical theft, fire, power loss, computer and telecommunications failure or other catastrophic events, as well as from internal and external security breaches, viruses and other disruptive events. The failure of these systems to operate effectively, maintenance problems, upgrading or transitioning to new systems or platforms, or a breach in security of these systems could result in transaction errors, processing inefficiencies, the destruction or corruption of data, a decrease in the effectiveness of internal financial controls, the loss of or failure to attract new customers, the loss of revenues, the loss of or unauthorized access to confidential and personal information, the loss of or damage to intellectual property or trade secrets, damage to A&W Food Services NewCo's reputation, litigation, regulatory enforcement actions, higher insurance premiums, violation of privacy, security or other laws and regulations and remediation costs. Furthermore, adverse publicity resulting from allegations of security breaches resulting in the theft of credit and debit card information or personal information of guests may materially adversely affect the revenues of A&W restaurants and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo.

A breach in the security of A&W Food Services NewCo's information technology systems, or those technology systems and services provided by A&W Food Services to A&W franchisees or A&W franchisees' respective service providers, could lead to reputational harm, an interruption in the operation of information technology systems, and harm to the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo's business, including the business of A&W franchisees, will require the collection and transmission of large volumes of personal, financial and other information about guests, employees, vendors and franchisees, including credit and debit card numbers and other personally identifiable information, in various information technology systems that A&W Food Services NewCo will maintain and in those maintained by third party service providers. The integrity and protection of that guest, vendor, franchisee and employee data will be critical to A&W Food Services NewCo and A&W franchisees. Furthermore, A&W Food Services NewCo's and A&W franchisees and A&W franchisees' guests and employees have an expectation that A&W Food Services NewCo, A&W franchisees and their service providers will adequately protect their personal information. The information, security, and privacy requirements imposed by governmental regulation are increasingly demanding. A&W Food Services NewCo's systems or service providers may not be able to satisfy these changing requirements and franchisee, guest and employee expectations, or may require significant additional investments or time in order to do so. Efforts to hack or breach security measures, failures of systems or software to operate as designed or intended, viruses, operator error or inadvertent releases of data all threaten A&W Food Services NewCo's, A&W franchisees' and service providers' information systems and records. A breach in the security of A&W Food Services NewCo's information technology systems or those of A&W franchisees or their respective service providers could lead to an interruption in the operation of its systems, resulting in operational inefficiencies or a loss of revenue. Additionally, a significant theft, loss or misappropriation of, or access to, guests' or other proprietary data or other breach of A&W Food Services NewCo's or A&W franchisees' information technology systems could result in fines, legal claims or proceedings, including regulatory investigations and actions, or liability for failure to comply with privacy and information security laws, and negative publicity all of which could disrupt A&W Food Services NewCo's and A&W franchisees' operations, damage their reputation and expose them to claims from guests and employees, any of which could have a material adverse effect on A&W Food Services NewCo's financial results, condition, and outlook.

There can be no assurance that the expansion plans for Pret A Manger will be successful.

There can be no assurance that A&W Food Services NewCo will open additional stand-alone Pret A Manger locations or expand the Pret A Manger locations or offerings within A&W restaurants. Further, in order to maintain its rights to continue to expand across Canada, A&W Food Services NewCo will need to open additional Pret A Manger locations in accordance with the development schedule. There can be no assurance that A&W Food Services NewCo will open additional Pret A Manger locations in accordance with this schedule. The success of the Pret A Manger initiative will also depend on Pret A Manger's brand reputation and ability to continue to develop and implement successful new products, as well as the successful development of the Pret A Manger supply chain within Canada. It cannot be predicted how well Canadian customers will receive the Pret A Manger brand or what the impact will be on overall revenues of A&W Food Services NewCo. If the expansion plans for Pret A Manger are not successful, this could have a material adverse effect on A&W Food Services NewCo's financial results, condition, and outlook.

Failure to successfully expand the number of A&W franchise locations may harm A&W Food Services NewCo's business development and, consequently, its financial results and prospects.

The financial results and prospects of A&W Food Services NewCo will be impacted by the ability of A&W Food Services NewCo to grow same store sales and maintain and grow the number of A&W franchise locations. A&W Food Services NewCo's ability to open A&W franchised restaurants is dependent on a number of factors, including the availability of skilled individuals to become A&W franchisees and A&W Food Services NewCo's to attract them to open A&W restaurants, availability of suitable

sites on commercially viable terms, securing suitable financing to enable its franchisees to open new restaurants, negotiations of acceptable lease or purchase terms for new locations, permits and government regulatory compliance, the ability to meet construction schedules, the strength of A&W's brands and reputation, and general economic conditions. A&W Food Services NewCo will face competition for retail locations and franchisees from its competitors and from franchisors of other businesses. Competition for new restaurant sites comes from both other potential tenants as well as competing uses of prime real estate which may be developed for other purposes. A&W Food Services NewCo's inability to successfully obtain qualified operators to become A&W franchisees could adversely affect its business development, and could have an adverse effect on the financial results, condition and outlook of A&W Food Services NewCo.

Once an A&W franchised restaurant has been opened, A&W franchisees may not successfully develop or operate an A&W restaurant in their franchise areas in a manner consistent with A&W Food Services NewCo's standards. The success of A&W franchisees is dependent on a number of factors, including the franchisee's access to financial resources, the availability of experienced management and hourly employees, the franchisee's ability to hire and train employees, general economic conditions, the franchisee's operational and financial management capabilities, and the various risks applicable to A&W restaurants described under the heading "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Risk Factors – Risk Factors Related to the Business of A&W Food Services NewCo*".

Growing the number of A&W franchise locations also requires the implementation of enhanced management information systems, financial controls and other systems and procedures as well as additional management, franchisee support and financial resources. A&W Food Services NewCo may not be able to manage its expanding number of franchises effectively. Failure to provide franchisees with adequate support and resources could materially adversely affect both new and existing franchisees as well as cause disputes between A&W Food Services NewCo and A&W franchisees. This may lead to fewer qualified persons seeking to become new franchisees and existing franchisees exiting the A&W business.

For various reasons, including, but not limited to, pressures on profitability, uncertain or poor general economic conditions, events causing negative publicity, lack of financial resources, and the various risks applicable to A&W restaurants described under the heading "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Risk Factors – Risk Factors Related to the Business of A&W Food Services NewCo*", a number of A&W restaurants close each year. There is no assurance that A&W Food Services NewCo will be able to obtain sufficient new A&W restaurants to replace the revenues of the A&W restaurants that have closed. In addition, many of the remaining terms of the leases from which A&W restaurants operate are shorter than the remaining terms of the associated franchise agreements, and it will be necessary to renew these leases or to obtain satisfactory alternate locations. There is no assurance that the leases will be renewed or suitable alternate locations will be obtained and, in this event, the A&W restaurant will close. Any of the foregoing could have an adverse effect on the financial results, condition and outlook of A&W Food Services NewCo.

There also can be no assurance that the new restaurant opening plan with Petro-Canada (Suncor) will be successful or completed as currently contemplated. Any adverse change to this expansion plan may harm the financial results, condition and outlook of A&W Food Services NewCo.

Challenges in the relationships with A&W franchisees may have an adverse impact on the performance of affected A&W restaurants and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo's results of operations will be impacted by A&W franchisees' ability to generate revenue. There are no assurances that A&W Food Services NewCo will be able to maintain positive relationships with all A&W franchisees. Adverse publicity resulting from any such strained relationship may affect revenues and the ability of A&W Food Services NewCo to source new franchisees, regardless of whether such publicity is accurate.

Any challenges in the relationships with A&W franchisees may have an adverse impact on the performance of affected A&W restaurants, the ability of A&W Food Services NewCo to undertake new initiatives, and could result in the diversion of management resources and increased administrative costs.

Failure of A&W franchisees to make payments under subleases with A&W Food Services NewCo may have an adverse impact on A&W Food Services NewCo's ability to make payments on the applicable head leases.

In many cases, A&W Food Services NewCo will lease the premises occupied by the A&W franchisee from the owner of the property and sublease or licence these premises to the A&W franchisee. In these cases, the A&W franchisee will be required to pay A&W Food Services NewCo a fee for the lease obligations incurred by A&W Food Services NewCo based upon the rent payable for the restaurant for the life of the lease. There is no assurance that A&W franchisees will be able to pay such fees, which may have an adverse effect on A&W Food Services NewCo's ability to satisfy its obligations under the applicable head leases.

Failure of A&W franchisees to operate in accordance with A&W Food Services NewCo's standards or applicable law could have a material adverse effect on A&W Food Services NewCo's reputation, ability to attract prospective franchisees, and financial results, condition, and outlook.

A&W franchisees will be contractually obligated to operate A&W franchises in accordance with the terms of the agreements between A&W Food Services NewCo and the A&W franchisee. However, A&W franchisees are independent third parties that will not be directly operated or controlled by A&W Food Services NewCo. Despite training, support and monitoring, franchisees may not successfully operate stores in a manner consistent with A&W Food Services NewCo's standards and requirements, or may not hire and adequately train qualified managers and other store personnel. The failure of franchisees to operate in accordance with A&W Food Services NewCo's standards or applicable law, actions taken by A&W franchisee employees, or a negative publicity event at an A&W franchise or involving an A&W franchisee could have an adverse effect on A&W's restaurants' reputation and the A&W brands and, consequently, the financial results, condition and outlook of A&W Food Services NewCo.

Changes in traffic patterns at shopping centres and other retail nodes, as well as at urban locations, may adversely affect the financial results, condition, and outlook of A&W Food Services NewCo.

A number of A&W restaurants are located in shopping centres and retail nodes. Any significant event that adversely impacts traffic to shopping centres, including closures of "anchor stores" or closures of those shopping centres or retail nodes, could result in decreased traffic to those locations which could adversely impact the revenues of A&W restaurants in these shopping centres and retail nodes and, consequently, the financial results of A&W Food Services NewCo. Changing traffic patterns in areas surrounding urban A&W restaurant locations may also have a materially negative financial impact on those restaurants and an adverse effect on the financial results, condition and outlook of A&W Food Services NewCo.

The loss of the services of key personnel could have an adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

The success of A&W Food Services NewCo will depend upon the personal efforts and competency of senior management, including their ability to attract and retain qualified employees. There is no assurance that A&W Food Services NewCo will be effective with its succession planning efforts or that it will successfully attract and retain experienced and qualified staff, which could have an adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

The inability to attract and retain qualified restaurant staff could have a material adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo's restaurant business, including the business of A&W franchisees, will depend upon the ability to attract and retain restaurant management staff and hourly employees. The inability to attract and retain qualified staff could impact the hours an A&W restaurant can operate, impacting the level of revenues that can be achieved. A significant deterioration in relationships with employees or in the employment environment could result in work interruptions or other disruptions or cause management to divert time and resources away from other aspects of the business, which could have a material adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

A&W franchisees also employ temporary foreign workers. The supply of labour could be reduced by regulations concerning the employment of temporary foreign workers.

There is no assurance that insurance coverage maintained by A&W Food Services NewCo and A&W franchisees will be adequate to protect them from liabilities they incur in the course of their respective business.

A&W Food Services NewCo will maintain and will require A&W franchisees to maintain insurance coverage to protect them from liabilities they incur in the course of their respective business. There is no assurance that such insurance coverage will respond to, or be adequate to protect them from, such liabilities. Additionally, in the future, A&W Food Services NewCo's and A&W franchisees' insurance premiums may increase and they may not be able to obtain similar levels of insurance on reasonable terms or at all. Any substantial inadequacy of, or inability to obtain insurance coverage could materially adversely affect A&W Food Services NewCo and A&W franchisees' business, financial condition and results of operations. Furthermore, there are types of losses A&W Food Services NewCo and A&W franchisees may incur that cannot be insured against or that are not economically reasonable to insure. Such losses could have a material adverse effect on A&W Food Services NewCo's and A&W franchisees' business and results of operations.

Internal controls over financial reporting will not prevent or detect all misstatements due to error or fraud.

All internal control systems contain inherent limitations, no matter how well designed. As a result, management acknowledges that its internal controls over financial reporting will not prevent or detect all misstatements due to error or fraud. In addition, management's evaluation of internal controls can provide only reasonable, not absolute, assurance that all internal control issues that may result in material misstatements, if any, have been detected.

Risk Factors Related to the Intellectual Property of A&W Food Services NewCo

If A&W Food Services NewCo is unable to adequately protect its intellectual property rights, the value of A&W Food Services NewCo's brands and its business and prospects may be harmed.

A&W Food Services NewCo's intellectual property will be important to A&W Food Services NewCo's success. A&W Food Services NewCo will rely on a combination of, among others, trademarks and copyrights to protect its brands and branded products. A&W Food Services NewCo will register new trademarks on an ongoing basis, continuously monitor the market for trademark infringements, and take steps to enforce its trademark rights when such infringements occur. A&W Food Services NewCo will also monitor new trademark registration applications filed by third parties to identify marks that may be confusing with the A&W Marks, and in such cases, A&W Food Services NewCo will take steps to oppose such registrations. The steps taken to protect A&W Food Services NewCo's intellectual property may not be adequate and thus A&W Food Services NewCo may, from time to time, be required to institute litigation to enforce its trademarks or other intellectual property rights. Further, third parties may assert or prosecute infringement claims against A&W Food Services NewCo. In these cases, A&W Food Services NewCo's proprietary rights could be challenged, circumvented, infringed, or invalidated. Any such litigation could result in substantial costs and diversion of resources and could have an adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo, regardless of whether A&W Food Services NewCo is able to successfully enforce its rights.

The ability of A&W Food Services NewCo to maintain or increase revenues will depend in part on its ability to maintain "brand equity" through the use of the A&W Marks. If A&W Food Services NewCo fails to enforce or maintain any of its intellectual property rights, A&W Food Services NewCo may be unable to capitalize on its efforts to establish brand equity. If A&W Food Services NewCo is unable to adequately protect its trademarks, its use of these trademarks may result in liability for trademark infringement, trademark dilution, or unfair competition. All registered trademarks in Canada can be challenged pursuant to provisions of the *Trademarks Act* (Canada), and if any A&W Marks are ever successfully challenged, this may have an adverse impact on revenues and could have an adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

If third party usage of the A&W Marks diminishes their value, A&W Food Services NewCo's financial results, condition, and outlook may be adversely affected.

A&W Food Services NewCo will own the A&W Marks in Canada once the Transaction is complete, however it will not own identical and similar trademarks in other jurisdictions. Third parties may use such trademarks in jurisdictions other than Canada in a manner that diminishes the value of such trademarks. If this occurs, the value of the A&W Marks may suffer and revenues by A&W restaurants could decline. Similarly, negative publicity or events associated with A&W in jurisdictions outside of Canada may negatively affect the image and reputation of A&W restaurants in Canada, resulting in a decline in their revenues, and could have an adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

Risk Factors Related to the Indebtedness of A&W Food Services NewCo

The degree to which A&W Food Services NewCo is leveraged could have important consequences, including limiting A&W Food Services NewCo's ability to obtain additional financing, certain cash flows being dedicated to servicing the debt, and limiting the discretion of A&W Food Services NewCo's management with respect to certain business matters.

A&W Food Services NewCo will have third-party debt service obligations under the Credit Agreement. The degree to which A&W Food Services NewCo is leveraged could have important consequences to the holders of A&W Food Services NewCo Shares, including: (a) A&W Food Services NewCo's ability to obtain additional financing for working capital may be limited; (b) a portion of A&W Food Services NewCo's cash flow will be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for distribution to A&W Food Services NewCo's shareholders; and (c) certain of A&W Food Services NewCo's borrowings may be at variable rates of interest, which exposes A&W Food Services NewCo to the risk of increased interest rates. A&W Food Services NewCo will need to refinance the Credit Agreement when its term expires in 2029. There can be no assurance that refinancing will be available to A&W Food Services NewCo, or available to A&W Food Services NewCo on acceptable terms. A&W Food Services NewCo's ability to make payments of the principal of or interest on, or to refinance, its indebtedness depends on its future cash flow, which is subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The Credit Agreement will contain numerous covenants that limit the discretion of A&W Food Services NewCo's management with respect to certain business matters. These covenants will place restrictions on, among other things, the ability of A&W Food Services NewCo to:

- grant or allow any liens or debt, or provide any financial assistance, other than certain customary permitted liens, debt and financial assistance provided for in the Credit Agreement;
- sell substantially all of the assets of A&W Food Services NewCo and its subsidiaries;

- declare or pay cash dividends on any class or kind of its shares, repurchase or redeem any of its shares or pay any management, consulting or similar fee to any affiliate or any director, officer or member of management of any such affiliate unless no default or event of default exists at the time of declaration of such distribution and on a pro forma basis immediately following such declaration; provided that A&W Food Services NewCo shall be permitted to pay cash dividends as long as no event of default exists and (i) the maximum amount of any such distributions per fiscal year shall not exceed \$60 million in 2024, \$65 million in 2025 and 2026 and \$70 million in 2027 and thereafter; (ii) if the ratio of consolidated net debt to EBITDA would be greater than 3.25:1 taking into account such distribution on a pro forma basis, then the amount of the proposed distribution shall not be greater than the most recently paid distribution on a per share basis; and (iii) if the ratio of consolidated net debt to EBITDA is less than 2.50:1 for two consecutive fiscal quarters, then the limitations in proviso (i) above shall not apply provided that such ratio remains at less than 2.50:1 on a pro forma basis taking into account any such distributions;
- purchase or acquire the equity interests of another person, all or substantially all of the assets of another person or all or any material portion of any division or business of another person unless, inter alia, (i) the target becomes a wholly-owned subsidiary of A&W Food Services NewCo, and (ii) if the Credit Agreement is used to finance the acquisition, (x) there shall be a minimum of \$25 million post-acquisition of cash on hand plus availability under the Credit Agreement; and (y) there shall be pro forma compliance with a debt incurrence of consolidated net debt to EBITDA of not greater than 3.50:1 or 0.50:1 inside of the then applicable covenant limit for the consolidated net debt to EBITDA test at such time; and
- The Credit Agreement will also contain customary financial covenants, including, among other things, requiring A&W Food Services NewCo to maintain a ratio of EBITDA to total cash interest expense measured quarterly on a trailing four quarters basis of not less than 2.50:1 in any fiscal quarter.

Risk Factors Related to the QSR Industry

A&W Food Services NewCo may be adversely affected by competition from other well-capitalized franchisors and operators of QSRs.

A&W Food Services NewCo will compete with other well-established, well-capitalized franchisors and operators of QSRs with extensive financial, technological, marketing and personnel resources and high brand name recognition and awareness. In addition, from time to time, new QSRs may decide to enter the Canadian market, presenting new competitors. There can be no assurance that A&W Food Services NewCo will be able to respond to various competitive factors affecting the franchise operations of A&W Food Services NewCo in the QSR industry. If A&W Food Services NewCo is unable to maintain its competitive position, it and A&W franchisees could experience lower demand for their products, downward pressure on prices on those products, reduced margins, an inability to take advantage of new business opportunities, a loss of market share, reduced franchisee profitability, and an inability to attract qualified franchisees in the future, which may adversely affect A&W Food Services NewCo's financial results, condition and outlook.

The performance of A&W Food Services NewCo may be affected by factors impacting the restaurant industry generally.

The performance of A&W Food Services NewCo will be highly dependent upon the revenues and profitability of A&W franchisees. Revenues of A&W franchisees are subject to a number of factors that affect the restaurant industry generally and the quick service segment of this industry in particular, including the highly competitive nature of the industry, traffic patterns, demographic considerations, weather, locations of restaurants and the type, number and proximity of competing QSRs, and government regulations concerning menu labelling or disclosure and drive-thru restrictions affecting the restaurant industry in general and the QSR segment of this industry particularly.

Uncertain economic conditions may adversely impact demand for A&W's products, which could adversely affect A&W Food Services NewCo's financial results, condition and outlook.

A&W restaurant revenues and guest traffic, and consequently A&W Food Services NewCo's profitability, are strongly correlated to customer discretionary spending, which is influenced by general economic conditions. These economic conditions could include economic recession or changes in the rate of inflation or deflation, unemployment rates and household debt, political uncertainty, interest rates, housing and shelter costs, currency exchange rates or derivative or commodity prices, such as fuel and energy costs. A number of these conditions could impact customer spending and, as a result, payment patterns could deteriorate or remain unpredictable due to global, national, regional or local economic volatility. Suppliers and distributors may also increase prices for goods and services as a result of inflation or other poor economic conditions, which would impact the profitability of A&W Food Services NewCo and A&W franchisees. Uncertain economic conditions may adversely impact demand for A&W's products which could adversely affect A&W Food Services NewCo's financial results, condition and outlook.

Uncertain or poor economic conditions, including higher levels of inflation or the perception that inflation will rise or not decline in the future, may also inhibit A&W Food Services NewCo's ability to maintain and grow number of A&W franchise locations by straining the financial resources of A&W Food Services NewCo, A&W franchisees, and potential franchisees, increasing the cost of constructing new A&W restaurants, and increasing certain operating costs, such as taxes, insurance and other external

services that increase with the general level of inflation, which may adversely affect A&W Food Services NewCo's financial results, condition and outlook.

An event that adversely affects the retail hamburger market may adversely impact the financial results, condition, and outlook of A&W Food Services NewCo.

A&W franchisees receive most of their revenues from the sale of hamburgers, chicken, fries, breakfast items and soft drinks and A&W Food Services NewCo, in turn, will receive fees from A&W franchisees based on revenues and payments on goods supplied to A&W franchisees. The QSR industry is characterized by the frequent introduction of new products, accompanied by substantial promotional campaigns. In recent years, A&W restaurants in particular, and numerous others in the QSR industry have introduced products positioned to capitalize on the growing customer preference for food products that are, or are perceived to be, healthful, nutritious, low in calories, fat and sodium content.

Any significant event that adversely affects consumption of hamburgers, chicken, fries, breakfast items and soft drinks, such as cost, health concerns, economic conditions, changes in customer preferences, including a potential shift in customer spending from QSRs to greater at home food consumption of grocery store items, unemployment, changes in disposable customer income, a disease outbreak or inclement weather, could adversely impact the revenues of A&W restaurants and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo.

Increases in food, equipment, commodity, and other supply costs may adversely affect the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo's profitability and that of A&W franchisees will depend in part on their ability to manage changes in food, equipment, commodity, and other supply costs. In addition, the markets for certain ingredients such as beef and chicken are subject to significant price fluctuations due to seasonal shifts, climate conditions, disease, industry demand, international commodity markets, food safety concerns, product recalls, government regulation and other factors, all of which are beyond A&W Food Services NewCo's control and, in many instances, unpredictable. Certain key ingredients such as, among others, beef and chicken will constitute a large percentage of the total cost of sales for A&W restaurants. Increases in the cost of these ingredients and other commodities and supplies used by A&W Food Services NewCo could adversely affect the profitability of A&W franchisees and, in turn, the financial results, condition, and outlook of A&W Food Services NewCo. If commodity prices rise, A&W Food Services NewCo may not be able to mitigate changing commodity prices by adjusting purchasing practices and providing guidance on menu price adjustments to A&W franchisees. A failure to do so could adversely affect A&W Food Services NewCo's results of operations. A&W franchisees may also experience reduced revenues due to decreased customer demand at retail prices that have been raised to offset increased commodity prices, which may reduce A&W franchisee profitability. Accordingly, increases in commodity costs may materially and adversely affect A&W franchisee profitability and the financial results, condition and outlook of A&W Food Services NewCo.

Pricing support mechanisms instituted and maintained by various federal and provincial supply management and marketing boards keep the prices of chicken, eggs, and dairy at artificially high levels. There can be no assurance that prices of such products will not be increased by their respective boards in the future.

Increases in food and packaging costs, labour costs, occupancy costs or interest rates could adversely affect A&W franchisees' profitability and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo.

The impact of an increase in food and packaging costs, labour costs, occupancy costs or interest rates could adversely affect A&W franchisees' profitability and therefore ability to pay service fees and other amounts to A&W Food Services NewCo. High interest rates limit the ability of A&W franchisees to develop new restaurants and to invest in modernization and other innovation initiatives at existing restaurants. Unionization at A&W franchisee's restaurants may have the effect of increasing labour costs. Labour shortages may also result in A&W franchisees paying higher wages to compete for scarce talent and to retain existing employees. Sustained increases in operating costs for A&W franchisees may materially impact the attractiveness of the restaurant business model and interest in developing a restaurant from new franchisee candidates. Failure to achieve adequate levels of collection from A&W franchisees, including by reason of disputes or litigation, could have an adverse effect on the financial results, condition and outlook of A&W Food Services NewCo.

Increasing public focus on social and environmental sustainability matters may result in increased costs to A&W franchisees and, if expectations are not met, a reduction in customer trust in the A&W brands.

There has been increasing public focus by customers, investors, environmental activists, the media and governmental and nongovernmental organizations on social and environmental sustainability matters, including packaging and waste, animal health and welfare, human rights, climate change, greenhouse gases and land, energy and water use. As a result, A&W Food Services NewCo and A&W franchisees may experience increased expectations to provide expanded disclosure and make commitments, establish goals or set targets with respect to various environmental and social issues and to take the actions necessary to meet those commitments, goals and targets. If A&W Food Services NewCo and A&W franchisees are not effective

in addressing the public's expectations regarding social and environmental sustainability matters, customer trust in the A&W brands may suffer. In addition, the actions needed to achieve any commitments, goals and targets that are established could result in increased costs to A&W franchisees, which may: (i) limit A&W franchisees' ability to generate revenues, thereby decreasing revenues realized by A&W Food Services NewCo; and/or (ii) decrease the profitability of A&W franchisees. In addition, future legislative and regulatory efforts to combat climate change or other environmental considerations could result in increased regulation, and additional taxes and other expenses, in a manner that adversely affects the A&W business. Any of the foregoing could have an adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

The operations of A&W Food Services NewCo and A&W franchisees may be adversely impacted by climate change and its related effects.

The operations of A&W Food Services NewCo and A&W franchisees may be adversely affected by climate change. Changes to the climate, such as increased greenhouse gases and diminishing energy and water resources, may reduce the availability and quality of food ingredients purchased by A&W franchisees. Increased public focus on climate change and environmental sustainability may require A&W franchisees to take initiatives to, among other things, reduce packaging and waste and increase animal health and welfare. Executing these initiatives could involve substantial costs, and failing to execute these initiatives could damage the reputation of A&W restaurants. Increased public focus on climate change could also result in additional government regulation, increasing compliance costs for A&W restaurants. Failure to comply with government regulations could result in A&W restaurants being subject to administrative penalties and negative publicity. These events could result in diminished revenues at A&W restaurants, and could have an adverse effect on the financial results, condition and outlook of A&W Food Services NewCo.

International conflict and other geopolitical tensions may lead to volatility in the global supply chain and consequently the business, financial condition, and operations of A&W Food Services NewCo.

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in the global supply chain and financial markets. Currently, there are various factors that impact geopolitical risk and uncertainty, including but not limited to the elevated geopolitical risk exemplified by ongoing active conflicts in the Middle East, and in Europe, between Russia and Ukraine, as well as risks associated with China-Taiwan tensions. The imposition of strict economic sanctions by Canada, the United States, the European Union, the United Kingdom and others in response to such conflict may have a destabilizing effect on commodity prices, supply chain and global economies more broadly. Supply chain disruptions may adversely affect the financial condition, results and outlook for A&W Food Services NewCo and A&W franchisees. The extent and duration of international conflicts, geopolitical tensions and related international action cannot be accurately predicted and the effects of such conflicts may magnify the impact of the other risks identified.

A&W Food Services NewCo and A&W franchisees may be adversely affected by health epidemics or pandemics, which could disrupt operations, reduce demand for A&W products and adversely affect supply availability and costs, and consequently harm the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo and A&W franchisees may be adversely affected by health epidemics or pandemics, which could disrupt A&W restaurant operations, suppliers or customers or result in economic instability. Health epidemics or pandemics could reduce demand for A&W products, make it difficult or impossible for A&W restaurants to receive products from suppliers or limit the ability of A&W franchisees to keep their restaurants open. Health epidemics or pandemics can adversely affect customer spending and confidence levels and supply availability and costs, as well as the local operations in impacted markets, all of which can adversely affect the financial results, condition and outlook of A&W Food Services NewCo and A&W franchisees. Health epidemics or pandemics may also heighten other risks disclosed in these Risk Factors, such as, but not limited to, those related to customer behavior, customer perceptions of the A&W brands, supply chain interruptions, inflation, commodity costs and labor availability and cost.

Catastrophic events, or the prospect of catastrophic events, may disrupt the operations, suppliers, or customers of A&W Food Services NewCo or A&W Franchisees, and may adversely impact the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo and A&W franchisees may be adversely affected by catastrophic events, or the prospect of catastrophic events, including war, terrorism and other domestic and international conflicts, health epidemics, pandemics, or other public health issues, and natural disasters such as earthquakes or other adverse weather and climate conditions, whether occurring in Canada or abroad. Any of these could disrupt A&W restaurants operations, suppliers or customers, or result in political or economic instability. These events could reduce demand for A&W products or make it difficult or impossible to receive products from suppliers, which could have an adverse effect on the financial results, condition, and outlook of A&W Food Services NewCo.

Risk Factors Related to Laws, Rules, and Regulations

Any actual or alleged failure to comply with employment or human rights legislation could result in negative publicity that could adversely affect A&W brands, as well as the financial results, condition, and outlook of A&W Food Services NewCo.

The operations of A&W Food Services NewCo will be, and A&W franchisees are, subject to laws and regulations governing the employment relationship, including minimum wages, working conditions, overtime, and pay equity. Significant numbers of A&W franchisee food service and preparation personnel are paid at rates related to the minimum wage and, accordingly, further increases in the minimum wage could increase A&W franchisees' labour costs.

The operations of A&W Food Services NewCo will be and A&W franchisees are also subject to human rights legislation, which addresses accommodation up to the point of undue hardship. Changes in this legislation could subject A&W Food Services NewCo and A&W franchisees to liability for discrimination related issues. A&W Food Services NewCo and A&W franchisees may in the future have to modify stores, for example by adding access ramps or redesigning certain architectural features, to provide service to, or make accommodations for, disabled persons under these laws. In addition, these and similar accessibility requirements are increasingly being applied to online assets. Ensuring that A&W Food Services NewCo's websites, online ordering platforms and applications comply with accessibility requirements may come at increased cost. The expenses associated with these modifications, or any damages, legal fees and costs associated with litigating or resolving claims under human rights legislation could be material.

Any actual or alleged failure to comply with employment or human rights legislation could result in claims being asserted by employees of franchisees and of A&W Food Services NewCo. Such claims could be asserted against A&W Food Services NewCo and/or A&W franchisees and may create not only legal and financial liability, but negative publicity that could adversely affect the A&W brands and divert financial and management resources. A significant increase in the number of these claims or an increase in the number of successful claims could adversely impact the reputation of A&W Food Services NewCo and A&W franchisees, as well as their financial results, condition, and outlook.

Claims arising from any non-compliance with franchise disclosure laws may adversely affect the performance of A&W Food Services NewCo.

A&W Food Services NewCo will be required to comply with franchise disclosure laws and regulations of various provinces. Claims arising from any non-compliance with franchise disclosure laws may adversely affect the performance of A&W Food Services NewCo and its ability to successfully secure franchisees for new restaurant locations. The failure to provide a disclosure document as required by those franchise disclosure laws gives a franchisee a two-year absolute right of rescission. Franchise legislation also provides a franchisee with a statutory right of action to sue if a franchisee suffers a loss because of a misrepresentation contained in a franchise disclosure document, or as a result of the franchisor's failure to comply with its disclosure obligations. These rights are in addition to any rights that might exist at common law.

A&W franchisees may experience material difficulties or failures in obtaining licensing and regulation from health, sanitation, food and workplace safety, and other agencies, which may harm the financial results, condition, and outlook of A&W Food Services NewCo.

A&W franchisees may be subject to federal, provincial, and municipal licensing and regulation by health, sanitation, food and workplace safety, and other agencies. A&W franchisees may experience material difficulties or failures in obtaining the necessary licenses or approvals for new stores, which could delay planned store openings. In addition, stringent and varied requirements of local regulators with respect to zoning, land use and environmental factors could delay or prevent development of new stores in particular locations.

Liabilities stemming from environmental laws and regulations may adversely impact the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo will be and A&W franchisees are subject to federal, provincial, and municipal environmental laws and regulations, including such laws and regulations concerning pollution, protection of the environment, waste disposal, the presence, discharge, storage, handling, release and disposal of, or exposure to, hazardous or toxic substances, as well as food packaging used at A&W restaurants. These environmental laws and regulations provide for significant fines and penalties for noncompliance and liabilities for remediation of hazardous or toxic substances, sometimes without regard to whether the owner or operator knew of, or was responsible for, the release or presence of hazardous or toxic substances. Third parties may also assert personal injury, property damage or other claims against owners or operators of properties associated with the release of, or actual or alleged exposure to, hazardous or toxic substances. It is possible that potential environmental liabilities may go undetected and A&W Food Services NewCo and/or A&W franchisees may become subject to environmental liabilities at prior, existing, or future restaurant sites, which may have a material adverse effect on the business, financial condition and results of operations of A&W Food Services NewCo and A&W franchisees. A&W Food Services NewCo also cannot predict what environmental laws will be enacted in the future, how existing or future environmental laws will be administered, interpreted or enforced, or the amount of future expenditures that A&W Food Services NewCo or A&W franchisees may need to make to comply with, or to satisfy claims relating to, environmental laws.

Failure to comply with consumer protection regulations may result in litigation and/or enforcement action, and could materially affect the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo will be and A&W franchisees are subject to consumer protection legislation in certain jurisdictions, including pricing requirements, prohibitions against false or misleading representations, and specific information to be included in customer orders and receipts. Failure to comply with these regulations may result in litigation and/or enforcement action against A&W Food Services NewCo or A&W franchisees, which could materially affect the financial results, condition, and outlook of A&W Food Services NewCo.

Changes to any of the laws, regulations, rules or policies applicable to A&W Food Services NewCo or A&W franchisees could adversely affect the financial results, condition, and outlook of A&W Food Services NewCo.

A&W Food Services NewCo will be and A&W franchisees are subject to a wide variety of laws, regulations, rules and policies, including laws involving product liability, tax, labour and employment, franchising, competition, food safety, intellectual property, privacy, environmental and other matters. Changes to any of the laws, regulations, rules or policies applicable to A&W Food Services NewCo or A&W franchisees could adversely affect A&W restaurants and in turn adversely affect the financial results, condition, and outlook of A&W restaurants A&W Food Services NewCo.

Increases in sales taxes could negatively affect revenues at A&W restaurants and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo.

Increases in sales taxes increase the prices paid by customers for products sold by A&W restaurants and, more generally, decrease customer disposable income. As a result, increases in sales taxes could materially and adversely impact the revenues of A&W restaurants and, consequently, the financial results, condition, and outlook of A&W Food Services NewCo.

There can be no assurance that the Tax Act, or the interpretation of the Tax Act, will not change.

A&W Food Services NewCo will be, and A&W franchisees are subject to Canadian income taxes. There can be no assurance that Canadian income tax laws will not be changed in a manner which adversely affects A&W Food Services NewCo or holders of A&W Food Services NewCo Shares.

In addition, A&W Food Services NewCo's effective tax rate in a given financial statement period may be materially impacted by a variety of factors including but not limited to changes in the mix and level of earnings or by changes to existing accounting rules or regulations. Further, tax legislation may be enacted in the future which could negatively impact A&W Food Services NewCo's current or future tax structure and effective tax rates. Additionally, A&W Food Services NewCo's reported financial results may be harmed by changes in accounting principles applicable to A&W Food Services NewCo.

New accounting standards or changes in financial reporting requirements, accounting principles, or practices, including with respect to critical accounting estimates, could adversely affect A&W Food Services NewCo's results.

New accounting standards or changes in financial reporting requirements, accounting principles or practices, including with respect to critical accounting estimates, could adversely affect A&W Food Services NewCo's future results. The nature and timing of decisions about underperforming markets or assets, including decisions that result in impairment or other charges that reduce A&W Food Services NewCo's earnings, could also have an adverse effect.

In assessing the recoverability of long-lived assets, A&W Food Services NewCo may consider changes in economic conditions and makes assumptions regarding estimated future cash flows and other factors. These estimates are highly subjective and can be significantly impacted by many factors such as global and local business and economic conditions, operating costs, inflation, competition, customer and demographic trends and restructuring activities. If these estimates change in the future, A&W Food Services NewCo may be required to take additional impairment charges for the related assets, which would negatively affect the financial condition and consolidated results of operations. Considerable management judgment is necessary to estimate future cash flows. Accordingly, actual results could vary significantly from such estimates.

Auditors, Transfer Agent and Registrar

The auditor of the A&W Food Services NewCo is expected to be PricewaterhouseCoopers LLP in Vancouver, British Columbia.

The registrar and transfer agent of A&W Food Services NewCo is expected to be Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

Interests of Experts

PricewaterhouseCoopers LLP, Chartered Professional Accountants, is expected to be the auditor of A&W Food Services NewCo and is expected to be independent from A&W Food Services NewCo within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Material Contracts

Following the completion of the Transaction, the Investor Rights Agreement and the Credit Agreement to be entered into in connection with the closing of the Debt Financing will be the only other material contracts of A&W Food Services NewCo. See “Key Agreements Relating to the Transaction – Investor Rights Agreement” and “The Transaction – Financing of the Transaction”.

Any material contracts of A&W Food Services NewCo will be filed on SEDAR+ under A&W Food Services NewCo’s profile at www.sedarplus.ca.

Selected *Pro Forma* Financial Information

Certain selected *pro forma* consolidated financial information as at and for the period ended June 16, 2024 is set forth in the following table. Such information should be read in conjunction with the unaudited *pro forma* consolidated financial statements of A&W Food Services NewCo after giving effect to the Transaction for the year ended December 31, 2023 and as at and for the period ended June 16, 2024, included in Appendix I to this Circular. Adjustments have been made to prepare the unaudited *pro forma* consolidated financial statements of A&W Food Services NewCo, which adjustments are based on certain assumptions. Both the adjustments and the assumptions made in respect thereof are described in the notes to the unaudited *pro forma* consolidated financial statements.

The unaudited *pro forma* consolidated financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating or financial results that would have occurred had the Transaction actually occurred at the times contemplated by the notes to the unaudited *pro forma* consolidated financial statements or of the results expected in future periods.

(in thousands of Canadian dollars, except for shares and per share amounts)	A & W Food Services of Canada Inc. Consolidated	A&W Revenue Royalties Income Fund Consolidated	Pro Forma Adjustments	A&W Food Services NewCo Pro Forma Consolidated
Total assets	934,489	434,825	(163,826)	1,205,488
Liabilities	1,055,192	81,639	(95,319)	1,041,512
Total equity (deficiency)	(120,703)	353,186	(68,507)	163,976
Total liabilities and equity	934,489	434,825	(163,826)	1,205,488

(in thousands of Canadian dollars, except for shares and per share amounts)	A & W Food Services of Canada Inc. Consolidated	A&W Revenue Royalties Income Fund Consolidated	Pro Forma Adjustments	A&W Food Services NewCo Pro Forma Consolidated
Revenue	123,102	24,518	(24,518)	123,102

Expenses (income)	103,081	785	(8,879)	94,987
Income before income taxes	20,021	23,733	(15,639)	28,115
Provision for (recovery of) income taxes	3,716	5,083	(112)	8,687
Net income for the period	16,305	18,650	(15,527)	19,428
Earnings per trust unit/share		0.906		0.786
Weighted average number of trust units/common shares outstanding		16,092,693		23,997,781

INFORMATION CONCERNING A&W FOOD SERVICES

The following information about A&W Food Services should be read in conjunction with the documents incorporated by reference in this Circular and the information concerning A&W Food Services appearing elsewhere in this Circular. See “*Documents Incorporated by Reference*”.

The information concerning A&W Food Services contained in this Circular has been provided by A&W Food Services. Although the Fund has no knowledge that would indicate that any of such information is untrue or incomplete, the Fund does not assume any responsibility for the accuracy or completeness of such information or the failure by A&W Food Services to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to the Fund.

General

A&W Food Services is a corporation amalgamated under the laws of Canada on March 30, 2000. The registered and principal office of A&W Food Services is located at Suite 300, 171 West Esplanade, North Vancouver, British Columbia V7M 3K9.

For further information regarding A&W Food Services and its business activities, see the AIF which is incorporated by reference in this Circular.

Prior Sales

A&W Food Services has not issued any common shares in the capital of A&W Food Services or securities convertible or exchangeable into common shares in the capital of A&W Food Services during the last 12 months. A&W Food Services does not have any securities listed on any stock exchange.

Dividend Policy

A&W Food Services has declared the following cash dividends since January 1, 2021:

Date	Amount
February 3, 2021	495,184.07
March 3, 2021	668,498.50
April 16, 2021	49,194,817.09 ⁽¹⁾
April 16, 2021	17,092,517.86 ⁽²⁾
April 6, 2021	668,498.50
October 25, 2021	3,788,363.36
November 26, 2021	686,779.32
December 9, 2021	2,015,629.80
February 2, 2022	793,111.12
March 7, 2022	793,111.12
April 6, 2022	793,111.12
May 9, 2022	793,111.12
June 8, 2022	793,111.12
July 6, 2022	793,111.12
August 3, 2022	793,111.12
September 9, 2022	793,111.12

Date	Amount
October 7, 2022	793,111.12
November 9, 2022	818,695.34
December 8, 2022	1,995,334.62
February 3, 2023	910,098.92
March 6, 2023	910,098.92
April 5, 2023	910,098.92
May 8, 2023	910,098.92
May 31, 2023	9,000,000.00
June 1, 2023	910,098.92
July 5, 2023	910,098.92
August 2, 2023	910,098.92
September 8, 2023	910,098.92
October 6, 2023	910,098.92
November 8, 2023	910,098.92
December 29, 2023	2,030,115.76
December 31, 2023	9,000,000.00
February 2, 2024	962,476.80
March 4, 2024	962,476.80
April 3, 2024	962,476.80
May 7, 2024	962,476.80
May 31, 2024	962,476.80
May 31, 2024	10,000,000.00
July 13, 2024	962,476.80
August 2, 2024	962,476.80

Notes

- (1) On April 16, 2021, A&W of Canada Inc., an indirect shareholder of A&W Food Services, completed a reorganization (the “**2021 Reorganization**”) to provide liquidity for some of its long-standing shareholders and to simplify the indirect ownership of A&W Food Services and, in connection with the 2021 Reorganization, A&W Food Services paid cash dividends of \$49,194,817.09 to its shareholder.
- (2) In connection with the 2021 Reorganization, A&W Food Services paid non-cash dividends of \$17,092,517.86 to its shareholder.

Recent Developments

Except as described in this Circular, there have been no material recent developments in the business of A&W Food Services since June 16, 2024, the date of A&W Food Service’s most recently filed interim financial statements.

Consolidated Capitalization

Except as described in this Circular, there have been no material changes in A&W Food Services share or loan capital on a consolidated basis since June 16, 2024, the date of A&W Food Services most recently filed interim financial statements. See the table under the heading “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Pro Forma Consolidated Capitalization*” in this Circular for more information about the consolidated capitalization of A&W Food Services NewCo after giving effect to the Transaction.

Executive Compensation

A&W Food Services is not, and as at the end of its last fiscal year was not, a reporting issuer in any of the provinces or territories of Canada. See “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Statement of Proposed Executive Compensation*” in this Circular for more information.

Risk Factors

Whether or not the Transaction is completed, A&W Food Services will continue to face many risk factors that it currently faces with respect to its business and affairs. An investment in the shares of A&W Food Services or other securities of A&W Food Services is subject to certain risks which may differ or be in addition to the risks applicable to an investment in the Fund. Investors should carefully consider risk factors discussed throughout the AIF, which are incorporated by reference in this Circular and filed with the Canadian securities authorities and available on SEDAR+ at www.sedarplus.ca, as well as the risk factors set forth elsewhere in this Circular. Certain of the material risks related to A&W Food Services' business (including those generally impacting the QSR industry) identified in the AIF are expressed from the perspective of the Fund and, consequently, their impact on the royalty and A&W Food Services ability to pay such royalties to the Fund. Following completion of the Transaction, A&W Food Services NewCo will continue on as A&W Food Services and, as a result, A&W Food Services NewCo shareholders will be directly exposed to each of the risks related to A&W Food Services' business. Those risks could materially and adversely impact the results, financial condition, performance or prospects of A&W Food Services' business and, consequently, cause the market price or value A&W Food Services NewCo Shares to decline or reduce the amount of any dividend paid on those shares. See "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Risk Factors*".

Legal Proceedings and Regulatory Actions

From time to time, A&W Food Services becomes involved in legal or administrative proceedings and regulatory actions in the normal conduct of its business. A&W Food Services' assessment of the likely outcome of these matters is based on its judgment of a number of factors, including experience with similar matters, past history, precedents, relevant financial, scientific and other evidence, and facts specific to the matter. A&W Food Services does not believe that these matters in aggregate will have a material effect on its consolidated financial position or results of operations.

Auditors, Transfer Agent and Registrar

PricewaterhouseCoopers LLP, Chartered Professional Accountants, is the external auditor of A&W Food Services and has prepared the Auditors' Report to the shareholders of A&W Food Services: (a) dated February 27, 2024, with respect to the consolidated financial statements of A&W Food Services for the 52-week period ended December 31, 2023 and 52-week period ended January 1, 2023 and (b) dated March 3, 2023, with respect to the consolidated financial statements of A&W Food Services for the 52-week period ended January 1, 2023 and 52-week period ended January 2, 2022. As of the date of such reports, PricewaterhouseCoopers LLP, Chartered Professional Accountants, was independent from A&W Food Services within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

A&W Food Services does not have a transfer agent or registrar.

Additional Information

Additional information relating to A&W Food Services may be found under the Fund's profile on SEDAR+ at www.sedarplus.ca. Additional financial information is provided in A&W Food Services' audited financial statements and management's discussion and analysis for A&W Food Services' most recently completed financial year. A copy of A&W Food Services' financial statements and management's discussion and analysis is available upon written request to the Chief Financial Officer of the A&W Food Services at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 (Telephone: 604-988-2141).

DOCUMENTS INCORPORATED BY REFERENCE

The following documents of the Fund and A&W Food Services, which have been filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada, are specifically incorporated by reference into, and form an integral part of, this Circular:

- (a) the annual information form of the Fund for the year ended December 31, 2023 (the "AIF");
- (b) the management information circular dated April 8, 2024 in respect of the annual general meeting of the Fund held on May 23, 2024;
- (c) the audited consolidated financial statements of the Fund for the years ended December 31, 2023 and 2022, together with the auditors' report thereon;
- (d) the management discussion and analysis of the Fund for the year ended December 31, 2023;
- (e) the audited consolidated financial statements of A&W Food Services for the 52 weeks ended December 31, 2023 and January 1, 2023, together with the auditors' report thereon;

- (f) the report of A&W Food Services to Unitholders for the 52 weeks ended December 31, 2023 dated February 27, 2024;
- (g) the unaudited interim condensed consolidated financial statements of the Fund for the second quarter ended June 16, 2024 with comparative figures for the second quarter ended June 18, 2023;
- (h) the management discussion and analysis of the Fund for the second quarter period from March 25, 2024 to June 16, 2024 and the year to date period from January 1, 2024 to June 16, 2024;
- (i) the unaudited interim condensed consolidated financial statements of A&W Food Services for the 24 week period ended June 16, 2024 with comparative figures for the 24 week period ended June 18, 2023;
- (j) the report of A&W Food Services to Unitholders for the second quarter period from March 25, 2024 to June 16, 2024 and the year to date period from January 1, 2024 to June 16, 2024 dated July 21, 2024;
- (k) the audited consolidated financial statements of A&W Food Services for the 52 weeks ended January 1, 2023 and January 2, 2022, together with the auditors' report thereon;
- (l) the report of A&W Food Services to Unitholders for the 52 weeks ended January 1, 2023 dated February 28, 2023; and
- (m) the material change report of the Fund and Food Services dated July 26, 2024 with respect to the Transaction.

Copies of the documents incorporated herein by reference may also be obtained on request without charge from the Chief Financial Officer of the Fund and A&W Food Services at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 (Telephone: 604-988-2141) and are also available electronically under the Fund's profile on SEDAR+ at www.sedarplus.ca. All material change reports (other than confidential reports), financial statements and management's discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 – *Short Form Prospectus Distributions* filed by the Fund with the applicable securities regulatory authorities in each of the provinces of Canada on SEDAR+ at www.sedarplus.ca, including any other disclosure document which the Fund has filed pursuant to an undertaking to a provincial securities regulatory authority, after the date of this Circular and before the Meeting are deemed to be incorporated by reference into this Circular. The Fund's filings through SEDAR+ are not incorporated by reference in this Circular except as specifically set out herein.

ANY STATEMENT CONTAINED IN THIS CIRCULAR OR IN ANY OTHER DOCUMENT INCORPORATED OR DEEMED TO BE INCORPORATED BY REFERENCE HEREIN WILL BE DEEMED TO BE MODIFIED OR SUPERSEDED, FOR PURPOSES OF THIS CIRCULAR, TO THE EXTENT THAT A STATEMENT CONTAINED HEREIN OR IN ANY OTHER SUBSEQUENTLY FILED DOCUMENT WHICH ALSO IS, OR IS DEEMED TO BE, INCORPORATED BY REFERENCE HEREIN MODIFIES OR SUPERSEDES SUCH STATEMENT. THE MODIFYING OR SUPERSEDING STATEMENT NEED NOT STATE THAT IT HAS MODIFIED OR SUPERSEDED A PRIOR STATEMENT OR INCLUDE ANY OTHER INFORMATION SET FORTH IN THE DOCUMENT THAT IT MODIFIES OR SUPERSEDES. THE MAKING OF A MODIFYING OR SUPERSEDING STATEMENT WILL NOT BE DEEMED AN ADMISSION FOR ANY PURPOSES THAT THE MODIFIED OR SUPERSEDED STATEMENT, WHEN MADE, CONSTITUTED A MISREPRESENTATION, AN UNTRUE STATEMENT OF A MATERIAL FACT OR AN OMISSION TO STATE A MATERIAL FACT THAT IS REQUIRED TO BE STATED OR THAT IS NECESSARY TO MAKE A STATEMENT NOT MISLEADING IN LIGHT OF THE CIRCUMSTANCES IN WHICH IT WAS MADE. ANY STATEMENT SO MODIFIED OR SUPERSEDED WILL NOT BE DEEMED IN ITS UNMODIFIED OR SUPERSEDED FORM TO CONSTITUTE PART OF THIS CIRCULAR EXCEPT AS SO MODIFIED OR SUPERSEDED.

CERTAIN LEGAL MATTERS

Interests of Certain Persons in the Transaction; Benefits from the Transaction

In considering the recommendation of the Board with respect to the Transaction, Unitholders should be aware that certain of the Trustees, officers and other insiders of the Fund, including directors and officers of A&W Food Services, have interests in connection with the Transaction, as described below, that may be in addition to, or separate from, those of Unitholders generally in connection with the Transaction. The Board is aware of these interests and considered them along with other matters described herein.

Ownership of Securities

The names of the trustees, officers and other insiders of the Fund, the positions held by them with the Fund and the number and percentage of outstanding Units, Limited Voting Units and Exchangeable Securities beneficially owned, or over which control or direction is exercised, directly or indirectly, by each of them as of the Record Date and, where known after reasonable inquiry,

by their respective associates or affiliates, are set out in the table below. All of the Units held by such persons will be treated in the same manner under the Transaction as Units held by all other Unitholders and each will have the option to make an Election for Share Consideration, Cash Consideration or Combination Consideration, and a Section 85 Election. David Mindell, Jefferson Mooney and Paul Hollands have each advised the Fund that they intend to elect to receive Share Consideration for the Units beneficially owned, or over which control or direction is exercised, directly or indirectly, by each of them (excluding Units beneficially owned by certain other indirect shareholders in A&W Food Services over which Messrs. Mindell, Mooney and Hollands have voting control pursuant to the A&W Canada Governance Agreement). A&W Food Services is the only holder of Exchangeable Securities and Limited Voting Units. Certain of the persons set forth below also hold an existing ownership interest in A&W Food Services. The table also sets out the number and percentage of A&W Food Services NewCo Shares following completion of the Transaction that each such person is expected to beneficially own, or control, directly or indirectly, as a result of their existing ownership in A&W Food Services, without taking into account any elections made by such persons for Share Consideration, Cash Consideration or Combination Consideration in exchange for any Units held by them.

Name	Position	Number of Units, Limited Voting Units and Exchangeable Securities and % of Class⁽¹⁾	Number of A&W Food Services NewCo Shares Resulting From Existing Ownership in A&W Food Services and % of Class⁽²⁾
Kevin Mahoney	Trustee and Chairman of the Fund	1,000 Units ⁽³⁾	Nil
Andrew W. Dunn	Trustee of the Fund	5,000 Units ⁽³⁾⁽⁴⁾	Nil
Fern Glowinsky	Trustee of the Fund	906 Units ⁽³⁾	Nil
Susan Senecal	Chief Executive Officer of the Fund and A&W Food Services	21,499 Units ⁽³⁾	811,008 A&W Food Services NewCo Shares (3.38%)
Kelly Blankstein	Chief Financial Officer of the Fund and A&W Food Services	670 Units ⁽³⁾	23,079 A&W Food Services NewCo Shares ⁽³⁾
Catherine Anderson	Secretary of the Fund and General Counsel of A&W Food Services	460 Units ⁽³⁾⁽⁵⁾	Nil
A&W Food Services	Insider (10.0%+ holder)	1,507,020 Limited Voting Units (100%) Exchangeable Securities convertible into 4,562,957 Limited Voting Units (100%)	-
David Mindell	Insider (Director of A&W Food Services)	67,125 Units ⁽³⁾⁽⁶⁾	2,853,065 A&W Food Services NewCo Shares (11.89%) ⁽⁷⁾
Paul Hollands	Insider (Director of A&W Food Services)	69,524 Units ⁽³⁾⁽⁸⁾	2,080,664 A&W Food Services NewCo Shares (8.67%) ⁽⁹⁾
Jefferson Mooney	Insider (Director of A&W Food Services)	153,772 Units (1.05%) ⁽¹⁰⁾	2,853,065 A&W Food Services NewCo Shares (11.89%) ⁽¹¹⁾
Eric Berke	Insider (Director of A&W Food Services)	Nil	4,663,327 A&W Food Services NewCo Shares (19.43%) ⁽¹²⁾
Michael Hollend	Insider (Director of A&W Food Services)	Nil	4,663,327 A&W Food Services NewCo Shares (19.43%) ⁽¹²⁾
Nancy Wuttunee	Insider	Nil	Nil

Name	Position	Number of Units, Limited Voting Units and Exchangeable Securities and % of Class ⁽¹⁾	Number of A&W Food Services NewCo Shares Resulting From Existing Ownership in A&W Food Services and % of Class ⁽²⁾
	(Officer of A&W Food Services)		
Patricia Parente	Insider	270 Units ⁽³⁾⁽¹³⁾	23,079 A&W Food Services NewCo Shares ⁽³⁾
	(Officer of A&W Food Services)		
Neil Farmer	Insider	Nil	23,079 A&W Food Services NewCo Shares ⁽³⁾
	(Officer of A&W Food Services)		
Mike Atkinson	Insider	3,995 Units ⁽³⁾	11,540 A&W Food Services NewCo Shares ⁽³⁾
	(Officer of A&W Food Services)		
Rob Fussey	Insider	525 Units ⁽³⁾⁽¹⁴⁾	23,079 A&W Food Services NewCo Shares ⁽³⁾
	(Officer of A&W Food Services)		
Angela Griffiths	Insider	Nil	Nil
	(Officer of A&W Food Services)		
Brent Todd	Insider	635 Units ⁽³⁾⁽¹⁵⁾	23,079 A&W Food Services NewCo Shares ⁽³⁾
	(Officer of A&W Food Services)		
Tom Newitt	Insider	Nil	11,540 A&W Food Services NewCo Shares ⁽³⁾
	(Officer of A&W Food Services)		

Notes

- (1) Based on 14,585,673 Units issued and outstanding as at the Record Date. Unless otherwise indicated, all securities are held directly. Units shown in this table for Messrs. Mindell, Mooney and Hollands exclude 254,957 Units beneficially owned by certain other indirect shareholders in A&W Food Services over which Messrs. Mindell, Mooney and Hollands have voting control pursuant to the A&W Canada Governance Agreement.
- (2) Based on 23,997,781 A&W Food Services NewCo Shares expected to be issued and outstanding following closing of the Transaction. Unless otherwise indicated, all securities are held directly.
- (3) Less than 1.0%.
- (4) Includes 2,000 Units held by Andrew W. Dunn's spouse.
- (5) Includes 241 Units held by Catherine Anderson's spouse.
- (6) Includes indirect ownership through Cedarhurst Foundation (53,021 Units).
- (7) Includes indirect ownership through Western Corporate Enterprises Inc. (1,895,599 A&W Food Services NewCo Shares) and DM Ventures Ltd. (957,466 A&W Food Services NewCo Shares). If Mr. Mindell and Cedarhurst Foundation receive Share Consideration for all of their Units, Mr. Mindell's direct and indirect ownership interest in A&W Food Services NewCo would increase to 2,920,190 A&W Food Services NewCo Shares (12.17%).
- (8) Includes indirect ownership through Wavin in the Breeze Holdings Inc. (61,233 Units) and Units held by Maria Wiesner (4,751 Units) and John Hollands (1,540 Units).
- (9) All A&W Food Services NewCo Shares resulting from Mr. Hollands' existing ownership interest in A&W Food Services held in directly by Mr. Hollands through Wavin in the Breeze Holdings Inc. If Mr. Hollands, Wavin in the Breeze Holdings Inc., John Hollands and Maria Wiesner receive Share Consideration for all of their Units, Mr. Holland's direct and indirect ownership interest in A&W Food Services NewCo would increase to 2,150,188 A&W Food Services NewCo Shares (8.96%).
- (10) All Units held indirectly by Jefferson Mooney through Weeo Gweat Enterprises Inc.
- (11) All A&W Food Services NewCo Shares held indirectly by Jefferson Mooney through Weeo Gweat Enterprises Inc. If Weeo Gweat Enterprises Inc. receives Share Consideration for all of its Units, Mr. Mooney's indirect ownership interest in A&W Food Services NewCo would increase to 3,006,837 A&W Food Services NewCo Shares (12.53%).
- (12) No single individual will have sole control or direction over such A&W Food Services NewCo Shares. TorQuest Fund IV GP Inc. is the general partner of each of TorQuest Partners Fund IV, L.P. and TorQuest Partners Fund (U.S.) IV, L.P. and TorQuest Capital Fund IV GP Inc. is the general partner of TorQuest Capital Fund IV, L.P., which will be the owners of record of such A&W Food Services NewCo Shares. Each of Michael Hollend and Eric Berke is an indirect investor in TorQuest Partners Fund IV and an indirect shareholder of TorQuest Fund IV GP Inc. and TorQuest Capital Fund IV GP Inc.
- (13) Includes 149 Units held by Patricia Parente's spouse.
- (14) Includes 325 Units held by Rob Fussey's spouse.
- (15) Brent Todd has control and direction over the 635 Units, which are held by his mother.

Directors and Officers of A&W Food Services NewCo

Following completion of the Transaction, the board of directors of A&W Food Services NewCo will consist of eight directors, comprised of the three Trustees, four independent directors (Paul Hollands, Eric Berke, Michael Hollend and Andrew Mindell) and Susan Senecal. The current officers of A&W Food Services as set forth above will continue their employment with A&W Food Services NewCo following the completion of the Transaction. See “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*” for details relating to the expected elements of compensation for each of the directors and officers of A&W Food Services NewCo following completion of the Transaction.

Insurance and Indemnification

The Combination Agreement provides that for a period of six years after the Effective Date, A&W Food Services NewCo shall maintain directors’ and officers’ insurance in the form of a six-year “run off” policy for the benefit of all current and past directors and officers of the AWFS Entities and TMI and the Trustees and their predecessors (in their capacity as such) covering any claims made during such six-year period, in scope and coverage no less favourable than the insurance the Fund maintains for its Trustees and A&W Food Services and TMI maintains for their officers and directors as of the date of the Combination Agreement. The Combination Agreement also provides that, as of the Effective Date, A&W Food Services NewCo will maintain a directors’ and officers’ insurance policy for the directors and officers of A&W Food Services NewCo (in their capacity as such), in scope and coverage no less favourable than the insurance the Fund maintains for its Trustees and A&W Food Services and TMI maintains for their officers and directors as of the date of the Combination Agreement.

The Combination Agreement also provides that A&W Food Services NewCo shall, to the extent permitted by Law, honour all rights to indemnification or exculpation existing as of the time of the Combination Agreement in favour of current and past directors and officers of the AWFS Entities and TMI and the Trustees and their predecessors (in their capacity as such), and that such rights shall survive the completion of the Transaction and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.

Securities Laws Matters

Application of MI 61-101

The Fund is a reporting issuer in all the provinces of Canada and, accordingly, is subject to applicable Securities Laws of such provinces. The securities regulatory authorities in the Provinces of Ontario, Québec, Alberta, Manitoba and New Brunswick have adopted MI 61-101, which regulates certain transactions that raise the potential for conflicts of interest.

The protections afforded by MI 61-101 apply to, among other transactions, “business combinations” (as defined in MI 61-101) in which the interest of holders of equity securities may be terminated without their consent and where a “related party” (as defined in MI 61-101) (a) would, as a consequence of the transaction, directly or indirectly acquire the issuer or the business of the issuer, or combine with the issuer, through an amalgamation, arrangement or otherwise, whether alone or with joint actors, (b) is a party to a “connected transaction” (as defined in MI 61-101) to the transaction, or (c) (i) is entitled to receive a “collateral benefit” (as defined in MI 61-101) or (ii) is entitled to receive a consideration per equity security that is not identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class.

The Transaction is a “business combination” within the meaning of and subject to the provisions of MI 61-101. A&W Food Services is a “related party” of the Fund as it has beneficial ownership of, or control or direction over, directly or indirectly, 6,069,977 Trust Units on a fully-diluted basis, representing approximately 29.4% of the issued and outstanding Trust Units as of the Record Date on a fully-diluted basis, and, after amalgamating with certain of its holding companies to form A&W Food Services NewCo, will acquire all the Units of the Fund in exchange for shares or cash, as described in this Circular.

The Board, comprised solely of Trustees who are independent in respect of the Transaction for purposes of MI 61-101, oversaw the negotiation of the Transaction and provided the necessary independent oversight to protect the interests of minority security holders of the Fund in the context of the Transaction, as contemplated by MI 61-101 and Multilateral Staff Notice 61-302 of the Canadian Securities Administrators. The Board also determined that TD Securities was a qualified and independent valuator for purposes of MI 61-101, supervised the preparation of the TD Securities Formal Valuation and Fairness Opinion and reviewed the disclosure in this Circular with respect to the TD Securities Formal Valuation and Fairness Opinion.

Formal Valuation

Pursuant to MI 61-101, a formal valuation of the Units and the A&W Food Services NewCo Shares is required since the Arrangement is a “business combination” within the meaning of MI 61-101 and an “interested party” will, as a consequence of the Transaction, directly or indirectly, acquire the Fund, whether alone or with joint actors.

In connection with its review of the Transaction and its recommendation that Unitholders vote **FOR** the Arrangement Resolution, the Board obtained and considered, among other things, the TD Formal Valuation and Fairness Opinion. See “*The Transaction – TD Formal Valuation and Fairness Opinion*”. The full text of the TD Formal Valuation and Fairness Opinion is attached to this Circular as Appendix G.

To the knowledge of the officers and Trustees of the Fund, after reasonable inquiry, (a) there has been no prior valuation (as defined in MI 61-101) prepared in respect of the Fund or A&W Food Services within the twenty-four (24) months preceding the date of this Circular, and (b) there has been no bona fide prior offer relating to the subject matter of, or otherwise relevant to, the Transaction received by the Fund or A&W Food Services within the twenty-four (24) months preceding the date of this Circular.

Minority Approval

MI 61-101 requires that, in addition to any other required security holder approval, a “business combination” be subject to “minority approval” (as defined in MI 61-101) of every class of “affected securities” (as defined in MI 61-101) of the issuer, in each case voting separately as a class. Consequently, in relation to the Transaction, the approval of the Arrangement Resolution will require Minority Approval, being the majority of the votes cast by Unitholders present in person or represented by proxy at the Meeting other than: (a) “interested parties” (as defined in MI 61-101), which includes a “related party” (as defined in MI 61-101) who is entitled to receive a “collateral benefit” (as defined under MI 61-101) as a consequence of the Transaction; (b) any “related party” of an “interested party”, unless the “related party” meets that description solely in its capacity as a director or senior officer of one or more persons that are neither “interested party” nor “issuer insiders” of the Fund; and (c) any person that is a “joint actor” (as defined in MI 61-101) with any of the foregoing, voting separately as a class. In addition, the Limited Voting Units and Exchangeable Securities, all of which are held by A&W Food Services, are not included for purposes of determining Minority Approval.

A “collateral benefit” includes any benefit that a “related party” of the Fund is entitled to receive as a consequence of the Transaction, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities, or other enhancement in benefits related to past or future services as an employee, trustee, director or consultant of the Fund, A&W Food Services, TMI or A&W Food Services NewCo.

However, MI 61-101 excludes from the meaning of “collateral benefit” a payment per security that is identical in amount and form to the entitlement of the general body of holders in Canada or securities of the same class, as well as certain benefits to a related party received solely in connection with the related party’s services as an employee, trustee, director or consultant of the Fund, A&W Food Services, TMI or A&W Food Services NewCo where, among other things:

- (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction;
- (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner;
- (c) full particulars of the benefit are disclosed in the disclosure document for the transaction; and
- (d) (i) at the time the transaction was agreed to, the related party and its associated entities beneficially own or exercise control or direction over less than 1.0% of the outstanding equity securities of the issuer (the “**1% Exemption**”), or (ii) an independent committee, acting in good faith, determines that the value of the collateral benefit, net of any offsetting costs to the related party, is less than 5.0% of the value of the consideration the related party expects it will be beneficially entitled to receive, under the terms of the Transaction, in exchange for the equity securities beneficially owned by the related party.

The positions as directors of A&W Food Services NewCo and the provision of indemnification and insurance for the benefit of the Trustees of the Fund in their capacity as such and as directors of A&W Food Services NewCo, all as described above under “*Certain Legal Matters – Interest of Certain Persons in the Transaction; Benefits from the Transaction*”, may be considered “collateral benefits” received by the Trustees for the purposes of MI 61-101, subject to the availability of the exception described above. However, such benefits received, or to be received, as a result of the Transaction are solely in connection their services as Trustees of the Fund and directors of A&W Food Services NewCo, are not conferred to increase the consideration paid to the Trustees for their Units, are not conferred as a condition of their supporting the Transaction, and each of the Trustees satisfy the 1% Exemption. In addition, the consideration available to be received by the Trustees in exchange for their Units pursuant to the Transaction is identical in amount and form to the consideration available to each other Unitholder pursuant to the Transaction. Accordingly, the benefits noted above in respect of Trustees will not constitute a “collateral benefit” for purposes of MI 61-101 and the Units held by the Trustees will not be excluded from the Units entitled to vote as part of the Minority Approval.

As detailed above, A&W Food Services is a “related party” of the Fund as it has beneficial ownership of, or control or direction over, directly or indirectly, 6,069,977 Trust Units on a fully-diluted basis, representing approximately 29.4% of the issued and

outstanding Trust Units as of the Record Date on a fully-diluted basis, and, after amalgamating with certain of its holding companies to form A&W Food Services NewCo, will acquire all the Units in exchange for shares or cash, as described in this Circular. The acquisition of the Fund by A&W Food Services makes A&W Food Services an “interested party” for purposes of MI 61-101. To the knowledge of the Fund and A&W Food Services, after reasonable inquiry, the Unitholders whose votes are required to be excluded for purposes of determining whether Minority Approval has been obtained collectively equal 564,569 Units, representing, in the aggregate, approximately 3.9% of the outstanding Units as of the Record Date, as detailed in the table below (collectively, the “**Excluded Votes**”). In addition, the Limited Voting Units and Exchangeable Securities, all of which are held by A&W Food Services, are not included for purposes of determining Minority Approval.

Name	Relationship	Number of Units, Limited Voting Units and Exchangeable Securities and % of Class ⁽¹⁾
David Mindell	Director of A&W Food Services	67,125 Units ⁽²⁾⁽³⁾
Paul Hollands	Director of A&W Food Services	69,524 Units ⁽²⁾⁽⁴⁾
Jefferson Mooney	Director of A&W Food Services	153,772 Units (1.05%) ⁽⁵⁾
Patricia Parente	Director of A&W Food Services	270 Units ⁽²⁾⁽⁶⁾
Susan Senecal	Senior Officer of A&W Food Services	12,636 Units ⁽²⁾⁽⁷⁾
Kelly Blankstein	Senior Officer of A&W Food Services	670 Units ⁽²⁾
Catherine Anderson	Senior Officer of A&W Food Services	460 Units ⁽²⁾⁽⁸⁾
Mike Atkinson	Senior Officer of A&W Food Services	3,995 Units ⁽²⁾
Rob Fussey	Senior Officer of A&W Food Services	525 Units ⁽²⁾⁽⁹⁾
Brent Todd	Senior Officer of A&W Food Services	635 Units ⁽²⁾⁽¹⁰⁾
Units subject to the A&W Canada Governance Agreement and controlled by David Mindell, Paul Hollands and Jefferson Mooney⁽¹¹⁾	Units controlled by Directors of A&W Food Services (David Mindell, Paul Hollands and Jefferson Mooney)	254,957 Units (1.75%) ⁽¹²⁾

Notes

- (1) Based on 14,585,673 Units issued and outstanding as at the Record Date. Unless otherwise indicated, all securities are held directly.
- (2) Less than 1.0%.
- (3) Includes indirect ownership through Cedarhurst Foundation (53,021 Units).
- (4) Includes indirect ownership through Wavin in the Breeze Holdings Inc. (61,233 Units) and Units held by Maria Wiesner (4,751 Units) and John Hollands (1,540 Units).
- (5) All Units held indirectly by Jefferson Mooney through Weeo Gweat Enterprises Inc.
- (6) Includes 149 Units held by Patricia Parente’s spouse.
- (7) Susan Senecal has beneficial ownership of an additional 8,863 Units which are subject to the A&W Canada Governance Agreement. Such Units have been included under “Units subject to A&W Canada Governance Agreement” in this table.
- (8) Includes 241 Units held by Catherine Anderson’s spouse.
- (9) Includes 325 Units held by Rob Fussey’s spouse.
- (10) Brent Todd has control and direction over the 635 Units, which are held by his mother.
- (11) Certain Units held by indirect shareholders of A&W Food Services are subject to the A&W Canada Governance Agreement pursuant to which the voting control over such Units have been granted to David Mindell, Paul Hollands and Jefferson Mooney and will be Excluded Votes for purposes of Minority Approval as a result thereof.
- (12) 254,957 Units is an aggregate of the following holdings: 87,298 Units owned by William Levine; 61,233 Units owned by Axel Rehkatch through Valflo Enterprises Inc.; 80,000 Units owned by Donald Leslie through Micnic Consulting Inc.; 15,347 Units owned by Graham Cooke (including 6,552 Units owned through Braeside Consulting Services Ltd.); 2,216 Units owned by Patricia Sahlstrom; and 8,863 Units owned by Susan Senecal.

Stock Exchange Delisting and Reporting Issuer Status

The Fund is currently a reporting issuer in all of the provinces of Canada. By virtue of the Transaction, A&W Food Services NewCo will become a reporting issuer in all of the provinces of Canada upon completion of the Transaction. After the Transaction, the Fund will be a wholly-owned subsidiary of A&W Food Services NewCo. It is expected that A&W Food Services NewCo will cause the Fund to apply to cease to be a reporting issuer under the securities legislation of each of the provinces in Canada under which it is currently a reporting issuer. Subject to the approval of the TSX, it is expected that (a) the Units will be delisted from the TSX after the close of business on the Effective Date, (b) the A&W Food Services NewCo Shares will be listed (but not yet posted for trading) after the close of business on the Effective Date, and (c) the A&W Food Services NewCo Shares will be

posted and begin trading on the Business Day immediately following the Effective Date. The Fund and A&W Food Services will issue a press release after the Final Order is obtained specifying the scheduled Effective Date and Effective Time.

Distribution and Resale of the Shares of A&W Food Services NewCo Under Canadian Securities Laws

The distribution of the A&W Food Services NewCo Shares pursuant to the Transaction will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian Securities Laws and is exempt from or otherwise is not subject to the registration requirements under applicable Canadian Securities Laws. The A&W Food Services NewCo Shares received pursuant to the Transaction will not be legended and may be resold through registered dealers in each of the provinces of Canada provided that (a) the trade is not a “control distribution” as defined in National Instrument 45-102 – *Resale of Securities* of the Canadian Securities Administrators, (b) no unusual effort is made to prepare the market or to create a demand for the A&W Food Services NewCo Shares, as the case may be, (c) no extraordinary commission or consideration is paid to a person or company in respect of such sale, and (d) if the selling security holder is an insider or officer of A&W Food Services NewCo, the selling security holder has no reasonable grounds to believe that A&W Food Services NewCo is in default of applicable Canadian Securities Laws.

United States Securities Laws Matters

The following discussion is only a general overview of certain requirements of U.S. securities Laws that may be applicable to the A&W Food Services NewCo Shares issuable as part of the Transaction. Unitholders are urged to consult with their own counsel to ensure compliance with U.S. securities Laws.

The Fund is a limited purpose trust existing under the Laws of the Province of British Columbia. The solicitation of proxies and the transactions contemplated in this Circular are not subject to the proxy rules under the United States *Securities Exchange Act of 1934* (the “**U.S. Exchange Act**”), and therefore this solicitation is not being effected in accordance with United States securities Laws. Accordingly, the solicitation and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate laws and Securities Laws and the Declaration of Trust, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. Unitholders in the United States should be aware that disclosure requirements under Canadian Laws and the Declaration of Trust are different from those of the United States applicable to registration statements under the United States *Securities Act of 1933* (the “**U.S. Securities Act**”) and proxy statements under the U.S. Exchange Act. Unitholders in the United States should also be aware that other requirements under Canadian Laws may differ from those required under United States corporate Laws and United States securities Laws. The enforcement by Unitholders of rights, claims and civil liabilities under United States securities Laws may be affected adversely by the fact that the Fund is, and A&W Food Services NewCo will be, organized under the Laws of a jurisdiction other than the United States, that its trustees, directors and officers, as applicable, are residents of countries other than the United States and that all of the assets of the Fund, A&W Food Services NewCo and such other persons are, or will be, located outside the United States. You may not be able to sue a Canadian entity or its trustees, directors or officers in a Canadian court for violations of United States securities Laws. In addition, the courts of Canada may not enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the United States securities Laws and all rules, regulations and orders promulgated thereunder.

The A&W Food Services NewCo Shares issuable to Unitholders in exchange for their Units pursuant to the Transaction have not been registered under the U.S. Securities Act or applicable state securities Laws and are being issued in the United States in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof based on the approval of the Court, and similar exemptions from registration under applicable state securities Laws. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more bona fide outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by Law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Transaction will be considered. The Court issued the Interim Order on August 29, 2024 and, subject to the terms of the Combination Agreement, following the approval of the Arrangement Resolution by Unitholders, the parties will make an application to the Court for the Final Order. The application for the Final Order approving the Arrangement is expected to be heard before the Ontario Superior Court of Justice (Commercial List) on October 11, 2024 at 12:00 p.m. (Toronto Time), or as soon as counsel may be heard, by videoconference, via a link to be provided by the Court at a later date. The Final Order will be relied upon as a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the A&W Food Services NewCo issuable to Unitholders in exchange for their Units pursuant to the Transaction. Prior to the hearing on the Final Order, the Court will be informed that the parties will so rely upon the Final Order.

This Transaction and the A&W Food Services NewCo Shares to be issued in connection with the Transaction have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities regulatory authority, nor has the United States Securities and Exchange Commission or any securities regulatory

authority passed upon the fairness or the merits of this transaction or upon the accuracy or adequacy of the information contained in this Circular.

Unitholders in the United States should be aware that the annual consolidated financial statements incorporated by reference herein pertaining to the Fund and to A&W Food Services have been prepared in accordance with IFRS and the interim condensed consolidated financial statements incorporated by reference herein pertaining to the Fund and to A&W Food Services have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34), which differ in certain material respects from United States generally accepted accounting principles.

Effects on the Fund if the Transaction is Not Completed

If the Transaction is not completed for any reason, Unitholders will not receive the Share Consideration, the Cash Consideration or the Combination Consideration for any of their Units, the Fund will remain a reporting issuer and the Units will continue to be listed and traded on the TSX. Upon termination of the Combination Agreement prior to consummation of the Transaction, under certain circumstances, the Fund will be required to pay to A&W Food Services the Termination Fee. The Combination Agreement also provides for expense reimbursement of \$4.0 million payable by the Fund to A&W Food Services or A&W Food Services to the Fund, as applicable (less, in the case of reimbursement by A&W Food Services, the amount of expenses of the Fund previously reimbursed by A&W Food Services) in certain circumstances if the Transaction is not completed and the Combination Agreement is terminated. In certain circumstances, the Combination Agreement also requires the Fund to repay to A&W Food Services certain expenses of the Fund previously reimbursed by A&W Food Services pursuant to the Expense Agreement. For more information, see “*Key Agreements Relating to the Transaction – Combination Agreement*”.

RISK FACTORS

In deciding whether to vote to approve the Arrangement Resolution, Unitholders should carefully consider the risks factors relating to the Transaction and the A&W Food Services NewCo Shares set out below and the risk factors relating to the business of A&W Food Services NewCo set out in “Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction”, in addition to the other information contained, or incorporated by reference, in this Circular (including any information included in any Appendices hereto).

Readers are cautioned that the risk factors set forth below and referred to above are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to the Fund may also adversely effect the Transaction, the A&W Food Services NewCo Shares or A&W Food Services NewCo following completion of the Transaction.

Risks Relating to the Transaction

The completion of the Transaction is subject to satisfaction or waiver of several conditions precedent.

The completion of the Transaction is subject to a number of conditions precedent, some of which are outside of the control of the parties, including receipt of approval of the Unitholders, the Final Order and TSX approval, there not having occurred a Fund Material Adverse Effect or an AWFS Material Adverse Effect, as applicable, and certain other customary closing conditions. There can be no certainty, nor can the parties provide any assurance, that all conditions precedent to the completion of the Transaction will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. If, for any reason, the Transaction is not completed or its completion is materially delayed and/or the Combination Agreement is terminated, the market price of the Units may be materially adversely affected. See “*Key Agreements Relating to the Transaction – Combination Agreement*”.

The Combination Agreement may be terminated in certain circumstances.

The Combination Agreement may be terminated by the Fund or A&W Food Services in certain circumstances, in which case the Transaction will not be completed. Accordingly, there is no certainty, nor can the parties provide any assurance, that the Combination Agreement will not be terminated by the Fund or A&W Food Services prior to the completion of the Transaction. The failure to complete the Transaction could materially negatively impact the market price of the Units.

The failure to complete the Transaction could negatively impact the Fund and market price of the Units.

If the Transaction is not completed for any reason, there are risks that the announcement of the Transaction and the dedication of substantial resources by the parties to the completion thereof could have a negative impact on the Fund’s and A&W Food Services’ current business relationships and could have a material adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Fund and/or A&W Food Services. In addition, failure to complete the Transaction for any reason could materially negatively impact the market price of the Units.

The consideration received by any Unitholder will depend on proration and if a valid election is not made by the Election Deadline, Unitholders will be deemed to have made a Share Election to receive the Share Consideration for each Unit held, subject to proration.

Pursuant to the Transaction, Unitholders will have the ability to choose for each Unit held whether to receive the Cash Consideration, the Share Consideration or the Combination Consideration, subject to proration. The maximum amount of cash payable to Unitholders in connection with the Transaction is the Maximum Cash Consideration, being approximately \$175.6 million, and the maximum aggregate amount of A&W Food Services NewCo Shares payable to Unitholders in connection with the Transaction is the Maximum Share Consideration, being 9,839,091 A&W Food Services NewCo Shares. Consequently, the elections of Unitholders to receive Cash Consideration or Share Consideration will be subject to proration in the event that Unitholders elect, in the aggregate, to receive more or less than the Maximum Cash Consideration, such that in all cases, a total of 4,746,582 Units will be purchased for cash at \$37.00 per Unit. Consequently a Unitholder that elects the Cash Consideration or Share Consideration, as applicable, in respect of all of its Units may receive a portion of the consideration for its Units in cash and a portion of the consideration for its Units in A&W Food Services NewCo Shares.

If a valid election is not made by the Election Deadline, Unitholders will be deemed to have made a Share Election to receive the Share Consideration for each Unit held, or, only to the extent of any deemed Cash Election as a result of proration, the Cash Consideration.

The mix of consideration payable to the Unitholders who make Cash Election or Share Election, giving effect to the proration procedures described herein, will not be known until the results of the elections made by the Unitholders are tallied, which will not occur until shortly prior to the completion of the Transaction. As a result, Unitholders who make a Cash Election or Share Election will not be able to determine the exact amount of cash and the exact number of A&W Food Services NewCo Shares that they will receive in the Transaction prior to making an election. This could result in, among other things, tax consequences that differ from those that would have resulted if such Unitholder had received the form of consideration that the Unitholder elected.

The failure to obtain Debt Financing could delay the Transaction or cause the Transaction to not be completed.

Although the Debt Financing is not subject to a due diligence condition or “market out”, the obligation of Canadian Imperial Bank of Commerce and Royal Bank of Canada to provide this Debt Financing is subject to a number of customary closing conditions, including execution and delivery of definitive documentation, including the Credit Agreement, and there is a risk that one or more of these conditions will not be satisfied and the Debt Financing may not be funded when required. If any portion of the Debt Financing becomes unavailable in the manner or from the sources contemplated in the Debt Commitment Letter, A&W Food Services shall use reasonable commercial efforts to arrange and obtain, as promptly as practicable, alternative financing from alternative sources in an amount not less, nor materially more, than the committed amount under the Debt Commitment Letter and on a basis that is not subject to any new or additional conditions precedent not contained in the Debt Commitment Letter and otherwise on terms and conditions not materially less favourable from the perspective of the Fund and A&W Food Services than the terms and conditions contained in the Debt Commitment Letter. However, there is no certainty that such alternative financing will be available. If all of the conditions to the Combination Agreement have been satisfied or waived and neither the Debt Financing nor alternative financing is obtained, the Combination Agreement may be terminated by the Fund or A&W Food Services, provided that a party may not terminate the Combination Agreement if such failure to obtain the financing has been caused by or is a result of a breach by such party of any its representations or warranties or the failure to perform any of its covenants or agreements under the Combination Agreement.

The Fund may incur substantial costs and, in certain circumstances, may be required to pay the Termination Fee or Expense Amount to A&W Food Services. If the Transaction is not completed, the costs may be significant and could have a material adverse effect on the Fund.

The Fund has incurred and expect to incur additional material non-recurring expenses in connection with the completion of the Transaction. If the Transaction is not completed, the Fund will need to pay certain costs relating to the Transaction incurred prior to the date the Transaction was abandoned, such as legal, accounting, tax, brokerage, financial advisory, proxy solicitation and printing fees. Subject to certain exceptions provided for in the Combination Agreement, the Fund is liable for its own costs incurred in connection with the Transaction. Such costs may be significant and could have a material adverse effect on the Fund. In addition, if the Transaction is not completed for certain reasons, the Fund may be required to pay the Expense Amount, the Fund may be required to repay to A&W Food Services certain expenses of the Fund previously reimbursed by A&W Food Services under the Expense Agreement, and the Fund may be required to pay the Termination Fee to A&W Food Services, the result of which could have a material adverse effect on the Fund. See “Key Agreements Relating to the Transaction – Combination Agreement”.

The Termination Fee provided under the Combination Agreement if the Combination Agreement is terminated in certain circumstances may discourage third parties from proposing an alternative transaction.

Under the Combination Agreement, the Fund may be required to pay the Termination Fee in the event the Combination Agreement is terminated in certain circumstances. The Termination Fee, although considered reasonable by the Board, may discourage other parties from making an Acquisition Proposal for an alternative transaction, even if those parties would otherwise be willing to offer greater value to the Unitholders than that offered under the Transaction. Even if the Combination Agreement is terminated without payment of the Termination Fee, the Fund may in the future be required to pay the Termination Fee in certain circumstances where an Acquisition Proposal has been made prior to such termination. Accordingly, if the Transaction is not completed and the Combination Agreement is terminated, the Fund may not be able to enter into or consummate another transaction that could provide greater value than what is provided for under the Transaction for a period of 365 days following such termination without paying the Termination Fee. Payment of such amount may have a material adverse effect on the Fund. See “*Key Agreements Relating to the Transaction – Combination Agreement*”.

A&W Food Services’ “right to match” may discourage other parties from proposing an alternative transaction.

Under the Combination Agreement, as a condition to entering into a definitive agreement in respect of a Superior Proposal, the Fund is required to offer to A&W Food Services the right to match such Superior Proposal. This right may discourage other parties from making a Superior Proposal, even if they would otherwise have been willing to propose an alternative transaction on more favourable terms than the Transaction. See “*Key Agreements Relating to the Transaction – Combination Agreement*”.

The Combination Agreement contains provisions that restrict the ability of the Fund to pursue alternatives to the Transaction.

Under the Combination Agreement, the Fund is restricted, subject to certain exceptions, including in connection with a Superior Proposal, from soliciting, assisting, initiating, encouraging or knowingly facilitating (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Fund or any of its subsidiaries or entering into any form of agreement, arrangement or understanding), any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to any Acquisition Proposal from any person. See “*Key Agreements Relating to the Transaction – Combination Agreement*”.

The Combination Agreement contains certain restrictions on the ability of the Fund and A&W Food Services to conduct their businesses.

Under the Combination Agreement, each of the Fund and A&W Food Services must generally conduct its business in the ordinary course and, prior to the completion of the Transaction or the termination of the Combination Agreement, are subject to certain covenants which restrict it from taking certain actions without the prior consent of the Fund or A&W Food Services, as applicable, and which require it to take certain other actions. See “*Key Agreements Relating to the Transaction – Combination Agreement*”.

The Transaction may divert the attention of management of the parties or impact the parties’ third party business relationships.

The Transaction could cause the attention of management of the Fund and A&W Food Services to be diverted from their respective day-to-day operations. These disruptions could be exacerbated by a delay in the completion of the Transaction and could have an adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Fund and A&W Food Services.

In addition, third parties with which the Fund or A&W Food Services currently have business relationships or may have business relationships in the future, including industry partners, franchisees, customers and suppliers, may experience uncertainty associated with the Transaction, including with respect to current or future relationships with A&W Food Services and/or A&W Food Services NewCo. Such uncertainty could have a material and adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the parties, regardless of whether the Transaction is ultimately completed.

The Fund and A&W Food Services may be the target of legal claims, securities class actions and other claims, which may delay or prevent the Transaction from being completed.

The Fund may be the target of securities class actions and other claims which could result in substantial costs and may delay or prevent the Transaction from being completed. Securities class action lawsuits may be brought against companies that have entered into an agreement to acquire a public company or to be acquired. Third parties may also attempt to bring claims against the Fund or A&W Food Services seeking to restrain the Transaction or seeking monetary compensation or other remedies. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Transaction, then that injunction may delay or prevent the Transaction from being completed.

In addition, political and public attitudes towards the Transaction could result in negative press coverage and other adverse public statements affecting the Fund and/or A&W Food Services. Adverse press coverage and other adverse statements could lead to investigations by regulators, legislators and law enforcement officials or in legal claims or otherwise negatively affect the ability of the Fund and/or A&W Food Services to conduct its respective businesses.

There could be unknown or undisclosed risks or liabilities of A&W Food Services, a private company, that could materially and adversely affect A&W Food Services NewCo's business, financial condition or results of operations and for which the Fund would not be permitted to terminate the Combination Agreement and would not be indemnified by A&W Food Services' shareholders following closing of the Transaction.

Although the Fund and its advisors conducted confirmatory due diligence on A&W Food Services, there could be unknown risks or liabilities of A&W Food Services, which is a private company, that could materially and adversely affect A&W Food Services NewCo's business, financial condition or results of operations and for which the Fund may not be permitted to terminate the Combination Agreement and would not be indemnified by shareholders of A&W Food Services following closing of the Transaction. Any such unknown or undisclosed risks or liabilities could materially and adversely affect A&W Food Services NewCo's business, financial condition and results of operations.

The Fund has not verified the reliability of the information regarding A&W Food Services and A&W Food Services NewCo included in, or which may have been omitted from, this Circular.

The information concerning A&W Food Services and A&W Food Services NewCo contained in this Circular or incorporated by reference has been taken from or is based upon information provided by A&W Food Services for inclusion in this Circular or publicly available documents and records on file with Canadian securities regulatory authorities and other public sources. The Fund assumes no responsibility for the accuracy of any statements contained herein taken from or based on such information provided by A&W Food Services, or for any failure by A&W Food Services or any of its representatives to disclose events which may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Fund. The Fund has relied upon this information without having made independent inquiries as to the accuracy or completeness thereof; however, it has no reason to believe such information contains a misrepresentation. In accordance with the Combination Agreement, A&W Food Services provided the Fund with all necessary information concerning A&W Food Services and A&W Food Services NewCo that is required by Law to be included in this Circular and ensured that such information does not contain any misrepresentations. Any misrepresentation in this information could result in unanticipated liabilities or expenses to the Fund, A&W Food Services or A&W Food Services NewCo.

Tax consequences for the Transaction may differ from anticipated treatment.

There can be no assurance that the CRA will agree with the Canadian federal income tax consequences of the Transaction as summarized in this Circular. Furthermore, there can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects Unitholders in connection with the Transaction, including with respect to the Fund's qualification as a "mutual fund trust". Any such change could increase the amount of tax payable by, or otherwise adversely affect, Unitholders.

For Canadian federal income tax purposes, the Transaction will generally (and except as otherwise provide for pursuant to a validly filed Section 85 Election) be a taxable transaction for taxable Canadian resident Unitholders and, as a result, taxes will generally be required to be paid by such Unitholders on any income and gains that result from receipt of the Consideration. The tax treatment of the Accrued Distribution for Unitholders will depend, in part, on the composition of income earned by the Fund. While the Fund expects that that Accrued Distribution on Units will be treated as taxable dividends, other than "eligible dividends", for Canadian resident Unitholders, no assurances can be given in that regard.

Certain Trustees, officers and other insiders of the Fund, including directors and officers of A&W Food Services, have interests in connection with the Transaction that may be in addition to, or separate from, those of Unitholders.

Certain of the Trustees, officers and other insiders of the Fund, including directors and officers of A&W Food Services, have interests in connection with the Transaction that may be in addition to, or separate from, those of Unitholders generally in connection with the Transaction, including, but not limited to, existing ownership in A&W Food Services, the continued employment of officers of the Fund and A&W Food Services by A&W Food Services NewCo following completion of the Transaction, and the service of certain Trustees of the Fund as directors of A&W Food Services NewCo following completion of the Transaction. Unitholders should be aware of these interests when they consider the unanimous recommendations of the Board. The Board was aware, and considered, these interests when it determined the advisability of the Transaction. See "*Certain Legal Matters – Interests of Certain Persons in the Transaction; Benefits from the Transaction*".

A&W Food Services NewCo may be obligated to make substantial cash payments to Dissenting Unitholders.

Registered Unitholders entitled to vote at the Meeting have the right to dissent with respect to the Arrangement Resolution and, if the Transaction becomes effective, to be paid an amount equal to the fair value of their Units as of the close of business on the day before the Arrangement Resolution was approved, provided that they have complied with the dissent procedures provided in section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order. If Registered Unitholders dissent in respect of a significant number of Units, a substantial aggregate cash payment may be required to be made by A&W Food Services NewCo that could have an adverse effect on A&W Food Services NewCo's financial condition and cash resources if the Transaction is completed. See "*Dissenting Unitholders*".

The TD Formal Valuation and Fairness Opinion and the RBC Fairness Opinion do not reflect changes in circumstances that may have occurred or that may occur between the date of the Combination Agreement and the Effective Date.

The Board has not obtained any updated opinions from TD Securities or RBC as of the date of this Circular, nor does the Board expect to receive updated, revised or reaffirmed opinions prior to the completion of the Transaction. Changes in the operations and prospects of the Fund and A&W Food Services, general market and economic conditions, and other factors that may be beyond the control of the Fund and A&W Food Services, and on which the TD Formal Valuation and Fairness Opinion and the RBC Fairness Opinion were based, may significantly alter the value of the Fund and A&W Food Services or the market price of the Units and A&W Food Services NewCo Shares by the time the Transaction is completed. The recommendation of the Board, however, is made as of the date of this Circular.

Risks Relating to the A&W Food Services NewCo Shares

In addition to the risks relating to the A&W Food Services NewCo business listed above in "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Risk Factors*", the following risk factors may also affect the value of the A&W Food Services NewCo Shares.

Some or all of the expected benefits of the Transaction may not be realized or their realization may be delayed.

The Fund expects certain benefits will be realized as a result of the Transaction. See "*The Transaction – Reasons for the Recommendation*". Some or all of these benefits may not be realized or their realization may be delayed. If realized, the following expected benefits may take more than a year to achieve:

- the potential for improved liquidity in the A&W Food Services NewCo Shares, and more institutional investor ownership of, and research coverage for, the A&W Food Services NewCo Shares (in each case relative to the Units); and
- upside potential in the market price of the A&W Food Services NewCo Shares due to the above, combined with other factors, resulting in a future public trading valuation that is more comparable to those of other publicly traded QSRs.

Realization of these and certain other expected benefits of the Transaction will be dependent upon, among other things, A&W Food Services NewCo successfully and consistently executing its business strategies and realizing on its growth opportunities. Realization of some of these expected benefits may also be inter-dependent. For example, a significant increase in institutional investor ownership of, and research coverage for, the A&W Food Services NewCo Shares may be necessary for an active, liquid and orderly trading market for the A&W Food Services NewCo Shares; however, an active, liquid and orderly trading market may be a necessary precursor to interest in A&W Food Services NewCo from institutional investors and research analysts.

Realization of the expected benefits of the Transaction, and the assumptions underlying those expectations, are subject to the additional risks described below and in "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*". As a result of those or other risks, some or all of the expected benefits may not be realized or their realization may be delayed and there can be no assurance that any of the expected benefits, if so realized, will continue to be sustained.

The market price of A&W Food Services NewCo Shares may fluctuate widely and result in losses for investors.

The Fund cannot predict the prices at which the A&W Food Services NewCo Shares will trade or whether the market price of an A&W Food Services NewCo Share will be more or less than the market price of a Unit. The market price and trading volume of the A&W Food Services NewCo Shares may be subject to wide fluctuations in the future, resulting in losses for investors.

The market price of the A&W Food Services NewCo Shares may fluctuate significantly, especially until A&W Food Services NewCo has achieved sufficient profile in the capital markets and the market has fully evaluated the business of A&W Food Services NewCo. The market price of the A&W Food Services NewCo Shares may increase or decrease substantially during and after that time in response to a number of events and factors, many of which will be beyond A&W Food Services NewCo's control, including:

- actual or anticipated fluctuations in A&W Food Services NewCo's operating performance and financial results

- and the comparative performance and results of other entities that investors deem comparable;
- the extent to which A&W Food Services NewCo and other entities that investors deem comparable execute their respective business strategies and realize their respective growth opportunities and otherwise meet market expectations;
- the public's reaction to A&W Food Services NewCo's public statements (including in its filings with the various securities regulatory authorities);
- the extent to which analysts cover A&W Food Services NewCo after the Transaction, or subsequent changes in the estimates, valuations, projections or recommendations of analysts in respect of the A&W Food Services NewCo Shares or the securities of other companies in the QSR or broader Commercial Foodservice industry;
- the operating, financial and share price performance of other entities that investors deem comparable to A&W Food Services NewCo;
- actual or anticipated changes in consumer demand, or other significant developments, in the QSR or broader Commercial Foodservice industry;
- actual or anticipated changes in general economic, political or market conditions and trends;
- new laws or regulations (including regulatory decisions), or actual or anticipated changes in existing laws or regulations or their interpretation, affecting A&W Food Services NewCo or its competitors;
- strategic decisions by A&W Food Services NewCo or its competitors, such as acquisitions, divestitures, strategic partnerships, joint ventures, capital commitments or changes in business strategy;
- lawsuits or regulatory actions threatened or filed against A&W Food Services NewCo or its competitors;
- changes in the board of directors, management or other key personnel of A&W Food Services NewCo or its competitors;
- the amount of institutional investor ownership in the A&W Food Services NewCo Shares;
- the extent to which an active, liquid and orderly trading market develops for the A&W Food Services NewCo Shares;
- the size of the public float; and
- substantial sales of A&W Food Services NewCo Shares.

In addition, the market price of the A&W Food Services NewCo Shares may be affected by many variables not directly related to A&W Food Services NewCo's success and not within its control, including other developments that affect the market for all securities in the QSR or broader Commercial Foodservice industry or the equity markets generally, the breadth of the public market for the A&W Food Services NewCo Shares, and the attractiveness of alternative investments. These variables may adversely affect the market price of the A&W Food Services NewCo Shares regardless of the operating performance, value or future prospects of A&W Food Services NewCo.

An active, liquid and orderly trading market for A&W Food Services NewCo Shares may not develop.

There can be no assurances that an active, liquid and orderly trading market will develop or be sustained for the A&W Food Services NewCo Shares after the Transaction. There will have been no trading market for the A&W Food Services NewCo Shares prior to the Transaction, and a public market for shares of A&W Food Services does not currently exist. The development of an active, liquid and orderly market for the A&W Food Services NewCo Shares may depend upon, among other things, adequate institutional investor ownership of, and research coverage for, the A&W Food Services NewCo Shares. A liquid market may also require a larger public float from future sales of a substantial number of A&W Food Services NewCo Shares by key A&W Food Services shareholders, which sales will be out of the control of A&W Food Services NewCo and could impact the market price of the A&W Food Services NewCo Shares. The lack of an active, liquid and orderly market may make it more difficult for shareholders to sell A&W Food Services NewCo Shares and could lead to a depressed and volatile market price for the A&W Food Services NewCo Shares. An active, liquid and orderly market may be a necessary precursor to institutional investor and research analyst interest in A&W Food Services NewCo. Absent such interest, the A&W Food Services NewCo Shares may fail to realize a public trading valuation that is more comparable to those of other publicly traded QSRs or reflective of A&W Food Services NewCo's business fundamentals and operating performance. Low trading volume in the A&W Food Services NewCo Shares, which may occur if an active trading market does not develop, among other reasons, may also result in wider fluctuations in the market price of the A&W Food Services NewCo Shares.

If analysts do not publish research reports about A&W Food Services NewCo or if they change their recommendation or target price for the A&W Food Services NewCo Shares, the market price and trading volume of the A&W Food Services NewCo Shares could decline.

The trading market for the A&W Food Services NewCo Shares will likely be influenced by the equity research and reports that industry or security analysts publish about A&W Food Services NewCo or its industry after the Transaction. If insufficient analyst coverage of A&W Food Services NewCo is initiated following completion of the Transaction, or if one or more analysts cease coverage of A&W Food Services NewCo or fail to regularly publish reports on A&W Food Services NewCo, A&W Food Services NewCo will not develop or could lose visibility in the market, which could, in turn, reduce demand for the A&W Food Services NewCo Shares, including institutional and other investor interest in the A&W Food Services NewCo Shares, and cause the trading volume in the A&W Food Services NewCo Shares and the price of the A&W Food Services NewCo Shares to decline. If

one or more of analysts who cover A&W Food Services NewCo downgrade their recommendation or target price for the A&W Food Services NewCo Shares, the price of the A&W Food Services NewCo Shares could decline.

A&W Food Services NewCo's quarterly operating results may fluctuate significantly and could fail to meet the expectations of securities analysts and investors, which may cause A&W Food Services NewCo's share price to fall.

A&W Food Services NewCo's quarterly operating results may fluctuate significantly and could fail to meet the expectations of securities analysts and investors because of various factors, including, but not limited to: the timing of A&W restaurant openings and closures; variations in revenues and expenses; fluctuations in margins on sales of products and services to franchisees based on volume and product mix; variations in general economic conditions; and unusual or non recurring costs impacting individual quarters. Seasonal factors, the timing of holidays and promotions and limited time offers can also cause A&W Food Services NewCo's operating results to fluctuate from quarter to quarter.

As a result of these factors, results for any one quarter are not necessarily indicative of results to be expected for any other quarter or for any year. In the future, results of operations may fall below the expectations of securities analysts and investors, which could cause A&W Food Services NewCo's share price to fall. If A&W Food Services NewCo fails to meet market expectations for its results of operations in the future, any resulting decline in the price of its shares could be significant.

The significant ownership of A&W Food Services NewCo Shares by the existing shareholders of A&W Food Services may adversely affect the market price and liquidity of the shares of A&W Food Services NewCo.

Unitholders (other than A&W Food Services) currently own approximately 70% of the Fund on a fully-diluted basis but will only own 41% of A&W Food Services NewCo following completion of the Transaction. Immediately following the Transaction, approximately 54% of the then outstanding A&W Food Services NewCo Shares will be owned by the certain key A&W Food Services shareholders (the "**Key Existing AWFS shareholders**"). Further, those Key Existing AWFS shareholders will be entitled to certain director nomination rights under the Investor Rights Agreement, subject to maintaining certain ownership thresholds (see "*Key Agreements Relating to Transaction – Investor Rights Agreement*"). Accordingly, the Key Existing AWFS shareholders will exercise substantial influence over A&W Food Services NewCo, including with respect to the election and removal of directors, amendments to A&W Food Services NewCo's constituting documents, the approval of certain business combinations and all other matters submitted to A&W Food Services NewCo's shareholders for approval. In considering such matters, the interests of the Key Existing AWFS shareholders may not always align with the interests of A&W Food Services NewCo's other shareholders.

The market price of the A&W Food Services NewCo Shares may trade at a discount as a result of the significant shareholdings of the Key Existing AWFS shareholders due to the perception that substantial sales may occur. This concentration of holdings may also limit the number of A&W Food Services NewCo Shares available in the public market for trading, which as a consequence, may impact the level of institutional investor and research analyst interest in A&W Food Services NewCo. In addition, this concentration of holdings by the Key Existing AWFS shareholders may delay or prevent any acquisition or delay or discourage take-over attempts that shareholders may consider to be favourable, or make it more difficult or impossible for a third party to acquire control of A&W Food Services NewCo or effect a change in the board and management thereof. Any delay or prevention of a change of control transaction could deter potential acquirors or prevent the completion of a transaction in which shareholders could receive a substantial premium over the then current market price for their A&W Food Services NewCo Shares.

There may be substantial sales of A&W Food Services NewCo Shares in the future, or a market expectation those sales may occur, which could cause the market price of the A&W Food Services NewCo Shares to decline.

Immediately following the closing of the Transaction, the Key Existing AWFS shareholders will own approximately 54% of the A&W Food Services NewCo Shares. In the 180 days following completion of the Transaction, those Key Existing AWFS shareholders have agreed not to sell their A&W Food Services NewCo Shares without the consent of a majority of A&W Food Services NewCo's Independent Directors. Following that initial 180 day lock-up period, each of the Key Existing AWFS shareholders will be entitled sell its A&W Food Services NewCo Shares without any consent. If a large number of A&W Food Services NewCo Shares are sold in the public market, or there is a perception that such sales could occur, the market price of the A&W Food Services NewCo Shares could decline and impair A&W Food Services NewCo's ability to raise additional capital through the sale of A&W Food Services NewCo Shares. The Fund cannot predict the size of future issuances of A&W Food Services NewCo Shares or the effect, if any, that future sales and issuances of A&W Food Services NewCo Shares would have on the market price of the A&W Food Services NewCo Shares. In addition, other Unitholders who receive A&W Food Services NewCo Shares in the Transaction may sell some or all of those shares in the public market causing downward pressure on the price of A&W Food Services NewCo Shares. There is a heightened risk that these sales will be substantial in the short-term following closing of the Transaction as an investment in the A&W Food Services NewCo Shares may not fit the investment objectives of certain of the Fund's current Unitholders.

The Fund cannot predict the size, extent or timing of future sales of A&W Food Services NewCo Shares or the effect that such sales would have on the market price of the A&W Food Services NewCo Shares (including whether there will be a sufficient level of demand to buy A&W Food Services NewCo Shares at the relevant time to mitigate the resulting pressure from such sales on the market price of the A&W Food Services NewCo Shares). Such future sales may also make it more difficult for A&W Food Services NewCo to raise capital in the future through the sale of additional equity securities at a time or price that A&W Food Services NewCo deems appropriate. The risks associated with such sales (or the market expectation of such sales) may be amplified, and the ability to mitigate any pressure on the market price for A&W Food Services NewCo Shares from such sales may be limited, if, at the relevant time, there is not an active, liquid and orderly trading market for, or there is insufficient institutional investor interest in, the A&W Food Services NewCo Shares.

Holders of A&W Food Services NewCo Shares may be diluted by future equity issuances.

Following completion of the Transaction, A&W Food Services NewCo may issue additional equity securities or securities that are convertible, exchangeable or exercisable for equity securities, including equity awards that it may grant to its directors, officer and employees pursuant to the Equity Incentive Plan. The Fund cannot predict the size or the effect that those future issuances will have on the market price of the A&W Food Services NewCo Shares. Future issuances of new A&W Food Services NewCo Shares or other equity securities of A&W Food Services NewCo would dilute existing investors proportionate holding in the A&W Food Services NewCo Shares and could reduce the prevailing market prices for the A&W Food Services NewCo Shares. Investors in A&W Food Services NewCo Shares may experience dilution in A&W Food Services NewCo's earnings per share if A&W Food Services NewCo issues any new equity securities.

The rate and amount of future cash dividends on A&W Food Services NewCo Shares will be subject to the discretion of A&W Food Services NewCo board of directors and may vary from time to time or be suspended entirely.

Following completion of the Transaction, A&W Food Services NewCo is expected to maintain current distributions in the form of a quarterly dividend at the same annualized rate as the current monthly distributions paid to Unitholders. However, there can be no assurance that the rate and amount of future cash dividends paid on A&W Food Services NewCo Shares will be equal or similar to or progressively grow to an amount greater than the amount historically paid to Unitholders. Following the Transaction the A&W Food Services NewCo's board of directors will have the power to amend A&W Food Services NewCo's dividend policy in any manner and at any time as it may deem necessary or appropriate in the future. The declaration and payment of any future dividends on the A&W Food Services NewCo Shares, and the amount and rate of such dividends, will be at the discretion of the A&W Food Services NewCo's board of directors and will be dependent on many factors, some of which will be outside of the control of A&W Food Services NewCo, including A&W Food Services NewCo's operating results, financial position, cash flow and capital requirements, statutory or contractual restrictions applicable to dividends (including limitations on the payment of dividends set forth in the Credit Agreement), and broader market and economic conditions.

There could be unknown or undisclosed risks or liabilities of A&W Food Services, a private company, that could materially and adversely affect A&W Food Services NewCo's business, financial condition or results of operations and for which the Fund would not be permitted to terminate the Combination Agreement and would not be indemnified by A&W Food Services' shareholders following closing of the Transaction.

Although the Fund and its advisors conducted confirmatory due diligence on A&W Food Services, there could be unknown risks or liabilities of A&W Food Services, which is a private company, that could materially and adversely affect A&W Food Services NewCo's business, financial condition or results of operations and for which the Fund may not be permitted to terminate the Combination Agreement and would not be indemnified by shareholders of A&W Food Services following closing of the Transaction. Any such unknown or undisclosed risks or liabilities could materially and adversely affect A&W Food Services NewCo's business, financial condition and results of operations.

There can be no assurance that A&W Food Services NewCo Shares will be, or continue to be, qualified investments for various plans, funds, and accounts under the Tax Act.

There can be no assurance that A&W Food Services NewCo Shares will be, or continue to be, qualified investments for trusts governed by RRSPs, RRIAs, RDSPs, TFSA, FHSAs, RESPs or "deferred profit sharing plans" under the Tax Act. In addition, an A&W Food Services NewCo Share may be a prohibited investment in respect of a RRSP, RRI, RDSP, TFSA, FHSA, or RESP where, in general terms, the holder, subscriber or annuitant (as the case may be) does not deal at arm's length with A&W Food Services NewCo or has a "significant interest" (as defined in the Tax Act) in A&W Food Services NewCo. The Tax Act imposes penalties for the acquisition or holding of non-qualified or prohibited investments. See "*Certain Canadian Federal Income Tax Considerations -- Eligibility for Investment*".

Assumptions underlying the forward-looking information contained herein may prove to be materially incorrect due to the other risks identified above and the risk factors relating to the business of A&W Food Services NewCo set out in "Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction", which could cause the actual future results and future events to differ materially from such forward-looking information.

The forward-looking information included in this Circular and the documents incorporated by reference is based on a number of assumptions (including those assumptions identified under “*Cautionary Note Regarding Forward-Looking Statements*”), that, while considered reasonable as of the date of this Circular, are inherently uncertain and subject to known and unknown risks, uncertainties and other factors, including the risks set out above and in “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*”, that could cause actual results to differ materially. There can be no assurances that such assumptions will prove to be correct. Actual future results and future events may differ materially from those expressed or implied by the forward-looking information included in this Circular and the documents incorporated by reference.

The financial outlook set forth in this Circular in “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Description of the Business – Financial Outlook*” in respect of A&W Food Services NewCo’s Annual Same Store Sales Growth for 2025, the Annual System Sales Growth for 2025, the Average Annual Same Store Sales Growth and Average Annual System Sales Growth for the three-year period of 2025 to 2027, and expected total number of A&W restaurants, and Pro Forma Adjusted EBITDA for 2025 and 2027 are based on management’s current views and strategies. It is subjective in many respects and based on numerous judgments, estimates, assumptions and expectations by management regarding, among other things, industry performance, general business, economic, regulatory, market and financial conditions, costs and expenses, as well as other future events, that management believes are reasonable in the current industry environment including those assumptions identified under “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Description of the Business - Financial Outlook*”. Those judgments, estimates, assumptions and expectations are inherently uncertain and subject to known and unknown risks, uncertainties and other factors, including the risks set out above and in “*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction*”, that could cause actual results to differ materially. The Fund and A&W Food Services make no representation that A&W Food Services NewCo’s actual future results will be the same, in whole or in part, to the financial outlook set forth in this Circular. As such, undue reliance should not be placed the financial outlook. Management may review and revise the financial outlook as economic, geopolitical, market and regulatory environments change. Neither the Fund’s nor A&W Food Services’ independent auditors, PricewaterhouseCoopers LLP, nor any other independent auditors have examined, compiled or performed any procedures with respect to the financial outlook, and accordingly, neither PricewaterhouseCoopers LLP, nor any other independent auditors express an opinion or any other form of assurance with respect to the financial outlook.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the Transaction, and to the acquisition, holding and disposition of A&W Food Services NewCo Shares acquired pursuant to the Transaction, for a holder of Units that, for purposes of the Tax Act and at all relevant times, (a) deals at arm’s length with each of the Fund and A&W Food Services NewCo; (b) is not and will not be affiliated with either of the Fund and A&W Food Services NewCo; and (c) holds the Units, and will hold any A&W Food Services NewCo Shares acquired pursuant to the Transaction, as capital property (a “**Holder**”). Generally, Units or A&W Food Services NewCo Shares will be considered to be capital property to a holder provided that the holder does not hold the Units or A&W Food Services NewCo Shares, as applicable, in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (a) that is a “financial institution” for purposes of the Tax Act; (b) that is a “specified financial institution” as defined for purposes of the Tax Act; (c) that is a corporation that is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of Units or A&W Food Services NewCo Shares, controlled by a non-resident person, or a group of non-resident persons not dealing with each other at arm’s length, for the purposes of the “foreign affiliate dumping rules” in section 212.3 of the Tax Act; (d) to which the “functional currency” reporting rules in section 261 of the Tax Act apply; (e) that enters into or has entered into, with respect to the Units, a “synthetic disposition arrangement” or “derivative forward arrangement”, as such terms are defined in the Tax Act; (f) an interest in which is a “tax shelter investment” for purposes of the Tax Act; or (g) that is exempt from tax under Part I of the Tax Act. Such Holders should consult their own tax advisors regarding their particular circumstances. In addition, this summary does not address the deductibility of interest by a Holder who has borrowed money to acquire the Units.

This summary is based on the facts set out in this Circular, the current provisions of the Tax Act, and the current administrative policies and assessing practices of the Canada Revenue Agency made publicly available in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (“**Tax Proposals**”). However, no assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. Except as mentioned above, this summary does not take into account or anticipate any changes in Law, whether by legislative, administrative or judicial decision or action, nor does it take into account any other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

THIS SUMMARY IS NOT EXHAUSTIVE OF ALL POSSIBLE CANADIAN FEDERAL INCOME TAX CONSIDERATIONS, IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER. ACCORDINGLY, HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS ABOUT THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE TRANSACTION.

Status of the Fund

Mutual Fund Trust

This summary is based on the assumption that the Fund will qualify as a mutual fund trust as defined in the Tax Act at all relevant times through the completion of the Transaction. To qualify as a mutual fund trust: (a) the Fund must be a Canadian resident "unit trust" for purposes of the Tax Act; (b) the only undertaking of the Fund must be the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable); and (c) the Fund must comply with certain minimum requirements respecting the ownership and dispersal of a particular class of its Units. Furthermore, a trust will not be considered to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents unless, generally, all or substantially all of its property is not "taxable Canadian property" as defined in the Tax Act. Management of the Fund does not believe that the Fund has been so established or maintained.

If the Fund were not to qualify as a mutual fund trust, the income tax considerations described below would, in some respects, be materially and adversely different.

SIFT Trust

The Tax Act contains special taxation rules applicable to trusts that are "SIFT trusts" as defined in the Tax Act. Under such rules, a SIFT trust is generally subject to tax ("**SIFT Tax**") in respect of certain distributions that are attributable to the SIFT trust's "non-portfolio earnings" (generally, income (other than taxable dividends) from, or net realized capital gains on, "non-portfolio properties" as defined in the Tax Act), at a rate that is equal to the federal general corporate tax rate plus an amount on account of provincial tax. The amount of a distribution in respect of which this tax is payable by the SIFT trust generally will be taxed in the hands of Holders as though it were a taxable dividend received from a taxable Canadian corporation, which dividend will be subject to the usual dividend gross-up and tax credit rules applicable to an "eligible dividend" for the purposes of the enhanced dividend tax credit regime.

The Fund takes the position that it is a SIFT trust, however the Fund expects that no SIFT Tax will be payable in connection with distributions made to Holders in the Transaction.

Taxation of Holders Resident in Canada

The following portion of this summary applies to a Holder who, at all relevant times and for purposes of the Tax Act, is resident in Canada (a "**Resident Holder**"). Certain holders resident in Canada whose Units or A&W Food Services NewCo Shares might not otherwise qualify as capital property may, in certain circumstances, be entitled to have such securities, and any other Canadian securities (within the meaning of the Tax Act) owned by such holder, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Such holders should consult their own tax advisors regarding their particular circumstances.

Payment of Accrued Distribution

A Resident Holder will be required to include in income for its taxation year that includes the Effective Date, the portion of the net income of the Fund, for the Fund's taxation year ending as a result of the acquisition of the Fund by A&W Food Services NewCo, that is paid to the Resident Holder as a result of the payment of the Accrued Distribution. The Fund's income will include all taxable dividends received on the common shares of TMI held by the Fund in the taxation year. Provided that appropriate designations are made by the Fund, such portion of the Fund's taxable dividends received on shares of a taxable Canadian corporation (including TMI) as is paid to a Resident Holder will effectively retain its character and be treated as such in the hands of the Resident Holder for the purposes of the Tax Act. The Fund intends to make designations such that all of the Accrued Distribution will be treated as taxable dividends, other than "eligible dividends", for Resident Holders.

A Resident Holder that is an individual (including certain trusts) will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to such dividends, but will not benefit from the enhanced gross-up and dividend tax credit rules applicable to eligible dividends.

For a Resident Holder that is a corporation, such dividends will be included in computing the corporation's income and will generally be deductible in computing its taxable income. In certain circumstances, a taxable dividend received by a Resident Holder that is a corporation may be treated as proceeds of disposition or a capital gain pursuant to the rules in subsection 55(2) of the Tax Act. The treatment of capital gains is discussed below under the heading "*Taxation of Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

A Resident Holder that is a "private corporation" or a "subject corporation" for purposes of the Tax Act will generally be liable to pay a tax, refundable under certain circumstances, under Part IV of the Tax Act on such dividends to the extent that such

dividends are deductible in computing such Resident Holder's taxable income. Resident Holders that are corporations should consult their own tax advisors with respect to these rules having regard to their particular circumstances.

Disposition of Units – No Section 85 Election

A Resident Holder that (a) disposes of Units pursuant to the Transaction and (b) does not make a Section 85 Election, will be considered to have disposed of the Units for proceeds of disposition equal to the sum of (i) the aggregate amount of cash received on the disposition, and (ii) the fair market value of the A&W Food Services NewCo Shares received on the disposition. As a result, the Resident Holder will realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to such Resident Holder of the Units immediately before their disposition. The treatment of capital gains and capital losses is discussed below under the heading "*Taxation of Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

The aggregate cost to a Resident Holder of A&W Food Services NewCo Shares acquired pursuant to the Transaction will be equal to the fair market value of the A&W Food Services NewCo Shares as at the time of acquisition. The adjusted cost base to a Resident Holder of A&W Food Services NewCo Shares acquired pursuant to the Transaction will be determined by averaging the cost of such A&W Food Services NewCo Shares with the adjusted cost base to such Resident Holder of all other A&W Food Services NewCo Shares (if any) held by the Resident Holder as capital property immediately prior to the acquisition.

Disposition of Units – Section 85 Election

A Resident Holder that (a) is an Eligible Holder, (b) disposes of Units pursuant to the Transaction for consideration that includes A&W Food Services NewCo Shares, and (c) validly makes a Section 85 Election as contemplated herein in respect of the disposition of the Units (an "**Electing Resident Holder**"), may defer all or a portion of any capital gain otherwise arising on the disposition of Units depending on the Elected Amount (as defined below) and the adjusted cost base to the Eligible Holder of the Units immediately before the disposition, as described a further detail below.

A&W Food Services NewCo has agreed to make a Section 85 Election with a holder of Units that (a) is an Eligible Holder, (b) receives A&W Food Services NewCo Shares as part of the consideration for the disposition of Units pursuant to the Transaction, and (c) gives the required notice of the Eligible Holder's intention to make such election in a Letter of Transmittal and Election Form that is validly delivered to the Depositary by the Election Deadline. A&W Food Services will deliver a tax instruction letter to an Eligible Holder promptly upon receipt of a Letter of Transmittal and Election Form in which the Eligible Holder has indicated that such Eligible Holder wishes to make a Section 85 Election with respect to the disposition of Units pursuant to the Transaction. The tax instruction letter will provide general instructions on how to make a Section 85 Election in respect of the transfer of the Eligible Holder's Units to A&W Food Services NewCo. See "*Procedure for Exchange of Units, Elections and Payment of Consideration*".

An Eligible Holder who has elected to make a Section 85 Election shall provide two signed copies of the necessary joint election forms (each, a "**Section 85 Election Form**") to an appointed representative, as directed by A&W Food Services NewCo, by the Section 85 Election Deadline Date, being the earlier of (a) the date that is 45 days after the Effective Date and (b) December 10, 2024, duly completed with the details of the number of Units transferred and the applicable agreed amounts for the purposes of such joint elections. A&W Food Services NewCo shall, within 30 days after receiving the completed joint election forms from an Eligible Holder, and subject to such joint election forms being correct and complete and in compliance with requirements imposed under the Tax Act (or applicable provincial income tax law), sign and return such joint election forms to such Eligible Holder for filing with the CRA (or the applicable provincial tax authority). Neither the Fund, A&W Food Services NewCo nor any successor corporation shall be responsible for the proper completion of any joint election form nor for any taxes, interest or penalties resulting from the failure of an Eligible Holder to properly complete or file such joint election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, A&W Food Services NewCo or any successor corporation may choose to accept, sign and return a joint election form received by it after the Section 85 Election Deadline Date, but will have no obligation to do so. **Each Eligible Holder is solely responsible for ensuring the election form is completed correctly and filed with the CRA (and any applicable provincial revenue authorities) within the time period prescribed by the Tax Act (and any applicable provincial income tax legislation).**

The relevant federal tax election form is CRA Form T2057 (or, in the event that the Units are held as partnership property, CRA Form T2058). Eligible Holders should consult their own tax advisors to determine whether separate election forms must be filed with any other provincial taxing authority. It is the responsibility of each Eligible Holder who wishes to make an election for provincial income tax purposes to obtain any necessary provincial election forms. In addition, special compliance rules apply where Units are held in joint ownership or are held as partnership property, and affected Eligible Holders should consult their own tax advisors to determine all relevant filing requirements and procedures (including provincial legislation) applicable in their particular circumstances.

A Section 85 Election will specify deemed proceeds of disposition for the applicable Units as determined by the Electing Resident Holder subject to the limitations under the Tax Act (the "**Elected Amount**"). Subject to the limitations generally described below,

the Elected Amount will be treated for the purposes of the Tax Act as the Electing Resident Holder's proceeds of disposition of their Units. In general, the Elected Amount for an Electing Resident Holder is subject to the following limitations:

- (a) the Elected Amount may not be less than the aggregate amount of cash consideration received for the Units;
- (b) the Elected Amount may not be less than the lesser of (i) the adjusted cost base to the Electing Resident Holder of the Units disposed of and (ii) the fair market value of such Units, in each case determined at the time of disposition; and
- (c) the Elected Amount may not be greater than the fair market value at the time of the disposition of the Units disposed of.

Elected Amounts which do not comply with these limitations will be automatically adjusted pursuant to the provisions of the Tax Act so that they comply. Any reference to an Elected Amount herein refers to the Elected Amount that complies (or is adjusted to comply) with these limitations.

The tax treatment for the disposition of Units by an Electing Resident Holder generally will be as follows:

- (a) the Electing Resident Holder will be deemed to realize proceeds of disposition for the Units equal to the Elected Amount;
- (b) if the proceeds of disposition are equal to the aggregate of the adjusted cost base to the Eligible Holder of the Units, determined immediately before the disposition, and any reasonable costs of disposition, no capital gain or capital loss will be realized by the Eligible Holder;
- (c) the Electing Resident Holder will realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to such Electing Resident Holder of the Units immediately before their transfer to A&W Food Services NewCo; and
- (d) the aggregate cost to the Electing Resident Holder of A&W Food Services NewCo Shares received as consideration for the Units will be equal to the amount by which the proceeds of disposition of the Units exceeds the aggregate amount of cash received as consideration for the Units.

The treatment of capital gains and capital losses is discussed below under the heading "*Taxation of Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

The adjusted cost base to an Electing Resident Holder of A&W Food Services NewCo Shares acquired pursuant to the Transaction will be determined by averaging the cost of such A&W Food Services NewCo Shares with the adjusted cost base to such Electing Resident Holder of all other A&W Food Services NewCo Shares (if any) held by the Electing Resident Holder as capital property immediately prior to the acquisition.

Any Resident Holder who does not indicate the intention to make a Section 85 Election in a Letter of Transmittal and Election Form, does not deliver the Letter of Transmittal and Election Form to the Depositary by the Election Deadline, or does not ensure that A&W Food Services NewCo has received the necessary Section 85 Election Forms by the Section 85 Election Deadline Date, may not be able to benefit from the rollover provisions of the Tax Act. Accordingly, all Resident Holders who are Eligible Holders and wish to make a Section 85 Election should give their immediate attention to this matter.

The comments herein with respect to such elections are provided for general assistance only. The law in this area is complex and contains numerous technical requirements. Resident Holders wishing to make a Section 85 Election should consult their own tax advisors.

Dissenting Resident Holders

A Resident Holder who validly exercises Dissent Rights in respect of the Transaction (a "**Resident Dissenting Holder**") and transfers such Resident Dissenting Holder's Units to A&W Food Services NewCo under the Transaction and is entitled to be paid the fair value of such Units by A&W Food Services NewCo will be considered to have disposed of such Units for proceeds of disposition equal to the amount paid to such Resident Dissenting Holder, other than any portion of the payment that is interest. The Resident Dissenting Holder will realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to such Resident Dissenting Holder of the Units immediately before their transfer to A&W Food Services NewCo. The treatment of capital gains and capital losses is discussed below under the heading "*Taxation of Holders Resident in Canada– Taxation of Capital Gains and Capital Losses*".

A Resident Dissenting Holder will also be required to include in computing its income any interest awarded to the Resident Dissenting Holder by a court in connection with the Transaction.

Declaration of Trust Amendment

No income or gain should be realized by Resident Holders solely as a result of the Declaration of Trust Amendment.

Dividends on A&W Food Services NewCo Shares

A Resident Holder will be required to include, in computing its income for a taxation year, any taxable dividends received or deemed to be received on the A&W Food Services NewCo Shares in the year.

For a Resident Holder who is an individual (including certain trusts), dividends received or deemed to be received on the A&W Food Services NewCo Shares will be included in the Resident Holder's income for that taxation year and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received or deemed to be received from taxable Canadian corporations. Provided that appropriate designations are made by the Corporation, such dividend or deemed dividend will be treated as an "eligible dividend" for the purposes of the Tax Act and a Resident Holder who is an individual will be entitled to an enhanced gross-up and dividend tax credit in respect of such dividend. There may be limitations on the ability of the Corporation to designate dividends and deemed dividends as "eligible dividends".

For a Resident Holder that is a corporation, dividends received or deemed to be received on the A&W Food Services NewCo Shares will be included in the Resident Holder's income for that taxation year and will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, a taxable dividend received or deemed to be received by a Resident Holder that is a corporation may be treated as proceeds of disposition or a capital gain pursuant to the rules in subsection 55(2) of the Tax Act. The tax treatment of capital gains is discussed below under the heading "*Taxation of Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

A Resident Holder that is a "private corporation" or a "subject corporation" for the purposes of the Tax Act will generally be liable to pay a tax, refundable under certain circumstances, under Part IV of the Tax Act on dividends received or deemed to be received on the A&W Food Services NewCo Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

Resident Holders that are corporations should consult their own tax advisors having regard to their particular circumstances.

Disposition of A&W Food Services NewCo Shares

A Resident Holder who disposes of, or is deemed for the purposes of the Tax Act to have disposed of, an A&W Food Services NewCo Share (other than to A&W Food Services NewCo, unless purchased by A&W Food Services NewCo in the open market in the manner in which shares are normally purchased by any member of the public in the open market) will generally realize a capital gain (or incur a capital loss), in the taxation year of the disposition, equal to the amount by which the proceeds of disposition in respect of the A&W Food Services NewCo Share exceed (or are exceeded by) the aggregate of (a) the adjusted cost base to the Resident Holder of such A&W Food Services NewCo Share immediately before the disposition or deemed disposition and (b) any reasonable costs of disposition. The treatment of capital gains and capital losses is discussed below under the heading "*Taxation of Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*".

Additional Refundable Tax

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" or that is at any time in the relevant taxation year a "substantive CCPC", as each term is defined in the Tax Act, may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income" (as defined in the Tax Act), including amounts in respect of capital gains, interest, and certain dividends.

Alternative Minimum Tax

Capital gains realized by and taxable dividends received or deemed to be received by a Resident Holder that is an individual or trust, other than certain specified trusts, may result in such Resident Holder being liable for alternative minimum tax under the Tax Act.

Taxation of Capital Gains and Capital Losses

In general, and based on the Capital Gains Proposal discussed below, two-thirds of any capital gain (a "**taxable capital gain**") realized by a Resident Holder in a taxation year will be included in such Resident Holder's income in the year and two-thirds the

amount of any capital loss (an “allowable capital loss”) realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in the year. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be deducted in any of the three preceding taxation years or in any subsequent year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of an A&W Food Services NewCo Share may be reduced by the amount of any dividends received or deemed to be received by the Resident Holder on such A&W Food Services NewCo Share (or on a share for which the A&W Food Services NewCo Share has been substituted) to the extent and under the circumstances described in the Tax Act. Similar rules may apply where an A&W Food Services NewCo Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Canada’s 2024 federal budget, released on April 16, 2024, included a Tax Proposal to generally increase the proportion of a capital gain that would be included in income as a taxable capital gain, or the proportion of a capital loss that would constitute an allowable capital loss, as discussed above, from one-half to 66 2/3%, effective for dispositions on or after June 25, 2024 (the “**Capital Gains Proposal**”). The Capital Gains Proposal provides that the one-half proportion would continue to apply to individuals (including certain trusts) with respect to up to \$250,000 of capital gains per year, subject to certain limitations, and also provides for adjustments of carried forward or carried back allowable capital losses to account for changes in the relevant inclusion rates. Draft legislation to implement the Capital Gains Proposal was released by the Minister of Finance (Canada) on August 12, 2024, however the changes are complex, and certain aspects of how the Tax Act will be amended in connection with the Capital Gains Proposal remain unclear. Unitholders that realize capital gains in connection with their investments in Units or A&W Food Services NewCo Shares should consult their own tax advisors in this regard.

Taxation of Holders Not Resident in Canada

The following portion of this summary applies to a Holder that, at all relevant times and for purposes of the Tax Act, (a) is not resident or deemed to be resident in Canada for purposes of the Tax Act; (b) does not use or hold Units, and will not use or hold A&W Food Services NewCo Shares, in a business carried on in Canada; (c) is not an “authorized foreign bank” as defined in the Tax Act; (d) is not a non-resident insurer that carries on business in Canada and elsewhere; (e) is not a “specified non-resident shareholder” of A&W Food Services NewCo or a person not dealing at arm’s length with a “specified shareholder” of A&W Food Services NewCo (in each case within the meaning of subsection 18(5) of the Tax Act); and (f) does not hold Units or A&W Food Services NewCo Shares that are “taxable Canadian property” of the Holder within the meaning of the Tax Act (a “**Non-Resident Holder**”). A non-resident Holder for which Units or A&W Food Services NewCo Shares may constitute taxable Canadian property should consult their own tax advisors regarding their particular circumstances.

A&W Food Services NewCo Shares and Units generally will not be taxable Canadian property for a Non-Resident Holder at a particular time provided that at no time in the preceding 60 months were more than 50.0% of the fair market value of the A&W Food Services NewCo Shares or Units, as applicable, derived from real or immovable property situated in Canada, “Canadian resource property”, “timber resource property” (each as defined in the Tax Act) or any combination thereof (the “**Asset Test**”). Furthermore, provided that at a particular time, in the case of the A&W Food Services NewCo Shares, the A&W Food Services NewCo Shares are listed on a designated stock exchange or, in the case of the Units, the Units are listed on a designated stock exchange or the Fund is a mutual fund trust for purposes of the Tax Act, the A&W Food Services NewCo Shares or Units, as applicable, will only be taxable Canadian property for a Non-Resident Holder where, at any time in the preceding 60 months, the following two conditions are met simultaneously: (a) more than 25.0% of the issued shares of any class of stock of A&W Food Services NewCo or units of the Fund, as applicable, are owned by any combination of (i) the Non-Resident Holder, (ii) persons with which the Non-Resident Holder does not deal at arm’s length for the purposes of the Tax Act, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds an interest either directly or indirectly through one or more other partnerships; and (b) the A&W Food Services NewCo Shares or Units, as applicable, meet the Asset Test. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Units or A&W Food Services NewCo Shares may be deemed to be taxable Canadian property of a Non-Resident Holder.

Payment of Accrued Distribution

The payment of the Accrued Distribution to a Non-Resident Holder, to the extent that it represents a payment on account of income of the Fund for Canadian tax purposes, other than an amount that the Fund has designated in accordance with the Tax Act as a taxable capital gain, will be subject to Canadian withholding tax at a rate of 25.0% of the gross amount thereof, unless such rate is reduced under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. The Fund intends to make designations such that all of the Accrued Distribution will be treated as a payment of income, other than taxable capital gains, for Non-Resident Holders.

For example, the rate of withholding tax is generally reduced to 15.0% where such distributions are paid or credited, or deemed to be paid or credited, to a Non-Resident Holder that is resident in the United States and qualified to claim full benefits under the *Canada-United States Income Tax Convention, 1980*, as amended (the “**Canada-US Treaty**”).

Disposition of Units

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition or deemed disposition of a Unit (whether by way of sale, redemption, or capital distribution by the Fund in excess of the Non-Resident Holder's adjusted cost base) provided that such property does not constitute "taxable Canadian property" of the Non-Resident Holder for purposes of the Tax Act.

Dissenting Non-Resident Holders

A Non-Resident Holder who validly exercises Dissent Rights in respect of the Transaction (a "**Non-Resident Dissenting Holder**") and transfers such Resident Dissenting Holder's Units to A&W Food Services NewCo under the Transaction and is entitled to be paid the fair value of such Units by A&W Food Services NewCo will generally not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of such Units, provided that such property does not constitute "taxable Canadian property" of the Non-Resident Dissenting Holder for purposes of the Tax Act.

Generally, an amount paid in respect of interest awarded by a court to a Non-Resident Dissenting Holder will not be subject to Canadian withholding tax under the Tax Act provided that such interest is not "participating debt interest" (as defined in the Tax Act).

Declaration of Trust Amendment

Non-Resident Holders should not be subject to tax under the Tax Act solely as a result of the Declaration of Trust Amendment.

Dividends on A&W Food Services NewCo Shares

Under the Tax Act, dividends on the A&W Food Services NewCo Shares paid or credited, or deemed to be paid or credited, to a Non-Resident Holder will generally be subject to Canadian non-resident withholding tax under the Tax Act at the rate of 25.0% of the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident. For example, such rate is normally reduced under the Canada-US Treaty to at most 15.0% of the gross amount of the dividend if the beneficial owner of such dividend is a resident of the United States that is entitled to full benefits under the Canada-US Treaty.

Disposition of A&W Food Services NewCo Shares

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of A&W Food Services NewCo Shares, provided that the A&W Food Services NewCo Shares do not constitute "taxable Canadian property" of the Non-Resident Holder for purposes of the Tax Act.

Eligibility for Investment

Based on the current provisions of the Tax Act, provided that at a particular time the A&W Food Services NewCo Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the TSX), or A&W Food Services NewCo otherwise qualifies as a "public corporation" as defined in the Tax Act, then the A&W Food Services NewCo Shares would at such time be a "qualified investment" under the Tax Act for trusts governed by "registered retirement savings plans" ("**RRSPs**"), "registered retirement income funds" ("**RRIFs**"), "registered disability savings plan" ("**RDSPs**"), "tax-free savings account" ("**TFSAs**"), first home savings account ("**FHSAs**"), "registered education savings plan" ("**RESPs**" and, collectively with RRSPs, RRIFs, RDSPs, TFSA, and FHSAs, "**Registered Plans**") and "deferred profit sharing plans".

Notwithstanding that the A&W Food Services NewCo Shares may be qualified investments as discussed above, if the A&W Food Services NewCo Shares are a "prohibited investment" (as defined in the Tax Act) for a Registered Plan then the annuitant, holder, or subscriber of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act if the A&W Food Services NewCo Shares are held in a trust governed by such Registered Plan. The A&W Food Services NewCo Shares will not be a prohibited investment provided the annuitant, holder, or subscriber, as the case may be, deals at arm's length with A&W Food Services NewCo for purposes of the Tax Act and does not have a "significant interest" (as defined in the Tax Act) in A&W Food Services NewCo. In addition, an A&W Food Services NewCo Share will not be a "prohibited investment" if the A&W Food Services NewCo Share is "excluded property" (as defined in the Tax Act) for a trust governed by Registered Plan. Annuitants, holders, and subscribers of such plans should consult their own tax advisors to ensure that A&W Food Services NewCo Shares would not be a prohibited investment in their particular circumstances.

The A&W Food Services NewCo Shares are not currently listed on a "designated stock exchange". An application has been made for the A&W Food Services NewCo Shares to be listed on the TSX prior to the issuance of A&W Food Services NewCo Shares pursuant to the Transaction. Listing is subject to the approval of the TSX in accordance with its original listing

requirements. The TSX has not conditionally approved A&W Food Services NewCo's listing application and there is no assurance that the TSX will do so. If the A&W Food Services NewCo Shares are not listed on the TSX at the time of their issuance pursuant to the Transaction, and A&W Food Services NewCo is not otherwise a "public corporation" at that time, the A&W Food Services NewCo Shares will not be qualified investments at that time as described above.

A&W FOOD SERVICES NEWCO EQUITY INCENTIVE PLAN

THE EQUITY INCENTIVE PLAN, IF APPROVED, WILL ONLY BE EFFECTIVE FOLLOWING CLOSING OF THE TRANSACTION. IF THE ARRANGEMENT RESOLUTION IS NOT APPROVED, UNITHOLDERS WILL NOT BE ASKED TO APPROVE THE EQUITY INCENTIVE PLAN RESOLUTION. IF THE EQUITY INCENTIVE PLAN RESOLUTION IS NOT APPROVED, A&W FOOD SERVICES NEWCO WILL NOT BE ABLE TO GRANT AWARDS UNDER THE EQUITY INCENTIVE PLAN FOLLOWING COMPLETION OF THE TRANSACTION.

At the Meeting, subject to the approval of the Arrangement Resolution, Unitholders will be asked to consider and, if deemed advisable, pass the Equity Incentive Plan Resolution, the full text of which is set forth in Appendix J to this Circular, to approve the Equity Incentive Plan to be effective following the closing of the Transaction.

Long-term incentive compensation awards issued pursuant to the Equity Incentive Plan will provide ongoing motivation for executive officers and directors to achieve the business and financial objectives of A&W Food Services NewCo following completion of the Transaction, and also align their interests with the long-term interests of shareholders. It is expected that, following the completion of the Transaction, each eligible executive of A&W Food Services NewCo will be provided with an individual long-term equity incentive plan target for a given fiscal year, established as a percentage of such participant's base salary.

Unitholders are being asked to approve the Equity Incentive Plan at the Meeting to provide A&W Food Services NewCo with the ability to issue awards under the Equity Incentive Plan in accordance with its compensation program to be effective following closing of the Transaction. See "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Statement of Proposed Executive Compensation*".

The Equity Incentive Plan will allow for a variety of equity-based awards that provide different types of incentives to be granted to certain directors, officers, employees and/or consultants providing ongoing services to A&W Food Services NewCo and its Subsidiaries, being Options, PSUs, RSUs and DSUs.

The maximum number of A&W Food Services NewCo Shares reserved for issuance under the Equity Incentive Plan will be 10% of the aggregate number of A&W Food Services NewCo Shares issued and outstanding from time to time, which will represent approximately 2.4 million A&W Food Services NewCo Shares immediately following closing of the Transaction.

A copy of the Equity Incentive Plan is attached as Appendix K to this Circular and a summary thereof is set out under the heading "*Information Concerning A&W Food Services NewCo After Giving Effect to the Transaction – Statement of Executive Compensation – Principal Elements of Compensation – Long-Term Equity Incentives – Omnibus Long-Term Incentive Plan*".

In order to become effective, the Equity Incentive Plan Resolution must be approved by a simple majority of the votes cast by Unitholders (including for this purpose Limited Voting Unitholders and Exchangeable Securityholders) present in person or represented by proxy at the Meeting. Each Unit and Limited Voting Unit entitles its holder to one vote with respect to the matters to be voted on at the Meeting. Each Exchangeable Security entitles its holder to one vote for each Trust Unit they would receive upon conversion of the Exchangeable Security with respect to the matters to be voted on at the Meeting.

The Equity Incentive Plan will only become effective following closing of the Transaction and no awards under the Equity Incentive Plan have been granted to any person as of the date of this Circular.

The Board unanimously recommends that Unitholders vote **FOR** the Equity Incentive Plan Resolution.

LEGAL MATTERS

Certain legal matters in connection with the Transaction will be passed upon by Davies Ward Phillips & Vineberg LLP on behalf of the Fund. Certain legal matters in connection with the Transaction will be passed upon by Stikeman Elliott LLP on behalf of A&W Food Services.

DEPOSITARY

Computershare Investor Services Inc. will act as the depositary for the receipt of certificates or direct registration statements representing Units and related Letters of Transmittal and Election Forms and the payments to be made to the Unitholders pursuant to the Transaction. The Depositary will receive reasonable and customary compensation for its services in connection

with the Transaction, will be reimbursed for certain out-of-pocket expenses and will be indemnified by the Fund and A&W Food Services NewCo against certain liabilities under applicable Securities Laws and expenses in connection therewith.

No fee or commission is payable by any holder of Units who transmits its Units directly to the Depositary. Except as set forth above or elsewhere in this Circular, the Fund will not pay any fees or commissions to any broker or dealer or any other person for soliciting deposits of Units pursuant to the Transaction.

QUESTIONS AND FURTHER ASSISTANCE

If you have any questions about the information contained in this Circular or with respect to the procedures for voting or completing your Letter of Transmittal and Election Form, please contact our proxy solicitation agent, Laurel Hill Advisory Group by telephone at 1-877-452- 7184 (North American Toll Free) or 1-416- 304-0211 (Outside North America), or by email at assistance@laurelhill.com.

APPROVAL OF THE BOARD OF TRUSTEES

The contents and the sending of the Notice of Meeting and this Circular have been approved by the Board.

DATED this August 29, 2024.

BY ORDER OF THE BOARD OF TRUSTEES

(Signed) *Kevin Mahoney*

Kevin Mahoney
Chair of the Board

GLOSSARY OF TERMS

In this Circular, the following capitalized terms have the meanings set forth below.

"1% Exemption" has the meaning set out in *"Certain Legal Matters – Securities Laws Matters – Minority Approval"*.

"Accrued Distribution" means the distribution to the registered and beneficial owners of Units and Limited Voting Units of record as of immediately prior to the Effective Time, including, for greater certainty, A&W Food Services, in an amount per Unit or Limited Voting Unit, as applicable, equal to \$1.92 multiplied by a fraction, the numerator of which is number of days between (a) the payment date of the last monthly distribution in respect of the Units and Limited Voting Units for which the payment date occurs prior to the Effective Date and (b) the Effective Date, and the denominator of which is 365, to be paid by the Fund pursuant to Section 2.3(d) of the Plan of Arrangement.

"Acquisition Proposal" means, other than the transactions contemplated by the Combination Agreement and other than any transaction involving only the Fund, TMI, TradeMarks LP and/or one or more of their respective wholly-owned Subsidiaries, any offer, proposal or inquiry (written or oral) from any Person or group of Persons other than the AWFS Entities (or any affiliate thereof) after the date of the Combination Agreement relating to: (a) any sale, disposition, alliance or joint venture (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), direct or indirect, in a single transaction or a series of related transactions, of assets representing 20.0% or more of the consolidated assets of the Fund and its Subsidiaries, taken as a whole, or contributing 20.0% or more of the consolidated revenue of the Fund and its Subsidiaries, taken as a whole, or of 20.0% or more of the voting, equity or other securities of the Fund or any of its Subsidiaries (or rights or interests in such voting, equity or other securities); (b) any direct or indirect take-over bid, tender offer, exchange offer, sale or issuance of securities, or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 20.0% or more of any class of voting, equity or other securities (including securities convertible into or exercisable or exchangeable for voting, equity or other securities) of the Fund or any of its Subsidiaries; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license involving the Fund or any of its Subsidiaries; or (d) any other transaction or series of related transactions involving the Fund or any of its Subsidiaries having a similar result as any of the foregoing.

"affiliate" or **"Affiliate"** means, with respect to a Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person.

"AIF" has the meaning set out in *"Documents Incorporated by Reference"*.

"ARC" has the meaning set out in *"The Transaction – Competition Act Clearance"*.

"Arrangement" means the arrangement pursuant to Section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 1.10 of the Combination Agreement or Article 5 of the Plan of Arrangement, or made at the direction of the Court in the Final Order.

"Arrangement Resolution" means the special resolution of the Unitholders, Limited Voting Unitholders and Exchangeable Securityholders approving the Transaction to be considered at the Meeting, substantially in the form of Appendix A.

"Articles of Arrangement" means the articles of arrangement of A&W Food Services in respect of the Transaction required by the CBCA 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 substance satisfactory to the Fund and A&W Food Services, each acting reasonably.

"AWC GP" means AWC General Partnership.

"AWC Notes" means the non-interest bearing notes owing by Buddy Holdings to certain of its shareholders as of the Effective Date, with an aggregate principal amount equal to \$12,522,052.90.

"AWFS Entities" means A&W Canada, A&W Food Services, AWFS Holdings, A&W Holdings 1, A&W Holdings 2 and Buddy Holdings.

"AWFS Holdings" means AWFS Holdings Inc.

"AWFS Material Adverse Effect" means any change, event, occurrence, effect, state of facts, circumstance or development that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts, circumstances or developments, is or would reasonably be expected to be material and adverse to the business, operations, affairs, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities (contingent or otherwise) of the AWFS Entities and their Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts, circumstance or development resulting from or arising in connection with: (a) any change, development or condition generally affecting the industries, businesses or segments thereof, in which the AWFS Entities and their Subsidiaries operate; (b) any change, development or condition in or relating to global, national or regional political conditions (including strikes, lockouts, protests,

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 Authority; (e) any change in applicable generally accepted accounting principles, including IFRS; (f) any hurricane, flood, tornado, earthquake or other natural disaster or man-made disaster; (g) any epidemic, pandemic or outbreak of illness or other health crisis or public health event, or the worsening of any of the foregoing; (h) any action taken (or omitted to be taken) by any of the AWFS Entities or any of their Subsidiaries which is required by Law or required to be taken (or omitted to be taken) pursuant to the Combination Agreement or that is requested or consented to by the Fund in writing; (i) the failure of the AWFS Entities to meet any internal, published or public projections, forecasts, guidance or estimates, including revenues, earnings or cash flows (it being understood that the causes underlying such failure may, to the extent not otherwise excluded from the definition of AWFS Material Adverse Effect, be taken into account in determining whether an AWFS Material Adverse Effect has occurred); (j) any matter which has been disclosed by A&W Food Services in the Disclosure Letter or fairly disclosed in the documents publicly filed under the profile of the Fund on SEDAR+ between January 1, 2023 and the date of the Combination Agreement; or (k) the execution, announcement, pendency or performance of the Combination Agreement or consummation of the Arrangement, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the AWFS Entities or any of their Subsidiaries with any of their current or prospective employees, lenders, customers, shareholders, suppliers or other business partners; provided, however, that each of clauses (a) through (g) above shall not apply to the extent that any of the changes, events, occurrences, effects, state of facts, circumstances or developments referred to therein disproportionately adversely affect the AWFS Entities and their Subsidiaries, taken as a whole, in comparison to other Persons in the industries in which the AWFS Entities and their Subsidiaries operate.

“AWFS NIB Loan” means the non-interest bearing note owing by A&W Food Services (or its successors), with an aggregate principal amount equal to the value of the Accrued Distribution to be paid to the holders of Limited Voting Units under Section 2.3(d) of the Plan of Arrangement.

“AWFS Support and Voting Agreement” has the meaning set out in *“Key Agreements Relating to the Transaction – Support and Voting Agreements”*.

“A&W Canada” means A & W of Canada Inc.

“A&W Canada Governance Agreement” means the governance agreement dated April 16, 2021 among Paul Hollands, David Mindell, Jefferson Mooney, Weeo Gweat Enterprises Inc., Wavin’ In the Breeze Holdings Inc., Valflo Enterprises Inc., Braeside Consulting Services Ltd., 463464 B.C. Ltd., Micnic Consulting Inc., Graham Cooke, Susan Senecal and Patricia Sahlstrom.

“A&W Food Services” means A & W Food Services of Canada Inc.

“A&W Food Services NewCo” means A & W Food Services of Canada Inc., the corporation that will result from the amalgamation of A&W Food Services, A&W Canada, AWFS Holdings, A&W Holdings 1, A&W Holdings 2 and Buddy Holdings, in accordance with Section 2.3(a) of the Plan of Arrangement.

“A&W Food Services NewCo Shares” means the common shares in the capital of A&W Food Services NewCo.

“A&W Holdings 1” means A&W Holdings I Inc.

“A&W Holdings 1 Shares” means the common shares in the capital of A&W Holdings 1.

“A&W Holdings 2” means A&W Holdings II Inc.

“A&W Management” has the meaning set out in *“The Transaction – TD Formal Valuation and Fairness Opinion”*.

“A&W Marks” means the Canadian trademark “A&W” and all other trade-marks and associated rights that TradeMarks LP licences to A&W Food Services pursuant to the Licence and Royalty Agreement.

“Beneficial Unitholder” has the meaning set out in *“Information Concerning the Meeting – Beneficial Unitholders”*.

“Board” means the board of Trustees.

“Board Recommendation” means the unanimous recommendation of the Board that Unitholders vote **FOR** the Arrangement Resolution as set forth in this Circular.

“Broadridge” has the meaning set out in *“Information Concerning the Meeting – Beneficial Unitholders”*.

“Buddy Holdings” means Buddy Holdings Inc.

“Buddy Holdings Shares” means the common shares in the capital of Buddy Holdings.

“Business Day” means any day, other than Saturday, Sunday or any statutory holiday, when banks are generally open in Vancouver, British Columbia and Toronto, Ontario for the transaction of banking business.

“Cash Consideration” has the meaning set out in *“Questions and Answers About the Meeting”*.

“Cash Electing Unitholder” means a Unitholder that has (a) validly elected to receive the Cash Consideration in accordance with Section 2.4 of the Plan of Arrangement or (b) has been deemed to have elected to receive Cash Consideration pursuant to Section 2.7(b) of the Plan of Arrangement.

“Cash Election” has the meaning set out in *“Procedure for Exchange of Units, Elections and Payment of Consideration – Available Elections – Consideration Election”*.

“Cash Election Unit” means each Unit in respect of which a Unitholder has (a) made a valid Cash Election in accordance with Section 2.4 of the Plan of Arrangement and is not deemed to have made a Share Election in respect of such Unit under Section 2.6(b) of the Plan of Arrangement, or (b) been deemed to have made a Cash Election in accordance with Section 2.7(b) of the Plan of Arrangement.

“Cash Pro-Ration Factor” means the fraction, rounded to six decimal places, the numerator of which is the Maximum Cash Consideration minus the aggregate cash consideration payable to Combination Electing Unitholders and the denominator of which is the Total Elected Cash Consideration minus the aggregate cash consideration payable to Combination Electing Unitholders.

“CBCA” means the *Canada Business Corporations Act*.

“CDS” means CDS Clearing and Depository Services Inc.

“Certificate of Arrangement” means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement.

“Change in Recommendation” means if the Board or any committee of the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, publicly proposes or states its intention to do so, or fails to publicly reaffirm (without qualification) within five Business Days after having been requested in writing by the AWFS Entities to do so (or in the event that the Meeting is scheduled to occur within such five Business Day period, within two Business Days of such request), the Board Recommendation or takes no position or a neutral position with respect to an Acquisition Proposal for more than five Business Days after first learning of an Acquisition Proposal (or in the event that the Meeting is scheduled to occur within such five Business Day period, for more than two Business Days), or accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal, or enters into a written agreement (other than an acceptable confidentiality agreement permitted by and in accordance with the Combination Agreement) with respect to an Acquisition Proposal.

“CIBC” has the meaning set out in *“The Transaction – Background to the Transaction”*.

“Circular” means the Notice of Meeting and this accompanying management information circular dated August 29, 2024, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Combination Agreement.

“Claims” has the meaning set out in *“Key Agreements Relating to the Transaction – Support and Voting Agreements – AWFS Support and Voting Agreement – Release”*.

“Combination Agreement” means the combination agreement dated July 21, 2024, by and among the Fund, AWFS Holdings, A&W Food Services, TradeMarks LP, TMI, A&W Canada, A&W Holdings 1, A&W Holdings 2 and Buddy Holdings (including the schedules thereto), as it may be amended, modified or from time to time in accordance with the terms thereof, together with the Disclosure Letter.

“Combination Consideration” has the meaning set out in *“Questions and Answers About the Meeting”*.

“Combination Electing Unitholder” means a Unitholder that has validly elected to receive the Combination Consideration in accordance with Section 2.4 of the Plan of Arrangement.

“Combination Election” has the meaning set out in *“Procedure for Exchange of Units, Elections and Payment of Consideration – Available Elections – Consideration Election”*.

“Commissioner of Competition” means the Commissioner of Competition established under Subsection 7(1) of the Competition Act and any Person authorized to perform duties on behalf of the Commissioner of Competition.

“Competition Act” means the *Competition Act* (Canada).

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

“CRA” means the Canada Revenue Agency.

“Credit Agreement” means the credit agreement to be entered into on or about the Effective Date pursuant to the Debt Financing in respect of a \$325,000,000 revolving credit facility between A&W Food Services NewCo as borrower, Canadian Imperial Bank of Commerce, as agent, and the financial institutions party thereto from time to time, as lenders, as such credit agreement may be amended, restated, supplemented, modified, refinanced or replaced from time to time.

“Davies” has the meaning set out in *“The Transaction – Background to the Transaction”*.

“Debt Commitment Letter” has the meaning set out in *“The Transaction – Financing of the Transaction”*.

“Debt Financing” has the meaning set out in *“The Transaction – Financing of the Transaction”*.

“Declaration of Trust” means the amended and restated declaration of trust dated May 1, 2018, as amended from time to time, by which the Fund is governed.

“Declaration of Trust Amendment” means the amendment to the Declaration of Trust, in the form set out in Appendix C.

“Demand for Payment” has the meaning set out in *“Dissenting Unitholders”*.

“Demand Registration” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement – Registration Rights”*.

“Depository” means Computershare Investor Services Inc.

“Directors Election Meeting” means any annual meeting or special meeting of the holders of A&W Food Services NewCo Shares at which, or any solicitation of such holders of A&W Food Services NewCo Shares to approve a shareholder resolution in connection with which, directors are to be elected to the NewCo Board.

“Disclosure Letter” means the letter dated the date of the Combination Agreement and delivered by A&W Food Services to the Fund concurrently therewith.

“Dissent Notice” has the meaning set out in *“Dissenting Unitholders”*.

“Dissent Rights” has the meaning set out in *“Dissenting Unitholders”*.

“Dissenting Unitholder” has the meaning set out in *“Dissenting Unitholders”*.

“Dissenting Units” has the meaning set out in *“Dissenting Unitholders”*.

“Distribution” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement – Registration Rights”*.

“EBITDA” means earnings before interest, taxes, depreciation, and amortization.

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

“Effective Time” means 11:50 p.m. (Toronto Time) on the Effective Date, or such other time as the Fund and A&W Food Services agree to in writing on or before the Effective Date.

“Elected Amount” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Disposition of Units – Section 85 Election”*.

“Election” has the meaning set out in *“Questions and Answers About the Meeting”*.

“Election Deadline” has the meaning set out in *“Questions and Answers About the Meeting”*.

“Electing Resident Holder” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Disposition of Units – Section 85 Election”*.

“Eligible Holder” means a Beneficial Unitholder immediately prior to the Effective Time who is a resident of Canada for purposes of the Tax Act (other than a Tax Exempt Person), or a partnership any member of which is a resident of Canada for the purposes of the Tax Act (other than a Tax Exempt Person).

“Eligible Securities” means, with respect to an Investor Group, the A&W Food Services NewCo Shares issued pursuant to the Arrangement to the Investor associated with such Investor Group or, if applicable, its Holdco, and any A&W Food Services NewCo Shares issued after the completion of the Arrangement to an Investor Group Member of such Investor Group in exchange or substitution for such shares in connection with any share split, share consolidation, recapitalization, amalgamation, arrangement or similar transaction with respect to the A&W Food Services NewCo Shares, as a class, in each case so as long as such A&W Food Services NewCo Shares are held by an Investor Group Member of such Investor Group.

“Equity Incentive Plan” means the equity incentive plan of A&W Food Services NewCo to be effective following closing of the Transaction, the full text of which is set forth in Appendix K.

“Equity Incentive Plan Resolution” means the ordinary resolution of the Unitholders, Limited Voting Unitholders and Exchangeable Securityholders approving the Equity Incentive Plan to be considered at the Meeting substantially in the form of Appendix J.

“Exchangeable Securities” means securities of TMI that are convertible into or exchangeable for Trust Units.

“Exchangeable Securityholders” means the holders of Exchangeable Securities.

“Excluded Votes” has the meaning set out in *“Certain Legal Matters – Securities Laws Matters – Minority Approval”*.

“Existing Public Unitholders” means the existing Unitholders (other than A&W Food Services).

“Expense Amount” means \$4,000,000.

“Expense Agreement” means the agreement dated February 2, 2024 among the Fund, TMI and A&W Food Services.

“Final Hearing” has the meaning set out in *“The Transaction – Court Approval – Final Order”*.

“Final Order” means the final order of the Court approving the Transaction made pursuant to Section 192 of the CBCA, in a form acceptable to the Fund and A&W Food Services, each acting reasonably, as such order may be amended by the Court at any time prior to the Effective Date, or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal (provided that any such amendment is acceptable to the Fund and A&W Food Services, each acting reasonably).

“Fund” means A&W Revenue Royalties Income Fund.

“Fund Material Adverse Effect” means any change, event, occurrence, effect, state of facts, circumstance or development that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts, circumstances or developments, is or would reasonably be expected to be material and adverse to the business, operations, affairs, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Fund and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts, circumstance or development resulting from or arising in connection with: (a) any change, development or condition generally affecting the industries, businesses or segments thereof, in which the Fund and its Subsidiaries operate; (b) any change, development or condition in or relating to global, national or regional political conditions (including strikes, lockouts, protests, 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 Authority; (e) any change in applicable generally accepted accounting principles, including IFRS; (f) any hurricane, flood, tornado, earthquake or other natural disaster or man-made disaster; (g) any epidemic, pandemic or outbreak of illness or other health crisis or public health event, or the worsening of any of the foregoing; (h) any change, event, occurrence, effect, state of facts, circumstance or development relating to any of the AWFS Entities, their Subsidiaries or their respective businesses; (i) any action taken (or omitted to be taken) by the Fund or any of its Subsidiaries which is required by Law or required to be taken (or omitted to be taken) pursuant to the Combination Agreement or that is requested or consented to by A&W Food Services in writing; (j) the failure of the Fund to meet any internal, published or public projections, forecasts, guidance or estimates, including revenues, earnings or cash flows (it being understood that the causes underlying such failure may, to the extent not otherwise excluded from the definition of Fund Material Adverse Effect, be taken into account in determining whether a Fund Material Adverse Effect has occurred); (k) any matter which has been fairly disclosed in the documents publicly filed under the profile of

the Fund on SEDAR+ between January 1, 2023 and the date of the Combination Agreement; (l) the execution, announcement, pendency or performance of the Combination or consummation of the Arrangement, including any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Fund or any of its Subsidiaries with any of their current or prospective employees, lenders, customers, shareholders, suppliers or other business partners; or (m) any change in the market price or trading volume of any securities of the Fund (it being understood that the causes underlying such change in market price or trading volume may, to the extent not otherwise not excluded from the definition of Fund Material Adverse Effect, be taken into account in determining whether a Fund Material Adverse Effect has occurred) or any suspension of trading in securities generally on any securities exchange on which any securities of the Fund trade; provided, however, that each of clauses (a) through (g) above shall not apply to the extent that any of the changes, events, occurrences, effects, state of facts, circumstances or developments referred to therein disproportionately adversely affect the Fund and its Subsidiaries taken as a whole in comparison to other Persons in the industries in which the Fund and its Subsidiaries operate.

“Governmental Authority” means any foreign, international, federal, provincial, state, local, municipal, regional, territorial, aboriginal or other government, governmental or public department, branch, ministry, tribunal or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature as well as any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them, including any stock exchange.

“Holdcos” and **“Holdco”** has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement”*.

“Holder” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations”*.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Independent Directors” means a director of A&W Food Services NewCo who (1) is not, in respect of the transaction or matter to be approved, (a) a party to nor has a material interest in such transaction or matter; (b) a director, officer or employee (or individual who acts in any similar capacity) of any party who has a material interest in such transaction or matter or any Affiliates of, or Persons acting jointly or in concert with, such party; or (c) a Person who is a member of the immediate family of any such party, or Persons acting jointly or in concert with, such party; (2) is not a Nominee of any Investor; and (3) is independent within the meaning of section 1.4 of NI 52-110.

“Interim Order” means the interim order of the Court date August 29, 2024 made pursuant to Section 192 of the CBCA, providing for, among other things, the calling and holding of the Meeting, as the same may be amended by the Court with the consent of the Fund and A&W Food Services, each acting reasonably.

“Intermediary” has the meaning set out in *“Information Concerning the Meeting – Beneficial Unitholders”*.

“Investor Funds” means any investment fund, managed account, side-by-side vehicle, co-investment vehicle, holding company, aggregator vehicle or other similar investment vehicle managed or controlled by TorQuest Partners Fund IV, as applicable, or any respective Affiliate thereof or of which TorQuest Partners Fund IV or any Affiliate thereof of TorQuest Partners Fund IV serves as the general partner, managing member or discretionary manager (excluding, in each case, any portfolio company).

“Investor Group” means, with respect to an Investor, such Investor, together with its Holdco, if any, and such Investor’s respective Permitted Transferees, in each case so long as such Holdco or Permitted Transferee of such Investor holds A&W Food Services NewCo Shares and, in the case of a Permitted Transferee that is a member of the immediate family of Paul Hollands, David Mindell or Jefferson Mooney, has executed a joinder to the Investor Rights Agreement in accordance with the terms of the Investor Rights Agreement.

“Investor Group Member” means any member of the applicable Investor Group.

“Investor Rights Agreement” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement”*.

“Investors” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement”*.

“Laurel Hill” has the meaning set out in *“Management Information Circular – Introduction”*.

“Law” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), by-law, statute, constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority, as amended.

“Letter of Transmittal and Election Form” has the meaning set out in *“Questions and Answers About the Meeting”*.

“Licence and Royalty Agreement” means the amended and restated licence and royalty agreement dated December 22, 2010, as amended from time to time, between TradeMarks LP and A&W Food Services.

“Liens” means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, adverse right or claim, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation, whether contingent or absolute.

“Limited Voting Unitholders” means the holders of Limited Voting Units.

“Limited Voting Units” means the limited voting units of the Fund.

“Management Fund Forecast” has the meaning set out in *“The Transaction – TD Formal Valuation and Fairness Opinion – Scope of Review and Assumptions and Limitations”*.

“Management NewCo Forecast” has the meaning set out in *“The Transaction – TD Formal Valuation and Fairness Opinion – Scope of Review and Assumptions and Limitations”*.

“Matching Period” has the meaning set out in *“Key Agreements Relating to the Transaction – Combination Agreement – Covenants – Right to Match”*.

“Maximum Cash Consideration” has the meaning set out in *“Procedure for Exchange of Units, Elections and Payment of Consideration – Proration – Cash Proration”*.

“Maximum Share Consideration” has the meaning set out in *“Procedure for Exchange of Units, Elections and Payment of Consideration – Proration – Share Proration”*.

“Meeting” means the special meeting of Unitholders, Limited Voting Unitholders and Exchangeable Securityholders (including any adjournment or postponement thereof), that is to be convened in accordance with the Interim Order to consider and, if deemed advisable, to approve the Arrangement Resolution and the Equity Incentive Plan Resolution.

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“Minority Approval” has the meaning set out in *“The Transaction – Required Unitholder Approvals”*.

“NewCo Board” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement”*.

“NewCo Board Committee” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement – Board Composition and Nomination Rights”*.

“NI 52-110” means National Instrument 52-110 – *Audit Committees*.

“NI 54-101” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

“No Action Letter” has the meaning set out in *“The Transaction – Competition Act Clearance”*.

“NOBO” has the meaning set out in *“Information Concerning the Meeting – Beneficial Unitholders”*.

“Nominee” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement – Board Composition and Nomination Rights”*.

“Non-Resident Holder” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of Holders Not Resident in Canada”*.

“Non-Resident Dissenting Holder” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of Holders Not Resident in Canada – Dissenting Non-Resident Holders”*.

“Non-Voting Common Shares without Par Value” means the Non-Voting Common Shares without Par Value in the capital of TMI.

“Notice of Application” means the notice of application for the Final Order as set forth in Appendix E.

“Notice of Intention” has the meaning set out in *“Dissenting Unitholders”*.

“Notice of Meeting” means the notice of meeting included as part of this Circular.

“OBO” has the meaning set out in *“Information Concerning the Meeting – Beneficial Unitholders”*.

“Offer to Pay” has the meaning set out in *“Dissenting Unitholders”*.

“Option Plan” has the meaning set out in *“Key Agreements Relating to the Transaction – Combination Agreement – Covenants – Termination of Agreements”*.

“Outside Date” means November 18, 2024, or such later date as may be agreed to in writing by A&W Food Services and the Fund.

“Parties” and **“Party”** has the meaning set out *“Key Agreements Relating to the Transaction – Combination Agreement”*.

“Permitted Transferee” means, with respect to an Investor (a) any Affiliate of such Investor or any successor to such Investor or its Affiliates, provided that, in the case of TorQuest Partners Fund IV for the purposes of this definition, Affiliate shall include any investment fund, managed account, side-by-side vehicle, co-investment vehicle, holding company, aggregator vehicle or other similar investment vehicle managed or controlled by TorQuest Partners Fund IV, as applicable, or any respective Affiliate thereof or of which TorQuest Partners Fund IV or any Affiliate thereof of TorQuest Partners Fund IV serves as the general partner, managing member or discretionary manager but excluding any portfolio company (as such term is commonly used in the private equity industry) of the foregoing and (b) any members of the immediate family of such Investor.

“Person” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative or Governmental Authority however designated or constituted.

“Piggy-Back Notice” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement – Piggy-Back Registration Rights”*.

“Piggy-Back Registration” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement – Piggy-Back Registration Rights”*.

“Plan of Arrangement” has the meaning set out in *“Questions and Answers About the Meeting”*.

“Portfolio Company” means any portfolio company (as such term is commonly used in the private equity industry) of the Investor Funds.

“Pre-Arrangement Reorganization” has the meaning set out in *“The Transaction – Pre-Arrangement Reorganization”*.

“QSR” means quick service restaurant.

“RBC” means RBC Dominion Securities Inc., a member company of RBC Capital Markets.

“RBC Engagement Agreement” has the meaning set out in *“The Transaction – RBC Fairness Opinion – Engagement of RBC Capital Markets”*.

“RBC Fairness Opinion” means the fairness opinion from RBC which concluded that as of July 21, 2024, and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates), the full text of which is set forth in Appendix H.

“Record Date” has the meaning set out in *“Information Concerning the Meeting – Record Date”*.

“Registered Plan Investors” means trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans, tax-free savings accounts and first home savings accounts each as defined in the Tax Act.

“Registered Unitholder” has the meaning set out in *“Information Concerning the Meeting – Registered Unitholders”*.

“Releasees” has the meaning set out in *“Key Agreements Relating to the Transaction – Support and Voting Agreements – AWFS Support and Voting Agreement – Release”*.

“Releasing Party” has the meaning set out in *“Key Agreements Relating to the Transaction – Support and Voting Agreements – AWFS Support and Voting Agreement – Release”*.

“Resident Holder” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada”*.

“Resident Dissenting Holder” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Dissenting Resident Holders”*.

“Standstill Period” has the meaning set out in *“Key Agreements Relating to the Transaction – Investor Rights Agreement – Standstill”*.

“Section 85 Election” has the meaning set out in *“Procedure for Exchange of Units, Elections and Payment of Consideration – Available Elections – Section 85 Election”*.

“Section 85 Election Form” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Taxation of Holders Resident in Canada – Disposition of Units – Section 85 Election”*.

“Section 85 Electing Unitholder” means a Unitholder that has indicated their intention to make a Section 85 Election in a validly submitted Letter of Transmittal and Election Form.

“Section 85 Election Deadline Date” has the meaning set out in *“Procedure for Exchange of Units, Elections and Payment of Consideration – Available Elections – Section 85 Election”*.

“Securities Laws” means, collectively, the securities Laws of each of the provinces of Canada and the respective regulations and rules made under those securities Laws together with all applicable policy statements, blanket orders and rulings of the securities commissions and all discretionary orders or rulings, if any, of the securities commissions made in connection with the Transaction and the securities legislation and policies of each other relevant jurisdiction, together with applicable published policy statements of the Canadian Securities Administrators.

“Share Consideration” has the meaning set out in *“Questions and Answers About the Meeting”*.

“Share Electing Unitholder” means a Unitholder that (a) has validly elected or has been deemed to have elected to receive the Share Consideration in accordance with Section 2.4 of the Plan of Arrangement or (b) has been deemed to have elected to receive Share Consideration pursuant to Section 2.6(b) of the Plan of Arrangement.

“Share Election” has the meaning set out in *“Procedure for Exchange of Units, Elections and Payment of Consideration – Available Elections – Consideration Election”*.

“Share Election Unit” means each Unit in respect of which a Unitholder has (a) made a valid Share Election or has been deemed to have made a Share Election in accordance with Section 2.4 of the Plan of Arrangement and is not deemed to have made a Cash Election in respect of such Unit under Section 2.7(b) of the Plan of Arrangement or (b) been deemed to have made a Share Election in accordance with Section 2.6(b) of the Plan of Arrangement.

“Share Pro-Ration Factor” means the fraction, rounded to six decimal places, the numerator of which is the Maximum Share Consideration minus the aggregate number of A&W Food Services NewCo Shares issuable to Combination Electing Unitholders and the denominator of which is the Total Elected Share Consideration minus the aggregate number of A&W Food Services NewCo Shares issuable to Combination Electing Unitholders.

“SIFT Tax” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations – Status of the Fund – SIFT Trust”*.

“Stikeman” has the meaning set out in *“The Transaction – Background to the Transaction”*.

“SSSG” means same store sales growth.

“Subco” means AWFS Fund Holdings Canada Ltd., a corporation incorporated under the Laws of Canada.

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

“Subject Securities” means the securities of the AWFS Entities or the Fund, as applicable, of which the Supporting Investors are, directly or indirectly, the registered and/or beneficial owners of, or exercise control or direction over, as set out in Schedule A of each Supporting Investors’ Support and Voting Agreement.

“Subsidiary” means, with respect to any Person, any corporation, partnership, limited partnership, trust or other Person controlled, directly or indirectly, by that Person.

“Superior Proposal” means any unsolicited bona fide written Acquisition Proposal from a Person who is an arm’s-length third party to acquire not less than all of the outstanding Units not beneficially owned by the Person making such Acquisition Proposal or all or substantially all of the assets of the Fund on a consolidated basis that: (a) complies with Securities Laws in all material respects and did not result from or involve a breach of Article 6 of the Combination Agreement or any agreement between the Person making such Acquisition Proposal and the Fund; (b) is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the Person making such proposal; (c) is not subject to any financing condition and in respect of which adequate arrangements have been made to ensure that the required funds will be available to effect payment in full for all of the Units or assets, as the case may be; (d) is not subject to any due diligence or access condition; and (e) the Board determines, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal, would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to the Unitholders (other than to each of the AWFS Entities) than the Arrangement.

“Superior Proposal Notice” has the meaning set out in *“Key Agreements Relating to the Transaction – Combination Agreement – Covenants – Right to Match”*.

“Support and Voting Agreements” means the support and voting agreements dated July 21, 2024 among the Fund and A&W Food Services, and each of the Supporting Investors.

“Supporting Investors” means those Persons who have entered into Support and Voting Agreements, being TorQuest Partners Fund IV, David Mindell, Jefferson Mooney, Paul Hollands, Axel Rehkatsch, Graham Cooke, Donald Leslie, Patricia Sahlstrom, Bill Levine, Kevin Mahoney, Fern Glowinsky, Andrew Dunn, Susan Senecal, Kelly Blankstein and Catherine Anderson, including, in certain cases, their respective personal holding companies.

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

“Tax Exempt Person” means a person who is exempt from tax under Part I of the Tax Act, including Registered Plan Investors.

“Tax Proposals” has the meaning set out in *“Certain Canadian Federal Income Tax Considerations”*.

“Taxes” means (a) all federal, provincial, municipal, state, local, foreign or other taxes, levies, duties, assessments, reassessments and other charges together with all related penalties, interest and fines, due and payable to any government, or imposed by any court or any other Law, regulation or rulemaking entity having jurisdiction in relevant circumstances, including, without limitation income, gross receipts, capital, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, franchise, profits, withholding, social security, real property, land transfer, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, health and other taxes, as well as customs duties, Canada Pension Plan and provincial pension plan contributions, workers’ compensation premiums, and other tax surtaxes, fees, levies, withholdings, assessments and duties, and (b) any liability for the payment of any amounts of the type described in (a) of this definition as a result of any tax sharing, tax allocation or tax indemnification agreement, arrangement or understanding or as a result of being liable for another Person’s taxes as a transferee or successor by contract or otherwise.

“TD Engagement Agreement” has the meaning set out in *“The Transaction – TD Formal Valuation and Fairness Opinion – Engagement of TD Securities”*.

“TD Formal Valuation and Fairness Opinion” means the formal valuation and fairness opinion from TD Securities Inc. which concluded that, as of July 21, 2024, and subject to certain assumptions, limitations and qualifications set forth therein, (a) the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit, (b) the fair market value of the A&W Food Services NewCo Shares is in the range of \$32.00 to \$38.00 per share, (c) based on the fair market value range of the A&W Food Services NewCo Shares, the value of the Combination Consideration is in the range of \$33.63 to \$37.67, and (d) the consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates), the full text of which is set forth in Appendix G.

“TD Securities” means TD Securities Inc.

“Termination Fee” has the meaning set out in *“Questions and Answers About the Meeting”*.

“TM Newco” has the meaning set out in *“The Transaction – Pre-Arrangement Reorganization”*.

“TMI” means A&W Trade Marks Inc.

“TorQuest Partners Fund IV” means, collectively, TorQuest Partners Fund IV, L.P., TorQuest Partners Fund (U.S.) IV, L.P. and TorQuest Capital Fund IV, L.P.

"Total Elected Cash Consideration" has the meaning set out in *"Procedure for Exchange of Units, Elections and Payment of Consideration – Proration – Cash Proration"*.

"Total Elected Share Consideration" has the meaning set out in *"Procedure for Exchange of Units, Elections and Payment of Consideration – Proration – Share Proration"*.

"TradeMarks LP" means A&W Trade Marks Limited Partnership.

"Transaction" has the meaning set out in *"Questions and Answers About the Meeting"*.

"Transfer" has the meaning set out in *"Key Agreements Relating to the Transaction – Investor Rights Agreement – Lock-Up Arrangements"*.

"Trust Units" means the Units and Limited Voting Units.

"Trustee" means a trustee of the Fund.

"Trustee Support and Voting Agreement" has the meaning set out in *"Key Agreements Relating to the Transaction – Support and Voting Agreements"*.

"TSX" means The Toronto Stock Exchange.

"Unitholders" means the holders of Units.

"Units" means units of the Fund.

"U.S. Exchange Act" has the meaning set out in *"Management Information Circular – Information Concerning United States Unitholders"*.

"U.S. Securities Act" has the meaning set out in *"Management Information Circular – Information Concerning United States Unitholders"*.

"VIF" has the meaning set out in *"Information Concerning the Meeting – Beneficial Unitholders"*.

CONSENT OF TD SECURITIES INC.

Dated: August 29, 2024

To the Board of Trustees of A&W Revenue Royalties Income Fund

We refer to the formal valuation and fairness opinion of our firm dated July 21, 2024 (the "**TD Formal Valuation and Fairness Opinion**") attached as Appendix G to the management information circular dated August 29, 2024 (the "**Circular**") of A&W Revenue Royalties Income Fund (the "**Fund**") which we prepared for the board of trustees of the Fund. In connection with the Transaction (as defined in the Circular), we hereby consent to the inclusion of the TD Formal Valuation and Fairness Opinion as Appendix G to the Circular, to the filing of the TD Formal Valuation and Fairness Opinion with the securities regulatory authorities in the provinces of Canada, and to the references to our firm name, the inclusion of the summary of the TD Formal Valuation and Fairness Opinion, and the reference thereto, in the Circular. In providing our consent, we do not intend that any person other than the Board of Trustees of the Fund shall be entitled to rely upon the TD Formal Valuation and Fairness Opinion.

(Signed) TD Securities Inc.

CONSENT OF RBC DOMINION SECURITIES INC.

Dated: August 29, 2024

To the Board of Trustees of A&W Revenue Royalties Income Fund

We refer to the fairness opinion of our firm dated July 21, 2024 (the "**RBC Fairness Opinion**") attached as Appendix H to the management information circular dated August 29, 2024 (the "**Circular**") of A&W Revenue Royalties Income Fund (the "**Fund**") which we prepared for the board of trustees of the Fund. In connection with the Transaction (as defined in the Circular), we hereby consent to the inclusion of the RBC Fairness Opinion as Appendix H to the Circular, to the filing of the RBC Fairness Opinion with the securities regulatory authorities in the provinces of Canada, and to the references to our firm name, the inclusion of the summary of the RBC Fairness Opinion, and the reference thereto, in the Circular. In providing our consent, we do not intend that any person other than the Board of Trustees of the Fund shall be entitled to rely upon the RBC Fairness Opinion.

(Signed) RBC Dominion Securities Inc.

APPENDIX A

ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under section 192 of the *Canada Business Corporations Act* (the “**CBCA**”) involving A&W Revenue Royalties Income Fund (the “**Fund**”), pursuant to the combination agreement among the Fund, A&W Trade Marks Limited Partnership (“**Trademarks LP**”), A&W Trade Marks Inc. (“**TMI**”), A & W Food Services of Canada Inc. (“**Food Services**”), AWFS Holdings Inc. (“**Holdings**”), A&W Holdings I Inc. (“**Holdings I**”), A&W Holdings II Inc. (“**Holdings II**”), A & W of Canada Inc. (“**A&W Canada**”) and Buddy Holdings Inc. (“**Buddy Holdings**”, and together with Food Services, Holdings, Holdings I, Holdings II and A&W Canada, the “**AWFS Entities**”) dated July 21, 2024, as it may be modified, supplemented or amended from time to time in accordance with its terms (the “**Combination Agreement**”), as more particularly described and set forth in the management information circular of the Fund dated August 29, 2024 (the “**Circular**”), as the Arrangement may be, or may have been, modified, amended or supplemented in accordance with the terms of the Combination Agreement, and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The plan of arrangement in respect of the Arrangement, as it may be, or may have been, modified, amended or supplemented in accordance with the Combination Agreement and its terms (the “**Plan of Arrangement**”), the full text of which is set out as Appendix B to the Circular, and the completion of each of the steps described in the Plan of Arrangement, including, the amendment to the Fund’s amended and restated declaration of trust dated May 1, 2018 (the “**Declaration of Trust**”), the full text of which is set out in Appendix C to the Circular, are hereby authorized, approved and adopted.
3. The reorganization transactions to be completed prior to the Arrangement involving the Fund, Trademarks LP, TMI and the AWFS Entities, as such transactions may be, or may have been, modified, amended or supplemented in accordance with the Combination Agreement (the “**Pre-Arrangement Reorganization**”), as more particularly described in the Circular, are hereby authorized, approved and adopted.
4. The: (i) Combination Agreement and all the transactions contemplated therein; (ii) actions of the trustees and officers of the Fund in approving the Arrangement, the Pre-Arrangement Reorganization and the Combination Agreement; and (iii) actions of the trustees and officers of the Fund in executing and delivering the Combination Agreement and any modifications, supplements or amendments thereto, and causing the performance by the Fund of its obligations thereunder, including the completion of the Pre-Arrangement Reorganization and Plan of Arrangement, are hereby ratified and approved.
5. The Fund be and is hereby authorized and directed to make an application to the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for an order approving the Arrangement, to execute and to deliver to the Director under the CBCA for filing articles of arrangement and to execute and deliver such other documents as are necessary or desirable to give effect to the Arrangement, the Plan of Arrangement, amendment to the Declaration of Trust and the Pre-Arrangement Reorganization in accordance with the Combination Agreement.
6. Notwithstanding that this resolution has been passed (and the Arrangement and Pre-Arrangement Reorganization adopted) by the holders of Trust Units and Exchangeable Securities of the Fund (each as defined in the Declaration of Trust) (the “**Unitholders**”) or that the Arrangement has been approved by the Court, the trustees and officers of the Fund are hereby authorized and empowered, without further notice to or approval of the Unitholders: (i) to amend, modify or supplement the Combination Agreement or the Plan of Arrangement to the extent permitted by their terms; and (ii) subject to the terms of the Combination Agreement, not to proceed with the Arrangement, amendment to the Declaration of Trust, the Pre-Arrangement Reorganization and any related transactions.
7. Any trustee or officer of the Fund is hereby authorized and directed, for and on behalf of the Fund, to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person’s opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such other document or instrument or the doing of any such other act or thing.

APPENDIX B
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*

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 specified in the Combination Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

“A&W Canada” means A & W of Canada Inc., a corporation amalgamated under the Laws of British Columbia.

“A&W Holdings 1” means A&W Holdings I Inc., a corporation incorporated under the Laws of British Columbia.

“A&W Holdings 1 Shares” means the common shares in the capital of A&W Holdings 1.

“A&W Holdings 2” means A&W Holdings II Inc., a corporation incorporated under the Laws of British Columbia.

“Accrued Distribution” means the distribution to the registered and beneficial owners of Units and Limited Voting Units of record as of immediately prior to the Effective Time, including, for greater certainty, AWFS, in an amount per Unit or Limited Voting Unit, as applicable, equal to \$1.92 multiplied by a fraction, the numerator of which is number of days between (a) the payment date of the last monthly distribution in respect of the Units and Limited Voting Units for which the payment date occurs prior to the Effective Date and (b) the Effective Date, and the denominator of which is 365.

“Affiliate” means, with respect to a Person, any other Person that directly or indirectly controls, is controlled by or is under common control with such Person.

“All Cash Consideration” means \$37.00 in cash for each Unit.

“All Share Consideration” means one (1) AWFS Amalco Share for each Unit.

“Arrangement” means the arrangement under Section 192 of the CBCA 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 the Combination Agreement and Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Fund and AWFS, each acting reasonably.

“Arrangement Resolution” means the special resolution approving the Plan of Arrangement to be considered at the Meeting by the Unitholders and holders of Exchangeable Securities, substantially in the form set out in Schedule C to the Combination Agreement.

“Articles of Arrangement” means the articles of arrangement of AWFS in respect of the Arrangement required by the CBCA 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 substance satisfactory to the Fund and AWFS, each acting reasonably.

“AWC Notes” means the non-interest bearing notes owing by Newco to certain of its shareholders as of the Effective Date, with an aggregate principal amount equal to \$12,522,052.90.

“AWFS” means A & W Food Services of Canada Inc., a corporation amalgamated under the Laws of Canada.

“AWFS Amalco” means A & W Food Services of Canada Inc., the corporation that will result from the amalgamation of AWFS, A&W Canada, AWFS Holdings, A&W Holdings 1, A&W Holdings 2 and Newco, in accordance with Section 2.3(a).

“AWFS Amalco Shares” means the common shares in the capital of AWFS Amalco.

“AWFS Holdings” means AWFS Holdings Inc., a corporation amalgamated under the Laws of British Columbia.

“AWFS NIB Loan” means the non-interest bearing note owing by AWFS (or its successors), with an aggregate principal amount equal to the value of the Accrued Distribution to be paid to the holders of Limited Voting Units under Section 2.3(d).

“Business Day” means any day, other than Saturday, Sunday or any statutory holiday, when banks are generally open in Vancouver, British Columbia and Toronto, Ontario for the transaction of banking business.

“Canadian Resident” means a beneficial Unitholder immediately prior to the Effective Time who is a resident of Canada for purposes of the Tax Act (other than a Tax Exempt Person), or a partnership any member of which is a resident of Canada for the purposes of the Tax Act (other than a Tax Exempt Person).

“Cash Consideration” means \$37.00 in cash for each Unit.

“Cash Electing Unitholder” means a Unitholder that has (i) validly elected to receive All Cash Consideration in accordance with Section 2.4 or (ii) has been deemed to have elected to receive Cash Consideration pursuant to Section 2.7(b).

“Cash Election” has the meaning specified in Section 2.4(a).

“Cash Election Unit” means each Unit in respect of which a Unitholder has (i) made a valid Cash Election in accordance with Section 2.4 and is not deemed to have made a Share Election in respect of such Unit under Section 2.6(b), or (ii) been deemed to have made a Cash Election in accordance with Section 2.7(b).

“Cash Pro-Ration Factor” means the fraction, rounded to six decimal places, the numerator of which is the Maximum Cash Consideration minus the aggregate cash consideration payable to Combination Electing Unitholders and the denominator of which is the Total Elected Cash Consideration minus the aggregate cash consideration payable to Combination Electing Unitholders.

“**CBCA**” means the *Canada Business Corporations Act*.

“**Certificate of Arrangement**” means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement.

“**Circular**” means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Unitholders and holders of Exchangeable Securities in connection with the Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Combination Agreement.

“**Combination Agreement**” means the combination agreement made as of July 21, 2024 among AWFS Holdings, AWFS, the Fund, TradeMarks LP, TMI, A&W Canada, A&W Holdings 1, A&W Holdings 2 and Newco (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms, together with the AWFS Disclosure Letter.

“**Combination Consideration**” means consideration per Unit consisting of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of an AWFS Amalco Share).

“**Combination Electing Unitholder**” means a Unitholder that has validly elected to receive the Combination Consideration in accordance with Section 2.4.

“**Combination Election**” has the meaning specified in Section 2.4(a)(iii).

“**Consideration Shares**” means AWFS Amalco Shares to be issued as part of the consideration pursuant to this Plan of Arrangement.

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

“**CRA**” means the Canada Revenue Agency.

“**Declaration of Trust**” means the amended and restated declaration of trust dated May 1, 2018, as amended from time to time, by which the Fund is governed.

“**Declaration of Trust Amendment**” means the new amendment to the Declaration of Trust to facilitate and permit the steps contemplated by the Arrangement, including, among other things, payment of the Accrued Distribution and the appointment of a corporate trustee of the Fund.

“**Depository**” means Computershare Trust Company of Canada or such other Person as the Fund may appoint to act as depository in relation to the Arrangement, with the approval of AWFS, acting reasonably.

“**Director**” means the Director appointed pursuant to section 260 of the CBCA.

“**Dissent Rights**” has the meaning specified in Section 3.1.

“**Dissenting Holder**” means a registered Unitholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and

who is ultimately determined to be entitled to be paid the fair value of its Units, but only in respect of the Units in respect of which Dissent Rights are validly exercised by such registered Unitholder.

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

“Effective Time” means 11:50 p.m. (Toronto time) on the Effective Date, or such other time as the Fund and AWFS agree to in writing on or before the Effective Date.

“Election Deadline” means 5:00 p.m. (Vancouver time) on the date that is two Business Days prior to the Meeting.

“Eligible Holder” means a Canadian Resident.

“Exchangeable Securities” means the Exchangeable Securities as defined in the Declaration of Trust.

“Final Order” means the final order of the Court, in a form acceptable to the Fund and AWFS, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Fund and AWFS, 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 acceptable to both the Fund and AWFS, each acting reasonably) on appeal.

“Fund” means A&W Revenue Royalties Income Fund, a limited purpose trust established under the Laws of British Columbia.

“Governmental Authority” means any foreign, international, federal, provincial, state, local, municipal, regional, territorial, aboriginal or other government, governmental or public department, branch, ministry, tribunal or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature as well as any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them, including any stock exchange.

“Interim Order” means the interim order of the Court made pursuant to Section 192 of the CBCA, in a form acceptable to AWFS and the Fund, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as the same may be amended by the Court with the consent of the Fund and AWFS, each acting reasonably.

“Law” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), by-law, statute, constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Authority that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Authority, as amended.

“Letter of Transmittal and Election Form” means the letter of transmittal and election form sent to registered Unitholders for use in connection with the Arrangement.

“Lien” means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, adverse right or claim, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation, whether contingent or absolute.

“Limited Voting Units” means the class of trust units of the Fund described in Section 3.1 of the Declaration of Trust as “Limited Voting Units”.

“Maximum Cash Consideration” has the meaning specified in Section 2.6(a).

“Maximum Share Consideration” has the meaning specified in Section 2.7(a).

“Meeting” means the special meeting of Unitholders and Exchangeable Securities (including any adjournment or postponement thereof), that is to be convened in accordance with the Interim Order to consider and, if deemed advisable, to approve the Arrangement Resolution and for any other matters as may be set out in the Circular and agreed to by the Fund and AWFS, each acting reasonably.

“Newco” means Buddy Holdings Inc., a corporation incorporated under the Laws of British Columbia.

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

“Parties” means, collectively, AWFS Holdings, AWFS, the Fund, TradeMarks LP, TMI, A&W Canada, Newco, A&W Holdings 1, A&W Holdings 2 and Subco and **“Party”** means any one of them.

“Person” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative or Governmental Authority however designated or constituted.

“Plan of Arrangement” means this plan of arrangement proposed under Section 192 of the CBCA, and any amendments or variations hereto made in accordance with the Combination Agreement and Section 5.1 or made at the direction of the Court in accordance with the Final Order with the prior written consent of the Fund and AWFS Amalco, each acting reasonably.

“Registered Plan Investors” means trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans, tax-free savings accounts and first home savings accounts each as defined in the Tax Act.

“Section 85 Electing Unitholder” means a Unitholder that has indicated their intention to make a Section 85 Election in a validly submitted Letter of Transmittal and Election Form.

“Section 85 Election” has the meaning specified in Section 2.5(a).

“Securities Laws” means, collectively, the securities Laws of each of the provinces of Canada and the respective regulations and rules made under those securities Laws together with all applicable policy statements, blanket orders and rulings of the Securities Commissions and all

discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by the Combination Agreement and the securities legislation and policies of each other relevant jurisdiction, together with applicable published policy statements of the Canadian Securities Administrators.

“Share Consideration” means one (1) AWFS Amalco Share for each Unit.

“Share Election” has the meaning specified in Section 2.4(a)(ii).

“Share Electing Unitholder” means a Unitholder that (i) has validly elected or has been deemed to have elected to receive the All Share Consideration in accordance with Section 2.4 or (ii) has been deemed to have elected to received Share Consideration pursuant to Section 2.6(b).

“Share Election Unit” means each Unit in respect of which a Unitholder has (i) made a valid Share Election or has been deemed to have made a Share Election in accordance with Section 2.4 and is not deemed to have made a Cash Election in respect of such Unit under Section 2.7(b) or (ii) been deemed to have made a Share Election in accordance with Section 2.6(b).

“Share Pro-Ration Factor” means the fraction, rounded to six decimal places, the numerator of which is the Maximum Share Consideration minus the aggregate number of AWFS Amalco Shares issuable to Combination Electing Unitholders and the denominator of which is the Total Elected Share Consideration minus the aggregate number of AWFS Amalco Shares issuable to Combination Electing Unitholders.

“Subco” means AWFS Holdings Canada Ltd., a corporation incorporated under the Laws of Canada.

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

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

“Tax Exempt Person” means a person who is exempt from tax under Part I of the Tax Act, including Registered Plan Investors.

“Taxes” means (i) all federal, provincial, municipal, state, local, foreign or other taxes, levies, duties, assessments, reassessments and other charges together with all related penalties, interest and fines, due and payable to any government, or imposed by any court or any other Law, regulation or rulemaking entity having jurisdiction in relevant circumstances, including, without limitation income, gross receipts, capital, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, franchise, profits, withholding, social security, real property, land transfer, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, health and other taxes, as well as customs duties, Canada Pension Plan and provincial pension plan contributions, workers’ compensation premiums, and other tax surtaxes, fees, levies, withholdings, assessments and duties, and (ii) any liability for the payment of any amounts of the type described in (i) of this definition as a result of any tax sharing, tax allocation or tax indemnification agreement, arrangement or understanding or as a result of being liable for another Person’s taxes as a transferee or successor by contract or otherwise;

“TMI” means A&W Trade Marks Inc., a corporation formed under the Laws of British Columbia.

“**Total Elected Cash Consideration**” has the meaning specified in Section 2.6(b).

“**Total Elected Share Consideration**” has the meaning specified in Section 2.7(b).

“**TradeMarks LP**” means A&W Trade Marks Limited Partnership, a limited partnership formed under the Laws of British Columbia.

“**Unitholders**” means the registered or beneficial holders of the Units, as the context requires.

“**Units**” means the class of trust units described in Section 3.1 of the Declaration of Trust as “Units”.

“**Trustees**” means the trustees of the Fund.

“**TSX**” means the Toronto Stock Exchange.

1.2 Certain Rules of Interpretation

In this Plan of Arrangement, 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.** All references to dollars or to \$ are references to Canadian dollars, unless specified otherwise.
- (3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (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.** 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.** Unless specified otherwise, references to time herein or in any Letter of Transmittal and Election Form are to local time in Toronto, Ontario.

ARTICLE 2 THE ARRANGEMENT

2.1 Combination Agreement

This Plan of Arrangement is made pursuant to, is subject to the provisions of, and forms a part of the Combination 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 securities of AWFS Holdings, AWFS, the Fund, A&W Canada, Newco, A&W Holdings 1 and A&W Holdings 2; all holders and beneficial owners of securities of the Parties, including the Unitholders (including Dissenting Holders); the registrar and transfer agent of the Fund; the Depositary; and all other Persons, at and after the Effective Time without any further act or formality required on the part of any Person.

2.3 Arrangement

At the Effective Time each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

- (a) Newco, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and AWFS will amalgamate under the CBCA to form AWFS Amalco. Upon such amalgamation:
 - (i) Newco, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and AWFS will be amalgamated and continue as one corporation under the CBCA and will continue under the name "A & W Food Services of Canada Inc.";
 - (ii) the location of the registered office of AWFS Amalco shall be 171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9;
 - (iii) there shall be no restrictions on the business that AWFS Amalco may carry on or on the powers that AWFS Amalco may exercise;
 - (iv) the classes and any maximum number of shares that AWFS Amalco shall be authorized to issue are an unlimited number of common shares;
 - (v) the number of directors of AWFS Amalco shall be a minimum of 3 and a maximum of 10, until changed in accordance with the CBCA;
 - (vi) until changed by the shareholders of AWFS Amalco, or by the directors of AWFS Amalco if authorized by the shareholders of AWFS Amalco, the number of directors of AWFS Amalco shall be eight (8);
 - (vii) the first directors of AWFS Amalco shall be the following:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
Eric Berke	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Andrew Dunn	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Fern Glowinsky	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Paul Hollands	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Michael Hollend	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Kevin Mahoney	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Andrew Mindell	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes
Susan Senecal	171 West Esplanade, Suite 300 North Vancouver, BC V7M 3K9	Yes

- (viii) the by-laws of AWFS Amalco shall be the by-laws attached as Schedule A to this Plan of Arrangement;
- (ix) the right to transfer securities of AWFS Amalco shall not be restricted;
- (x) Newco, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and AWFS will cease to exist as entities separate from AWFS Amalco;
- (xi) the property of each of Newco, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and AWFS will continue to be the property of AWFS Amalco;
- (xii) AWFS Amalco will continue to liable for the obligations of each of Newco, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and AWFS (including, for greater certainty the AWC Notes);
- (xiii) a conviction against, or ruling, order or judgement in favour or against any of Newco, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and AWFS may be enforced by or against AWFS Amalco;
- (xiv) a civil, criminal or administrative action or proceeding pending by or against any of Newco, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and AWFS may be continued to be prosecuted by or against AWFS Amalco;
- (xv) an existing cause of action, claim or liability to prosecution against any of Newco, A&W Holdings 1, A&W Holdings 2, A&W Canada, AWFS Holdings and AWFS will be unaffected;

- (xvi) the Articles of Arrangement will be deemed to be the articles of incorporation of AWFS Amalco and the Certificate of Arrangement will be deemed to be the certificate of incorporation of AWFS Amalco;
 - (xvii) all of the issued and outstanding shares of A&W Holdings 2, all of which are at the Effective Date held by or on behalf of Newco, shall be cancelled without any repayment of capital in respect of such shares and shall not be converted into shares of AWFS Amalco;
 - (xviii) all of the issued and outstanding shares of A&W Canada, all of which are at the Effective Date held by or on behalf of A&W Holdings 2 and Newco, shall be cancelled without any repayment of capital in respect of such shares and shall not be converted into shares of AWFS Amalco;
 - (xix) all of the issued and outstanding shares of AWFS Holdings that are at the Effective Date held by or on behalf of A&W Holdings 1 and A&W Canada, shall be cancelled without any repayment of capital in respect of such shares and shall not be converted into shares of AWFS Amalco;
 - (xx) all of the issued and outstanding shares of AWFS, all of which are at the Effective Date held by or on behalf of AWFS Holdings, shall be cancelled without any repayment of capital in respect of such shares and shall not be converted into shares of AWFS Amalco;
 - (xxi) all of the issued and outstanding shares of AWFS Holdings that are not cancelled pursuant to Section 2.3(a)(xix) shall be converted into a total of 2,812,860 AWFS Amalco Shares, and allocated among the holders of such AWFS Holdings shares on a pro-rata basis;
 - (xxii) all of the issued and outstanding Newco Shares shall be converted into a total of 8,847,023 AWFS Amalco Shares and allocated among the holders of such Newco Shares on a pro-rata basis;
 - (xxiii) all of the issued and outstanding A&W Holdings 1 Shares shall be converted into a total of 2,498,807 AWFS Amalco Shares and allocated among the holders of such A&W Holdings 1 Shares on a pro-rata basis;
 - (xxiv) the stated capital attributable to the AWFS Amalco Shares shall be the aggregate of the stated capital attributable to the Newco Shares, the A&W Holdings 1 Shares and shares of AWFS Holdings converted into AWFS Amalco Shares;
- (b) the AWC Notes shall be repaid by AWFS Amalco;
 - (c) at 12:01 a.m. (Toronto time) on the Business Day following the Effective Date, the Declaration of Trust Amendment shall become effective;
 - (d) the Fund shall pay the Accrued Distribution to the holders of Units and Limited Voting Units as of the Effective Time;
 - (e) the AWFS NIB Loan shall be repaid by AWFS Amalco;

- (f) concurrently with the steps described in Sections 2.3(g) and 2.3(h), after giving effect to any proration in accordance with Sections 2.6 and 2.7, each Cash Election Unit owned by a Section 85 Electing Unitholder outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Cash Election Units, be deemed to be assigned and transferred by the Cash Electing Unitholders who are Section 85 Electing Unitholders to AWFS Amalco in exchange for the All Cash Consideration, and:
- (i) such Cash Electing Unitholders who are Section 85 Electing Unitholders shall cease to be the holders of such transferred Cash Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Cash Consideration by AWFS Amalco in accordance with this Plan of Arrangement;
 - (ii) the names of such Cash Electing Unitholders that are Section 85 Electing Unitholders shall be removed from the register of the Units maintained by or on behalf of the Fund; and
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Cash Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund;
- (g) concurrently with the steps described in Sections 2.3(f) and 2.3(h), after giving effect to any proration in accordance with Sections 2.6 and 2.7, each Share Election Unit owned by a Section 85 Electing Unitholder outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Share Election Units, be deemed to be assigned and transferred by the Share Electing Unitholders who are Section 85 Electing Unitholders to AWFS Amalco in exchange for the All Share Consideration, and:
- (i) such Share Electing Unitholders who are Section 85 Electing Unitholders shall cease to be the holders of such transferred Share Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Share Consideration by AWFS Amalco in accordance with this Plan of Arrangement;
 - (ii) the names of such Share Electing Unitholders that are Section 85 Electing Unitholders shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Share Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Share Electing Unitholders that are Section 85 Electing Unitholders shall be added to the register of AWFS Amalco Shares by or on behalf of AWFS Amalco in respect of the AWFS Amalco Shares issued in exchange for such Share Election Units;

- (h) concurrently with the steps described in Sections 2.3(f) and 2.3(g), each Unit owned by a Combination Electing Unitholder that is a Section 85 Electing Unitholder outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of such Combination Electing Unitholder, be deemed to be assigned and transferred by the Combination Electing Unitholders that are Section 85 Electing Unitholders to AWFS Amalco in exchange for the Combination Consideration, and:
 - (i) such Combination Electing Unitholders that are Section 85 Electing Unitholders shall cease to be the holders of such Units and shall cease to have any rights as holders of such Units other than the right to be paid the Combination Consideration by AWFS Amalco in accordance with this Plan of Arrangement;
 - (ii) the names of such Combination Electing Unitholders that are Section 85 Electing Unitholders shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Combination Electing Unitholders that are Section 85 Electing Unitholders shall be added to the register of AWFS Amalco Shares by or on behalf of AWFS Amalco in respect of the AWFS Amalco Shares issued in exchange for such Units;
- (i) AWFS Amalco shall contribute (A) solely at its discretion with notification to the Fund, all of its Limited Voting Units and (B) the Units acquired from Section 85 Electing Unitholders pursuant to Sections 2.3(f), 2.3(g) and 2.3(h), to Subco, in exchange for an aggregate of 1,000 Subco Shares, and:
 - (i) AWFS Amalco shall cease to be the holder of such Limited Voting Units, if applicable, and the Units acquired from Section 85 Electing Unitholders pursuant to Sections 2.3(f), 2.3(g) and 2.3(h) and shall cease to have any rights as holds of such securities; and
 - (ii) AWFS Amalco shall be removed from the register of the Limited Voting Units, if applicable, and the Units maintained by or on behalf of the Fund;
 - (iii) Subco shall be deemed to be the legal and beneficial owner of such Limited Voting Units, if applicable, and Units so transferred, free and clear of all Liens, and shall be entered in the register of the Limited Voting Units, if applicable, and the Units maintained by or on behalf of the Fund; and
 - (iv) AWFS Amalco shall be added to the register of Subco Shares by or on behalf of Subco in respect of the Subco Shares issued in exchange for such Limited Voting Units, if applicable, and Units;
- (j) each of the Units held by Dissenting Holders shall be deemed to have been transferred without any further act or formality to AWFS Amalco in consideration

for a debt claim against AWFS Amalco for the amount determined under Article 3, and:

- (i) such Dissenting Holders shall cease to be the holders of such Units and to have any rights as holders of such Units other than the right to be paid fair value by AWFS Amalco for such Units as set out in Section 3.1;
 - (ii) such Dissenting Holders' names shall be removed as the holders of such Units from the registers of Units maintained by or on behalf of the Fund; and
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Units so transferred, free and clear of all Liens, and shall be entered in the register of Units maintained by or on behalf of the Fund;
- (k) concurrently with the steps described in Section 2.3(l) and Section 2.3(m), after giving effect to any proration in accordance with Sections 2.6 and 2.7, each Cash Election Unit not transferred pursuant to Section 2.3(f) and not owned by a Registered Plan Investor outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a Cash Electing Unitholder, be deemed to be assigned and transferred by the Cash Electing Unitholders who are neither Section 85 Electing Unitholders nor Registered Plan Investors to AWFS Amalco in exchange for the All Cash Consideration, and:
- (i) the Cash Electing Unitholders shall cease to be the holders of such Cash Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Cash Consideration by AWFS Amalco in accordance with this Plan of Arrangement;
 - (ii) such Cash Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund; and
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Cash Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund;
- (l) concurrently with the steps described in Section 2.3(k) and Section 2.3(m), after giving effect to any proration in accordance with Section 2.6 and 2.7, each Share Election Unit not transferred pursuant to Section 2.3(g) and not owned by a Registered Plan Investor outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Share Election Units, be deemed to be assigned and transferred by the Share Electing Unitholders who are neither Section 85 Electing Unitholders nor Registered Plan Investors to AWFS Amalco in exchange for the All Share Consideration, and:
- (i) such Share Electing Unitholders shall cease to be the holders of such Share Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Share Consideration by AWFS Amalco in accordance with this Plan of Arrangement;

- (ii) such Share Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Share Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Share Electing Unitholders shall be added to the register of AWFS Amalco Shares by or on behalf of AWFS Amalco in respect of the AWFS Amalco Shares issued in exchange for such Share Election Units;
- (m) concurrently with the steps described in Section 2.3(k) and Section 2.3(l), each Unit owned by a Combination Electing Unitholder that is not a Registered Plan Investor and is not transferred pursuant to Section 2.3(h) outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the Combination Electing Unitholders that are neither Section 85 Electing Unitholders nor Registered Plan Investors, be deemed to be assigned and transferred by such Combination Electing Unitholders to AWFS Amalco in exchange for the Combination Consideration, and:
 - (i) such Combination Electing Unitholders shall cease to be the holders of such Units and shall cease to have any rights as holders of such Units other than the right to be paid the Combination Consideration by AWFS Amalco in accordance with this Plan of Arrangement;
 - (ii) such Combination Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Combination Electing Unitholders shall be added to the register of AWFS Amalco Shares by or on behalf of AWFS Amalco in respect of the AWFS Amalco Shares issued in exchange for such Units;
- (n) the then-current Trustees shall resign and AWFS Amalco shall become the sole Trustee.
- (o) Upon the later to occur of (i) the time that is five minutes following the steps described in Sections 2.3(k), 2.3(l) and 2.3(m), and (ii) the listing of the AWFS Amalco Shares on the TSX, after giving effect to any proration in accordance with Section 2.6 and 2.7, each Cash Election Unit not transferred pursuant to Sections 2.3(f) and 2.3(k) and owned by a Registered Plan Investor outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Cash Election Units, be deemed to be assigned and transferred by the Cash Electing Unitholders who are Registered Plan Investors to AWFS Amalco in exchange for the All Cash Consideration, and:

- (i) such Cash Electing Unitholders shall cease to be the holders of such Cash Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Cash Consideration by AWFS Amalco in accordance with this Plan of Arrangement;
 - (ii) such Cash Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund; and
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Cash Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund;
- (p) Upon the later to occur of (i) the time that is five minutes following the steps described in Sections 2.3(k), 2.3(l) and 2.3(m), and (ii) the listing of the AWFS Amalco Shares on the TSX, after giving effect to any proration in accordance with Sections 2.6 and 2.7, each Share Election Unit not transferred pursuant to Sections 2.3(g) and 2.3(l) and owned by a Registered Plan Investor outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of a holder of such Share Election Units, be deemed to be assigned and transferred by the Share Electing Unitholders who are Registered Plan Investors to AWFS Amalco in exchange for the All Share Consideration, and:
 - (i) such Share Electing Unitholders shall cease to be the holders of such Share Election Units and shall cease to have any rights as Unitholders other than the right to be paid the Share Consideration by AWFS Amalco in accordance with this Plan of Arrangement;
 - (ii) such Share Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund;
 - (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Share Election Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
 - (iv) the names of such Share Electing Unitholders shall be added to the register of AWFS Amalco Shares by or on behalf of AWFS Amalco in respect of the AWFS Amalco Shares issued in exchange for such Share Election Units; and
- (q) Upon the later to occur of (i) the time that is five minutes following the steps described in Sections 2.3(k), 2.3(l) and 2.3(m), and (ii) the listing of the AWFS Amalco Shares on the TSX, each Unit owned by a Combination Electing Unitholder that is Registered Plan Investor and not transferred pursuant to Sections 2.3(h) and 2.3(m) outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of Combination Electing Unitholders that are a Registered Plan Investors (but not also a Section 85 Electing Unitholder), be deemed to be assigned and transferred by such Combination Electing Unitholder to AWFS Amalco in exchange for the Combination Consideration, and:

- (i) such Combination Electing Unitholders shall cease to be the holders of such Units and shall cease to have any rights as holders of such Units other than the right to be paid the Combination Consideration by AWFS Amalco in accordance with this Plan of Arrangement;
- (ii) such Combination Electing Unitholders' names shall be removed from the register of the Units maintained by or on behalf of the Fund;
- (iii) AWFS Amalco shall be deemed to be the legal and beneficial owner of such Units so transferred, free and clear of all Liens, and shall be entered in the register of the Units maintained by or on behalf of the Fund; and
- (iv) the names of such Combination Electing Unitholders shall be added to the register of AWFS Amalco Shares by or on behalf of AWFS Amalco in respect of the AWFS Amalco Shares issued in exchange for such Units.

2.4 Election Mechanics

With respect to the exchange of Units effected pursuant to Section 2.3:

- (a) each Unitholder who has not exercised Dissent Rights may elect to receive either:
 - (i) the All Cash Consideration in respect of each Unit held by such Unitholder (such election being a "**Cash Election**"), the aggregate amount of which All Cash Consideration to be paid in respect of such Units being subject to proration in accordance with Section 2.6;
 - (ii) the All Share Consideration in respect of each Unit held by such Unitholder (such election being a "**Share Election**"), the aggregate amount of which All Share Consideration to be paid in respect of such Units being subject to proration in accordance with Section 2.7; or
 - (iii) the Combination Consideration in respect of each Unit held by such Unitholder (such election being a "**Combination Election**");
- (b) in order to make the election provided for in Section 2.4(a), each electing Unitholder must deposit with the Depositary, prior to the Election Deadline, a duly completed and executed Letter of Transmittal and Election Form indicating such Unitholder's election, which election shall be irrevocable and may not be withdrawn, together with any certificates representing the Units held by such Unitholder and such additional documents and instruments as the Depositary or AWFS Amalco may reasonably require; and
- (c) for the avoidance of doubt, any Unitholder who (i) does not make a valid Cash Election, Share Election or Combination Election prior to the Election Deadline in accordance with this Section 2.4, or (ii) exercises Dissent Rights but, for any reason, is not ultimately determined to be entitled to be paid the fair value of his, her or its Units in accordance with Article 3 shall, in each case, be deemed to have made a Share Election to receive the All Share Consideration, or, only to the extent of any deemed Cash Election as a result of proration in accordance with Section

2.7(b), All Cash Consideration, in exchange for the transfer of each of his, her or its Units to AWFS Amalco pursuant to Section 2.3(k), (l), (o) and (p), as applicable.

2.5 Section 85 Election Mechanics

With respect to the exchange of Units effected pursuant to Section 2.3:

- (a) each Unitholder that is an Eligible Holder who has made or is deemed to have made either a Share Election or a Combination Election may elect to make a joint income tax election, pursuant to section 85 of the Tax Act (and any analogous provision of provincial income tax Law) (a “**Section 85 Election**”);
- (b) in order to make the Section 85 Election, each electing Unitholder that is an Eligible Holder must deposit with the Depositary, prior to the Election Deadline, a duly completed and executed Letter of Transmittal and Election Form indicating such Unitholder’s election to make a Section 85 Election (including with respect to any Units subject to a deemed Share Election pursuant to Section 2.6), which election shall be irrevocable and may not be withdrawn, together with any certificates representing the Units held by such electing Unitholder and such additional documents and instruments as the Depositary or AWFS Amalco may reasonably require;
- (c) for the avoidance of doubt, any Unitholder that is an Eligible Holder who does not elect to make a Section 85 Election (including with respect to Units subject to a deemed Share Election pursuant to Section 2.6) in a Letter of Transmittal and Election Form before the Election Deadline in accordance with this Section 2.5 shall be deemed to have elected not to receive its Consideration Shares on a tax-deferred basis; and
- (d) for greater certainty, for purposes of ensuring that each Section 85 Electing Unitholder may file a valid Section 85 Election in respect of each Unit transferred pursuant to this Plan of Arrangement, each Section 85 Electing Unitholder receiving All Cash Consideration pursuant to Section 2.3(f) and All Share Consideration pursuant to Section 2.3(g) shall be deemed to have received partial Cash Consideration and partial Share Consideration (in the same proportions as the total consideration received by such Unitholder pursuant to the Plan of Arrangement) in respect of each Unit so transferred to AWFS Amalco.

2.6 Cash Proration

Notwithstanding Section 2.4 or any other provision herein to the contrary:

- (a) the maximum aggregate amount of cash consideration to be paid to the Unitholders pursuant to Sections 2.3(f), 2.3(h), 2.3(k), 2.3(m), 2.3(o) and 2.3(q) (the “**Maximum Cash Consideration**”) shall be \$175,623,534.00; and
- (b) in the event that the aggregate amount of Cash Consideration that would otherwise be payable to the Unitholders pursuant to Sections 2.3(f), 2.3(h), 2.3(k), 2.3(m), 2.3(o) and 2.3(q) but for the application of this Section 2.6 (the “**Total Elected Cash Consideration**”) exceeds the Maximum Cash Consideration, then the aggregate amount of cash to be paid to Cash Electing Unitholders pursuant to

Sections 2.3(f), 2.3(k) and 2.3(o) shall be determined by multiplying the aggregate amount of cash that would, but for the application of this Section 2.6, be paid to such Cash Electing Unitholders by the Cash Pro-Ration Factor; and such Cash Electing Unitholder shall be deemed to have made (i) the Cash Election for such number of his, her or its Units, rounded down to the nearest whole number, as is equal to the aggregate amount of cash to be paid to such Cash Electing Unitholder, as adjusted pursuant to this Section 2.6(b), divided by the All Cash Consideration, and (ii) the Share Election for the remainder of his, her or its Units for which, but for this Section 2.6(b), such Cash Electing Unitholder would otherwise have received the All Cash Consideration.

2.7 Share Proration

Notwithstanding Section 2.4 or any other provision herein to the contrary:

- (a) the maximum aggregate amount of AWFS Amalco Shares to be paid to Unitholders pursuant to Sections 2.3(g), 2.3(h), 2.3(l), 2.3(m) 2.3(p) and 2.3(q) (the **“Maximum Share Consideration”**) shall be 9,839,091 AWFS Amalco Shares; and
- (b) in the event that the aggregate amount of consideration that would otherwise be payable in AWFS Amalco Shares to the Unitholders pursuant to Sections 2.3(g), 2.3(h), 2.3(l), 2.3(m) 2.3(p) and 2.3(q) but for the application of this Section 2.7 (the **“Total Elected Share Consideration”**) exceeds the Maximum Share Consideration, then the aggregate number of AWFS Amalco Shares to be paid to Share Electing Unitholders pursuant to Sections 2.3(g), 2.3(l), and 2.3(p) shall be determined by multiplying the aggregate number of AWFS Amalco Shares that would, but for this Section 2.7(b), be paid to such Share Electing Unitholder by the Share Pro-Ration Factor; and such Share Electing Unitholder shall be deemed to have made (i) the Share Election for such number of his, her or its Units, rounded down to the nearest whole number, as is equal to the aggregate number of AWFS Amalco Shares to be delivered to such Share Electing Unitholder, as adjusted pursuant to this Section 2.7(b), divided by the All Share Consideration, and (ii) the Cash Election for the remainder of his, her or its Units for which, but for this Section 2.7(b), such Share Electing Unitholder would otherwise have received the All Share Consideration.

2.8 Calculations

All calculations and determinations made by the Fund, AWFS Amalco or the Depository, as applicable, for purposes of this Plan of Arrangement shall be conclusive, final and binding.

ARTICLE 3 RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Unitholders may exercise dissent rights with respect to the Units held by such Unitholders (**“Dissent Rights”**) in connection with the Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and this Section 3.1; provided, that, notwithstanding subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by the

Fund not later than 5:00 p.m. (Vancouver time) on the date that is two (2) Business Days immediately preceding the date of the Meeting (as such Meeting may be adjourned or postponed from time to time) and such notice shall otherwise comply with the requirements of the CBCA. Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Units held by them and in respect of which Dissent Rights have been validly exercised to AWFS Amalco free and clear of all Liens, as provided in Section 2.3(j) and if they:

- (a) ultimately are entitled to be paid fair value for such Units by AWFS Amalco: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(j)); (ii) shall be deemed to have transferred and assigned such Units held by Dissenting Holders (free and clear of any Liens) to AWFS Amalco in accordance with Section 2.3(j); (iii) will be entitled to be paid, subject to Section 4.4, the fair value of such Units, which fair value, notwithstanding anything to the contrary contained in subsection 190 Part XV of the CBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iv) will not be entitled to any other payment or consideration (including the Accrued Distribution), including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Units; or
- (b) ultimately are not entitled, for any reason, to be paid fair value for such Units, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Unitholder who did not deposit with the Depositary a duly completed Letter of Transmittal and Election Form (and shall be entitled to receive the consideration (including the Accrued Distribution) in the same manner as such non-dissenting Unitholder).

3.2 Recognition of Dissenting Holders

- (a) In no circumstances shall the Fund, AWFS, AWFS Amalco or any other Person be required to recognize a Person exercising Dissent Rights unless as of the deadline for exercising Dissent Rights (as set forth in Section 3.1), such Person is the registered holder of those Units in respect of which such Dissent Rights are sought to be exercised.
- (b) For greater certainty, in no case shall the Fund, AWFS, AWFS Amalco or any other Person be required to recognize Dissenting Holders as Unitholders in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.3(j), and the names of such Dissenting Holders shall be removed from the registers of Unitholders in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 2.3(j) occurs. In addition to any other restrictions under Section 190 of the CBCA and the Interim Order, none of the following shall be entitled to exercise Dissent Rights: (i) Unitholders who vote or have instructed a proxyholder to vote such Units in favour of the Arrangement Resolution (but only in respect of such Units); (ii) Persons who, as of the deadline for exercising Dissent Rights, are not registered holders of Units in respect of which Dissent Rights are sought to be exercised; or (iii) Persons who have not strictly complied with the procedures for exercising Dissent Rights or Persons who have withdrawn their exercise of Dissent Rights prior to the Effective Time.

ARTICLE 4
CERTIFICATES AND PAYMENTS

4.1 Payment and Delivery of Consideration

- (a) Prior to the filing by AWFS of the Articles of Arrangement with the Director in accordance with Section 2.8 of the Combination Agreement, AWFS shall deposit, or arrange to be deposited, with the Depository and for the benefit of Unitholders, sufficient cash and an irrevocable treasury direction (subject only to the occurrence of the Effective Time) for the issuance of a sufficient number of AWFS Amalco Shares to satisfy the aggregate consideration payable to the Unitholders in accordance with Section 2.3. Any AWFS Amalco Shares issued in accordance with Section 2.3 shall be admitted to trading and official listing as soon as practicable after the Effective Date.
- (b) Prior to the filing by AWFS of the Articles of Arrangement with the Director in accordance with Section 2.8 of the Combination Agreement, the Fund shall deposit, or arrange to be deposited, with the Depository and for the benefit of Unitholders who submit a duly completed Letter of Transmittal and Election Form, sufficient cash to satisfy the Accrued Distribution payable to the Unitholders.
- (c) Prior to (but conditional on) the filing by AWFS of the Articles of Arrangement with the Director in accordance with Section 2.8 of the Combination Agreement, the Fund shall deposit, or arrange to be deposited, with AWFS, sufficient cash to satisfy the Accrued Distribution payable in respect of the Limited Voting Units. Upon the occurrence of the step set out in Section 2.3(d) such cash shall be held for the benefit of AWFS Amalco and upon the occurrence of the step set out in Section 2.3(e) such cash shall be held for the benefit of the former holders of the AWFS NIB Loan and shall be paid to such former holders following the completion of this Plan of Arrangement.
- (d) Upon surrender to the Depository for cancellation of a certificate or instrument which immediately prior to the Effective Time represented outstanding Units, together with a duly completed and executed Letter of Transmittal and Election Form and such additional documents and instruments as the Depository or AWFS Amalco may reasonably require (or, if such Units are held in book-entry or other uncertificated form, upon the entry through a book-entry transfer agent of the surrender of such Units on a book-entry account statement, it being understood that any reference herein to "certificates" shall be deemed to include references to book-entry account statements relating to the ownership of Units), the Unitholders holding Units formerly represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such holder, the consideration which such Unitholder has the right to receive under this Plan of Arrangement for such Units, including the Accrued Distribution, less any amounts withheld pursuant to Section 4.3, and, in such case, any certificate or instrument so surrendered shall forthwith be cancelled.
- (e) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Units, shall be deemed after the Effective Time to represent only the right to receive upon such surrender the consideration in lieu of such certificate as contemplated in this Section 4.1

(including the Accrued Distribution), less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Units that were transferred pursuant to Section 2.3, and not duly surrendered with all other instruments required by this Section 4.1, on or before the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former Unitholder of any kind or nature in the consideration or against or in the Fund or AWFS Amalco or any of their respective Affiliates. On such date, all consideration to which such former Unitholder was entitled shall be deemed to have been surrendered to AWFS Amalco or the Fund, as applicable, and the cash amount forming part of such consideration shall be paid or returned over by the Depository to AWFS Amalco or as directed by AWFS Amalco and AWFS Amalco Shares forming part of such consideration shall be returned over by the Depository to AWFS Amalco, cancelled by AWFS Amalco or acquired by AWFS Amalco for no consideration (in the sole discretion of AWFS Amalco).

- (f) In the event of the surrender of a certificate of Units that is not registered in the transfer records of the Fund under the name of the Person surrendering such certificate, the consideration to which the registered holder is entitled pursuant to Section 2.3 shall be paid to such a transferee if such certificate is presented to the Depository and such certificate is duly endorsed or is accompanied by all documents required to evidence and effect such transfer and to evidence to the satisfaction of AWFS Amalco that (i) any applicable stock transfer Taxes or any other similar Taxes required by reason of such payments being made in a name other than the registered holder have been paid or (ii) no such Taxes are payable.
- (g) Any payment made by way of cheque by the Depository pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depository or that otherwise remains unclaimed, in each case, on or before the sixth anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the sixth anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Units pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to AWFS Amalco or the Fund, as applicable, for no consideration.
- (h) No holder of Units shall be entitled to receive any consideration with respect to such Units other than any consideration to which such holder is entitled to receive in accordance with Section 2.3 (including the Accrued Distribution) and this Section 4.1 less any amount withheld pursuant to Section 4.3 and, for greater certainty, subject to Section 4.6, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.
- (i) Notwithstanding anything to the contrary in this Section 4.1, if the Fund has declared any distribution on the Units with a record date that occurs prior to the Effective Date, but for which payment has not been made prior to the Effective Date, the Unitholders of record on the record date for such distribution shall remain entitled to receive payment of such distribution on or after the Effective Date in accordance with the Declaration of Trust.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Units that were transferred pursuant to Section 2.3 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 Depository will issue in exchange for such lost, stolen or destroyed certificate, the consideration deliverable in accordance with such Unitholder's duly completed and executed Letter of Transmittal and Election Form. When authorizing such payment or delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be delivered shall as a condition precedent to the delivery of such consideration, give a bond satisfactory to AWFS Amalco and the Depository (each acting reasonably) in such sum as AWFS Amalco may direct (acting reasonably), or otherwise indemnify AWFS Amalco and the Fund and their respective Affiliates in a manner satisfactory to AWFS Amalco and the Fund, each acting reasonably, against any claim that may be made against AWFS Amalco and the Fund or their respective Affiliates with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Rounding of Cash

In any case where the aggregate cash amount payable to a particular Unitholder under the Arrangement would, but for this provision, include a fraction of a cent, the amount payable shall be rounded down to the nearest whole cent.

4.4 Withholding Rights

AWFS Amalco, the Fund, the Depository and any other Person that has any withholding obligation with respect to any amount or consideration paid or deemed paid hereunder, as applicable, shall be entitled to deduct and withhold or direct AWFS Amalco, the Fund or the Depository to deduct and withhold on their behalf, from any amount or consideration otherwise payable or deliverable to any Person under this Plan of Arrangement, such amounts as AWFS Amalco, the Fund, the Depository or such Person, as applicable, are required to deduct and withhold, or reasonably believe to be required to deduct and withhold, from such amount otherwise payable or deliverable under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the amount or consideration otherwise payable or deliverable pursuant to this Plan of Arrangement and shall be treated for all purposes under this Plan of Arrangement as having been paid to the Person in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Authority. AWFS Amalco will (a) promptly notify the Fund if it becomes aware of any such deduction or withholding, and (b) remit any withheld or deducted amounts to the appropriate Governmental Authority within the time required by applicable Law.

4.5 No Fractional AWFS Amalco Shares

In no event shall any Unitholder or any Person receiving AWFS Amalco Shares pursuant to Section 2.3(a) be entitled to a fractional AWFS Amalco Share. Where the aggregate number of AWFS Amalco Shares to be issued to a Unitholder as consideration or received by any Person pursuant to Section 2.3(a), as applicable, under this Plan of Arrangement would result in a fraction of an AWFS Amalco Share being issuable, then the number of AWFS Amalco Shares to be issued to such Unitholder as Consideration Shares or received by any Person pursuant to Section 2.3(a) shall be rounded down to the nearest whole number.

4.6 Section 85 Election Procedures

- (a) An Eligible Holder who has elected to make a Section 85 Election in accordance with Section 2.5 shall provide two signed copies of the necessary joint election forms to an appointed representative, as directed by AWFS Amalco, by the earlier of (i) the date that is 45 days after the Effective Date and (ii) December 10, 2024 (such earlier date "**Section 85 Election Deadline Date**"), duly completed with the details of the number of Units transferred and the applicable agreed amounts for the purposes of such joint elections. AWFS Amalco shall, within 30 days after receiving the completed joint election forms from an Eligible Holder, and subject to such joint election forms being correct and complete and in compliance with requirements imposed under the Tax Act (or applicable provincial income tax law), sign and return them to such Eligible Holder for filing with the CRA (or the applicable provincial tax authority). Neither the Fund, AWFS Amalco nor any successor corporation shall be responsible for the proper completion of any joint election form nor, for any taxes, interest or penalties resulting from the failure of an Eligible Holder to properly complete or file such joint election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). In its sole discretion, AWFS Amalco or any successor corporation may choose to accept, sign and return a joint election form received by it after the Section 85 Election Deadline Date, but will have no obligation to do so.
- (b) Upon receipt of a Letter of Transmittal and Election Form in which an Eligible Holder has indicated that such Eligible Holder intends to make a Section 85 Election, AWFS will promptly deliver a tax instruction letter (and a tax instruction letter for the equivalent Quebec election, if applicable), together with the relevant tax election forms (including the Quebec tax election forms, if applicable), to the Eligible Holder.

4.7 Post-Effective Time Dividends and Distributions

- (a) Other than the Accrued Distribution, no dividends or other distributions declared or made after the Effective Time with respect to Units with a record date after the Effective Time shall be delivered to the former Unitholders which immediately prior to the Effective Time owned outstanding Units that were transferred pursuant to Section 2.3.
- (b) All dividends and distributions made after the Effective Time with respect to any AWFS Amalco Shares allotted and issued pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the holder of such AWFS Amalco Shares. All monies received by the Depositary shall be invested by it in interest bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. Subject to this Section 4.7, the Depositary shall pay and deliver to any such holder, as soon as reasonably practicable after application therefor is made by such holder to the Depositary in such form as the Depositary may reasonably require, such dividends and distributions and any interest thereon to which such holder is entitled pursuant to the Arrangement, net of any applicable withholding and other taxes.

4.8 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.

4.9 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all securities of the Fund, AWFS Holdings, AWFS, the Fund, A&W Canada, Newco, A&W Holdings 1 and A&W Holdings issued and outstanding prior to the Effective Time, including Units, (b) the rights and obligations of the holders (registered or beneficial) of such securities of the Fund, AWFS Holdings, AWFS, the Fund, A&W Canada, Newco, A&W Holdings 1 and A&W Holdings, AWFS Amalco and their respective Affiliates, the Depositary and any registrar, 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 securities of the Fund, AWFS Holdings, AWFS, the Fund, A&W Canada, Newco, A&W Holdings 1 and A&W Holdings shall be deemed to have been settled, compromised, released and determined without liability whatsoever except as set forth in this Plan of Arrangement.

ARTICLE 5 AMENDMENTS

5.1 Amendments to Plan of Arrangement

- (a) The Parties 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 the Fund and AWFS, each acting reasonably, (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to the Unitholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Fund and AWFS at any time prior to or at the Meeting (provided that the Fund and AWFS, as applicable, shall have consented thereto in writing) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the 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 Meeting shall be effective only if (i) it is consented to in writing by each the Fund and AWFS (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Unitholders voting in the manner directed by the Court. Any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order without filing such amendment, modification or supplement with the Court or seeking Court approval, provided that it (i) concerns a matter which, in the reasonable opinion of the Fund and AWFS, is of an administrative nature or required to better give effect to the implementation of this

Plan of Arrangement and is not adverse to the interest of any holders of Units or (ii) is an amendment contemplated in Section 5.1(d).

- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by AWFS Amalco, provided that it concerns a matter which, in the reasonable opinion of AWFS Amalco, is of an administrative nature or required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Unitholder.
- (e) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Combination Agreement.

ARTICLE 6 FURTHER ASSURANCES

6.1 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, following the Effective Time, each of the Parties 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 advisable or 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 "A"

A & W FOOD SERVICES OF CANADA INC.

BY-LAW NO. 1

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

As used in this by-law, the following terms have the following meanings:

"Act" means the *Canada Business Corporations Act* and the regulations under the Act, all as amended, re-enacted or replaced from time to time.

"Authorized Signatory" has the meaning specified in Section 2.2.

"Corporation" means A & W Food Services of Canada Inc.

"person" means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity or governmental or regulatory entity, and pronouns have a similarly extended meaning.

"recorded address" means (i) in the case of a shareholder or other securityholder, the shareholder's or securityholder's latest address as shown in the records of the Corporation, (ii) in the case of joint shareholders or other joint securityholders, the address appearing in the records of the Corporation in respect of the joint holding or, if there is more than one address in respect of the joint holding, the first address that appears, and (iii) in the case of a director, officer or auditor, the person's latest address as shown in the records of the Corporation or, if applicable, the last notice filed with the Director under the Act, whichever is the most recent.

"show of hands" means, in connection with a meeting, a show of hands by persons present at the meeting, the functional equivalent of a show of hands by telephonic, electronic or other means of communication and any combination of such methods.

Terms used in this by-law that are defined in the Act have the meanings given to such terms in the Act.

Section 1.2 Interpretation

The division of this by-law into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation. Words importing the singular number include the plural and vice versa. Any reference in this by-law to gender includes all genders. In this by-law the words "including", "includes" and "include" means "including (or includes or include) without limitation".

Section 1.3 Subject to Act and Articles

This by-law is subject to, and should be read in conjunction with, the Act and the articles. If there is any conflict or inconsistency between any provision of the Act or the articles and any provision of this by-law, the provision of the Act or the articles will govern.

Section 1.4 Conflict With Unanimous Shareholder Agreement

If there is any conflict or inconsistency between any provision of a unanimous shareholder agreement and any provision of this by-law, the provision of such unanimous shareholder agreement will govern.

ARTICLE 2 BUSINESS OF THE CORPORATION

Section 2.1 Financial Year

The financial year of the Corporation ends on such date of each year as the directors determine from time to time.

Section 2.2 Execution of Instruments and Voting Rights

Contracts, documents and instruments may be signed on behalf of the Corporation, either manually or by facsimile or by electronic means, (i) by any one director or officer or (ii) by any other person authorized by the directors from time to time (each Person referred to in (i) and (ii) is an “**Authorized Signatory**”). Voting rights for securities held by the Corporation may be exercised on behalf of the Corporation by any one Authorized Signatory. In addition, the directors may, from time to time, authorize any person or persons (i) to sign contracts, documents and instruments generally on behalf of the Corporation or to sign specific contracts, documents or instruments on behalf of the Corporation and (ii) to exercise voting rights for securities held by the Corporation generally or to exercise voting rights for specific securities held by the Corporation. Any Authorized Signatory, or other person authorized to sign any contract, document or instrument on behalf of the Corporation, may affix the corporate seal, if any, to any contract, document or instrument when required.

As used in this Section, the phrase “contracts, documents and instruments” means any and all kinds of contracts, documents and instruments in written or electronic form, including cheques, drafts, orders, guarantees, notes, acceptances and bills of exchange, deeds, mortgages, hypothecs, charges, conveyances, transfers, assignments, powers of attorney, agreements, proxies, releases, receipts, discharges and certificates and all other paper writings or electronic writings.

Section 2.3 Banking Arrangements

The banking and borrowing business of the Corporation or any part of it may be transacted with such banks, trust companies or other firms or corporations as the directors determine from time to time. All such banking and borrowing business or any part of it may be transacted on the Corporation’s behalf under the agreements, instructions and delegations, and by the one or more officers and other persons, that the directors authorize from time to time. This paragraph does not limit in any way the authority granted under Section 2.2.

ARTICLE 3 DIRECTORS

Section 3.1 Number of Directors

If the articles specify a minimum and a maximum number of directors, the number of directors is the number within the minimum and maximum determined by the directors from time to time. No decrease in the number of directors will shorten the term of an incumbent director. Where the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special meeting of the shareholders, or by the directors pursuant to the Act.

Section 3.2 Place of Meetings

Meetings of directors may be held at any place in or outside Canada.

Section 3.3 Calling of Meetings

The chair of the board, the chief executive officer, the president, or any two or more directors may call a meeting of the directors at any time. Meetings of directors will be held at the time and place as the person(s) calling the meeting determine.

Section 3.4 Regular Meetings

The directors may establish regular meetings of directors. Any resolution establishing such meetings will specify the dates, times and places of the regular meetings and will be sent to each director.

Section 3.5 Notice of Meeting

Subject to this section, notice of the time and place of each meeting of directors will be given to each director not less than 48 hours before the time of the meeting. No notice of meeting is required for any regularly scheduled meeting except where the Act requires the notice to specify the purpose of, or the business to be transacted at, the meeting. Provided a quorum of directors is present, a meeting of directors may be held, without notice, immediately following the annual meeting of shareholders.

The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any person, or any error in any notice not affecting the substance of the notice, does not invalidate any resolution passed or any action taken at the meeting.

Section 3.6 Waiver of Notice

A director may waive notice of a meeting of directors, any irregularity in a notice of meeting of directors or any irregularity in a meeting of directors. Such waiver may be given in any manner and may be given at any time either before or after the meeting to which the waiver relates. Waiver of any notice of a meeting of directors cures any irregularity in the notice, any default in the giving of the notice and any default in the timeliness of the notice.

Section 3.7 Quorum

A majority of the number of directors in office or such greater or lesser number as the directors may determine from time to time, constitutes a quorum at any meeting of directors. Notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors.

Section 3.8 Meeting by Telephonic, Electronic or Other Communication Facility

If all the directors of the Corporation present at or participating in a meeting of directors consent, a director may participate in such meeting by means of a telephonic, electronic or other communication facility. A director participating in a meeting by such means is deemed to be present at the meeting. Any consent is effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the directors.

Section 3.9 Chair

The chair of any meeting of directors is the first mentioned of the following officers that is a director and is present at the meeting:

- (a) the chair of the board; or
- (b) the chief executive officer.

If no such person is present at the meeting, the directors present shall choose one of their number to chair the meeting.

Section 3.10 Secretary

The corporate secretary, if any, will act as secretary at meetings of directors. If a corporate secretary has not been appointed or the corporate secretary is absent, the chair of the meeting will appoint a person, who need not be a director, to act as secretary of the meeting.

Section 3.11 Votes to Govern

At all meetings of directors, every question shall be decided by a majority of the votes cast except as otherwise stated in any shareholders agreement or investor rights agreement to which the Corporation is a party. In case of an equality of votes, the chair of the meeting is not entitled to a second or casting vote.

Section 3.12 Remuneration and Expenses

The directors may determine from time to time the remuneration, if any, to be paid to a director for his or her services as a director. The directors may also be entitled to be reimbursed for travelling and other out-of-pocket expenses properly incurred by them in attending directors meetings, committee meetings and shareholders meetings and in the performance of other duties of directors of the Corporation. The directors may also award additional remuneration to any director undertaking special services on the Corporation's behalf beyond the services ordinarily required of a director by the Corporation.

A director may be employed by or provide services to the Corporation otherwise than as a director. Such a director may receive remuneration for such employment or services in addition to any remuneration paid to the director for his or her services as a director.

ARTICLE 4 COMMITTEES

Section 4.1 Committees of Directors

The directors may appoint from their number one or more committees and delegate to such committees any of the powers of the directors except those powers that, under the Act, a committee of directors has no authority to exercise.

Section 4.2 Proceedings

Meetings of committees of directors may be held at any place in or outside Canada. At all meetings of committees, every question shall be decided by a majority of the votes cast on the question. Unless otherwise determined by the directors, each committee of directors may make, amend or repeal rules and procedures to regulate its meetings including: (i) fixing its quorum, provided that quorum may not be less than a majority of its members; (ii) procedures for calling meetings; (iii) requirements for providing notice of meetings; (iv) selecting a chair for a meeting; and (v) determining whether the chair will have a deciding vote in the event there is an equality of votes cast on a question.

Subject to a committee of directors establishing rules and procedures to regulate its meetings, Section 3.2 to Section 3.11 inclusive apply to committees of directors, with such changes as are necessary.

ARTICLE 5 OFFICERS

Section 5.1 Appointment of Officers

The directors may appoint such officers of the Corporation as they deem appropriate from time to time. The officers may include any of a chair of the board, a president, a chief executive officer, one or more vice-presidents, a chief financial officer, a corporate secretary and a treasurer and one or more assistants to any of the appointed officers. No person may be the chair of the board unless that person is a director.

Section 5.2 Powers and Duties

Unless the directors determine otherwise, an officer has all powers and authority that are incident to his or her office. An officer will have such other powers, authority, functions and duties that are prescribed or delegated, from time to time, by the directors, or by other officers if authorized to do so by the directors. The directors or authorized officers may, from time to time, vary, add to or limit the powers and duties of any officer.

Section 5.3 Chair of the Board

If appointed, the chair of the board will preside at directors meetings and shareholders meetings in accordance with Section 3.9 and Section 7.9, respectively. The chair of the board will have such other powers and duties as the directors determine.

Section 5.4 Chief Executive Officer

If appointed, the chief executive officer of the Corporation will have general powers and duties of supervision of the business and affairs of the Corporation. The chief executive officer will have such other powers and duties as the directors determine. Subject to Section 3.10 and Section 7.9, during the absence or disability of the corporate secretary or the treasurer, or if no corporate secretary or treasurer has been appointed, the chief executive officer will also have the powers and duties of the office of corporate secretary and treasurer, as the case may be.

Section 5.5 Corporate Secretary

If appointed, the corporate secretary will have the following powers and duties: (i) the corporate secretary will give or cause to be given, as and when instructed, notices required to be given to shareholders, directors, officers, auditors and members of committees of directors; (ii) the corporate secretary may attend at and be the secretary of meetings of directors, shareholders, and committees of directors and will have the minutes of all proceedings at such meetings

entered in the books and records kept for that purpose; and (iii) the corporate secretary will be the custodian of any corporate seal of the Corporation and the books, papers, records, documents, and instruments belonging to the Corporation, except when another officer or agent has been appointed for that purpose. The corporate secretary will have such other powers and duties as the directors or the chief executive officer of the Corporation determine.

Section 5.6 Treasurer

If appointed, the treasurer of the Corporation will have the following powers and duties: (i) the treasurer will ensure that the Corporation prepares and maintains adequate accounting records in compliance with the Act; (ii) the treasurer will also be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; and (iii) at the request of the directors, the treasurer will render an account of the Corporation's financial transactions and of the financial position of the Corporation. The treasurer will have such other powers and duties as the directors or the chief executive officer of the Corporation determine.

Section 5.7 Removal of Officers

The directors may remove an officer from office at any time, with or without cause. Such removal is without prejudice to the officer's rights under any employment contract with the Corporation.

ARTICLE 6 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

Section 6.1 Limitation of Liability

Subject to the Act and other applicable law, no director or officer is liable for: (i) the acts, omissions, receipts, failures, neglects or defaults of any other director, officer or employee; (ii) joining in any receipt or other act for conformity; (iii) any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation; (iv) the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested; (v) any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited; or (vi) any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation to his office.

Section 6.2 Indemnity

The Corporation will indemnify to the fullest extent permitted by the Act (i) any director or officer of the Corporation, (ii) any former director or officer of the Corporation, or (iii) any individual who acts or acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, provided the individual: (a) acted honestly and in good faith with a view to the best interests of the Corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request; and (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful. The Corporation is authorized to execute agreements in favour of any of the foregoing persons evidencing the terms of the indemnity. Nothing in this by-law limits the right of any person entitled to indemnity to claim indemnity apart from the provisions of this by-law.

Section 6.3 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 6.2 against such liabilities and in such amounts as the directors may determine and as are permitted by the Act.

ARTICLE 7 SHAREHOLDERS

Section 7.1 Calling Annual and Special Meetings

The board of directors (by way of a resolution passed at a meeting where there is a quorum of directors or by way of written resolution signed by all directors) have the power to call annual meetings of shareholders and special meetings of shareholders. Two or more of the directors, the chair of the board or the chief executive officer may also call meetings of shareholders provided that the business to be transacted at such meeting has been approved by the board. Annual meetings of shareholders and special meetings of shareholders will be held on the date and at the time and place within Canada as the directors shall determine or at any place outside Canada that may be specified in the articles or agreed to by all of the shareholders entitled to vote at the meeting.

Section 7.2 Electronic Meetings

Meetings of shareholders may be held entirely by means of telephonic, electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting. The directors may establish procedures regarding the holding of meetings of shareholders by such means.

Section 7.3 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Article 12 within the prescribed period to each director, to the auditor, and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purposes other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting.

The time period to provide notice of the time and place of a meeting of shareholders is not less than twenty-one (21) days and not more than sixty (60) days before the meeting.

The accidental omission to give notice of any meeting of shareholders to, or the non-receipt of any notice by, any person, or any error in any notice not affecting the substance of the notice, does not invalidate any resolution passed or any action taken at the meeting.

Section 7.4 Waiver of Notice

A shareholder, a proxyholder, a director or the auditor and any other person entitled to attend a meeting of shareholders may waive notice of a meeting of shareholders, any irregularity in a notice of meeting of shareholders or any irregularity in a meeting of shareholders. Such waiver may be waived in any manner and may be given at any time either before or after the meeting to which the waiver relates. Waiver of any notice of a meeting of shareholders cures any irregularity in the notice, any default in the giving of the notice and any default in the timeliness of the notice.

Section 7.5 Representatives

A representative of a shareholder that is a body corporate or an association will be recognized if (i) a certified copy of the resolution of the directors or governing body of the body corporate or association, or a certified copy of an extract from the by-laws of the body corporate or association, authorizing the representative to represent the body corporate or association is deposited with the Corporation, or (ii) the authorization of the representative is established in another manner that is satisfactory to the corporate secretary or the chair of the meeting.

Section 7.6 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders are those persons entitled to vote at the meeting, the directors, the officers, the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted with the consent of the chair of the meeting or the persons present who are entitled to vote at the meeting.

Section 7.7 Quorum

The quorum for the transaction of business at any meeting of the shareholders shall be three persons present at the opening of the meeting who are entitled to vote thereat either as shareholders or as proxy holders and holding or representing not less than twenty-five percent (25%) of the shares entitled to vote at the meeting.

Section 7.8 Proxies

A proxy shall comply with the applicable requirements of the Act and other applicable law and will be in such form as the directors may approve from time to time or such other form as may be acceptable to the chair of the meeting at which the instrument of proxy is to be used. A proxy will be acted on only if it is deposited with the Corporation or its agent prior to the time specified in the notice calling the meeting at which the proxy is to be used or it is deposited with the corporate secretary, a scrutineer or the chair of the meeting or any adjournment of the meeting prior to the time of voting.

Section 7.9 Chair, Secretary and Scrutineers

The chair of any meeting of shareholders is the first mentioned of the following officers that is present at the meeting:

- (a) the chair of the board;
- (b) the Chief Executive Officer; or
- (c) a vice-president (in order of corporate seniority).

If no such person is present at the meeting, the persons present who are entitled to vote shall choose a director who is present, or a shareholder who is present, to chair the meeting.

The corporate secretary, if any, will act as secretary at meetings of shareholders. If a corporate secretary has not been appointed or the corporate secretary is absent, the chair of the meeting will appoint a person, who need not be a shareholder, to act as secretary of the meeting.

If desired, the chair of the meeting may appoint one or more persons, who need not be shareholders, to act as scrutineers at any meeting of shareholders. The scrutineers will assist in determining the number of shares held by persons entitled to vote who are present at the meeting and the existence of a quorum. The scrutineers will also receive, count and tabulate ballots and assist in determining the result of a vote by ballot, and do such acts as are necessary to conduct

the vote in an equitable manner. The decision of a majority of the scrutineers shall be conclusive and binding upon the meeting and a declaration or certificate of the scrutineers will be conclusive evidence of the facts declared or stated in it.

Section 7.10 Procedure

The chair of a meeting of shareholders will conduct the meeting and determine the procedure to be followed at the meeting. The chair's decision on all matters or things, including any questions regarding the validity or invalidity of a form of proxy or other instrument appointing a proxy, shall be conclusive and binding upon the meeting of shareholders.

Section 7.11 Manner of Voting

Subject to the Act and other applicable law, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot on the question is required or demanded. Subject to the Act and other applicable law, the chair of the meeting may require a ballot or any person who is present and entitled to vote may demand a ballot on any question at a meeting of shareholders. The requirement or demand for a ballot may be made either before or after any vote on the question by a show of hands. A ballot will be taken in the manner the chair of the meeting directs. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. The result of such ballot shall be the decision of the shareholders upon the question.

In the case of a vote by a show of hands, each person present who is entitled to vote has one vote. If a ballot is taken, each person present who is entitled to vote is entitled to the number of votes that are attached to the shares which such person is entitled to vote at the meeting.

Notwithstanding the foregoing, voting may occur electronically.

Section 7.12 Votes to Govern

Any question at a meeting of shareholders shall be decided by a majority of the votes cast on the question unless the articles, the by-laws, the Act or other applicable law requires otherwise. In case of an equality of votes either when the vote is by a show of hands or when the vote is by a ballot, the chair of the meeting is not entitled to a second or casting vote.

Section 7.13 Adjournment

The chair of any meeting of shareholders may, with the consent of the persons present who are entitled to vote at the meeting, adjourn the meeting from time to time and place to place, subject to such conditions as such persons may decide. Any adjourned meeting is duly constituted if held in accordance with the terms of the adjournment and a quorum is present at the adjourned meeting. Any business may be considered and transacted at any adjourned meeting which might have been considered and transacted at the original meeting of shareholders.

ARTICLE 8
ADVANCE NOTICE - NOMINATION OF DIRECTORS

Section 8.1

Subject only to the Act, Section 8.6(b), applicable securities laws and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in this Section 8.1 shall be eligible for election as directors to the board of directors (the “**Board**”) of the Corporation. Nominations of persons for election to the Board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of Act or a requisition of shareholders made in accordance with the provisions of the Act; or
- (c) by any person entitled to vote at such meeting (a “**Nominating Shareholder**”), who: (A) is, at the close of business on the date of giving notice provided for in Section 8.3 below and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this Article 8.

Section 8.2

For the avoidance of doubt, the foregoing Section 8.1 shall be the exclusive means for any person to bring nominations for election to the Board before any annual or special meeting of shareholders of the Corporation.

Section 8.3

In addition to any other applicable requirement, for a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder’s notice must be received by the corporate secretary of the Corporation at the principal executive offices of the Corporation:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than the close of business on the 30th day before the date of the meeting; provided, however, if the date (the “**Notice Date**”) on which the first public announcement made by the Corporation of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the Notice Date;
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation.

To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with this Section and disclose or include, as applicable:

- (c) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):
 - (i) their name, age, business and residential address;
 - (ii) the principal occupation, business or employment both presently and for the past five years;
 - (iii) whether the Proposed Nominee is a "resident Canadian" within the meaning of the Act;
 - (iv) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (v) a description of any relationships, agreements, arrangements, or understandings (including financial, compensation or indemnity related) between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder, in connection with the Proposed Nominee's nomination and election as director; and
 - (vi) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law; and

- (b) as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
 - (i) their name, business and residential address;
 - (ii) the number of securities of each class of voting securities of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Corporation or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
 - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
 - (iv) full particulars of any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or

associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board; and

- (v) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law.

Reference to “Nominating Shareholder” in this Section 8.3 shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

Section 8.4

All information to be provided in a Timely Notice pursuant to Section 8.3 shall be provided as of the record date for determining shareholders entitled to vote at the meeting (if such date shall then have been publicly announced) and as of the date of such notice. The Nominating Shareholder shall update such information forthwith so that it is true and correct as of the date that is ten (10) business days prior to the date of the meeting, or any adjournment or postponement thereof.

Section 8.5

Notwithstanding any other provision, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 8 may only be given by personal delivery, facsimile transmission, or by email (at such email address as may be stipulated from time to time by the corporate secretary for purposes of this notice), and shall be deemed to have been received and made only at the time it is served by personal delivery to the corporate secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid), or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

Section 8.6 Additional Matters

- (a) The chair of any meeting of shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 8, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.
- (b) The Board may, in its sole discretion, waive any requirement of this Article 8.
- (c) For the purposes of this Article 8, “**public announcement**” means disclosure in a press release disseminated by the Corporation through a national news service in Canada or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedarplus.ca.

**ARTICLE 9
ADVANCE NOTICE - ANNUAL OR SPECIAL MEETINGS OF SHAREHOLDERS**

Section 9.1

No business may be transacted at an annual or special meeting of shareholders other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the Board, (ii) otherwise properly brought before the meeting by or at the direction of the Board, or (iii) otherwise properly brought before the meeting by any shareholder of the Corporation who complies with the proposal procedures set forth in Section 9.2 below.

Section 9.2

For business to be properly brought before a meeting by a shareholder of the Corporation, such shareholder must submit a proposal to the Corporation for inclusion in the Corporation's management proxy circular in accordance with the requirements of the Act; provided that any proposal that includes nominations for the election of directors shall also comply with the requirements of Article 8.

**ARTICLE 10
SECURITIES**

Section 10.1 Form of Security Certificates

Subject to the Act, security certificates, if required, will be in the form that the directors approve from time to time or that the Corporation adopts.

Section 10.2 Transfer of Shares

No transfer of a security issued by the Corporation will be registered except upon (i) presentation of the security certificate representing the security with an endorsement which complies with the Act, together with such reasonable assurance that the endorsement is genuine and effective as the directors may require, (ii) payment of all applicable taxes and fees and (iii) compliance with the articles of the Corporation. If no security certificate has been issued by the Corporation in respect of a security issued by the Corporation, clause (i) above may be satisfied by presentation of a duly executed security transfer power, together with such reasonable assurance that the security transfer power is genuine and effective as the directors may require.

Section 10.3 Transfer Agents and Registrars

The Corporation may from time to time appoint one or more agents to maintain, for each class or series of securities issued by it in registered or other form, a central securities register and one or more branch securities registers. Such an agent may be designated as transfer agent or registrar according to their functions and one person may be designated both registrar and transfer agent. The Corporation may at any time terminate such appointment.

**ARTICLE 11
PAYMENTS**

Section 11.1 Payments of Dividends and Other Distributions

Any dividend or other distribution payable in cash to shareholders will be paid by cheque or by electronic means or by such other method as the directors may determine. The payment will be made to or to the order of each registered holder of shares in respect of which the payment is to be made. Cheques will be sent to the registered holder's recorded address, unless the holder

otherwise directs. In the case of joint holders, the payment will be made to the order of all such joint holders and, if applicable, sent to them at their recorded address, unless such joint holders otherwise direct. The sending of the cheque or the sending of the payment by electronic means or the sending of the payment by a method determined by the directors in an amount equal to the dividend or other distribution to be paid less any tax that the Corporation is required to withhold will satisfy and discharge the liability for the payment, unless payment is not made upon presentation, if applicable.

Section 11.2 Non-Receipt of Payment

In the event of non-receipt of any payment made as contemplated by Section 11.1 by the person to whom it is sent, the Corporation may issue re-payment to such person for a like amount. The directors may determine, whether generally or in any particular case, the terms on which any re-payment may be made, including terms as to indemnity, reimbursement of expenses, and evidence of non-receipt and of title.

Section 11.3 Unclaimed Dividends

To the extent permitted by law, any dividend or other distribution that remains unclaimed after a period of two years from the date on which the dividend has been declared to be payable is forfeited and will revert to the Corporation.

ARTICLE 12 MISCELLANEOUS

Section 12.1 Notices

Any notice, communication or document required to be given, delivered or sent by the Corporation to any director, officer, shareholder or auditor is sufficiently given, delivered or sent if delivered personally, or if delivered to the person's recorded address, or if mailed to the person at the person's recorded address by prepaid mail, or if otherwise communicated by electronic means permitted by the Act. The directors may establish procedures to give, deliver or send a notice, communication or document to any director, officer, shareholder or auditor by any means of communication permitted by the Act or other applicable law. In addition, any notice, communication or document may be delivered by the Corporation in the form of an electronic document if the requirements in the Act (or any duly granted exemption under the Act) in respect thereof are met.

Section 12.2 Notice to Joint Holders

If two or more persons are registered as joint holders of any security, any notice may be addressed to all such joint holders but notice addressed to one of them constitutes sufficient notice to all of them.

Section 12.3 Computation of Time

In computing the date when notice must be given when a specified number of days' notice of any meeting or other event is required, the date of giving the notice is excluded and the date of the meeting or other event is included.

Section 12.4 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a securityholder or any other means whatsoever, becomes entitled to any security, is bound by every notice in respect of such security which has been given to the securityholder from whom the person derives title to such security.

Such notices may have been given before or after the happening of the event upon which they became entitled to the security.

**ARTICLE 13
EFFECTIVE DATE**

Section 13.1 Effective Date

This by-law comes into force when made by the directors in accordance with the Act.

Section 13.2 Repeal

All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. Such repeal does not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under any such by-law prior to its repeal.

This by-law was made by resolution of the director on _____, 2024.

Authorized Signatory

This by-law was confirmed by ordinary resolution of the shareholders on _____,
2024.

Authorized Signatory

APPENDIX C

AMENDMENT TO DECLARATION OF TRUST

FIRST AMENDMENT (THE "AMENDMENT") TO THE AMENDED AND RESTATED DECLARATION OF TRUST DATED MAY 1, 2018 (THE "DECLARATION OF TRUST") OF A&W REVENUE ROYALTIES INCOME FUND (THE "FUND").

WHEREAS the Fund is a limited purpose trust established under the laws of the Province of British Columbia as of December 18, 2001 and governed by the Declaration of Trust;

AND WHEREAS the Fund entered into a combination agreement dated July 21, 2024 (the "**Combination Agreement**") with A&W Trade Marks Limited Partnership, A&W Trade Marks Inc., A & W Food Services of Canada Inc. ("**Food Services**"), AWFS Holdings Inc. ("**Holdings**"), A&W Holdings I Inc. ("**Holdings I**"), A&W Holdings II Inc. ("**Holdings II**"), A & W of Canada Inc. ("**A&W Canada**") and Buddy Holdings Inc. ("**Buddy Holdings**", and together with Food Services, Holdings, Holdings I, Holdings II and A&W Canada, the "**AWFS Entities**"), pursuant to which the corporation resulting from the amalgamation of the AWFS Entities as part of the Plan of Arrangement (as defined below) will acquire all of the issued and outstanding units of the Fund not already owned by it by way of a court-approved plan of arrangement under the provisions of the *Canada Business Corporations Act* (the "**Plan of Arrangement**"), substantially in the form attached to the Combination Agreement, as may be amended or varied in accordance with its terms and the terms of the Combination Agreement;

AND WHEREAS the Plan of Arrangement contemplates an amendment to the Declaration of Trust substantially on the terms set forth in this Amendment;

AND WHEREAS the Declaration of Trust provides that the Declaration of Trust may only be amended by Special Resolution (as defined in the Declaration of Trust);

AND WHEREAS at the special meeting of Trust Unitholders and holders of Exchangeable Securities (as such terms are each defined in the Declaration of Trust) held on October 8, 2024, the Trust Unitholders and holders of Exchangeable Securities passed a Special Resolution approving, among other things, the Plan of Arrangement and the amendment to the Declaration of Trust on the terms set forth in this Amendment;

AND WHEREAS in connection with the consummation of the Plan of Arrangement, this Amendment is made as follows:

ARTICLE 1

AMENDMENTS

Effective at the time prescribed by Section 2.3(c) of the Plan of Arrangement (the "**Amendment Effective Time**"), the Declaration of Trust is hereby amended and modified as follows:

(a) Section 1.1(ss) of the Declaration of Trust is amended as set forth below by adding each of the words in blue text and deleting each of the words in red strikethrough text:

(ss) "**Trustee**", at any time, means a person~~an individual~~ who is, in accordance with the provisions hereof, a trustee of the Trust at that time including, without limitation so long as each remains a trustee, each of the Initial Trustees, and "**Trustees**" means, at any time, all of the persons~~individuals~~, each of whom is at that time a trustee;

(b) Section 5.4(b) of the Declaration of Trust is amended as set forth below by adding each of the words in blue text:

5.4 Other Distributions

(b) The proportionate share of each Trust Unit of the amount of any distribution made pursuant to Section 5.4(a) shall be determined by dividing such amount by the number of issued and outstanding Trust Units (i) on the applicable record date in respect of a distribution pursuant to Section 5.4(a) or (ii) in respect of the Accrued Distribution (as such term is defined in the plan of arrangement under section 192 of the Canada Business Corporations Act (the "Plan of Arrangement") made pursuant to the combination agreement dated July 21, 2024 entered into by, among others, the Fund and A & W Food Services of Canada Inc.) payable pursuant to the Plan of Arrangement at the Effective Time (as such term is defined in the Plan of Arrangement). Each Trust Unitholder's share of the amount of any such distribution shall be an amount equal to the proportionate share of each Trust Unit of such amount multiplied by the number of Trust Units outstanding (i) owned of record by each such Trust Unitholder on such applicable record date in the case of a distribution that has a record date pursuant to (i) in the foregoing sentence or (ii) validly tendered by such Trust Unitholder together with the letter of transmittal and election form submitted by such Trust Unitholder in accordance with the Plan of Arrangement in the case of the Accrued Distribution. Subject to Section 5.7, amounts which have been declared to be payable to Trust Unitholders pursuant to Section 5.4(a) shall be paid in cash (i) on the Distribution Payment Date which immediately follows the applicable record date in respect of a distribution pursuant to Section 5.4(a) or (ii) in accordance with the Plan of Arrangement in respect of the Accrued Distribution.

(c) Section 7.1 of the Declaration of Trust is amended as set forth below by adding each of the words in blue text and deleting each of the words in red strikethrough text:

7.1 Number of Trustees

The number of Trustees shall consist of not less than one~~three~~ and no more than ten ~~Trustees~~, with the number of Trustees from time to time within such range being fixed by resolution of the Trustees; provided that until otherwise so determined by resolution, the number of Trustees shall be one ~~three~~ as of the time A & W Food Services of Canada Inc. becomes the sole Trustee pursuant to the Plan of Arrangement (as defined in Section 5.4(b)).

(d) Section 8.1 of the Declaration of Trust is amended as set forth below by adding each of the words in blue text and deleting each of the words in red strikethrough text:

8.1 Qualification of Trustees

The following persons are disqualified from being a Trustee of the Trust:

- (a) ~~anyone~~ an individual who is less than eighteen years of age;
- (b) anyone who is of unsound mind and has been so found by a Court in Canada or elsewhere;
- (c) ~~a person who is not an individual;~~
- (~~e~~) a person who is a non-resident of Canada as defined in the Tax Act; and
- (de) a person who has the status of bankrupt

(e) Article 18 of the Declaration of Trust is amended by adding the following section immediately after Section 18.3 of the Declaration of Trust:

18.4 Plan of Arrangement

Notwithstanding anything to the contrary in this Declaration of Trust, this Declaration of Trust shall be, and shall be deemed to be, amended to the extent necessary to facilitate and permit the Plan of Arrangement and the implementation of the steps and transactions contemplated therein. Without limiting the generality of the foregoing, (a) each of the Units shall be, and shall be deemed to be, assigned and transferred by the applicable Trust Unitholders to A & W Food Services of Canada Inc. ("AWFS Amalco") in the manner, at the times and for the consideration specified in the Plan of Arrangement, without any further action by or on behalf of a Trust Unitholder, the Trust, the

Trustees or any other Person, after which the applicable Trust Unitholders shall cease to be the holders of the Units and shall cease to have any rights other than to be paid the applicable consideration by AWFS Amalco specified in the Plan of Arrangement, the names of such Trust Unitholders shall be removed from the register of Units and AWFS Amalco shall be deemed to be the legal and beneficial owner of such Units, free and clear of all liens, and shall be entered in the register of Units as such, and (b) all Units acquired by AWFS Amalco from Section 85 Electing Unitholders (as defined in the Plan of Arrangement) and, solely in the discretion of AWFS Amalco with notification to the Trust, all Limited Voting Units held by AWFS Amalco, shall be, and shall be deemed to be, assigned and transferred to Subco (as defined in the Plan of Arrangement), in the manner, at the time and for the consideration specified in the Plan of Arrangement, without any further action by or on behalf of AWFS Amalco, the Trust, the Trustees or any other Person.

ARTICLE 2

MISCELLANEOUS

2.1 Reference to and Effect on the Declaration of Trust

This Amendment will become effective as of the Amendment Effective Time. Except as expressly provided in this Amendment, all of the terms and provisions of the Declaration of Trust are and will remain in full force and effect on and after the Amendment Effective Time. On and after the Amendment Effective Time, each reference in the Declaration of Trust to "Declaration of Trust," "hereunder," "hereof," "herein," or words of like import, will mean and be a reference to the Declaration of Trust as amended by this Amendment.

2.2 Counterparts

This Amendment may be executed in several counterparts, and all such counterparts taken together shall be deemed to constitute but one and the same instrument.

2.3 Governing Law

This Amendment shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

2.4 Severability

If any provision of this Amendment shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Amendment in any jurisdiction.

(The remainder of this page is intentionally left blank; signature page follows.)

IN WITNESS WHEREOF each of the trustees of the Fund have signed this Amendment effective as of the Amendment Effective Time.

Kevin Mahoney

Fern Glowinsky

Andrew W. Dunn

APPENDIX D
INTERIM ORDER



Court File No. CV-24-00725916-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

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THURSDAY, THE 29TH,

JUSTICE PENNY

)

)

DAY OF AUGUST, 2024

IN THE MATTER OF an Application under section 192 of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended

AND IN THE MATTER OF Rules 14.05(2), 14.05(3)(a) and 14.05(3)(f) of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended

AND IN THE MATTER OF a proposed arrangement involving A&W Revenue Royalties Income Fund, A & W Food Services of Canada Inc., AWFS Holdings Inc., A&W Trade Marks Limited Partnership, A&W Trade Marks Inc., A & W of Canada Inc., A&W Holdings I Inc., A&W Holdings II Inc., Buddy Holdings Inc. and the Unitholders of A&W Revenue Royalties Income Fund

INTERIM ORDER

THIS MOTION made by the Applicants, A&W Revenue Royalties Income Fund (the "**Fund**") and A & W Food Services of Canada Inc. ("**A&W Food Services**"), for an interim order for advice and directions pursuant to section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, (the "**CBCA**"), the inherent jurisdiction of this Court to supervise and administer trusts and the amended and restated declaration of trust dated May 1, 2018 of the trust known and designated as A&W Revenue Royalties Income Fund (the "**Declaration of Trust**"), was heard this day by videoconference.

ON READING the Notice of Motion, the Notice of Application issued on August 19, 2024, and the affidavit of Kevin Mahoney sworn August 26, 2024, (the “**Mahoney Affidavit**”), including the Plan of Arrangement, which is attached as Appendix B to the draft management information circular of the Fund (the “**Information Circular**”), which is attached as Exhibit A to the Mahoney Affidavit, and on hearing the submissions of counsel for the Fund and counsel for A&W Food Services, and on being advised that the Director appointed under the CBCA (the “**Director**”) does not consider it necessary to appear.

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Information Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that, in accordance with Article 12 of the Declaration of Trust, the Fund is permitted to call, hold and conduct a special meeting (the “**Meeting**”) of the holders (the “**Unitholders**”) of units of the Fund (the “**Units**”), the holders (the “**Limited Voting Unitholders**”) of limited voting units of the Fund (the “**Limited Voting Units**”), and together with the Units, the “**Trust Units**”), and the holders the (the “**Exchangeable Securityholders**”) of securities of A&W Trade Marks Inc. that are convertible into or exchangeable for Trust Units (the “**Exchangeable Securities**”) to be held at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9 on October 8, 2024 at 10:00 a.m. (Vancouver Time) in order for the Unitholders, Limited Voting Unitholders and Exchangeable Securityholders to

consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the “**Arrangement Resolution**”). Unitholders who do not attend the Meeting in person will have the option of listening to the Meeting via teleconference, but will not be permitted to vote, ask questions or otherwise participate at the Meeting.

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the notice of meeting of Unitholders, Limited Voting Unitholders and Exchangeable Securityholders, which accompanies the Information Circular (the “**Notice of Meeting**”) and the Declaration of Trust, subject to what may be provided hereafter and subject to further order of this court.

4. **THIS COURT ORDERS** that, in accordance with Section 12.9 of the Declaration of Trust, the record date (the “**Record Date**”) for determination of the Unitholders, Limited Voting Unitholders and Exchangeable Securityholders entitled to notice of, and to vote at, the Meeting shall be August 27, 2024 and that the Record Date shall not change in respect of any adjournment or postponement of the Meeting or any other change.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

- a) registered Unitholders, Limited Voting Unitholders and Exchangeable Securityholders as of the Record Date or their respective proxyholders;

- b) the officers, trustees, auditors and advisors of the Fund;
- c) representatives and advisors of A&W Food Services;
- d) the Director; and
- e) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that the Fund may transact such other business at the Meeting as is contemplated in the Information Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by the Fund and that, in accordance with Section 12.7 of the Declaration of Trust, the quorum at the Meeting shall be two or more individuals present in person either holding personally or representing as proxies not less in aggregate than 25% of the votes attached to the total of the Trust Units then outstanding and the Trust Units issuable upon the conversion, exercise or exchange of the outstanding Exchangeable Securities.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that the Fund and A&W Food Services are authorized to make, subject to the terms of the Combination Agreement, and paragraph 9 below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as they may determine without any additional notice to the Unitholders,

Limited Voting Unitholders and Exchangeable Securityholders, or others entitled to receive notice under paragraph 12 hereof and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Unitholders, Limited Voting Unitholders and Exchangeable Securityholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement made after initial notice is provided as contemplated in paragraph 12 herein, which would, if disclosed, reasonably be expected to affect the decision of a Unitholder, Limited Voting Unitholder and Exchangeable Securityholder to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Fund may determine.

Amendments to the Information Circular

10. **THIS COURT ORDERS** that the Fund is authorized to make such amendments, revisions and/or supplements to the draft Information Circular as it may determine and the Information Circular, as so amended, revised and/or supplemental, shall be the Information Circular to be distributed in accordance with paragraph 12.

Adjournments and Postponements

11. **THIS COURT ORDERS** that the Fund, if it deems advisable and subject to the terms of the Combination Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Unitholders, Limited Voting Unitholders and Exchangeable Securityholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as the Fund may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, the Fund shall send or cause to be sent the Information Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy or voting instruction form, as applicable, and the letter of transmittal (to registered Unitholders only), along with such amendments or additional documents as the Fund may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the “**Meeting Materials**”), as follows:

- a) to the registered Unitholders, Limited Voting Unitholders and Exchangeable Securityholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

- i) by pre-paid ordinary or first class mail at the addresses of the registered Unitholders, Limited Voting Unitholders and Exchangeable Securityholders as they appear on the books and records of the Fund, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Fund;
 - ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or
 - iii) by facsimile, email or electronic transmission to any registered Unitholder, Limited Voting Unitholder and Exchangeable Securityholder, who is identified to the satisfaction of the Fund, who requests such transmission in writing;
- b) to non-registered Unitholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*;
- c) to A&W Food Services by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or by facsimile, email or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;
- and

- d) to the trustees and auditors of the Fund, and to the Director appointed under the CBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or by facsimile, email or electronic transmission, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting.

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that, in accordance with Section 12.3(a) of the Declaration of Trust, accidental failure or omission by the Fund to give notice of the meeting or to distribute the Meeting Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of the Fund, or the non-receipt of such notice shall, subject to further order of this Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of the Fund, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

14. **THIS COURT ORDERS** that the Fund is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials, as the Fund may determine in accordance with the terms of the Combination Agreement (“**Additional Information**”), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-

paid ordinary mail, or by the method most reasonably practicable in the circumstances, as the Fund may determine.

15. **THIS COURT ORDERS** that distribution of the Meeting Materials pursuant to paragraph 12 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraph 12 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9 above.

Solicitation and Revocation of Proxies

16. **THIS COURT ORDERS** that the Fund is authorized to use the letter of transmittal and proxies substantially in the form of the drafts accompanying the Information Circular, with such amendments and additional information as the Fund may determine are necessary or desirable, subject to the terms of the Combination Agreement. The Fund and A&W Food Services are authorized to solicit proxies, directly or through their officers, trustees, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as they may determine. The Fund may waive generally, in its discretion, the time limits set out in the Information Circular for the deposit or revocation of proxies by registered Unitholders, Limited Voting Unitholders and Exchangeable Securityholders, if the Fund deems it advisable to do so.

17. **THIS COURT ORDERS** that registered Unitholders, Limited Voting Unitholders and Exchangeable Securityholders shall be entitled to revoke their proxies in accordance with section 148(4) of the CBCA (except as the procedures of that section are varied by this paragraph) by: (a) attending the Meeting and voting in person; (b) signing a proxy (or proxies) bearing a later date and returning such form(s) at any time before the proxy cut-off time; (c) by signing a written statement which indicates, clearly, that the registered Unitholder, Limited Voting Unitholder or Exchangeable Securityholder wants to revoke its proxy or proxies and delivering this signed written statement to the registered office of the Fund at 22nd Floor, 885 West Georgia Street Vancouver, British Columbia V6C 3E8 no later than 10:00 a.m. (Vancouver Time) on October 7, 2024; or (d) in any other manner permitted by Law.

Voting

18. **THIS COURT ORDERS** that, in accordance with Section 12.5 of the Declaration of Trust, the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Unitholders, Limited Voting Unitholders and Exchangeable Securityholders of record as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

19. **THIS COURT ORDERS** that, in accordance with Sections 12.1 and 12.5 of the Declaration of Trust, votes shall be taken at the Meeting on the basis of: (a) one vote per Unit or Limited Voting Unit held; and (b) each Exchangeable Security entitles its

holder to one vote for each Trust Unit they would receive upon conversion or exchange of the Exchangeable Security. In order for the Plan of Arrangement to be implemented, subject to further Order of this Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by:

- a) an affirmative vote of at least two-thirds ($66\frac{2}{3}\%$) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by Unitholders, Limited Voting Unitholders and Exchangeable Securityholders, voting as a single class; and
- b) a simple majority of the votes cast in respect of the Arrangement Resolution by Unitholders present in person or represented by proxy at the Meeting, excluding the votes of A&W Food Services and any other persons described in items (a) through (d) of section 8.1(2) of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, but subject to the exemptions noted therein and any exemptions granted thereunder.

Such votes shall be sufficient to authorize the Fund to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what is provided for in the Information Circular without the necessity of any further approval by the Unitholders, Limited Unitholders and Exchangeable Securityholders, subject only to final approval of the Arrangement by this Court.

20. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting the Fund (other than in respect of the Arrangement Resolution), each Unit and Limited Voting Unit entitles its holder to one vote and each Exchangeable Security entitles its holder to one vote for each Trust Unit they would receive upon conversion or exchange of the Exchangeable Security.

Dissent Rights

21. **THIS COURT ORDERS** that each registered Unitholder shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 190 of the CBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement, and substituting where appropriate the Fund for “the corporation” and Unit for “share” and Unitholder for “shareholder”) provided that, notwithstanding subsection 190(5) of the CBCA, any registered Unitholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to the Fund in the form required by section 190 of the CBCA and the Combination Agreement, which written objection must be received by the Fund (Attention: Catherine Anderson) at Suite 300, 171 West Esplanade, North Vancouver, British Columbia, V7M 3K9, with a copy to Davies Ward Phillips & Vineberg LLP at 155 Wellington Street West, Toronto, ON M5V 3J7 (Attention: Kevin Greenspoon, email: kgreenspoon@dwpv.com) not later than 5:00 p.m. (Vancouver Time) on the last business day that is two (2) business days immediately preceding the Meeting (or any adjournment(s) or postponement(s) thereof), and must otherwise strictly comply with the requirements of the CBCA. For

purposes of these proceedings, the “court” referred to in section 190 of the CBCA means this Court.

22. **THIS COURT ORDERS** that, notwithstanding section 190(3) of the CBCA, A&W Food Services NewCo, not the Fund, shall be required to offer to pay fair value, as of the close of business on the day prior to approval of the Arrangement Resolution, for the Units held by Unitholders who duly exercise Dissent Rights, and to pay the amount to which such Unitholders may be entitled pursuant to the terms of the Plan of Arrangement. In accordance with the Plan of Arrangement and the Information Circular, all references to the “corporation” in subsections 190(3) and 190(11) to 190(26), inclusive, of the CBCA (except for the second reference to the “corporation” in subsection 190(12) and the two references to the “corporation” in subsection 190(17)) shall be deemed to refer to “A&W Food Services NewCo” in place of the “corporation”, and A&W Food Services NewCo shall have all of the rights, duties and obligations of the “corporation” under subsections 190(11) to 190(26), inclusive, of the CBCA.

23. **THIS COURT ORDERS** that any Unitholder who duly exercises such Dissent Rights set out in paragraph 21 above and who:

- a) is ultimately determined by this Court to be entitled to be paid fair value for his, her or its Units, shall be deemed to have transferred those Units as of the time specified in the Plan of Arrangement, without any further act or formality and free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests in consideration for a

debt claim against A&W Food Services NewCo for payment of such fair value; or

- b) is for any reason ultimately determined by this Court not to be entitled to be paid fair value for his, her or its Units pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Unitholder;

but in no case shall the Fund, A&W Food Services NewCo or any other person be required to recognize such dissenting Unitholders as holders of Units after the deemed transfer described in paragraph 23(a), above, and the names of such Unitholders shall be deleted from the Fund's register of Unitholders at that time.

Hearing of Application for Approval of the Arrangement

24. **THIS COURT ORDERS** that upon approval by the Unitholders, Limited Voting Unitholders and Exchangeable Securityholders of the Plan of Arrangement in the manner set forth in this Interim Order, the Fund and A&W Food Services may apply to this Court for final approval of the Arrangement.

25. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Information Circular, when sent in accordance with paragraph 12 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 26.

26. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for the Fund and A&W Food Services, as soon as reasonably practicable, and, in any event, no less than the day that is two Business Days before the hearing of this Application at the following addresses:

DAVIES WARD PHILLIPS & VINEBERG LLP

155 Wellington Street West
Toronto, ON M5V 3J7
Attention: Derek D. Ricci / Alisa McMaster

Counsel for the Fund

STIKEMAN ELLIOTT LLP

5300 Commerce Court West
199 Bay St.
Toronto, On M5L 1B9
Attention: Eliot N. Kolers

Counsel for A&W Food Services

27. **THIS COURT ORDERS** that, subject to further order of this Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

- a) the Fund;
- b) A&W Food Services;
- c) the Director; and
- d) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

28. **THIS COURT ORDERS** that any materials to be filed by the Fund and A&W Food Services in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Court.

29. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 26 shall be entitled to be given notice of the adjourned date.

Service and Notice

30. **THIS COURT ORDERS** that the Fund and A&W Food Services and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to Unitholders, Limited Voting Unitholders, Exchangeable Securityholders, creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

Precedence

31. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or

collateral to the Units, Limited Voting Units and Exchangeable Securities, including the Declaration of Trust, this Interim Order shall govern.

Extra-Territorial Assistance

32. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

Variance

33. **THIS COURT ORDERS** that the Fund and A&W Food Services shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.



A&W REVENUE ROYALTIES INCOME FUND AND A & W FOOD SERVICES OF CANADA INC.

Applicants

Court File No. CV-24-00725916-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**ORDER
(INTERIM ORDER)**

DAVIES WARD PHILLIPS & VINEBERG LLP

155 Wellington Street West
Toronto ON M5V 3J7

Derek D. Ricci (LSO# 52366N)

Email: dricci@dwpv.com

Tel: 416.367.7471

Alisa McMaster (LSO# 78071W)

Email: amcmaster@dwpv.com

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Tel: 416.863.0900

STIKEMAN ELLIOTT LLP

5300 Commerce Court West

199 Bay St.

Toronto ON M5L 1B9

Eliot N. Kolers (LSO# 38304R)

Email: ekolers@stikeman.com

Tel: 416.869.5637

Lawyers for the Applicants

APPENDIX E
NOTICE OF APPLICATION



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF an Application under section 192 of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended

AND IN THE MATTER OF Rules 14.05(2), 14.05(3)(a) and 14.05(3)(f) of the *Rules of Civil Procedure* R.R.O. 1990, Reg. 194, as amended

AND IN THE MATTER OF a proposed arrangement involving A&W Revenue Royalties Income Fund, A & W Food Services of Canada Inc., AWFS Holdings Inc., A&W Trade Marks Limited Partnership, A&W Trade Marks Inc., A & W of Canada Inc., A&W Holdings I Inc., A&W Holdings II Inc., Buddy Holdings Inc. and the Unitholders of A&W Revenue Royalties Income Fund

**A&W REVENUE ROYALTIES INCOME FUND AND
A & W FOOD SERVICES OF CANADA INC.**

Applicants

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicants. The claim made by the Applicants appears on the following page.

THIS APPLICATION will come on for a hearing

- In writing
- In person
- By telephone conference
- By video conference

at the following location:

330 University Avenue, Toronto, ON M5G 1R7, by Zoom link on Friday, October 11, 2024, at 12:00 p.m., before a judge presiding over the Commercial List.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicants' lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____
Local Registrar

Address of Superior Court of Justice
court office: 330 University Avenue
Toronto ON M5G 1R7

- TO: The holders of Units, Limited Voting Units and Exchangeable Securities of A&W Revenue Royalties Income Fund
- AND TO: The Trustees and Auditors of A&W Revenue Royalties Income Fund
- AND TO: The Directors and Auditors of A & W Food Services of Canada Inc.
- AND TO: The Director appointed under the *Canada Business Corporations Act*
Corporations Canada
Innovation, Science and Economic Development Canada
West Tower, 7th Floor
225 Queen Street
Ottawa, ON K1A 0H5

ic.corporationscanada.ic@ised-isde.gc.ca

APPLICATION

1. THE APPLICANTS, A&W REVENUE ROYALTIES INCOME FUND (THE “FUND”) AND A & W FOOD SERVICES OF CANADA INC. (“A&W FOOD SERVICES”), MAKE APPLICATION FOR:

- (a) an interim order for advice and directions (the “**Interim Order**”) of this Court, including pursuant to subsection 192(4) of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended (the “**CBCA**”), and the amended and restated declaration of trust dated May 1, 2018 of the trust known and designated as A&W Revenue Royalties Income Fund (the “**Declaration of Trust**”), with respect to a plan of arrangement (the “**Arrangement**”) involving, among others, the Applicants and the holders (the “**Unitholders**”) of units of the Fund (the “**Units**”);
- (b) a Final Order approving the Arrangement pursuant to section 192 of the CBCA;
- (c) to the extent necessary, an Order abridging the time for service and filing, or dispensing with or validating service, of this Application and the Applicants’ materials related thereto; and
- (d) such further and other relief as this Honourable Court may deem just.

2. **THE GROUNDS FOR THE APPLICATION ARE:**

- (a) A&W Food Services is a corporation governed by the provisions of the CBCA. It is the franchisor of A&W restaurants in Canada, including in Toronto;
- (b) the Fund is a limited purpose trust governed by the Declaration of Trust. The Fund does not conduct an active business. Rather, the Fund receives income from A&W Food Services in the form of royalties in consideration for the use by A&W Food Services of the A&W trademarks in Canada owned by the Fund;
- (c) the Units are listed for trading on the Toronto Stock Exchange (the “**TSX**”) under the symbol “AW.UN”;
- (d) the purpose of the Arrangement is to, among other things, effect a strategic combination between the Fund and A&W Food Services that will create a leading publicly traded, growth-focused quick service restaurant franchisor (“**A&W Food Services NewCo**”) with a simplified, traditional corporate structure;
- (e) in accordance with the terms of a combination agreement dated July 21, 2024 (the “**Combination Agreement**”), A&W Food Services will be amalgamated with certain of its holding companies to form A&W Food Services NewCo as a corporation existing under the CBCA, and acquire all

the Units for common shares of A&W Food Services NewCo (“**A&W Food Services NewCo Shares**”) or cash, as the case may be;

- (f) under the terms of the Combination Agreement, each Unitholder can elect to receive in exchange for each Unit:
- (i) \$37.00 in cash, representing a premium of 30% to the closing trading price of the Units on the TSX on July 19, 2024 of \$28.54, the last trading day prior to the public announcement of the Arrangement (the “**Cash Consideration**”);
 - (ii) one A&W Food Services NewCo Share (the “**Share Consideration**”); or
 - (iii) a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of an A&W Food Services NewCo Share) (the “**Combination Consideration**”); and

the elections of Unitholders to receive Cash Consideration or Share Consideration will be subject to proration in the event that Unitholders elect, in the aggregate, to receive more or less than \$175.6 million in cash consideration, such that in all cases, a total of 4,746,582 Units will be purchased for cash at \$37.00 per Unit, representing approximately 32.5% of the outstanding Units as of July 19, 2024 (not counting the Limited Voting Units and Exchangeable Securities (as those terms are

defined in the Circular) owned by A&W Food Services). Unitholders electing Combination Consideration will not be subject to further proration;

- (g) upon completion of the Arrangement, the Fund will become a wholly-owned subsidiary of A&W Food Services NewCo, and it is expected that the Units will be delisted from the TSX promptly after the Arrangement becomes effective;
- (h) it is a condition of closing the transaction that the TSX conditionally approve the listing and posting for trading on the TSX of the A&W Food Services NewCo Shares, subject only to compliance with the customary requirements of the TSX;
- (i) the Combination Agreement is the product of extensive arm's length negotiations between the board of trustees of the Fund and representatives of the shareholders of A&W Food Services, with assistance of their respective legal, financial and tax advisors;
- (j) the full details of the Arrangement, along with a description of the background to the Arrangement and the reasons for the Arrangement, will be provided to, among others, the Unitholders in the Fund's management information circular (the "**Circular**") that will be filed on SEDAR+, along with the Notice of Special Meeting issued in relation to a special meeting of Unitholders, Limited Voting Unitholders and Exchangeable Securityholders (as those terms are defined in the Circular) to be called in connection with

the Arrangement (the “**Meeting**”). The Circular will be distributed along with this Notice of Application in accordance with the terms of the Interim Order, if granted;

- (k) subject to the approval of the Unitholders, Limited Voting Unitholders and Exchangeable Securityholders at the Meeting, the Declaration of Trust will be amended to facilitate the Arrangement;
- (l) the Arrangement is an “arrangement” within the meaning of subsections 192(1)(c) and 192(1)(f) of the CBCA;
- (m) all pre-conditions to the approval of the Arrangement will have been satisfied prior to seeking the Final Order, including compliance with the directions set out in the Interim Order, if granted;
- (n) the solvency requirements of subsection 192(2) of the CBCA have been met;
- (o) it is not practicable for the fundamental change in the nature of the Arrangement to be effected other than pursuant to the provisions of section 192 of the CBCA;
- (p) the Application has been put forward in good faith for a *bona fide* business purpose;
- (q) the Arrangement is procedurally and substantively fair and reasonable;

- (r) if the Arrangement is approved, the Final Order approving the Arrangement will constitute the basis for an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, as set forth in section 3(a)(10) thereof, in respect of the securities to be issued or distributed under the Arrangement;
- (s) section 192 of the CBCA;
- (t) section 86 of the *Trustee Act*, R.S.B.C. 1996, C. 464, as amended, and the inherent jurisdiction of this Court to supervise and administer trusts;
- (u) Rules 1.04, 1.05, 2.03, 3.02(1), 14.05(2), 14.05(3), 16.04(1), 16.08, 17.02, 37 and 38 of the *Rules of Civil Procedure*;
- (v) certain Unitholders and other parties to be served are resident outside of Ontario and will be served pursuant to the terms of the Interim Order and Rule 17.02(n) of the *Rules of Civil Procedure*; and
- (w) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

- (a) the Affidavit of Kevin Mahoney, to be sworn on behalf of the Fund;
- (b) the Interim Order and any other order(s) as may be granted by this Honourable Court;

- (c) any supplementary Affidavit material, to be sworn, reporting as to compliance with the Interim Order and any other order(s) as may be granted by this Honourable Court, and the results of the Meeting conducted pursuant to such Interim Order or other order(s); and
- (d) such further and other evidence as the lawyers may advise and this Honourable Court may permit.

August 19, 2024

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Lawyers for the Applicants

IN THE MATTER OF an application under section 192 of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended
A&W REVENUE ROYALTIES INCOME FUND AND A & W FOOD SERVICES OF CANADA INC.

Applicants

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

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APPENDIX F

DISSENT PROVISIONS OF THE CBCA

“Right to dissent

190 (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
- (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
- (c) amalgamate otherwise than under section 184;
- (d) be continued under section 188;
- (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
- (f) carry out a going-private transaction or a squeeze-out transaction.

Further right

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

If one class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Payment for shares

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

No partial dissent

(4) A Dissenting Holder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the Dissenting Holder.

Objection

(5) A Dissenting Holder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

Notice of resolution

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

Demand for payment

(7) A Dissenting Holder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

Share certificate

(8) A Dissenting Holder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Forfeiture

(9) A Dissenting Holder who fails to comply with subsection (8) has no right to make a claim under this section.

Endorsing certificate

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a Dissenting Holder under this section and shall forthwith return the share certificates to the Dissenting Holder.

Suspension of rights

(11) On sending a notice under subsection (7), a Dissenting Holder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

Offer to pay

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each Dissenting Holder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay Dissenting Holders for their shares.

Same terms

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

Payment

(14) Subject to subsection (26), a corporation shall pay for the shares of a Dissenting Holder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Corporation may apply to court

(15) Where a corporation fails to make an offer under subsection (12), or if a Dissenting Holder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any Dissenting Holder.

Shareholder application to court

(16) If a corporation fails to apply to a court under subsection (15), a Dissenting Holder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.

Venue

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the Dissenting Holder resides if the corporation carries on business in that province.

No security for costs

(18) A Dissenting Holder is not required to give security for costs in an application made under subsection (15) or (16).

Parties

(19) On an application to a court under subsection (15) or (16),

- (a) all Dissenting Holders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
- (b) the corporation shall notify each affected Dissenting Holder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

Powers of court

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a Dissenting Holder who should be joined as a party, and the court shall then fix a fair value for the shares of all Dissenting Holders.

Appraisers

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the Dissenting Holders.

Final order

(22) The final order of a court shall be rendered against the corporation in favour of each Dissenting Holder and for the amount of the shares as fixed by the court.

Interest

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Holder from the date the action approved by the resolution is effective until the date of payment.

Notice that subsection (26) applies

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each Dissenting Holder that it is unable lawfully to pay Dissenting Holders for their shares.

Effect where subsection (26) applies

(25) If subsection (26) applies, a Dissenting Holder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

- (a)** withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
- (b)** retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Limitation

(26) A corporation shall not make a payment to a Dissenting Holder under this section if there are reasonable grounds for believing that

- (a)** the corporation is or would after the payment be unable to pay its liabilities as they become due; or
- (b)** the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities."

APPENDIX G

TD FORMAL VALUATION AND FAIRNESS OPINION



TD Securities
TD Securities Inc.
66 Wellington Street West
TD Bank Tower, 9th Floor
Toronto, Ontario, M5K 1A2

July 21, 2024

The Board of Trustees of A&W Revenue Royalties Income Fund
A&W Revenue Royalties Income Fund
171 West Esplanade, Suite 300
North Vancouver, BC V7M 3K9

The Board of Trustees of A&W Revenue Royalties Income Fund:

TD Securities Inc. (“TD Securities”) understands that A&W Revenue Royalties Income Fund (the “Fund”) is considering entering into a strategic combination (the “Transaction”) with A&W Food Services of Canada Inc. (“A&W Food Services”) that will create a new publicly-traded quick-service restaurant (“QSR”) franchisor (“NewCo”) through the exchange of units (“Units”) of the Fund for consideration of cash, common shares of NewCo (“NewCo Shares”) or a combination thereof. Under the terms of the Transaction, the holders (“Unitholders”) of Units, other than A&W Food Services and its affiliates, can elect to receive, in exchange for each Unit, consideration (the “Consideration”) of (i) \$37.00 in cash (the “Cash Consideration”), (ii) one NewCo Share (the “Share Consideration”), or (iii) a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of a NewCo Share) (the “Combination Consideration”). The elections of Unitholders to receive the Cash Consideration or the Share Consideration will be subject to proration in the event that Unitholders elect, in the aggregate, to receive more or less than \$175.6 million in cash consideration, such that in all cases, a total of 4,746,582 Units will be purchased for cash at \$37.00 per Unit, representing approximately 32.5% of the outstanding Units (excluding, for certainty, the limited voting units of the Fund (“Limited Voting Units”) and exchangeable securities of A&W Trade Marks Inc. (“Trade Marks”) held by A&W Food Services (“Exchangeable Securities”)) as of July 19, 2024. TD Securities further understands that, upon closing of the Transaction, certain shareholders of A&W Food Services, including funds connected to TorQuest Partners (“TorQuest”), will enter into a customary 180-day lock-up and 24-month standstill.

The above description is summary in nature. The specific terms and conditions of the Transaction are to be described in a circular (the “Circular”) that will be mailed to Unitholders in connection with the Transaction.

The board of trustees of the Fund (the “Board”), which is comprised solely of independent trustees, has retained TD Securities to prepare, under its supervision in accordance with Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”), (i) a formal valuation (the “Valuation”) of the Units and the NewCo Shares as required by, and in accordance with the requirements of, MI 61-101; and (ii) an opinion (the “Fairness Opinion” and together with the Valuation, the “Valuation and Fairness Opinion”) as to the fairness, from a financial point of view, of the Consideration to be received by Unitholders, other than A&W Food Services and its affiliates.

All financial references in this letter are to Canadian dollars unless otherwise indicated.

ENGAGEMENT OF TD SECURITIES

TD Securities was contacted by the Board on May 23, 2024, and was formally engaged by the Board pursuant to an engagement agreement (the “Engagement Agreement”) dated June 14, 2024. On July 21, 2024, at the request of the Board, TD Securities orally delivered the Valuation and Fairness Opinion. This Valuation and Fairness Opinion provides the same conclusions, in writing, as of July 21, 2024. The terms of the Engagement Agreement provide that TD Securities will receive fees totaling \$1,350,000 for its

services and is to be reimbursed for reasonable out-of-pocket expenses. None of the fees payable to TD Securities under the Engagement Agreement is contingent in whole or in part upon the conclusions reached by TD Securities in the Valuation and Fairness Opinion or with respect to the outcome of the Transaction.

Furthermore, the Fund has agreed to indemnify TD Securities, in certain circumstances, against certain expenses, losses, claims, actions, suits, proceedings, investigations, damages and liabilities that may arise directly or indirectly from services performed by TD Securities in connection with the Engagement Agreement.

Subject to the terms and conditions of the Engagement Agreement, TD Securities has consented to the inclusion of this Valuation and Fairness Opinion in the Circular.

CREDENTIALS OF TD SECURITIES

TD Securities is a North American investment banking firm with operations in a broad range of investment banking activities, including corporate finance, mergers and acquisitions, equity and fixed income sales and trading, investment management and investment research. TD Securities has participated in a significant number of transactions involving public and private companies and has extensive experience in preparing valuations and fairness opinions, including in connection with transactions that are subject to the formal valuation requirements of MI 61-101. The Board determined that TD Securities was a qualified valuator and selected it based on its qualifications, expertise and reputation, and its experience with MI 61-101 valuations.

The Valuation and Fairness Opinion is the opinion of TD Securities and its form and content have been approved by a committee of senior investment banking professionals of TD Securities, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters. The Valuation and Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Canadian Investment Regulatory Organization of Canada (“CIRO”), but CIRO has not been involved in the preparation or review of the Valuation and Fairness Opinion.

INDEPENDENCE OF TD SECURITIES

Neither TD Securities nor any of its affiliated entities (as such term is defined for the purposes of MI 61-101): (i) is an associated entity or affiliated entity or issuer insider (as such terms are defined in MI 61-101) of the Fund, A&W Food Services or any of their respective associated entities or affiliated entities or issuer insiders, including TorQuest (each an “Interested Party”, and collectively, the “Interested Parties”); (ii) is an advisor to any of the Interested Parties with respect to the Transaction other than to the Board pursuant to the Engagement Agreement; (iii) is a manager or co-manager of a soliciting dealer group for the Transaction (or a member of the soliciting dealer group for the Transaction providing services beyond the customary soliciting dealer’s functions or receiving more than the per security or per security holder fees payable to the other members of the group); or (iv) has a material financial interest in the completion of the Transaction.

TD Securities and its affiliated entities have not been engaged to provide any financial advisory services to any Interested Party, have not acted as lead or co-lead manager on any offering of securities of any Interested Party, and have not had a material financial interest in any transaction involving any Interested Party during the 24 months preceding the date on which TD Securities was first contacted with respect to the Valuation and Fairness Opinion, other than as described herein.

During the 24 months preceding the date on which TD Securities was first contacted with respect to the Valuation and Fairness Opinion, TD Securities and/or its affiliated entities have provided ordinary course

lending services to certain A&W franchise businesses. In addition, TD Securities and/or its affiliated entities have limited partner investments in funds connected to TorQuest and have commercial lending relationships with a number of portfolio companies related to TorQuest and earned financing fees on those lending relationships.

The fees paid to, and the LP investments made by, TD Securities in connection with the foregoing activities, together with the fees payable to TD Securities pursuant to the Engagement Agreement, are not, in aggregate, financially material to TD Securities, and do not give TD Securities any financial incentive in respect of the conclusions reached in the Valuation and Fairness Opinion. There are otherwise no understandings or agreements between TD Securities and any Interested Party with respect to future financial advisory or investment banking business. Subject to the terms of the Engagement Agreement, TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for any Interested Party.

TD Securities and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, TD Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Transaction, or any other Interested Party.

The Toronto-Dominion Bank, the parent company of TD Securities, directly or through affiliates provides banking services and other financing services to entities related to the Fund and A&W Food Services in the normal course of business, and may, subject to the terms of the Engagement Agreement, in the future provide banking services and credit facilities to the Fund, A&W Food Services, or any other Interested Party.

SCOPE OF REVIEW

In connection with the Valuation and Fairness Opinion, TD Securities reviewed and relied upon (without attempting to verify independently the completeness, accuracy or reasonableness of) or carried out, among other things, the following:

1. draft of the Combination Agreement dated July 16, 2024;
2. audited financial statements and management's discussion and analysis related thereto of the Fund for the fiscal years ended December 31, 2021, 2022 and 2023, and A&W Food Services for the fiscal years ended January 2, 2022, January 1, 2023, and December 31, 2023;
3. quarterly interim reports of the Fund and A&W Food Services, including unaudited financial statements and related management's discussion and analysis, for the fiscal quarter ended March 24, 2024;
4. other securities regulatory filings of the Fund for the fiscal years ended December 31, 2021, 2022 and 2023, and A&W Food Services for the fiscal years ended January 2, 2022, January 1, 2023, and December 31, 2023 filed under the profile of the Fund on the System for Electronic Document Analysis and Retrieval+ ("SEDAR+") at www.sedarplus.ca;
5. draft unaudited financial statements for A&W Food Services and draft unaudited balance sheet items for the Fund for the fiscal quarter ended June 16, 2024;

TD Securities

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6. operating and financial models prepared by the Fund and A&W Food Services management (“A&W Management”), including the Management Fund Forecast and the Management NewCo Forecast (as such terms are defined below);
7. relevant documents from the virtual data room prepared in connection with the due diligence process for the Transaction;
8. discussions with A&W Management;
9. discussions with the Board;
10. representations contained in certificates dated July 21, 2024, from senior officers of each of the Fund and A&W Food Services (the “Certificates”);
11. public information relating to the business, operations, financial performance and trading history of the Fund, A&W Food Services and other selected public entities considered relevant; and
12. such other financial, legal and operating information and materials assembled by A&W Management and such other corporate, industry, and financial market information, investigations and analyses as TD Securities considered necessary or appropriate in the circumstances.

TD Securities has not, to the best of its knowledge, been denied access by the Fund or A&W Food Services to any information requested by TD Securities.

TD Securities has not reviewed any draft of the Circular as no such draft was available as of July 21, 2024, being the effective date this Valuation and Fairness Opinion. TD Securities did not meet with the auditors of the Fund or A&W Food Services and has assumed the accuracy, completeness and fair presentation of, and has relied upon, without independent verification, the financial statements of the Fund and A&W Food Services and any reports of the auditors thereon.

PRIOR VALUATIONS

The Chief Executive Officer and the Chief Financial Officer, on behalf of the Fund and A&W Food Services and not in their personal capacities, have represented in the Certificates to TD Securities that, to the best of their knowledge, information and belief after reasonable inquiry, there have been no valuations or appraisals, relating to the Fund or A&W Food Services or any of its subsidiaries or any of their respective material assets or material liabilities (“material assets” and “material liabilities” have the meanings ascribed thereto in the Certificates, as described below) made in the preceding 24 months and in its possession or control other than those which have been provided to TD Securities or, in the case of valuations known to the Fund or A&W Food Services which it does not have within its possession or control, notice of which has not been given to TD Securities.

ASSUMPTIONS AND LIMITATIONS

TD Securities has relied on the accuracy and completeness of all financial and other data and information filed by the Fund or A&W Food Services with securities regulatory or similar authorities (including under the Fund’s profile on SEDAR+, provided to it by or on behalf of the Fund or A&W Food Services or otherwise obtained by TD Securities, including the Certificates identified above (collectively, the “Information”), and the Valuation and Fairness Opinion is conditional on such accuracy and completeness in all material respects of the Information. Subject to the exercise of professional judgment, TD Securities has not attempted to independently verify the accuracy or completeness of any of the Information.

With respect to the budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses, including the Management Fund Forecast and the Management NewCo Forecast, TD Securities notes that projecting future results is inherently subject to uncertainty. TD Securities has assumed, however, that budgets, forecasts, projections or estimates provided to it and used in its analyses were prepared using the assumptions identified therein that TD Securities has been advised are (or were at the time of preparation and, except to the extent expressly stated otherwise in the Valuation and Fairness Opinion, continue to be), in the opinion of the Fund and A&W Food Services, reasonable in the circumstances and, with respect to the Management Fund Forecast and the Management NewCo Forecast, were reasonably prepared by A&W Management in good faith based on assumptions reflecting the best currently available estimates and judgments by A&W Management as to the future operating and financial performance of the Fund and NewCo, respectively. TD Securities expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions on which they are based.

The Chief Executive Officer and the Chief Financial Officer, respectively, of each of the Fund and A&W Food Services, on behalf of the Fund and A&W Food Services and not in their personal capacities, and without personal liability, represented and certified to TD Securities in the Certificates, among other things, to the best of their knowledge, information and belief after due inquiry with the intention that TD Securities may rely thereon in connection with the preparation of the Valuation and Fairness Opinion, as follows (as it relates to the Fund in the case of representations by the Chief Executive Officer and the Chief Financial Officer of the Fund and A&W Food Services in the case of representations by the Chief Executive Officer and the Chief Financial Officer of A&W Food Services): (i) neither the Fund nor A&W Food Services has information or knowledge of any facts public or otherwise not specifically provided to TD Securities relating to the Fund or A&W Food Services which would reasonably be expected to affect materially the Valuation or Fairness Opinion to be given by TD Securities; (ii) with the exception of forecasts, projections or estimates referred to in subparagraph (iv) below, the Information, as filed under the Fund's profile on SEDAR+ and/or provided to TD Securities by or on behalf of the Fund or A&W Food Services or their respective representatives in respect of the Fund or A&W Food Services and their respective subsidiaries in connection with the Transaction is or, in the case of historical Information was, at the date of preparation, true, complete and accurate in all material respects and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Information not misleading in the light of circumstances in which it was presented; (iii) to the extent that any of the Information identified in subparagraph (ii) above is historical, there have been no changes in any material facts or new material facts since the respective dates thereof which have not been disclosed to TD Securities or updated by more current information not provided to TD Securities by the Fund or A&W Food Services and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Fund or A&W Food Services and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Valuation or Fairness Opinion; (iv) any portions of the Information provided to TD Securities (or filed on SEDAR+) which constitute forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of the Fund or A&W Food Services, are (or were at the time of preparation and continue to be) reasonable in the circumstances; (v) there have been no valuations or appraisals relating to the Fund or A&W Food Services or any of their respective subsidiaries or any of their respective material assets or liabilities made in the preceding 24 months and in the possession or control of the Fund or A&W Food Services other than those which have been provided to TD Securities or, in the case of valuations known to the Fund or A&W Food Services, which it does not have within its possession or control, notice of which has not been given to TD Securities; (vi) there have been no verbal or written offers or serious negotiations for or transactions involving any material property of the Fund or A&W Food Services or any of their respective subsidiaries during the preceding 24 months which have not been disclosed to TD Securities; (vii) since the dates on which the Information was provided to TD Securities (or filed on SEDAR+), no material transaction has been entered into by the Fund or A&W Food Services or any of their respective subsidiaries; (viii) other than as disclosed

in the Information, neither the Fund or A&W Food Services nor any of their respective subsidiaries has any material contingent liabilities and there are no actions, suits, claims, proceedings, investigations or inquiries pending or threatened against or affecting the Transaction, the Fund or A&W Food Services or any of their respective subsidiaries at law or in equity or before or by any federal, national, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may, in any way, materially adversely affect the Fund or A&W Food Services or any of their respective subsidiaries, in each case, taken as a whole, or the Transaction; (ix) all financial material, documentation and other data concerning the Transaction, the Fund or A&W Food Services and their respective subsidiaries, including any projections or forecasts provided to TD Securities by the Fund or A&W Food Services, were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of the Fund or A&W Food Services, respectively; (x) there are no material agreements, undertakings, commitments or understanding (whether written or oral, formal or informal) relating to the Transaction, except as have been disclosed in complete detail to TD Securities; (xi) the contents of any and all documents prepared or to be prepared in connection with the Transaction for filing with regulatory authorities or delivery or communication to securityholders of the Fund (collectively, the “Disclosure Documents”) have been, are and will be true, complete and correct in all material respects and have not and will not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and the Disclosure Documents have complied, comply and will comply with all requirements under applicable laws in all material respects; and (xii) to the best of its knowledge, information and belief after due inquiry, there is no plan or proposal for any material change (as defined in the *Securities Act* (Ontario)) in the affairs of either the Fund or A&W Food Services which has not been disclosed to TD Securities. For the purposes of subparagraphs (v) and (vi) above, “material assets”, “material liabilities” and “material property” include assets, liabilities and property of the Fund or A&W Food Services or their respective subsidiaries having a gross value greater than or equal to \$5,000,000.

In preparing the Valuation and Fairness Opinion, TD Securities has made a number of assumptions, including that all final or executed versions of agreements and documents will conform in all material respects to the drafts provided to TD Securities, that all conditions precedent to the consummation of the Transaction can and will be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities, courts of law, or third parties required in respect of or in connection with the Transaction will be obtained in a timely manner, in each case without adverse condition, qualification, modification or waiver, that all steps or procedures being followed to implement the Transaction are valid and effective and comply in all material respects with all applicable laws and regulatory requirements, that all required documents have been or will be distributed to the Unitholders in accordance with applicable laws and regulatory requirements, and that the disclosure in such documents is or will be complete and accurate in all material respects and such disclosure complies or will comply in all material respects with the requirements of all applicable laws and regulatory requirements. In its analysis in connection with the preparation of the Valuation and Fairness Opinion, TD Securities made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of TD Securities, the Fund or A&W Food Services, and their respective subsidiaries and affiliates or any other party involved in the Transaction. Among other things, TD Securities has assumed the accuracy, completeness and fair presentation of, and has relied upon, both the audited and unaudited financial statements forming part of the Information. The Valuation and Fairness Opinion is conditional on all such assumptions being correct.

The Valuation and Fairness Opinion has been provided for the exclusive use of the Board and is not intended to be, and does not constitute, a recommendation that the Fund take any action in connection with the Transaction, or that any Unitholder vote in favor of or otherwise take any action in connection with the Transaction (including as to whether any particular Unitholder should elect to receive Cash Consideration, Share Consideration or the Combination Consideration).

The Valuation and Fairness Opinion may not be used or relied upon by any person other than the Board or for any other purpose without the express prior written consent of TD Securities. The Valuation and Fairness Opinion does not address the relative merits of the Transaction as compared to other transactions or business strategies that might be available to the Fund, nor does it address the underlying business decision to implement the Transaction or any other term or aspect of the Transaction or any agreements entered into or to be entered into in connection with implementing the Transaction. In considering fairness, from a financial point of view, of the Consideration to be received by the Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction, TD Securities considered the Transaction from the perspective of Unitholders generally and did not consider the specific circumstances of any particular Unitholder, including with regard to income tax considerations. TD Securities expresses no opinion with respect to future trading prices of securities of the Fund or NewCo.

This Valuation and Fairness Opinion is rendered as of July 21, 2024 on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of the Fund or A&W Food Services and its subsidiaries and affiliates as they were reflected in the Information provided to TD Securities. Any changes therein may affect the Valuation and Fairness Opinion and, although TD Securities reserves the right to change, withdraw or supplement the Valuation and Fairness Opinion in such event, it disclaims any undertaking or obligation to advise any person of any such change that may come to its attention, or to change, withdraw or supplement the Valuation and Fairness Opinion after such date.

In preparing the Valuation and Fairness Opinion, TD Securities was not authorized to solicit, and did not solicit, interest from any other party with respect to the acquisition of Units or other securities of the Fund, or any business combination or other extraordinary transaction involving the Fund or A&W Food Services, nor did TD Securities negotiate with any party in connection with any such transaction involving the Fund or A&W Food Services. TD Securities has not undertaken an independent evaluation, appraisal or physical inspection of any assets or liabilities of the Fund or A&W Food Services or any of their respective subsidiaries or affiliates.

TD Securities is not an expert on, and did not render advice to the Fund regarding, legal, accounting, regulatory, operating, permitting or tax matters. TD Securities has not visited any of the operations of A&W Food Services in connection with the Transaction. TD Securities has relied upon, without independent verification, the assessment of the Board and its legal advisors with respect to legal matters. The Valuation and Fairness Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express prior written consent of TD Securities.

The preparation of a valuation and fairness opinion is a complex process and is not necessarily amenable to partial analysis or summary description. TD Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete view of the process underlying the Valuation and Fairness Opinion. Accordingly, the Valuation and Fairness Opinion should be read in its entirety.

OVERVIEW OF THE FUND

Headquartered in Vancouver, British Columbia, the Fund is a limited purpose trust established in 2001. The trust units trade on the Toronto Stock Exchange (“TSX”) under the symbol AW.UN. The Fund was established to invest in Trade Marks, which through its ownership interest in the A&W Trade Marks Limited Partnership (the “Partnership”), owns the A&W trade marks used in the A&W QSR business in Canada. The Partnership has granted A&W Food Services a license to use the A&W trade marks in Canada for a term expiring December 30, 2100, for which A&W Food Services is required to pay a royalty of 3% of the gross sales reported to A&W Food Services by A&W restaurants in the royalty pool.

The Partnership distributes its available cash, after satisfaction of any debt service, provision for operating and other expenses and any amounts retained as reserves, by way of distributions on limited partnership units held by Trade Marks. Trade Marks subsequently distributes its available cash, after satisfaction of debt service and income tax obligations, provisions for administrative expenses of Trade Marks and the Fund, and retention of reasonable reserves, by way of dividends on its common shares held by the Fund and A&W Food Services and one special share held by A&W Food Services. The Fund in turn makes distributions to Unitholders, after allowing for reasonable reserves.

The Fund's distributable cash available to make distributions to Unitholders is based on the gross sales of the A&W restaurants in the royalty pool, less operating expenses associated with operating the Fund, interest and taxes and an allowance for reasonable reserves. The Fund is a top-line fund, meaning it is not subject to variability of earnings or expenses associated with an operating business, but is subject to variability in revenues of the A&W restaurants in the royalty pool.

Historical Financial Information

The following table summarizes certain of the Fund's consolidated operating results for the fiscal years ended December 31, 2021, December 31, 2022, December 31, 2023, and for the twenty-four weeks ended June 18, 2023 and June 16, 2024:

(In \$000s, except restaurants and per Unit amounts)

	Fiscal Year Ended			24 Weeks Ended	
	December 31, 2021	December 31, 2022	December 31, 2023	June 18, 2023	June 16, 2024
Royalty Pool Same-store Sales Growth...	14.0%	7.4%	2.7%	4.1%	0.5%
Restaurants in Royalty Pool.....	994	1,015	1,037	1,037	1,047
Royalty Revenue.....	\$47,081	\$52,181	\$54,962	\$24,212	\$24,518
General & Administrative Expenses.....	\$817	\$983	\$961	\$375	\$389
Distributable Cash.....	\$36,298	\$38,614	\$42,627	\$18,205	\$18,205
Distributable Cash per Equivalent Unit....	\$1.89	\$1.94	\$2.09	\$0.89	\$0.88
Payout Ratio.....	92.3%	96.6%	91.8%	99.4%	100.0%

Source: A&W Revenue Royalties Income Fund public filings.

The following table summarizes the Fund's consolidated balance sheet as at December 31, 2021, December 31, 2022, December 31, 2023, as well as at June 18, 2023 and June 16, 2024:

(In \$000s)

	As At				
	December 31, 2021	December 31, 2022	December 31, 2023	June 18, 2023	June 16, 2024
Cash & Equivalents.....	\$10,064	\$17,109	\$12,156	\$13,108	\$15,970
Other Current Assets.....	\$5,879	\$4,639	\$6,271	\$4,873	\$5,057
Non-Current Assets.....	\$361,431	\$389,910	\$405,316	\$406,616	\$413,798
Total Assets.....	\$377,374	\$411,658	\$423,743	\$424,597	\$434,825
Total Current Liabilities.....	\$4,108	\$9,348	\$3,127	\$7,001	\$5,999
Total Non-Current Liabilities.....	\$75,669	\$76,066	\$76,245	\$75,812	\$75,640
Unitholders' Equity.....	\$217,357	\$220,984	\$222,368	\$223,096	\$224,069
Non-Controlling Interest.....	\$80,240	\$105,260	\$122,003	\$118,688	\$129,117
Total Liabilities and Unitholders' Equity....	\$377,374	\$411,658	\$423,743	\$424,597	\$434,825

Source: A&W Revenue Royalties Income Fund public filings.

As of June 16, 2024, there were 20,655,650 total Units issued and outstanding on an as-converted basis, consisting of 14,585,673 Units, 1,507,020 Limited Voting Units and Exchangeable Securities exchangeable for 4,563,957 Units.

Unit Trading Information

The Units are listed on the TSX under the symbol AW.UN. The following table sets forth, for the periods indicated, the high and low closing prices quoted on the TSX and the volume traded on the TSX:

Period	TSX Closing Prices (\$)		Volume (000s)
	High	Low	TSX
January, 2023.....	\$37.50	\$34.81	202
February, 2023.....	\$37.99	\$36.62	250
March, 2023.....	\$37.88	\$34.90	350
April, 2023.....	\$38.00	\$36.25	162
May, 2023.....	\$37.46	\$35.47	189
June, 2023.....	\$36.14	\$34.03	218
July, 2023.....	\$36.13	\$34.10	163
August, 2023.....	\$34.85	\$32.99	210
September, 2023.....	\$33.50	\$31.68	172
October, 2023.....	\$32.23	\$29.33	235
November, 2023.....	\$31.50	\$30.48	160
December, 2023.....	\$31.71	\$30.60	341
January, 2024.....	\$32.74	\$30.99	358
February, 2024.....	\$32.47	\$30.16	290
March, 2024.....	\$31.37	\$29.78	313
April, 2024.....	\$30.05	\$29.01	476
May, 2024.....	\$29.62	\$28.53	343
June, 2024.....	\$30.14	\$28.33	334
July 1, 2024 to July 19, 2024.....	\$29.35	\$28.35	304
January 1, 2023 to July 19, 2024.....	\$38.00	\$28.33	5,069

Source: Bloomberg.

Note: January 1, 2023 to July 19, 2024 total may not sum due to rounding.

The closing price of the Units on the TSX on July 19, 2024, the last trading day prior to the public announcement of the Transaction, was \$28.54.

OVERVIEW OF A&W FOOD SERVICES

Headquartered in Vancouver, British Columbia, A&W Food Services is a privately owned corporation and the second largest QSR burger chain in Canada, operating 1,062 restaurants as of June 16, 2024, of which 1,052 are franchised and 10 are owned and operated corporately. Operating coast-to-coast, A&W restaurants feature famous trade-marked menu items such as The Burger Family, Chubby Chicken and A&W Root Beer. A&W restaurants operate as freestanding restaurants with drive-thru facilities, restaurants in shopping centres, restaurants on street fronts in urban areas or gas/convenience store restaurants on shared sites. A&W Root Beer is also widely distributed in cans and bottles through retail grocery stores by Coca-Cola Canada Bottling Ltd. under licence.

A&W Food Services is the franchisor for A&W restaurants in Canada. As such, the financial performance of A&W Food Services is primarily driven by sales of the franchised restaurants. While A&W Food Services operates 10 corporately-owned stores, representing less than 1% of all locations, the residual of the A&W network is owned and operated by franchisees and therefore, the profitability of those franchised restaurants is not a direct component of A&W Food Services' profitability. Operating expenses for A&W Food Services, excluding expenses that are subject to a pass-through mechanism, are primarily limited to corporate operations and expenses relating to the 10 corporately-owned restaurants.

Historical Financial Information

The following table summarizes certain of A&W Food Service's consolidated operating results for the fiscal years ended January 2, 2022, January 1, 2023, December 31, 2023, and for the twenty-four weeks ended June 18, 2023 and June 16, 2024:

(In \$000s)

	Fiscal Year Ended			24 Weeks Ended	
	January 2, 2022	January 1, 2023	December 31, 2023	June 18, 2023	June 16, 2024
Same-store Sales Growth.....	14.0%	7.4%	2.7%	4.1%	0.5%
System Sales.....	\$1,609,107	\$1,776,205	\$1,853,119	\$812,220	\$826,578
Revenue.....	\$244,983	\$299,362	\$299,314	\$131,780	\$123,102
Net Income.....	\$36,770	\$36,402	\$38,012	\$18,672	\$16,305
Cash Flow from Operations.....	\$24,684	\$5,938	\$19,114	\$11,548	\$18,099

Source: A&W Food Services and A&W Revenue Royalties Income Fund public filings.

The following table summarizes A&W Food Service's consolidated balance sheet as at January 2, 2022, January 1, 2023, December 31, 2023, as well as at June 18, 2023 and June 16, 2024:

(In \$000s)

	As At				
	January 2, 2022	January 1, 2023	December 31, 2023	June 18, 2023	June 16, 2024
Cash & Equivalents.....	\$9,629	\$5,004	\$3,808	\$2,201	\$2,282
Other Current Assets.....	\$79,234	\$87,414	\$94,631	\$94,512	\$101,425
Non-Current Assets.....	\$768,957	\$796,461	\$822,332	\$794,896	\$830,782
Total Assets.....	\$857,820	\$888,879	\$920,771	\$891,609	\$934,489
Total Current Liabilities.....	\$111,203	\$109,005	\$112,403	\$110,833	\$117,163
Total Non-Current Liabilities.....	\$893,247	\$909,612	\$930,849	\$905,512	\$938,029
Shareholders' Deficiency.....	(\$146,810)	(\$129,904)	(\$122,773)	(\$125,502)	(\$121,568)
Non-Controlling Interest.....	\$180	\$166	\$292	\$766	\$865
Total Liabilities and Shareholders' Deficiency.....	\$857,820	\$888,879	\$920,771	\$891,609	\$934,489

Source: A&W Food Services public filings.

As of June 16, 2024, A&W Food Services had ownership and control over an aggregate of 6,069,977 Units on an as-converted basis, representing approximately 29.4% of the outstanding voting securities of the Fund.

DEFINITION OF FAIR MARKET VALUE

For purposes of the Valuation, fair market value is defined as the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. In accordance with MI 61-101, TD Securities has made no downward adjustment to the fair market value of the Units to reflect the liquidity of the Units, the effect of the Transaction on the Units, or the fact that the Units held by Unitholders do not form part of a controlling interest.

APPROACH TO VALUE – THE UNITS

The Valuation is based upon techniques and assumptions that TD Securities considers appropriate in the circumstances for the purpose of arriving at an opinion as to the range of fair market value of the Units. Fair market value of the Units was analyzed on a going concern basis and is expressed as an amount per Unit.

VALUATION METHODOLOGIES

In preparing the Valuation of the Units, TD Securities primarily considered three methodologies:

1. discounted cash flow (“DCF”) analysis;
2. dividend discount model (“DDM”) analysis; and
3. comparable public company analysis.

In addition, TD Securities conducted a comparable precedent transactions analysis. Given differences between the Fund and the identified precedent transactions, primarily related to business model (as none of the precedent transactions identified were royalty companies), TD Securities did not consider any of the identified precedent transactions to be directly comparable to the Fund. Accordingly, due to the lack of comparable transactions, TD Securities did not rely on this methodology in order to arrive at its conclusion regarding the fair market value of the Units.

Discounted Cash Flow Analysis

TD Securities applied the DCF methodology to the Fund in order to arrive at its conclusion regarding fair market value of the Units. The DCF methodology reflects the growth prospects and risks inherent in the Fund's business by taking into account the amount, timing and relative certainty of projected free cash flows expected to be generated by the Fund. The DCF approach requires that certain assumptions be made regarding, among other things, future free cash flows, discount rates, and terminal values. The possibility that some of the assumptions will prove to be inaccurate is one factor involved in the determination of the discount rates to be used in establishing a range of values. TD Securities' DCF analysis involved discounting to a present value the Fund's projected unlevered after-tax free cash flows from June 16, 2024 until December 31, 2028 under the Management Fund Forecast, including terminal values determined as at December 31, 2028, using an appropriate weighted average cost of capital (“WACC”) as the discount rate.

Dividend Discount Model Analysis

In addition to the DCF analysis, TD Securities applied the DDM methodology to the Fund in order to arrive at its conclusion regarding fair market value of the Units. Instead of paying dividends, the Fund pays out distributions to Unitholders; therefore, distribution projections are discounted at a specific rate to determine the present value of the distribution stream. The present value of a terminal value, representing the value of distributions beyond the end of the forecast period, is added to arrive at a total equity value. The possibility

that some of the assumptions will prove to be inaccurate is one factor involved in the determination of the discount rates to be used in establishing a range of values. TD Securities’ DDM analysis involved discounting to a present value the Fund’s projected levered after-tax free cash flows available for distribution from June 16, 2024 until December 31, 2028 under the Management Fund Forecast, including terminal values determined as at December 31, 2028, using an appropriate cost of equity as the discount rate.

Comparable Public Company Analysis

In addition to the DCF and DDM analysis, TD Securities applied the comparable public company methodology to the Fund in order to arrive at its conclusion regarding the fair market value of the Units. TD Securities determined comparable public company analysis was appropriate due to: (i) the lack of active business operations for the Fund; (ii) lack of synergies for an en bloc buyer; and (iii) limited strategic value to owning 100% of the Units outstanding. As part of its comparable public company analysis, TD Securities identified and reviewed four publicly traded Canadian restaurant royalty peers that operate a QSR or full-service restaurant (“FSR”) franchisor business model. Secondary consideration was also given to six publicly traded, global QSR companies that operate a primarily franchisor business model which were identified by TD Securities. Using these publicly traded companies, TD Securities derived appropriate valuation multiples for such companies based on the market trading prices of their common shares. Ideally, public companies considered would be comparable in terms of operating characteristics, growth prospects, risk profile and size. Based on its experience, TD Securities considered both enterprise value to EBITDA and distribution yield to be the primary valuation metrics when applying the market trading multiples methodology to the Fund.

VALUATION OF UNITS

Management Fund Forecast

TD Securities was provided with unaudited projected operating and financial information for the Fund by A&W Management, which is comprised of management for both the Fund and A&W Food Services, on June 5, 2024. The projections were updated by A&W Management to reflect year-to-date 2024 results and a final version was provided to TD Securities on July 9, 2024 (the “Management Fund Forecast”). TD Securities reviewed A&W Management’s assumptions underlying the Management Fund Forecast, including, but not limited to, net new restaurant openings, same-store sales growth rates, revenue growth rates, selling, general, and administrative (“SG&A”) expense, EBITDA margins, and net working capital. These assumptions were reviewed in comparison to industry information considered relevant and discussed with A&W Management and the Board. Based upon such review and subject to the assumptions and limitations described herein, TD Securities considered the Management Fund Forecast to be appropriate for use in the DCF analysis and DDM analysis.

The following is a summary of the Management Fund Forecast system sales assumptions for the FY2024 to FY2028 periods for the Fund, as provided to TD Securities:

(in \$ millions, except restaurants)

System Sales Assumptions	Fiscal Year Ended				
	December 31, 2024	December 31, 2025	December 31, 2026	December 31, 2027	December 31, 2028
Royalty Pool Same-store Sales Growth.....	2.0%	4.5%	4.5%	4.5%	4.5%
Number of Restaurants in the Royalty Pool.....	1,047	1,059	1,080	1,109	1,144
Net Additions to the Royalty Pool.....	10	12	21	29	35
Net Additions to be added to the Royalty Pool following year, Jan 5..	12	21	29	35	36

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Gross Sales Reported by A&W Restaurants in the Royalty Pool.....	\$1,896	\$2,010	\$2,145	\$2,297	\$2,461
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Same-store Sales Growth

The Management Fund Forecast assumes same-store sales growth based on A&W Management's expectation that same-store growth rates will be consistent with the Fund's historical results and reflect expected continued product innovation and industry tailwinds. Same-store sales growth is forecast to be 4.5% per annum throughout the periods covered by the Management Fund Forecast, with the exception of 2024E, which reflects softer economic conditions in the first half of 2024.

New Restaurant Openings ("NROs")

The Management Fund Forecast assumes net restaurant unit additions by type for each fiscal year over the forecast period based on A&W Management's business outlook, strategy and historical levels. The assumed net NROs over the 2024E – 2028E period to average 28 per fiscal year.

Royalty Revenue

The Management Fund Forecast assumes royalty revenue equal to 3% of system sales, constant throughout the forecast, based on the current royalty rate between A&W Food Services and the Fund.

SG&A Expense

TD Securities reviewed A&W Management's SG&A forecast and compared it with historical SG&A and future requirements in the forecast period. TD Securities concluded that the Management Fund Forecast was reasonable, based on its review and discussions with A&W Management.

EBITDA

For the purpose of the Management Fund Forecast, EBITDA is defined as Royalty Revenue less SG&A expenses.

Adjustment to Units Outstanding

As new restaurants are added into the royalty pool, new Exchangeable Securities are issued to A&W Food Services through an established formula, where forecast net system sales added to royalty pool are multiplied by the 3.0% royalty rate and 92.5% discount factor, in line with the current vend-in mechanism. The Management Fund Forecast accounts for an increase to equivalent Units outstanding in line with the forecast increase in restaurants.

Cash Income Taxes

Cash income taxes were forecast based on historical cash tax rate of 20% (effective tax rate for trusts, assuming nearly full payout of cash available for distributions). Cash taxes due for a given fiscal year are assumed to be paid in the following calendar year.

Change in Net Working Capital

A&W Management assumes changes in net working capital will be in-line with historical figures and forecast held constant on this basis.

Unlevered Free Cash Flows

The following is a summary of the unlevered free cash flows derived for the Fund from the Management Fund Forecast used in the DCF analysis:

(In \$ millions)

	Fiscal Year Ended				
	H2 2024	December 31, 2025	December 31, 2026	December 31, 2027	December 31, 2028
EBITDA.....	\$32	\$59	\$63	\$68	\$73
Unlevered Cash Taxes.....	(\$6)	(\$12)	(\$12)	(\$12)	(\$13)
Change in Net Working Capital.....	(\$0.2)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)
Unlevered Free Cash Flow.....	\$26	\$47	\$51	\$55	\$59

Benefits to a Purchaser of Acquiring 100% of the Units

In accordance with MI 61-101, TD Securities reviewed and considered whether any distinctive material value would accrue to A&W Food Services and its affiliates or a purchaser of the Fund through the acquisition of 100% of the Units.

TD Securities concluded that given the non-operating nature of the Fund, there would be no meaningful synergies that could be realized by A&W Food Services, or a strategic or financial purchaser.

Discounted Cash Flow Analysis

Discount Rates

Projected unlevered free cash flows for the Fund developed from the Management Fund Forecast were discounted based on the WACC. The WACC for the Fund was calculated based on the Fund’s after-tax cost of debt and equity, weighted based upon an assumed optimal capital structure. The assumed optimal capital structure was determined based upon a review of the capital structures of comparable companies and the risks inherent in the Fund. The cost of debt for the Fund was calculated based on the risk free rate of return and an appropriate borrowing spread to reflect credit risk at the assumed optimal capital structure. TD Securities used the capital asset pricing model (“CAPM”) approach to determine the appropriate cost of equity. The CAPM approach calculates the cost of equity with reference to the risk free rate of return, the volatility of equity prices relative to a benchmark (“Beta”) and the equity risk premium. TD Securities also applied a size premium to the cost of equity. TD Securities reviewed a range of unlevered betas for the Fund and a select group of comparable public companies that have risks similar to the Fund in order to select the appropriate beta for the Fund. The selected unlevered beta was levered using the assumed optimal capital structure and was then used to calculate the cost of equity.

The midpoint of the assumptions used by TD Securities in estimating the WACC for the Fund were as follows:

Cost of Debt

Risk Free Rate (10-Year Government of Canada Bonds)	3.40%
Borrowing Spread ¹	2.45%
Pre-Tax Cost of Debt	5.85%
Tax Rate	20.0%
After-Tax Cost of Debt	4.68%

Cost of Equity

Risk Free Rate (10-Year Government of Canada Bonds)	3.40%
Equity Risk Premium ²	5.68%
Size Premium ³	1.99%
Unlevered Beta	0.55
Levered Beta	0.61
Cost of Equity	8.86%

WACC

Optimal Capital Structure (% Debt)	15.0%
WACC	8.24%

1. Source: TD Securities estimate.
2. Source: International Equity Risk Premium Report from Kroll, Inc. as of December 31, 2023.
3. Source: Size premium from Kroll, Inc. CRSP Deciles Size Premia Study as of December 31, 2023.

Based upon the foregoing, TD Securities determined the appropriate WACC for the Fund to be in the range of 8.0% to 9.0%.

Terminal Value

TD Securities developed a terminal enterprise value for the Fund based on a review of comparable public companies and taking into account the growth prospects and risks for the Fund beyond the terminal year. In doing so, terminal enterprise value to EBITDA multiples were applied against the terminal year’s EBITDA. TD Securities considered the implied growth rates into perpetuity of the free cash flows following the end of the forecast period to be reasonable in the circumstances.

Summary of Discounted Cash Flow Analysis

The following is a summary of the value per Unit implied by TD Securities’ DCF analysis:

(in \$ millions, except per Unit data)

Assumptions	Management Fund Forecast	
	Low	High
WACC	9.0%	8.0%
Terminal Value Multiple.....	11.5x	13.5x
DCF Analysis		
Net Present Value of Unlevered After-Tax Free Cash Flow ¹	\$188	\$191
Net Present Value of Terminal Value ¹	\$518	\$634
Enterprise Value.....	\$705	\$825
Debt ^{2, 3}	(\$60)	(\$60)
Cash ^{2,4}	\$19	\$19
Equity Value	\$665	\$785
Equity Value per Unit	\$32.18	\$37.99

1. Adjusted for future dilution from additional vend-in Units issued for new restaurants added to the royalty pool over forecast period.
2. As at June 16, 2024.
3. Represents outstanding principal balance.
4. Includes fair market value of in the money interest rate swap of C\$3.5M (as at June 16, 2024).

Sensitivity Analysis

As part of the DCF analysis undertaken using the Management Fund Forecast, TD Securities performed sensitivity analyses on certain key assumptions as outlined below:

Assumptions	Sensitivity	Impact on Per Unit Value ¹
Terminal Enterprise Value to EBITDA Multiple	- 1.0x / + 1.0x	- \$2.23 / + \$2.23
WACC	+ 0.5% / - 0.5%	- \$0.67 / + \$0.68
Same-store Sales Growth	- 150bps / + 150bps	- \$1.85 / + \$1.93
2028E Ending Restaurants ²	- 100 / + 100	- \$0.25 / + \$0.26

Note: Includes 2025E - 2028E forecast period; 2024E held constant equal to Management Fund Forecast in all cases.

1. Impact is calculated based on the mid-point of the Management Fund Forecast DCF analysis.
2. Closures held constant equal to Management Fund Forecast.

Dividend Discount Model Analysis

Cash Available for Distribution

The following is a summary of the cash available for distribution derived for the Fund from the Management Fund Forecast used in the DDM analysis. The DDM analysis assumes 100% of cash flows are available to be paid out as distributions.

(In \$ millions, except per Unit data)

	Fiscal Year Ended				
	H2 2024	December 31, 2025	December 31, 2026	December 31, 2027	December 31, 2028
EBITDA	\$32	\$59	\$63	\$68	\$73
Cash Interest Paid	(\$1)	(\$2)	(\$2)	(\$3)	(\$3)
Levered Cash Taxes	(\$6)	(\$11)	(\$11)	(\$12)	(\$13)
Cash Flows Available for Distribution	\$25	\$46	\$50	\$53	\$57
Fully Diluted Units Outstanding	20.7	21.0	21.4	22.0	22.6
Available Distributions per Unit	\$1.23	\$2.20	\$2.35	\$2.40	\$2.52

Discount Rates

Cost of Equity

Risk Free Rate (10-Year Government of Canada Bonds)	3.40%
Equity Risk Premium ¹	5.68%
Size Premium ²	1.99%
Unlevered Beta	0.55
Levered Beta	0.61
Cost of Equity	8.86%

1. Source: International Equity Risk Premium Report from Kroll, Inc. as of December 31, 2023.
2. Source: Size premium from Kroll, Inc. CRSP Deciles Size Premia Study as of December 31, 2023.

Based upon the foregoing, TD Securities determined the appropriate cost of equity for the Fund to be in the range of 8.5% to 9.5%.

Terminal Value

TD Securities developed a terminal equity value per Unit based on an assessment of an appropriate growth rate for the business into perpetuity, taking into account the growth prospects and risks for the Fund beyond the terminal year. In doing so, terminal growth rates were applied against the terminal year's distribution. TD Securities considered the implied growth rates into perpetuity of the free cash flows following the end of the forecast period to be reasonable in the circumstances.

Summary of Dividend Discount Model Analysis

The following is a summary of the value per Unit implied by TD Securities' DDM analysis:

Assumptions	Management Fund Forecast	
	Low	High
Cost of Equity	9.5%	8.5%
Terminal Growth Rate.....	2.0%	3.0%
DDM Analysis		
Net Present Value of Distributions per Unit.....	\$8.73	\$8.90
Net Present Value of Terminal Value per Unit	\$22.73	\$32.63
Equity Value per Unit	<u>\$31.45</u>	<u>\$41.53</u>

Comparable Public Company Analysis

Enterprise Value to EBITDA

TD Securities applied the comparable public company methodology to calculate an enterprise value for the Fund and then adjusted for the impact of the Fund's net debt to determine the resulting implied equity value per Unit.

For each of the selected comparable companies, TD Securities calculated the multiple of such company's enterprise value to each company's reported EBITDA for the period over the last twelve months ("LTM"). The EBITDA figures for the selected comparable companies were based on publicly available filings.

Given the Fund's business model is a Canadian restaurant royalty business, TD Securities gave primary consideration to the consensus multiples informed by the selected Canadian restaurant royalty peers. Due to the Fund's strong brand reputation and peer-leading growth, TD Securities determined there is support to select multiples at the top end of the peer group. Global QSR operating companies were given secondary consideration; however, due to difference in business model, these were not ultimately used in multiple selection for the Fund.

Distribution Yield

TD Securities applied the comparable public company methodology to determine a distribution yield for the Fund, which was then applied to the Fund's current annualized distributions per Unit to determine the resulting implied value per Unit. For each of the selected comparable companies, TD Securities calculated the annualized yields of such company's current distributions per Unit. The distributions per Unit for the selected comparable companies were based on publicly available filings.

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TD Securities gave primary consideration to the yields informed by the Canadian restaurant royalty peers. TD Securities also considered historical Fund distribution yields.

The comparable public companies in the Canadian restaurant royalty and global QSR categories that were identified and reviewed by TD Securities are summarized below:

<u>Company</u>	<u>EV (\$ millions)</u>	<u>EV / LTM EBITDA</u>	<u>Distribution Yield</u>
Canadian Restaurant Royalty Peers			
Pizza Pizza Royalty Corp. (TSX:PZA)	\$470	11.7x	7.1%
Boston Pizza Royalties Income Fund (TSX:BPF.UN)	\$488	10.3x	8.2%
The Keg Royalties Income Fund (TSX:KEG.UN)	\$248	8.6x	8.1%
SIR Royalty Income Fund (TSX:SRV.UN)	\$106	6.9x	9.0%
Canadian Restaurant Royalty Peer Average		9.4x	8.1%
Canadian Restaurant Royalty Peer Median		9.4x	8.1%
<hr/>			
A&W Revenue Royalties Income Fund (TSX:AW.UN)¹	\$630	11.6x	6.7%
<hr/>			
QSR Operating Companies			
McDonald's Corporation (NYSE:MCD)	\$308,337	16.0x	
Restaurant Brands International Inc. (NYSE:QSR) ²	\$63,870	17.9x	
The Wendy's Company (NasdaqGS:WEN)	\$8,886	12.0x	
Shake Shack Inc. (NYSE:SHAK)	\$4,683	24.3x	
Jack in the Box Inc. (NasdaqGS:JACK)	\$3,832	8.5x	
MTY Food Group Inc. (TSX:MTY)	\$1,796	8.7x	
QSR Operating Company Average		14.6x	
QSR Operating Company Median		14.0x	

Note: Market data as of July 19, 2024. Figures shown on a pre-IFRS 16 / ASC 842 basis.

1. Based on unaffected Unit price prior to Transaction announcement of \$28.54/Unit.
2. Pro forma adjusted for acquisition of Carrols Restaurant Group closed in May 2024 and related US\$700M TLB upsizing.

Based on the foregoing and a review of all of the comparable public companies identified, TD Securities determined the appropriate valuation multiples to be in the range of 11.5x to 13.5x enterprise value to EBITDA and 6.0% to 7.0% distribution yield.

Summary of Comparable Public Company Value

Enterprise Value / EBITDA

The following is a summary of the results of TD Securities' enterprise value to EBITDA comparable public company analysis and the adjustments made by TD Securities for the Fund's net debt to determine the resulting implied value per Unit:

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(\$ millions, except per unit data)

	LTM EBITDA	Multiple		Enterprise Value	
		Low	High	Low	High
Comparable Public Company Analysis					
Enterprise Value / EBITDA	\$54	11.5x	13.5x	\$624	\$733
Less: Debt ¹				(\$60)	(\$60)
Add: Cash ^{1,2}				\$19	\$19
Equity Value.....				\$584	\$692
Equity Value per Unit.....				\$28.26	\$33.52

1. As at June 16, 2024.

2. Includes fair market value of in the money interest rate swap of C\$3.5M (as at June 16, 2024).

Distribution Yield

The following is a summary of the results of TD Securities' distribution yield comparable public company analysis to determine the resulting implied value per Unit:

	Ann. Distrib.	Yield		Equity Value per Unit	
		Low	High	Low	High
Comparable Public Company Analysis					
Equity Value per Unit	\$1.92	7.0%	6.0%	\$27.43	\$32.00

VALUE OF UNITS SUMMARY

The following is a summary of the range of values of the Units resulting from the DCF analysis, DDM analysis, and the comparable public company analysis:

	DCF Analysis		DDM Analysis		Comparable Public Company - EBITDA		Comparable Public Company - Yield	
	Low	High	Low	High	Low	High	Low	High
Equity Value per Unit.....	\$32.18	\$37.99	\$31.45	\$41.53	\$28.26	\$33.52	\$27.43	\$32.00

In arriving at its opinion as to the fair market value of the Units, TD Securities made qualitative judgments based upon its experience in rendering such opinions and on circumstances prevailing as to the significance and relevance of each valuation methodology.

VALUATION CONCLUSION – THE UNITS

Based upon and subject to the foregoing, TD Securities is of the opinion that, as of July 21, 2024, the fair market value of the Units is in the range of \$31.50 to \$37.50 per Unit.

APPROACH TO VALUE – NEWCO SHARES

The Valuation is based upon techniques and assumptions that TD Securities considers appropriate in the circumstances for the purpose of arriving at an opinion as to the range of values of the NewCo Shares. The value of the NewCo Shares was analyzed on a going concern basis and was expressed as an amount per NewCo Share.

VALUATION METHODOLOGIES

In preparing the Valuation of the NewCo Shares, TD Securities primarily considered two methodologies:

1. DCF analysis; and
2. comparable public company analysis

In addition, TD Securities conducted a comparable precedent transactions analysis. Given the structure of the Transaction, where NewCo Shares to be received by Unitholders will continue to trade publicly, which is not directly comparable to the takeout structures observed in applicable precedent transactions, TD Securities did not rely on this methodology in order to arrive at its conclusion regarding the value of the NewCo Shares.

Discounted Cash Flow Analysis

TD Securities applied the DCF methodology to NewCo in order to arrive at its conclusion regarding the value of the NewCo Shares. The DCF methodology reflects the growth prospects and risks inherent in NewCo's business by taking into account the amount, timing and relative certainty of projected free cash flows expected to be generated by NewCo. The DCF approach requires that certain assumptions be made regarding, among other things, future free cash flows, discount rates, and terminal values. The possibility that some of the assumptions will prove to be inaccurate is one factor involved in the determination of the discount rates to be used in establishing a range of values. TD Securities' DCF analysis involved discounting to a present value NewCo's projected unlevered after-tax free cash flows from June 16, 2024 until December 31, 2028 under the Management NewCo Forecast, including terminal values determined as at December 31, 2028, using an appropriate WACC as the discount rate.

Comparable Public Company Analysis

In addition to the DCF analysis, TD Securities applied the comparable public company methodology to NewCo in order to arrive at its conclusion regarding the value of the NewCo Shares. As part of its comparable public company analysis, TD Securities identified and reviewed seven public companies, six of which are North American QSR operating companies that operate a primarily franchisor business model, and one which is a Canadian restaurant royalty company. Using these publicly traded companies, TD Securities derived appropriate valuation multiples for such companies based on the market trading prices of their common shares. Ideally, public companies considered would be comparable in terms of operating characteristics, growth prospects, risk profile and size. Based on its experience, TD Securities considered enterprise value to EBITDA to be the primary valuation metric when applying the market trading multiples methodology to NewCo.

VALUATION OF NEWCO SHARES

Management NewCo Forecast

TD Securities was provided with unaudited projected operating and financial information for NewCo by A&W Management on June 5, 2024. The projections were updated by A&W Management to reflect year-to-date 2024 results and a final version was provided to TD Securities on July 9, 2024. (the "Management NewCo Forecast"). TD Securities reviewed A&W Management's assumptions underlying the Management NewCo Forecast, including, but not limited to, net new restaurant openings, same-store sales growth rates, revenue growth rates, operating expenses, contribution margins, SG&A expense, EBITDA margins, capital expenditures, net working capital and other items impacting cash flow. These assumptions were reviewed

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in comparison to industry information considered relevant and discussed with A&W Management and the Board. Based upon such review and subject to the assumptions and limitations described herein, TD Securities considered the Management NewCo Forecast to be appropriate for use in the DCF analysis.

The following is a summary of the Management NewCo Forecast system sales assumptions for the FY2024 to FY2028 periods for NewCo, as provided to TD Securities:

(in \$ millions, except restaurants)

System Sales Assumptions	Fiscal Year Ended				
	December 31, 2024	December 31, 2025	December 31, 2026	December 31, 2027	December 31, 2028
Same-store Sales Growth.....	2.0%	4.5%	4.5%	4.5%	4.5%
Number of Restaurants.....	1,068	1,091	1,122	1,158	1,194
Net Restaurant Openings.....	14	23	31	36	36
System Sales.....	\$1,919	\$2,037	\$2,174	\$2,328	\$2,494

System Sales

The Management NewCo Forecast makes the same assumptions as those underlying the Management Fund Forecast.

New Restaurant Openings (“NROs”)

The Management NewCo Forecast makes the same assumptions as those underlying the Management Fund Forecast.

Revenue

Revenue in the Management NewCo Forecast consists of the following items: service fees, purchasing and distribution (“P&D”), modernization and equipment, corporate restaurants, technology and mobile, retail beverages (root beer) and creation activities (new equipment and NRO fees, initial franchise fees and net turnkey fees) revenue.

Services fees are a major component of revenue and are a blend of certain legacy franchise agreements still at 2.5% of system sales, and current and new agreements at 3.5% of system sales. Management NewCo Forecast assumes the weighted-average service fee increases from 3.2% to 3.4% through the Management NewCo Forecast.

P&D revenue is another major component of earnings. Management NewCo Forecast assumes the P&D margin remains flat through the forecast.

SG&A Expense

TD Securities reviewed A&W Management’s SG&A forecast and compared it with historical SG&A and future requirements in the forecast period. TD Securities concluded that the Management NewCo Forecast was reasonable, based on its review and discussions with A&W Management.

EBITDA

For the purpose of the Management NewCo Forecast, EBITDA is defined as non-IFRS EBITDA from A&W Food Services, plus EBITDA from the Fund, plus the cash earnings or loss associated with the investment in Pret a Manger.

Adjusted EBITDA

For the purpose of the Management NewCo Forecast, non-IFRS Adjusted EBITDA is equal to EBITDA, plus an addback for near-term cash losses associated with NewCo's investment in Pret a Manger, if applicable.

RSU Expense

RSU Expense is based on the estimate of the number of RSUs issued contained in the Management NewCo Forecast. Initially, the RSUs are valued at the midpoint of NewCo value range for the purpose of calculating dollar value of RSU expense. The dollar value of RSU expense is then forecasted to grow in line with EBITDA. No decisions with respect to the quantum or form of NewCo's stock-based compensation have been made by the NewCo board of directors.

Cash Income Taxes

Cash income taxes were forecasted based on calculations of taxable income and Canadian statutory tax rates over the period covered by the Management NewCo Forecast

Capital Expenditures

Capital expenditures consist of investments to both maintain and modernize NewCo's existing corporate restaurants and consists of the purchase of property, plant and equipment. Capital expenditures to maintain and enhance NewCo's 1,052 franchised restaurants are funded by the individual franchisees, and not by A&W Food Services.

Change in Net Working Capital

A&W Management assumes working capital requirements are generally in-line with historical turnover ratios for the components of net working capital, being accounts receivables, inventory, prepaid expenses, accounts payable, and deposits.

Unlevered Free Cash Flows

The following is a summary of the unlevered free cash flows derived for NewCo from the Management NewCo Forecast used in the DCF analysis:

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(In \$ millions)

	Fiscal Year Ended				
	H2 2024	December 31, 2025	December 31, 2026	December 31, 2027	December 31, 2028
Adjusted EBITDA.....	\$53	\$99	\$107	\$119	\$130
EBITDA.....	\$53	\$98	\$107	\$119	\$130
RSU Expense.....	-	(\$3)	(\$3)	(\$4)	(\$4)
Unlevered Cash Taxes.....	(\$14)	(\$25)	(\$28)	(\$31)	(\$34)
Long-term Franchisee Receivables.....	-	-	\$2	-	-
Capital Expenditures.....	(\$1)	(\$2)	(\$2)	(\$2)	(\$2)
Change in Net Working Capital.....	\$2	(\$1)	\$0.5	\$0.4	\$0.3
Unlevered Free Cash Flow.....	\$40	\$67	\$77	\$83	\$90

Discounted Cash Flow Analysis

Discount Rates

Projected unlevered free cash flows for NewCo developed from the Management NewCo Forecast were discounted based on the WACC. The WACC for NewCo was calculated based on NewCo's after-tax cost of debt and equity, weighted based upon an assumed optimal capital structure. The assumed optimal capital structure was determined based upon a review of the capital structures of comparable companies and the risks inherent in NewCo. The cost of debt for NewCo was calculated based on the risk free rate of return and an appropriate borrowing spread to reflect credit risk at the assumed optimal capital structure. TD Securities used the CAPM approach to determine the appropriate cost of equity. The CAPM approach calculates the cost of equity with reference to the risk free rate of return, Beta and the equity risk premium. TD Securities also applied a size premium to the cost of equity. TD Securities reviewed a range of unlevered betas for NewCo and a select group of comparable public companies that have risks similar to NewCo in order to select the appropriate beta for NewCo. The selected unlevered beta was levered using the assumed optimal capital structure and was then used to calculate the cost of equity.

The midpoint of the assumptions used by TD Securities in estimating the WACC for NewCo were as follows:

Cost of Debt

Risk Free Rate (10-Year Government of Canada Bonds)	3.40%
Borrowing Spread ¹	3.20%
Pre-Tax Cost of Debt	6.60%
Tax Rate	27.0%
After-Tax Cost of Debt	4.82%

Cost of Equity

Risk Free Rate (10-Year Government of Canada Bonds)	3.40%
Equity Risk Premium ²	5.68%
Size Premium ³	1.99%
Unlevered Beta	0.65
Levered Beta	0.87
Cost of Equity	10.31%

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WACC

Optimal Capital Structure (% Debt)	30.0%
WACC	8.66%

1. Source: TD Securities estimate.
2. Source: International Equity Risk Premium Report from Kroll, Inc. as of December 31, 2023.
3. Source: Size premium from Kroll, Inc. CRSP Deciles Size Premia Study as of December 31, 2023.

Based upon the foregoing, TD Securities determined the appropriate WACC for NewCo to be in the range of 8.5% to 9.5%.

Terminal Value

TD Securities developed a terminal enterprise value for NewCo based on a review of comparable public companies and taking into account the growth prospects and risks for NewCo beyond the terminal year. In doing so, terminal enterprise value to EBITDA multiples were applied against the terminal year's EBITDA. TD Securities considered the implied growth rates into perpetuity of the free cash flows following the end of the forecast period to be reasonable in the circumstances.

Summary of Discounted Cash Flow Analysis

The following is a summary of the value per NewCo Share implied by TD Securities' DCF analysis:

(in \$ millions, except per NewCo Share amounts)

Assumptions	Management NewCo Forecast	
	Low	High
WACC	9.5%	8.5%
Terminal Value	9.5x	11.5x
DCF Analysis		
Net Present Value of Unlevered After-Tax Free Cash Flow	\$289	\$295
Net Present Value of Terminal Value	\$820	\$1,035
Enterprise Value.....	\$1,109	\$1,330
Debt.....	(\$258)	(\$258)
Benefits Liability ¹	(\$11)	(\$11)
Equity Value	\$841	\$1,062
Equity Value per NewCo Share	\$35.02	\$44.22

Note: Totals may not sum due to rounding.

1. As at June 16, 2024.

Sensitivity Analysis

As part of the DCF analysis undertaken using the Management NewCo Forecast, TD Securities performed sensitivity analyses on certain key assumptions as outlined below:

	Sensitivity	Impact on Per Share Value ¹
Assumptions		
Terminal Enterprise Value to EBITDA Multiple	- 1.0x / + 1.0x	- \$3.67 / + \$3.67
WACC	+ 0.5% / - 0.5%	- \$0.92 / + \$0.94
Same-store Sales Growth	- 150bps / + 150bps	- \$3.03 / + \$3.15
2028E Ending Restaurants ²	- 100 / + 100	- \$2.60 / + \$2.60
Overhead and Creation Costs	+ 20% / - 20%	- \$2.30 / + \$2.30
SG&A Cost	+ 20% / - 20%	- \$1.66 / + \$1.66

Note: Includes 2025E - 2028E forecast period; 2024E held constant to Management NewCo Forecast in all cases.

1. Impact is calculated based on the mid-point of the Management NewCo Forecast DCF analysis.
2. Closures held constant to Management NewCo Forecast.

Comparable Public Company Analysis

Enterprise Value to EBITDA

TD Securities applied the comparable public company methodology to calculate an enterprise value for NewCo and then adjusted for the impact of NewCo's debt to determine the resulting implied equity value per NewCo Share.

For each of the selected comparable companies, TD Securities calculated the multiple of such company's enterprise value to each company's estimated EBITDA for 2024. The 2024 EBITDA estimates for the selected comparable companies used by TD Securities were based on publicly available equity research estimates.

TD Securities considered the consensus multiples of the selected QSR operating companies when determining the selected multiples.

The comparable public companies in the global QSR operating company category that were identified and reviewed by TD Securities are summarized below:

Company	EV (\$ millions)	EV / 2024E EBITDA
QSR Operating Companies		
McDonald's Corporation (NYSE:MCD)	\$308,337	15.6x
Restaurant Brands International Inc. (NYSE:QSR) ¹	\$63,870	16.1x
The Wendy's Company (NasdaqGS:WEN)	\$8,886	12.1x
Shake Shack Inc. (NYSE:SHAK)	\$4,683	20.3x
Jack in the Box Inc. (NasdaqGS:JACK)	\$3,832	8.6x
MTY Food Group Inc. (TSX:MTY)	\$1,796	9.0x
Pizza Pizza Royalty Corp. (TSX:PZA) ²	\$470	11.7x
QSR Operating Company Average		13.3x
QSR Operating Company Median		12.1x

Note: Market data as of July 19, 2024. Figures shown on a pre-IFRS 16 / ASC 842 basis.

1. Pro forma adjusted for acquisition of Carrols Restaurant Group in May 2024 and related US\$700M TLB upsizing.
2. Pizza Pizza is a royalty company.

Based on the foregoing and a review of all of the comparable public companies identified, TD Securities determined the appropriate valuation multiples to be in the range of 10.5x to 12.5x enterprise value to EBITDA.

Summary of Comparable Public Company Value

Enterprise Value to EBITDA

The following is a summary of the results of TD Securities’ enterprise value to EBITDA comparable public company analysis and the adjustments made by TD Securities for NewCo’s debt to determine the resulting implied value per NewCo Share:

(\$ millions, except per NewCo Share amounts)

	2024E EBITDA	Multiple		Enterprise Value	
		Low	High	Low	High
Comparable Public Company Analysis					
Enterprise Value / EBITDA	\$92	10.5x	12.5x	\$970	\$1,154
Less: Debt ¹				(\$258)	(\$258)
Less: Benefits Liability ^{1,2}				(\$11)	(\$11)
Equity Value.....				\$702	\$886
Equity Value per NewCo Share.....				\$29.21	\$36.90

1. As at June 16, 2024.
2. Consists of an unfunded senior executive retirement plan.

VALUE OF NEWCO SHARES SUMMARY

The following is a summary of the range of values of the NewCo Shares resulting from the DCF analysis and the comparable public company analysis:

	DCF Analysis		Comparable Public Company Analysis	
	Low	High	Low	High
Equity Value per NewCo Share.....	\$35.02	\$44.22	\$29.21	\$36.90

In arriving at its opinion as to the value of the NewCo Shares, TD Securities made qualitative judgments based upon its experience in rendering such opinions and on circumstances prevailing as to the significance and relevance of each valuation methodology.

VALUATION CONCLUSION – THE NEWCO SHARES

Based upon and subject to the foregoing, TD Securities is of the opinion that, as of July 21, 2024, the fair market value of the NewCo Shares is in the range of \$32.00 to \$38.00 per NewCo Share.

FAIRNESS OPINION

Approach to Fairness

In considering the fairness of the Consideration to be received by the Unitholders in connection with the Transaction, TD Securities principally considered and relied upon:

1. a comparison of the Consideration to the fair market value of the Units as determined in the Valuation set out in this Valuation and Fairness Opinion; and
2. a comparison of the premiums implied by the Consideration to the trading price of the Units as of July 19, 2024 (the last trading day prior to the announcement of the Transaction), to the premiums implied by Canadian cash and stock takeover transactions.

Value of Consideration

TD Securities determined the value of the Consideration based on the previously determined fair market value range for NewCo Shares:

	<u>Low</u>		<u>High</u>
NewCo Fair Market Value Range.....	\$32.00		\$38.00
Implied Exchange Ratio - Public Unitholders ¹		0.675x	
Value of Share Consideration.....	<u>\$21.59</u>		<u>\$25.63</u>
Value of Cash Consideration ¹	<u>\$12.04</u>		<u>\$12.04</u>
Value of Total Consideration.....	<u>\$33.63</u>		<u>\$37.67</u>

1. Assuming full proration

Comparison of the Consideration to the Fair Market Value of the Units

TD Securities is of the opinion that, as at July 21, 2024, the fair market value of the Units was in the range of \$31.50 to \$37.50 per Unit and that, as at July 21, 2024, the value of the Consideration was in the range of \$33.63 to \$37.67. Thus, the Consideration to be received by Unitholders in connection with the Transaction is above or within the range of fair market value of the Units as at July 21, 2024 as determined by TD Securities in the Valuation.

Comparison of Implied Premiums

TD Securities considered the premiums implied by the Consideration to the trading price of the Units as of July 19, 2024 (the last trading day prior to the announcement of the Transaction), and compared these premiums to premiums implied by Canadian cash and stock takeover transactions calculated based on the following periods: (i) closing price one day prior to announcement and (ii) volume weighted average price for the twenty trading days prior to announcement.

	1-Day Premium	20-Day VWAP
<u>Canadian Cash and Stock Takeovers¹</u>		
Average.....	29%	33%
Median.....	24%	27%
<u>Premium Implied by the Consideration²</u>		
Consideration (Low – High) ³	18% - 32%	17% - 32%

1. Based on all transactions with Canadian targets and a deal value greater than \$500mm (since 2005).
2. Based on the closing price of Units on July 19, 2024.
3. Based on high and low end of value range for the Consideration; assumes full proration.

Although TD Securities did not consider any specific transaction to be directly comparable to the Transaction, TD Securities believes that the transactions considered, in the aggregate, provide a useful comparison benchmark. TD Securities noted that the premium implied by the Consideration is within the range of the average and median premiums implied by the takeover transactions considered.

FAIRNESS OPINION CONCLUSION

Based upon and subject to the foregoing, and such other matters that TD Securities considered relevant, TD Securities is of the opinion that, as of July 21, 2024, the Consideration to be received by Unitholders (other than A&W Food Services and its affiliates) in connection with the Transaction is fair, from a financial point of view, to the Unitholders (other than A&W Food Services and its affiliates).

Yours very truly,

TD Securities Inc.

TD SECURITIES INC.

APPENDIX H
RBC FAIRNESS OPINION



Capital
Markets

RBC Dominion Securities Inc.
P.O. Box 50
Royal Bank Plaza
Toronto, Ontario M5J 2W7
Telephone: (416) 842-2000

July 21, 2024

The Board of Trustees
A&W Revenue Royalties Income Fund
#300 – 171 West Esplanade
North Vancouver, BC
V7M 3K9

To the Trustees:

RBC Dominion Securities Inc. (“RBC”), a member company of RBC Capital Markets, understands that A&W Revenue Royalties Income Fund (the “Fund”) and A&W Food Services of Canada Inc. (“A&W Food Services”) propose to enter into an agreement (the “Combination Agreement”) pursuant to which the Fund and A&W Food Services will combine (the “Transaction”) to form a new, publicly traded company (“A&W Food Services NewCo”). RBC understands that the terms of the Transaction provide that each holder (a “Unitholder”) of the units of the Fund (the “Units”) other than A&W Food Services will have the opportunity to elect to receive: (i) \$37.00 in cash (the “Cash Consideration”); (ii) one common share (a “NewCo Share”) of A&W Food Services NewCo (the “Share Consideration”); or (iii) a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of a NewCo Share), per Unit held (the “Consideration”). The election of Unitholders to receive Cash Consideration or Share Consideration will be subject to proration with an aggregate cash consideration of approximately \$175.6 million. RBC further understands that, pursuant to the Transaction, the shareholders of A&W Food Services (the “Food Services Shareholders”) will receive approximately 14.16 million NewCo Shares, representing approximately 59% of the total NewCo Shares outstanding. The terms of the Transaction will be more fully described in an information circular (the “Circular”), which will be mailed to Unitholders in connection with the Transaction.

RBC also understands that, concurrent with the execution of the Combination Agreement, certain Food Services Shareholders, including Torquest Partners Fund IV, L.P., Torquest Partners Fund (US) IV, L.P., and Torquest Capital Fund IV, L.P. (together, “Torquest”), will enter into support and voting agreements with A&W Food Services and the Fund (each, a “Support and Voting Agreement”) pursuant to which such Food Services Shareholders will agree to vote the Units held by them in favour of the Transaction and take other actions to support the completion of the Transaction in their capacity as shareholders of the AWFS Entities (as defined in the Combination Agreement). RBC further understands that, concurrent with the closing of the Transaction, certain Food Services Shareholders, including Torquest, will enter into an investor rights agreement (the “Investor Rights Agreement”) with A&W Food Services NewCo pursuant to which such Food Services Shareholders will be subject to a customary 180-day lock-up and 24-month standstill upon closing of the Transaction.

The trustees (the “Trustees”) of the Fund have retained RBC to provide advice and assistance to the Trustees in evaluating the Transaction, including the preparation and delivery to the Trustees of RBC’s opinion (the “Fairness Opinion”) as to the fairness of the Consideration to be received under the Transaction from a financial point of view to the Unitholders (other than A&W Food Services and its affiliates). RBC was instructed by the Trustees that the Transaction is a “business combination” within

the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. RBC has not prepared, or been requested to prepare, a valuation of the Fund, A&W Food Services, A&W Food Services NewCo, or any of their respective securities or assets and the Fairness Opinion should not be construed as such.

Engagement

The Trustees initially contacted RBC regarding a potential advisory assignment in January 2024, and RBC was formally engaged by the Trustees through an agreement between the Fund and RBC (the “Engagement Agreement”) dated January 23, 2024. The terms of the Engagement Agreement provide that RBC is to be paid a fee for its services as financial advisor, including fees that are contingent on a change of control of the Fund or certain other events. In addition, RBC is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by the Fund in certain circumstances. RBC consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Circular and to the filing thereof, as necessary, by the Fund with the securities commissions or similar regulatory authorities in each province of Canada.

Relationship With Interested Parties

Neither RBC, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario)) of the Fund, A&W Food Services, Torquest or any of their respective associates or affiliates. RBC has not been engaged to provide any financial advisory services nor has it participated in any financing involving the Fund, A&W Food Services, Torquest or any of their respective associates or affiliates, within the past two years, other than the services provided under the Engagement Agreement and as described herein. With respect to Torquest and its affiliates, in the past two years, RBC (i) acted as co-syndication agent on a C\$355 million acquisition financing in October 2022, and (ii) participated in three acquisition financings for an aggregate amount of US\$220 million and C\$611 million. There are no understandings, agreements or commitments between RBC and the Fund, A&W Food Services, Torquest or any of their respective associates or affiliates with respect to any future business dealings, other than a commitment to enter into a credit agreement and related financing documentation as co-lead underwriter on a C\$325 million credit facility relating to financing of the Transaction. RBC may, in the future, in the ordinary course of its business, perform financial advisory or investment banking services for the Fund, A&W Food Services, Torquest or any of their respective associates or affiliates. Royal Bank of Canada, controlling shareholder of RBC, provides banking services to the Fund and A&W Food Services in the normal course of business.

RBC acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Fund, A&W Food Services, A&W Food Services NewCo or any of their respective associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, RBC conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to the Fund, A&W Food Services, A&W Food Services NewCo or the Transaction.

Credentials of RBC Capital Markets

RBC is one of Canada’s largest investment banking firms, with operations in all facets of corporate and government finance, corporate banking, mergers and acquisitions, equity and fixed income sales and trading and investment research. RBC Capital Markets also has significant operations in the United States and internationally. The Fairness Opinion expressed herein represents the opinion of RBC and the form and content herein have been approved for release by a committee of

its directors, each of whom is experienced in merger, acquisition, divestiture and fairness opinion matters.

Scope of Review

In connection with our Fairness Opinion, we have reviewed and relied upon or carried out, among other things, the following:

1. the final form of the Combination Agreement;
2. the final form of the Investor Rights Agreement;
3. the most recent draft, dated July 12, 2024, of the form of Support and Voting Agreement;
4. audited financial statements of the Fund and A&W Food Services for each of the five years ended December 31, 2019 to December 31, 2023;
5. the unaudited interim reports of the Fund and A&W Food Services for the quarter ended March 24, 2024;
6. the draft unaudited interim reports of the Fund and A&W Food Services for the quarter ended June 16, 2024;
7. annual reports of the Fund for each of the two years ended December 31, 2022 and December 31, 2023;
8. the Notice of Annual General Meeting of Unitholders and Information Circulars of the Fund for each of the two years ended December 31, 2022 and December 31, 2023;
9. annual information forms of the Fund for each of the two years ended December 31, 2022 and December 31, 2023;
10. the internal management budget of the Fund and A&W Food Services for the year ending December 31, 2024;
11. unaudited projected financial statements for the Fund prepared by management of the Fund for the years ending December 31, 2025 through 2028;
12. unaudited projected financial statements for A&W Food Services prepared by management of A&W Food Services for the years ending December 31, 2025 through 2028;
13. various memoranda and internal presentations prepared by management of A&W Food Services and its advisors regarding A&W Food Services and the Transaction;
14. discussions with senior management of each of the Fund and A&W Food Services;
15. discussions with the Trustees and select Food Services Shareholders;
16. discussions with the Fund's legal counsel;
17. public information relating to the business, operations, financial performance and stock trading history of the Fund and other selected public companies considered by us to be relevant;
18. public information with respect to other transactions of a comparable nature considered by us to be relevant;
19. public information regarding the quick service restaurant and fast casual dining industries;
20. representations contained in certificates addressed to us, dated as of the date hereof, from senior officers of each of the Fund and A&W Food Services as to the completeness and accuracy of the information upon which the Fairness Opinion is based; and
21. such other corporate, industry and financial market information, investigations and analyses as RBC considered necessary or appropriate in the circumstances.

RBC has not, to the best of its knowledge, been denied access by the Fund or A&W Food Services to any information requested by RBC.

Assumptions and Limitations

With the Trustees' approval and as provided for in the Engagement Agreement, RBC has relied upon the completeness, accuracy and fair presentation of all of the financial (including, without limitation, the financial statements of the Fund and A&W Food Services) and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Fund, and their consultants and advisors (collectively, the "Information") including Information provided by A&W Food Services (the "Food Services Information"). The Fairness Opinion is conditional upon the completeness, accuracy and fair presentation of such Information and Food Services Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information or Food Services Information.

Senior officers of the Fund have represented to RBC in a certificate delivered as of the date hereof that, among other things, (i) the Information (as defined above) provided to RBC orally by, or in the presence of, any officer or employee of the Fund, or in writing by the Fund, any of its affiliates or any of their respective agents or advisors, for the purpose of preparing the Fairness Opinion was, at the date provided to RBC, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact, and did not and does not omit to state any material fact necessary to make the Information, or any statement contained therein, not misleading in light of the circumstances in which it was provided to RBC; and that (ii) since the dates on which the Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Fund or any of its subsidiaries, and there has been no material change in the Information or, to the best of their knowledge, information and belief after due inquiry, other material change or change in material facts, in each case, that might reasonably be considered material to the Fairness Opinion.

Senior officers of A&W Food Services have represented to RBC in a certificate delivered as of the date hereof, among other things, that (i) the Food Services Information (as defined above) provided to RBC orally by, or in the presence of, any officer or employee of A&W Food Services, or in writing by A&W Food Services, any of its affiliates or any of their respective agents or advisors, for the purpose of preparing the Fairness Opinion was, at the date provided to RBC, and is at the date hereof complete, true and correct in all material respects, and did not and does not contain any untrue statement of a material fact, and did not and does not omit to state any material fact necessary to make the Food Services Information, or any statement contained therein, not misleading in light of the circumstances in which it was provided to RBC; and that (ii) since the dates on which the Food Services Information was provided to RBC, except as disclosed in writing to RBC, there has been no material change or change in material facts, financial or otherwise, in or relating to the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of A&W Food Services or any of its subsidiaries, and there has been no material change in the Food Services Information or, to the best of their knowledge, information and belief after due inquiry, other material change or change in material facts, in each case, that might reasonably be considered material to the Fairness Opinion.

In preparing the Fairness Opinion, RBC has made several assumptions, including that all of the conditions required to implement the Transaction will be met.

The Fairness Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date hereof and the condition and prospects, financial

and otherwise, of the Fund, A&W Food Services and their respective subsidiaries and affiliates, as they were reflected in the Information and the Food Services Information and as they have been represented to RBC in discussions with management of the Fund. In its analyses and in preparing the Fairness Opinion, RBC made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of RBC or any party involved in the Transaction.

The Fairness Opinion has been provided for the use of the Trustees and may not be used by any other person or relied upon by any other person other than the Trustees without the express prior written consent of RBC. The Fairness Opinion is given as of the date hereof and RBC disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Fairness Opinion which may come or be brought to RBC's attention after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Fairness Opinion after the date hereof, RBC reserves the right to change, modify or withdraw the Fairness Opinion.

RBC believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Fairness Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. The Fairness Opinion is not to be construed as a recommendation to any Unitholder as to whether or not to vote in favour of the Transaction.

Fairness Analysis

Approach to Fairness

In considering the fairness of the Consideration to be received under the Transaction from a financial point of view to the Unitholders (other than A&W Food Services and its affiliates), RBC primarily considered and relied upon: (i) a comparison of the Consideration to the results of a discounted cash flow analysis of the Fund; and (ii) a comparison of the implied consideration paid to Food Services Shareholders other than the Consideration paid in respect of the Units held by A&W Food Services to the results of a discounted cash flow analysis of A&W Food Services. RBC also compared the multiples implied by the Consideration to the implied multiples of publicly traded comparable income trusts, however given that public company values generally reflect minority interest trading values rather than "en bloc" values, RBC did not primarily rely on this methodology.

Fairness Conclusion

Based upon and subject to the foregoing, RBC is of the opinion that, as of the date hereof, the Consideration to be received by Unitholders (other than A&W Food Services and its affiliates) pursuant to the Transaction is fair from a financial point of view to the Unitholders (other than A&W Food Services and its affiliates).

Yours very truly,

RBC Dominion Securities Inc.

RBC DOMINION SECURITIES INC.

APPENDIX I

PRO-FORMA FINANCIAL STATEMENTS

A&W FOOD SERVICES NEWCO

PRO FORMA FINANCIAL INFORMATION

As at and for the 24 week period ended June 16, 2024 and for the 52 week period ended December 31,
2023

A&W Food Services NewCo

PRO FORMA CONSOLIDATED STATEMENT OF INCOME (UNAUDITED - PREPARED BY MANAGEMENT)

For the 24-week period ended June 16, 2024

(in thousands of Canadian dollars, except for shares and per share amounts)

	A & W Food Services of Canada Inc. Consolidated	A&W Revenue Royalties Income Fund Consolidated	Notes	Pro Forma Adjustments	A&W Food Services NewCo Pro Forma Consolidated
Revenue					
Franchising revenue	112,046	-		-	112,046
Corporate restaurants revenue	11,056	-		-	11,056
Royalties income	-	24,518	3a(i)	(24,518)	-
	123,102	24,518		(24,518)	123,102
Expenses (income)					
Operating costs	58,361	-		-	58,361
General and administrative expenses	26,573	389		-	26,962
Royalties expense	24,518	-	3a(i)	(24,518)	-
Recovery of impairment of leases receivable	-	-		-	-
Finance expense - net	834	555	3d(ii)	7,940	9,329
Amortization of deferred financing fees	-	16	3d(ii)	319	335
Amortization of deferred gain	(1,761)	-	3g	1,761	-
Share of income from associates	(5,444)	-	3i	5,444	-
Gain on interest rate swaps	-	(175)	3c	175	-
	103,081	785		(8,879)	94,987
Income before income taxes	20,021	23,733		(15,639)	28,115
Provision for (recovery of) income taxes					
Current income tax	4,115	5,369	3h(i)	(563)	8,921
Refundable income tax	-	336	3h(iii)	(336)	-
Deferred income tax	(399)	(622)	3h(ii)	787	(234)
	3,716	5,083		(112)	8,687
Net income for the period	16,305	18,650		(15,527)	19,428
Net income attributable to					
Shareholders	15,732	14,575	3k	(11,452)	18,855
Non-controlling interest	573	4,075	3j(ii)	(4,075)	573
	16,305	18,650		(15,527)	19,428
Earnings per trust unit/share		0.906			0.786
Weighted average number of trust units/common shares outstanding		16,092,693			23,997,781

A&W Food Services NewCo

PRO FORMA CONSOLIDATED STATEMENT OF INCOME (UNAUDITED - PREPARED BY MANAGEMENT)

For the 52-week period ended December 31, 2023

(in thousands of Canadian dollars, except for shares and per share amounts)

	A & W Food Services of Canada Inc. Consolidated	A&W Revenue Royalties Income Fund Consolidated	Notes	Pro Forma Adjustments	A&W Food Services NewCo Pro Forma Consolidated
Revenue					
Franchising revenue	276,121	-		-	276,121
Corporate restaurants revenue	23,193	-		-	23,193
Royalties income	-	54,962	3a(i)	(54,962)	-
	299,314	54,962		(54,962)	299,314
Expenses (income)					
Operating costs	157,311	-		-	157,311
General and administrative expenses	53,745	961		-	54,706
Royalties expense	54,863	-	3a(i)	(54,863)	-
Recovery of impairment of leases receivable	43	-		-	43
Finance expense - net	1,387	1,203	3d(ii)	16,535	19,125
Amortization of deferred financing fees	-	34	3d(ii)	635	669
Amortization of deferred gain	(3,703)	-	3g	3,703	-
Share of income from associates	(11,415)	-	3i	11,415	-
Loss on interest rate swaps	-	1,194	3c	(1,194)	-
Transaction costs	-	-	3e	460	460
	252,231	3,392		(23,309)	232,314
Income before income taxes	47,083	51,570		(31,653)	67,000
Provision for (recovery of) income taxes					
Current income tax	6,561	10,170	3h(i)	(6,179)	10,552
Refundable income tax	-	592	3h(iii)	(592)	-
Deferred income tax	2,510	144	3h(ii)	21,658	24,312
	9,071	10,906		14,887	34,864
Net income for the period	38,012	40,664		(46,540)	32,136
Net income attributable to					
Shareholders	36,810	32,284	3k	(38,160)	30,934
Non-controlling interest	1,202	8,380	3j(ii)	(8,380)	1,202
	38,012	40,664		(46,540)	32,136
Earnings per share		2.006			1.289
Weighted average number of common shares outstanding		16,092,693			23,997,781

A&W Food Services NewCo

PRO FORMA CONSOLIDATED BALANCE SHEET (UNAUDITED - PREPARED BY MANAGEMENT)

As at June 16, 2024

(in thousands of Canadian dollars, except for shares and per share amounts)

	A & W Food Services of Canada Inc. Consolidated	A&W Revenue Royalties Income Fund Consolidated	Notes	Pro Forma Adjustments	A&W Food Services NewCo Pro Forma Consolidated
Assets					
Current assets					
Cash and cash equivalents	2,282	15,970		-	18,252
Accounts receivable	42,937	4,470	3a(ii)	(4,470)	42,937
Dividends and distributions receivable	962	-	3b	(962)	-
Prepaid interest	-	587	3d(i)	(587)	-
Lease Receivable - current	32,292	-		-	32,292
Inventories	15,079	-		-	15,079
Prepaid expenses	4,549	-		-	4,549
Other assets	1,661	-	3a(iii)	(1,661)	-
Income taxes recoverable	3,945	-	3h	(716)	3,229
	103,707	21,027		(8,396)	116,338
Non-current assets					
Fair value of interest rate swap	-	3,462	3c	(3,462)	-
Investments in associates	177,107	-	3i	(177,107)	-
Other receivables	2,346	-		-	2,346
Deferred income tax assets	27,680	-	3h(ii)	(17,069)	10,611
Right-of-use asset	19,189	-		-	19,189
Leases receivable	587,150	-		-	587,150
Plant and equipment	11,293	-		-	11,293
Intangible assets	6,017	410,336	3f	42,208	458,561
Total assets	934,489	434,825		(163,826)	1,205,488
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	44,937	326		-	45,263
Operating loan facility	8,580	-	3d(i)	(8,580)	-
Royalties payable	4,470	-	3a(ii)	(4,470)	-
Dividends and distributions payable	962	3,296	3b	(1,925)	2,333
Other liabilities	-	1,661	3a(iii)	(1,661)	-
Lease liabilities - current	34,553	-		-	34,553
Deposits on franchise and equipment sales	21,032	-		-	21,032
Deferred revenue - current	2,629	-		-	2,629
Income taxes payable	-	716	3h	(716)	-
	117,163	5,999		(17,352)	105,810
Non-current liabilities					
Deferred gain	291,980	-	3g	(291,980)	-
Deferred revenue	28,616	-		-	28,616
Term loan	-	59,922	3d(i)	209,393	269,315
Deferred income tax liabilities	-	15,718	3h(ii)	4,620	20,338
Lease liabilities - non-current	606,752	-		-	606,752
Supplementary retirement benefit plan	10,662	-		-	10,662
Other long-term liabilities	19	-		-	19
	1,055,192	81,639		(95,319)	1,041,512
Shareholders' equity (deficiency)					
Share capital/trust units	10,129	398,884	3j(i)	21,237	430,250
Accumulated deficit	(131,697)	(174,815)	3l	39,373	(267,139)
	(121,568)	224,069		60,610	163,111
Non-controlling interest	865	129,117	3j(ii)	(129,117)	865
Total equity (deficiency)	(120,703)	353,186		(68,507)	163,976
Total liabilities and equity	934,489	434,825		(163,826)	1,205,488

A&W Food Services NewCo

Notes to the Pro Forma Consolidated Financial Statements
(Unaudited – prepared by Management)

(tabular amounts in thousands of Canadian dollars, except for shares)

1 Basis of Preparation

The unaudited pro forma consolidated statements of income for the 24 week period ended June 16, 2024 and for the 52 week period ended December 31, 2023 and the unaudited pro forma consolidated balance sheet as at June 16, 2024 and the notes thereto (collectively, the “pro forma consolidated financial statements”) of A & W Food Services of Canada Inc. (“A&W Food Services NewCo”) have been prepared by management for the purposes of illustrating the effect of the Transaction, as further described in note 2.

The pro forma consolidated financial statements give effect to the Transaction as if it had occurred on (i) January 1, 2023 for the purposes of the unaudited pro forma consolidated statements of income for the 24 week period ended June 16, 2024 and for the 52 week period ended December 31, 2023, and (ii) June 16, 2024 for the purposes of the unaudited pro forma consolidated balance sheet as at June 16, 2024.

The pro forma consolidated financial statements have been compiled for the purposes of inclusion in the Information Circular of the A&W Revenue Royalties Income Fund (the “Fund”) dated August 29, 2024. The accounting policies used in the preparation of the pro forma consolidated financial statements are the same as those set out in the audited consolidated financial statements for A & W Food Services of Canada Inc. (“Food Services”) as at December 31, 2023 and for the 52 week period then ended.

The pro forma consolidated financial statements include the accounts of Food Services, the Fund, A&W Trade Marks Inc. (“Trade Marks”), AWFS Fund Holdings Canada Ltd., TM NewCo and Food Services’ 60% controlling interest in A&W Root Beer Beverages of Canada Inc.

These pro forma consolidated financial statements have been derived from and should be read in conjunction with the following:

- the audited annual consolidated financial statements of Food Services as at December 31, 2023 and for the 52 week period then ended;
- the audited annual consolidated financial statements of the Fund as at December 31, 2023 and for the year then ended; and
- the unaudited interim condensed consolidated financial statements of Food Services and the Fund as at June 16, 2024 and for the 24 week period then ended.

The pro forma consolidated financial statements are not intended to be indicative of the results that would have actually occurred, or the results expected in future periods. Actual amounts recorded subsequent to the Transaction will likely differ from those recorded in the pro forma consolidated financial statements. The historical financial statements have been adjusted to give pro forma effect to events that are (i) directly attributable to the Transaction and (ii) objectively determinable.

The pro forma adjustments contained in these pro forma consolidated financial statements reflect estimates and assumptions by the management team of Food Services based on currently available information. Food Services’ management believes that such assumptions provide a reasonable basis for presenting all of the significant effects of the Transaction contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in these pro forma consolidated financial statements.

2 The Transaction

The Fund and Food Services entered into a combination agreement on July 21, 2024 whereby Food Services will be amalgamated with certain of its holding companies and will acquire all of the Fund’s units for common

A&W Food Services NewCo

Notes to the Pro Forma Consolidated Financial Statements
(Unaudited – prepared by Management)

(tabular amounts in thousands of Canadian dollars, except for shares)

shares of A&W Food Services NewCo or cash, as the case may be. The Transaction is a strategic combination that will create a leading publicly traded growth-focused quick service restaurant franchisor and is structured as a statutory plan of arrangement under the *Canada Business Corporations Act*.

Under the terms of the Transaction, each unitholder of the Fund (other than Food Services and its affiliates) can elect to receive in exchange for each Fund unit (i) \$37.00 in cash (the “Cash Consideration”), (ii) one common share in A&W Food Services NewCo (the “Share Consideration”), or (iii) a combination of 32.54277% of the Cash Consideration (being \$12.040825) and 67.45723% of the Share Consideration (being 0.6745723 of a share in A&W Food Services NewCo). The elections of Fund unitholders to receive Cash Consideration or Share Consideration will be subject to proration in the event that unitholders elect, in the aggregate, to receive more or less than \$175.6 million in cash consideration, such that in all cases, a total of 4,746,582 units will be purchased for cash at \$37.00 per unit, representing approximately 32.5% of the outstanding units (other than units held by Food Services) as of July 19, 2024. Following closing of the Transaction, A&W Food Services NewCo will have approximately 24.0 million common shares outstanding.

In addition, unitholders of the Fund will be entitled to receive a distribution in an amount per Fund unit equal to \$1.92 multiplied by a fraction, the numerator of which is the number of days between (a) the payment date of the last monthly distribution in respect of the Fund units for which the payment date occurs prior to the closing of the Transaction and (b) the closing of the Transaction, and the denominator of which is 365, so that, in effect, unitholders of the Fund receive the monthly distribution for the month in which the closing of the Transaction occurs, prorated for the number of days up to closing of the Transaction.

The Transaction is expected to close in October 2024 and is subject to customary closing conditions, including court approval, the approval of Fund unitholders and approval of the TSX.

3 Adjustments and Assumptions to the Pro Forma Consolidated Financial Statements

The pro forma consolidated financial statements incorporate the following pro forma adjustments and assumptions:

- (a) Removal of royalty income and expenses, and associated payables and receivables with wholly owned subsidiaries of A&W Food Services NewCo upon completion of the Transaction.
 - i. The Fund’s royalty income and Food Services’ corresponding royalty expense of \$24.5 million for the 24 week period ended June 16, 2024 and \$55.0 million for the 52 week period ended December 31, 2023 is removed because the Fund will be restructured as a wholly owned subsidiary of A&W Food Services NewCo upon completion of the Transaction. The royalty expense for the 52 week period ended December 31, 2023 reported by Food Services differs in the amount of royalty income reported by the Fund for the year ended December 31, 2023 as the Fund’s 2023 fiscal year was January 1, 2023 to December 31, 2023 whereas Food Services’ 2023 fiscal year was January 2, 2023 to December 31, 2023, resulting in the Fund reporting one additional day of royalty income in 2023.
 - ii. Royalty amounts payable to A&W Trade Marks Limited Partnership (the Partnership) of \$4.5 million from Food Services is removed as the Partnership will be wound up into Trade Marks, which will become a wholly owned subsidiary of A&W Food Services NewCo upon completion of the Transaction, offsetting the corresponding royalty receivable recognized by the Fund.

A&W Food Services NewCo

Notes to the Pro Forma Consolidated Financial Statements

(Unaudited – prepared by Management)

(tabular amounts in thousands of Canadian dollars, except for shares)

- iii. Amounts payable to Food Services of \$1.7 million from the Partnership that represents the remaining consideration payable to Food Services for the January 5, 2024 adjustment to the royalty pool, is removed as the Partnership will be wound up into Trade Marks, which will become a wholly owned subsidiary of A&W Food Services NewCo upon completion of the Transaction.
- (b) Removal of dividend receivable and payable transactions with wholly owned subsidiaries of A&W Food Services NewCo upon completion of the Transaction. Dividends and distributions payable of \$1.0 million from Trade Marks and the Fund to Food Services are eliminated as the Fund and Trade Marks will be wholly owned subsidiaries of A&W Food Services NewCo upon completion of the Transaction, offsetting the corresponding dividend receivable. Dividends payable of \$1.0 million from Food Services to its shareholder (AWFS Holdings Inc.) are also eliminated as AWFS Holdings Inc. will be amalgamated with Food Services upon completion of the Transaction.
- (c) Removal of Trade Marks' interest rate swap which will be terminated and settled upon completion of the Transaction. The interest rate swap had a fair value of \$3.5 million as at June 16, 2024. The associated unrealized gain on the interest rate swap of \$0.2 million for the 24 week period ended June 16, 2024 and unrealized loss of \$1.2 million for the 52 week period ended December 31, 2023 are also derecognized.
- (d) As a result of the Transaction, a \$325.0 million revolving debt facility will be obtained by A&W Food Services NewCo from Canadian Imperial Bank of Commerce and Royal Bank of Canada.
 - i. The net increase to debt reflects the Transaction of a new debt facility of \$325.0 million, of which \$269.3 million (net of \$3.4 million of deferred financing fees) is expected to be drawn and utilised at the Transaction closing date. The term loan in Trade Marks of \$60.0 million as at June 16, 2024 and the operating loan facility in Food Services of \$8.6 million as at June 16, 2024 are extinguished upon the close of the Transaction.

It is expected that approximately \$3.4 million of associated financing fees will be incurred to support the Transaction of this facility. Adjustments have been recorded in the pro forma consolidated financial statements to recognize these costs as part of the initial carrying value of the debt and to recognize the associated amortization on a straight-line basis over the five year term of the debt facility.

	As at June 16, 2024 \$
Expected cash transactions described below	272,665
Less deferred financing fees	(3,350)
Expected drawn down position (Pro Forma Consolidated)	269,315

A&W Food Services NewCo

Notes to the Pro Forma Consolidated Financial Statements

(Unaudited – prepared by Management)

(tabular amounts in thousands of Canadian dollars, except for shares)

The following transactions, which have been adjusted for within the pro forma consolidated financial statements, will be funded by the new \$325.0 million debt facility:

- repayment of Trade Marks' term loan which had a balance of \$60.0 million as at June 16, 2024;
- repayment of Food Services' operating loan facility which had a balance of \$8.6 million as at June 16, 2024;
- payment of financing fees associated with the new debt facility which are estimated to be \$3.4 million;
- payment of transaction costs related to the Transaction which are estimated to be \$16.8 million;
- purchase of 4.7 million units of the Fund from public unitholders at \$37.00 per unit for total cash consideration of \$175.6 million;
- repayment of non-interest bearing notes owing by Buddy Holdings Inc., one of the holding companies that will be amalgamated upon completion of the Transaction, to certain shareholders of \$12.5 million; and
- settling the net liabilities totaling \$0.3 million in the holding companies being amalgamated.

Partially offsetting the impact from settling the liabilities above, and included in the net draw down expected upon the close of the Transaction, are the following:

- \$3.5 million in cash proceeds received from terminating Trade Marks' interest rate swap (adjustment 3c); and
- \$0.6 million in interest expense that Trade Marks prepaid on the \$60.0 million term loan but would have been avoided had the Transaction completed on June 16, 2024 (adjustment 3d(ii)).

	As at June 16, 2024 \$
Decrease for extinguishment of Trade Marks' term loan	(60,000)
Decrease for extinguishment of deferred financing fees on Trade Mark's term loan	78
Increase for issuance of new debt	272,665
Increase for deferred financing fees on new debt	(3,350)
Pro forma accounting adjustment to term loan	209,393

- ii. It is anticipated that this facility will have a forecasted average drawdown position of \$255.0 million in the year following the completion of the Transaction. Associated interest expenses of \$8.6 million and a standby charge of \$0.1 million for the 24 week period ended June 16, 2024 and interest expense of \$18.2 million and a standby charge of \$0.3 million for the 52 week period ended December 31, 2023 have been adjusted in the pro forma consolidated financial statements.

The net increase to interest expense reflects the interest arising on the new debt facility to finance the Transaction, offset by elimination of interest expense recognized on existing facilities expected to be repaid at the Transaction closing date and the accelerated amortization of historic debt issuance costs which are removed on the basis that the associated debt will be replaced. Associated with the settlement

A&W Food Services NewCo

Notes to the Pro Forma Consolidated Financial Statements

(Unaudited – prepared by Management)

(tabular amounts in thousands of Canadian dollars, except for shares)

of existing debt and credit facilities the following pro forma adjustments were made to the pro forma consolidated statements of income impacting interest expense and financing fees:

- remove the interest and finance costs associated with Food Services' existing \$40.0 million credit facility (which had a balance of \$8.6 million as at June 16, 2024) and the Fund's \$60.0 million term loan as both facilities will be repaid on the date of closing of the Transaction;
- remove \$0.6 million in interest expense that Trade Marks prepaid on its \$60.0 million term loan that would have been avoided had the Transaction been completed on June 16, 2024; and
- adjust the Fund's amortization of deferred financing fees related to Trade Mark's \$60.0 million term loan that will be repaid.

	For 24 week period ended June 16, 2024 \$	For 52 week period ended December 31, 2023 \$
Elimination of interest and standby charges on existing operating loan and term loan	(793)	(1,923)
Interest and standby charge on new debt facility	8,733	18,458
Pro forma accounting adjustment to interest expense	7,940	16,535

	For 24 week period ended June 16, 2024 \$	For 52 week period ended December 31, 2023 \$
Elimination of amortization of deferred financing fees on existing operating loan and term loan	(16)	(34)
Amortization of new debt issuance costs	335	669
Pro forma accounting adjustment to amortization of deferred financing fees	319	635

(e) Recognize approximately \$0.5 million in transaction costs related to the Transaction that will be expensed.

(f) Recognize A&W Food Services NewCo acquiring the A&W trade-mark assets that are owned by the Partnership prior to the completion of the Transaction.

(g) Eliminate Food Services' deferred gain of \$292.0 million related to Food Services' sale of the A&W trade-marks to Trade Marks in 2002 and the annual amendment to the royalty pool. The associated amortization of this gain of \$1.8 million for the 24 week period ended June 16, 2024 and \$3.7 million for the 52 week period ended December 31, 2023 are also eliminated.

A&W Food Services NewCo

Notes to the Pro Forma Consolidated Financial Statements

(Unaudited – prepared by Management)

(tabular amounts in thousands of Canadian dollars, except for shares)

(h) Recognize the income tax impacts arising from the Transaction, including:

- i. A&W Food Services NewCo's corporate tax rate is approximately 27%, consistent with that of Food Services. Trade Marks' corporate tax rate is approximately 20% and will increase to approximately 27% upon completion of the Transaction as Trade Marks will no longer be a Canadian-controlled private corporation (CCPC).

The pro forma adjustment to the current tax expense of \$0.6 million for the 24 week period ended June 16, 2024 reflects a \$2.3 million reduction in current tax due to the incremental increase in finance expenses, partially offset by a \$1.7 million increase in current tax as a result of Trade Marks corporate tax rate increasing.

The pro forma adjustment to reduce the current tax expense by \$6.2 million for the 52 week period ended December 31, 2023 represents a \$4.7 million reduction in current tax due to the incremental increase in finance expenses; a \$4.5 million reduction due to the one-time transaction costs, which total approximately \$16.8 million, that will be deducted from taxable income in the year incurred; and a \$0.8 million reduction in current tax related to the wind up of the Partnership. These reductions to current tax expense are partially offset by a \$3.8 million increase in current tax as a result of Trade Marks corporate tax rate increasing.

- ii. Decrease in the valuation of Food Services deferred income tax assets of \$17.1 million as at June 16, 2024 as a result of changes in temporary differences related to Food Services investment in associates and deferred gain on the A&W trade-marks. Increase in valuation of the Fund's deferred tax liabilities of \$4.6 million due to the increase in Trade Mark's corporate tax rate from 20% to 27%. The net impact on the deferred tax expense for the 52 week period ended December 31, 2023 was an increase of \$21.7 million. The \$0.8 million increase in deferred income tax expense for the 24 week period ended June 16, 2024 relates to the wind up of the Partnership, discussed in note 3h(i).
 - iii. Remove \$0.3 million in refundable income tax for the 24 week period ended June 16, 2024 and \$0.6 million for the 52 week period ended December 31, 2023 as Trade Marks will no longer be receiving distributions from the Partnership following the Partnership's wind up upon completion of the Transaction.
- (i) Investments in associates recognized by Food Services of \$177.1 million, representing its 9.4% ownership of the Fund and 21.9% ownership of Trade Marks, along with Food Services' share of income from the Fund and Trade Marks totalling \$5.4 million for the 24 week period ended June 16, 2024 and \$11.4 million for the 52 week period ended December 31, 2023 is eliminated as the Fund and Trade Marks will be wholly owned subsidiaries of A&W Food Services NewCo upon completion of the Transaction and the associated income and investment in these entities will be eliminated upon consolidation.

A&W Food Services NewCo

Notes to the Pro Forma Consolidated Financial Statements

(Unaudited – prepared by Management)

(tabular amounts in thousands of Canadian dollars, except for shares)

(j) Below is a reconciliation of equity attributable to shareholders of Food Services upon the completion of the Transaction:

	As at June 16, 2024 \$
Food Services share capital prior to completion of the Transaction	10,129
Common shares of A&W Food Services NewCo to be issued under the Transaction	420,121
<hr/>	
Pro forma share capital	430,250

- i. Impact to share capital:
- increase common shares of A&W Food Services NewCo issued to public unitholders of the Fund in consideration for Fund Units acquired
 - elimination of the share capital of historic and newly acquired subsidiary entities as a result of the Transaction. Upon the completion of the Transaction, these entities will be fully consolidated.
 - elimination of Food Services share capital as it will be amalgamated with its parent company, AWFS Holdings Inc.
- ii. Eliminate the Fund's non-controlling interest related to Food Services investment in Trade Marks as Trade Marks will become a wholly owned subsidiary of Food Services upon completion of the Transaction. Similarly, the associated net income attributable to non-controlling interest in the Fund is reclassified as net income attributable to shareholders as Trade Marks will be a wholly owned subsidiary of A&W Food Services NewCo upon completion of the Transaction.

(k) Net profit and loss impact on shareholders as a result of Transaction and the above pro forma adjustments.

(l) Impact on accumulated deficit as a result of the Transaction and the above transactions.

A&W Food Services NewCo

Notes to the Pro Forma Consolidated Financial Statements

(Unaudited – prepared by Management)

(tabular amounts in thousands of Canadian dollars, except for shares)

4 Pro Forma Earnings per Share

Pro forma earnings per share for the 24 week period ended June 16, 2024 and the 52 week period ended December 31, 2023, are calculated based upon the pro forma weighted average number of A&W Food Services NewCo common shares that would have been outstanding had the Transaction occurred on January 1, 2023.

	For 24 week period ended June 16, 2024	For 52 week period ended December 31, 2023
Number of A&W Food Services NewCo shares issued to shareholders of Food Services	14,158,690	14,158,690
Number of A&W Food Services NewCo shares issued to Fund unitholders	9,839,091	9,839,091
Pro Forma weighted average number of common shares outstanding	23,997,781	23,997,781

APPENDIX J

EQUITY INCENTIVE PLAN RESOLUTION

Capitalized terms used herein but not otherwise defined have the respective meaning given to them in the in the management information circular of the A&W Revenue Royalties Income Fund (the "Fund") dated August 29, 2024 (the "**Circular**").

BE IT RESOLVED THAT:

1. Subject to the approval of the Arrangement Resolution, the equity incentive plan (the "**Equity Incentive Plan**") of A & W Food Services of Canada Inc. (the "**Company**"), being the corporation that will result from the amalgamation of A & W Food Services of Canada Inc., A & W of Canada Inc., AWFS Holdings Inc., A&W Holdings I Inc., A&W Holdings II Inc. and Buddy Holdings Inc., such plan substantially in the form as Appendix K to the Circular, to be effective following closing of the Transaction, is hereby authorized and approved, and all unallocated options, rights and other entitlements issuable thereunder be and are hereby approved and authorized.
2. The Company shall have the ability to continue granting equity awards under the Equity Incentive Plan until October 8, 2027, which is the date that is three (3) years from the date of the unitholder meeting of the Fund at which unitholder approval is being sought.
3. Any director or officer of the Company be and is hereby authorized to execute or cause to be implemented the Equity Incentive Plan. Any director or officer of the Company is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such other document or instrument or the doing of any such other act or thing.

APPENDIX K

A&W FOOD SERVICES NEWCO EQUITY INCENTIVE PLAN

A&W FOOD SERVICES OF CANADA INC.

OMNIBUS LONG-TERM INCENTIVE PLAN

Effective as of [●], 2024

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**A&W FOOD SERVICES OF CANADA INC.
OMNIBUS LONG-TERM INCENTIVE PLAN**

A&W Food Services of Canada Inc. (the “**Company**”) hereby establishes an Omnibus Long-Term Incentive Plan for certain qualified directors, officers, employees and Consultants (as defined herein), providing ongoing services to the Company and/or its Subsidiaries (as defined herein).

**ARTICLE 1
INTERPRETATION**

Section 1.1 Defined Terms

For the purposes of this Plan, the following terms have the following meanings:

- (a) “**Affiliate**” means any person that is controlled by the Company or that is controlled by the same person that controls the Company;
- (b) “**Associate**” has the meaning specified in Section 1 of the *Securities Act* (British Columbia);
- (c) “**Awards**” means Options, RSUs, PSUs and/or DSUs granted to a Participant pursuant to the terms of this Plan;
- (d) “**Award Agreement**” means, individually or collectively, a Stock Option Certificate, RSU Agreement, PSU Agreement and/or DSU Agreement, as the context requires;
- (e) “**Black-Out Period**” means the period of time when, pursuant to the Company’s policies in effect from time to time, securities of the Company may not be traded by Insiders or other specified persons, as applicable;
- (f) “**Board**” means the board of directors of the Company as constituted from time to time;
- (g) “**Broker**” has the meaning specified in Section 9.1(8);
- (h) “**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are authorized or obligated by law to close for business in Vancouver, British Columbia;
- (i) “**Cancellation**” has the meaning specified in Section 2.4(6);
- (j) “**Cash Equivalent**” means:
 - (i) in the case of Share Units, the amount of money equal to the Market Price multiplied by the number of vested Share Units in the Participant’s Account, net of any applicable taxes in accordance with Section 9.1(7), on the applicable settlement date; and
 - (ii) in the case of DSU Awards, the amount of money equal to the Market Price multiplied by the whole number of DSUs then recorded in the Participant’s Account which the Participant requests to redeem pursuant to, net of any

applicable taxes in accordance with Section 9.1(7), on the date the Company receives, or is deemed to receive, the redemption notice;

- (k) **“Cause”** means (i) if the Participant has an employment agreement in which “cause” or “just cause” is defined, “cause” or “just cause” as defined therein; (ii) if the Participant does not have an employment agreement or the employment agreement does not contain a definition of “cause” or “just cause”, the definition included in the Award Agreement, or (iii) in all other cases, (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) any material breach by the Participant of his or her obligations under any code of ethics, code of business conduct or any applicable policies or procedures of the Company or Subsidiary in effect from time to time; (C) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud that would be permitted under applicable law to be grounds for termination for cause; (D) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee; or (E) with respect to Ontario Participants who do not have an enforceable definition of “cause” or “just cause” in their employment agreement only, then ESA Cause;
- (l) **“Change of Control Event”** means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:
- (i) any transaction (other than a transaction described in clause (ii) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Company representing 50% or more of the aggregate voting power of all of the Company’s then issued and outstanding securities entitled to vote in the election of directors of the Company, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Company under any of the Company’s equity incentive plans;
 - (ii) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Company immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case, in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such transaction;
 - (iii) the sale, lease, exchange, license or other disposition of all or substantially all of the Company’s assets to a person other than a person that was an Affiliate of the Company at the time of such sale, lease, exchange, license or other

disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Company in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, exchange, license or other disposition;

- (iv) the passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement);
- (v) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board; or
- (vi) notwithstanding any of the foregoing, any other matter determined by the Board to be a Change of Control;
- (m) "**Code**" means the United States Internal Revenue Code of 1986, as amended, and any applicable United States Treasury Regulations and other binding regulatory guidance thereunder;
- (n) "**Company**" means A&W Food Services of Canada Inc., a company existing under the laws of Canada, and includes any successor company thereto;
- (o) "**Consultant**" means an individual, other than an employee, executive officer or director of the Company or of a Subsidiary, that for a period of 12 months or more,
 - (i) is engaged to provide services to the Company or a Subsidiary, other than services provided in relation to a distribution of the Company's securities;
 - (ii) provides the services under a written contract with the Company or a Subsidiary; and
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Subsidiary;

and includes, for an individual consultant, a Company of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (p) **"continuing entity"** has the meaning specified in Section 6.1(1);
- (q) **"Disability"** means (i) if the Participant has an employment agreement in which "disability" is defined, "disability" as defined therein; (ii) if the Participant does not have an employment agreement or the employment agreement does not contain a definition of "disability", as defined in the Award Agreement, or (iii) in all other cases, the inability of a Participant to perform substantially all of such Participant's duties and responsibilities to the Company or any Subsidiary as a result of any illness, injury, accident or condition of either a physical or psychological nature suffered by such Participant, with or without reasonable accommodation, for 180 consecutive days and is likely to continue, as determined by a physician reasonably selected by the Company or Subsidiary;
- (r) **"Dividend Share Units"** has the meaning ascribed thereto in Section 8.2 hereof;
- (s) **"DSU"** means a deferred share unit, which is a bookkeeping entry equivalent in value to a Share credited to a Participant's Account in accordance with Article 5 hereof;
- (t) **"DSU Agreement"** means a notice from the Company to a Participant evidencing the grant of DSUs and the terms and conditions thereof as the Board may approve from time to time;
- (u) **"DSU Redemption Deadline"** has the meaning ascribed thereto in Section 5.3(1) hereof;
- (v) **"DSU Redemption Notice"** has the meaning ascribed thereto in Section 5.3(1) hereof;
- (w) **"Effective Date"** has the meaning specified in Section 10.14;
- (x) **"Eligible Person"** has the meaning specified in Section 2.3;
- (y) **"ESA Cause"** means the Ontario Participant's willful misconduct, disobedience or willful neglect of duty that is not trivial and has not been condoned by the Company;
- (z) **"ESL"** means the employment standards legislation applicable to a Participant's relationship with the Company or the Subsidiary for which the Participant is rendering services, as amended or replaced;
- (aa) **"Exercise Price"** has the meaning specified in Section 3.2;
- (bb) **"Expiry Date"** has the meaning specified in Section 3.4(1);
- (cc) **"Good Reason"** means:
 - (i) if the Participant has an employment agreement in which "good reason" is defined, "good reason" as defined therein;

- (ii) a substantial diminution in the Participant's authorities, duties, or responsibilities from those in effect immediately prior to a Change of Control Event;
 - (iii) the Company requires the Participant to be based at a location in excess of one hundred (100) kilometers from the location of the Participant's principal job location or office immediately prior to a Change of Control Event, except for required travel on Company business to an extent substantially consistent with the Participant's business obligations immediately prior to a Change of Control Event;
 - (iv) a reduction in the Participant's base salary (other than as part of a broader reduction of salaries to a number of employees of the Company due to financial circumstances of the Company), or a substantial reduction in the Participant's target compensation under any incentive compensation plan, as in effect as of the date of a Change of Control Event;
 - (v) the failure to increase the Participant's base salary in a manner consistent (both as to frequency and percentage increase) with practices in effect immediately prior to the Change of Control Event or with practices implemented subsequent to the Change of Control Event with respect to similarly positioned employees; or
 - (vi) the failure of the Company to continue in effect the Participant's participation in the Company's Share Compensation Arrangements and any employee benefit and retirement plans, policies or practices, at a level substantially similar or superior to and on a basis consistent with the relative levels of participation of other similarly-positioned employees, as existed immediately prior to a Change of Control Event;
- (dd) **"Insider"** means a "reporting insider" of the Company as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and the TSX Company Manual in respect of the rules governing security-based compensation arrangements, as amended from time to time;
- (ee) **"Market Price"** means at any date when the market value of Shares of the Company is to be determined: (a) in respect of Options, if the Shares are listed on any Stock Exchange, the closing price for the Shares on such Stock Exchange on the last trading day before the date of grant of the Option; (b) in respect of RSUs, PSUs and DSUs, if the Shares are listed on any Stock Exchange, the average closing price for the Shares on such Stock Exchange for the five (5) trading days before the settlement date; or (c) if the Shares are not listed on any Stock Exchange, then the price determined by the Board using good faith discretion;
- (ff) **"Maximum Issuable"** has the meaning specified in Section 2.4(3);
- (gg) **"Ontario Participant"** means a Participant that is employed by the Company or a Subsidiary and carries out their duties and responsibilities for the Company or a Subsidiary in the province of Ontario;

- (hh) **"Option"** means an option to purchase Shares granted to an Eligible Person pursuant to the terms of this Plan;
- (ii) **"Option Period"** has the meaning specified in Section 3.4(1);
- (jj) **"Participant"** means an Eligible Person to whom Awards have been granted and are outstanding;
- (kk) **"Participant's Account"** means an account maintained by the Company to reflect each Participant's participation in RSUs, PSUs and/or DSUs under this Plan;
- (ll) **"Performance Criteria"** means criteria established by the Board which, without limitation, may include criteria based on the Participant's personal performance, the financial performance of the Company and/or of its Subsidiaries and/or achievement of corporate goals and strategic initiatives, and that may be used to determine the vesting of the Awards, when applicable;
- (mm) **"Performance Period"** means the period determined by the Board pursuant to Section 4.3;
- (nn) **"Permitted Assign"** means for any Participant:
 - (i) a trustee, custodian or administrator acting on behalf of, or for the benefit of such person or a spouse of such person;
 - (ii) a wholly owned or controlled holding entity of such person or the spouse of such person;
 - (iii) an RRSP or a RRIF of such person or the spouse of such person; or
 - (iv) a spouse of such person;
- (oo) **"Plan"** means this A&W Food Services of Canada Inc. Omnibus Long-Term Incentive Plan, as it may be amended or amended and restated from time to time;
- (pp) **"PSU"** means a performance share unit awarded to a Participant to receive a payment in the form of Shares (the Cash Equivalent or a combination of Shares and the Cash Equivalent) as provided in Article 4 hereof and subject to Performance Criteria and the terms and conditions of this Plan;
- (qq) **"PSU Agreement"** means a notice from the Company to a Participant evidencing the grant of PSUs and the terms and conditions thereof as the Board may approve from time to time;
- (rr) **"Restriction Period"** means any period of time during which a Share Unit is not vested and the Participant holding such Share Unit remains ineligible to receive Shares (or the Cash Equivalent or a combination of Shares and the Cash Equivalent) as determined by the Board in its sole discretion;

- (ss) **"Retirement"** means the resignation from the employment of a Participant with the Company or a Subsidiary which shall only be deemed to be a retirement by a resolution of the Board in its sole discretion;
- (tt) **"RSU"** means a restricted share unit awarded to a Participant to receive a payment in the form of Shares (the Cash Equivalent or a combination of Shares and the Cash Equivalent) as provided in Article 4 hereof and subject to the terms and conditions of this Plan;
- (uu) **"RSU Agreement"** means a notice from the Company to a Participant evidencing the grant of RSUs and the terms and conditions thereof as the Board may approve from time to time;
- (vv) **"Share"** means a common share in the capital of the Company;
- (ww) **"Share Compensation Arrangement"** means any stock option, employee stock option plan or any other compensation or incentive mechanism of the Company involving the issuance or potential issuance of Shares from treasury to one or more Eligible Persons of the Company or a Subsidiary, including without limitation this Plan. For greater certainty, a "Share Compensation Arrangement" does not include a security-based compensation arrangement used as an inducement to person(s) or company(ies) not previously employed by and not previously an Insider of the Company;
- (xx) **"Share Unit"** means an RSU and/or PSU, as the context requires;
- (yy) **"Share Unit Vesting Determination Date"** means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU and/or PSU have been met, and as a result, establishes the number of RSUs and/or PSUs that become vested, if any;
- (zz) **"Shareholders"** means the holders of Shares in the capital of the Company, as the context requires;
- (aaa) **"Stock Exchange"** means the Toronto Stock Exchange or, if the Shares are not listed or posted for trading on the Toronto Stock Exchange at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;
- (bbb) **"Stock Option Certificate"** means a notice from the Company to a Participant evidencing the grant of Options and the terms and conditions thereof, as the Board may approve from time to time;
- (ccc) **"Subsidiary"** means a company, partnership or other body corporate that is controlled, directly or indirectly, by the Company;
- (ddd) **"Tax Act"** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;
- (eee) **"Termination Date"** means:

- (i) the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or engagement with the Company and/or its Subsidiaries for any reason, whether lawful or unlawful, including death, Retirement, Disability, resignation, or termination with or without Cause, which, for the purpose of the Plan, shall be deemed to be on the later of the following dates: (1) the date that is the last day of any minimum statutory notice period applicable to the Participant pursuant to the minimum requirements of ESL, if and only to the extent required to comply with such minimum requirements; and (2) the date that is designated in writing by the Company or a Subsidiary, as applicable, as the last day of the Participant's employment or engagement with the Company or the Subsidiary; or
- (ii) in the event that the Participant's death occurs prior to the date determined pursuant to (i), the date of the Participant's death;

provided that, the Participant's Termination Date shall be determined without regard to any applicable period of reasonable notice, contractual notice, severance, or pay in lieu of notice that follows (or is in respect of a period which follows) the last day that the Participant actually and actively provides services to the Company or a Subsidiary, as applicable, as specified in the notice of termination provided by the Participant or the Company or the Subsidiary, as the case may be other than any applicable minimum statutory notice period applicable to the Participant pursuant to the minimum requirements of the ESL;

(fff) **"Withholding Obligations"** has the meaning specified in Section 9.1(7).

In this Plan, words importing the singular number include the plural and vice versa and words importing a gender include any other gender. Unless otherwise specified, all references to money amounts are to Canadian currency and all section references are to sections of this Plan.

ARTICLE 2 PURPOSE AND ADMINISTRATION

Section 2.1 Purpose

The purpose of this Plan is to advance the interests of the Company by: (i) providing Eligible Persons with additional incentives; (ii) encouraging stock ownership by such Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Company; (iv) promoting growth and profitability of the Company; (v) encouraging Eligible Persons to take into account long-term corporate performance; (vi) rewarding Eligible Persons for sustained contributions to the Company and/or significant performance achievements of the Company; and (vii) enhancing the Company's ability to attract, retain and motivate Eligible Persons.

Section 2.2 Administration

- (1) This Plan shall be administered and interpreted by the Board, or where the Board has delegated the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board, such committee or member. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable, except as otherwise determined by the Board.

- (2) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise or settlement and method of exercise or settlement of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board shall have the sole discretion to: (i) designate Participants; (ii) determine the type, size, and terms, and conditions (including Performance Criteria) of Awards to be granted; (iii) determine the method by which an Award may be canceled, forfeited, or suspended; (iv) determine the circumstances under which the delivery of the Cash Equivalent with respect to an Award may be deferred either automatically or at the Participant's or the Board's election; (v) interpret and administer, reconcile any inconsistency in, correct any defect in, and supply any omission in the Plan, any Award Agreement and any Award granted under, the Plan; (vi) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Board shall deem appropriate for the proper administration of the Plan; (vii) accelerate the vesting, delivery, or exercisability of, or payment for or lapse of restrictions on, or waive or impose any condition, restriction or requirement in respect of, Awards (including for greater certainty in respect of any leave of absence of a Participant); (viii) with respect to any Share Unit, add provisions permitting for the granting of a dividend equivalent subject to the same vesting conditions applicable to the related Share Units; and (ix) make any other determination and take any other action that the Board deems necessary or desirable for the administration of the Plan or to comply with any applicable law.
- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Award granted pursuant to this Plan.
- (4) Unless otherwise expressly provided in this Plan, all designations, determinations, interpretations, and other decisions regarding this Plan or any Award or any documents evidencing any Award granted pursuant to this Plan shall be within the sole discretion of the Board, may be made at any time, and shall be final, conclusive, and binding upon all persons or entities, including, without limitation, the Company, any Subsidiary, any Participant, any holder or beneficiary of any Award, and any Shareholder.
- (5) The day-to-day administration of this Plan may be delegated to such officers and employees of the Company as the Board determines.

Section 2.3 Eligible Persons

- (1) The persons who shall be eligible to receive Awards shall be the officers, directors, employees or Consultants of or to the Company or its Subsidiaries, providing ongoing services to the Company and/or its Subsidiaries (collectively, "**Eligible Persons**").
- (2) Participation in this Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Person's relationship, employment or appointment with the Company or a Subsidiary.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to this Plan shall in no way be construed as a guarantee of employment or appointment by the Company or a Subsidiary.

Section 2.4 Shares Reserved

- (1) Subject to Section 2.4(9), the securities that may be acquired by Participants under this Plan will consist of authorized but unissued Shares.
- (2) The Company will at all times during the term of this Plan ensure that it is authorized to issue such number of Shares as are sufficient to satisfy the requirements of this Plan.
- (3) Subject to Section 2.4(7) the aggregate number of Shares issuable under this Plan and under all other Share Compensation Arrangements (the “**Maximum Issuable**”) shall not exceed 10% of the total number of Shares issued and outstanding from time to time.
- (4) This Plan is considered an “evergreen” plan, since (i) any Shares subject to an Award which has been exercised or settled in the Cash Equivalent by a Participant or for any reason is cancelled or terminated without having been exercised or settled in Shares will again be available for grants under this Plan, and (ii) the number of Awards available to grant will increase as the number of issued and outstanding Shares increases from time to time. Fractional shares will not be issued and will be treated as specified in Section 9.1(4).
- (5) All Shares issued from treasury pursuant to the exercise or the vesting of Awards granted under this Plan shall, when the applicable Exercise Price or purchase price (in respect of the settlement of RSUs, PSUs or DSUs), if any, is received by the Company in connection therewith, be so issued as fully paid and non-assessable Shares.
- (6) For the purposes of Section 2.4(3), in the event that the Company cancels or purchases to cancel any of its issued and outstanding Shares (“**Cancellation**”) and as a result of such Cancellation, the Company exceeds the limit set out in Section 2.4(3), no approval of the Shareholders will be required for the issuance of Shares on the exercise or settlement of any Awards which were granted prior to such Cancellation.
- (7) Any issuance from treasury by the Company that is or was issued in reliance upon an exemption under applicable Stock Exchange rules applicable to security based compensation arrangements used as an inducement to person(s) or company(ies) not previously employed by and not previously an Insider of the Company shall not be included in determining the Maximum Issuable under Section 2.4(3).
- (8) The number of Shares that may be (i) issued to Insiders within any one year period, or (ii) issuable to Insiders at any time, in each case, under this Plan alone or when combined with all other Share Compensation Arrangements, shall not exceed 10% of the total number of Shares issued and outstanding from time to time.
- (9) Despite the foregoing and for greater certainty, the total annual grant to any one non-employee director under all Share Compensation Arrangements shall not exceed an aggregate grant value of \$100,000 in Options and \$150,000 in equity.

ARTICLE 3 OPTIONS

Section 3.1 Grants of Options

- (1) Options will be evidenced by a Stock Option Certificate, which shall be in the form approved for use under this Plan from time to time.
- (2) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 2.2(2) and Section 3.3, applicable to the exercise of an Option. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.
- (3) The Board may from time to time, in its sole discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth in this Plan and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Participant must be approved by the Shareholders if the rules of any Stock Exchange require such approval. Despite the foregoing, no Option will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Company.

Section 3.2 Exercise Price

An Option may be exercised at a price (the “**Exercise Price**”) established by the Board at the time that the Option is granted, but in no event can the Exercise Price be less than the Market Price. The Exercise Price is subject to adjustment in accordance with the provisions of Section 8.1 hereof.

Section 3.3 Vesting

Subject to Section 7.1, unless as otherwise provided in a Participant’s employment agreement or Stock Option Certificate or as otherwise determined by the Board, in its sole discretion, all Options granted under this Plan will vest over a five-year period following the date of the grant, with twenty percent (20%) of the total number of Options forming part of any grant to vest on each anniversary date after the date of the grant, commencing on the first anniversary date of the grant. Options may be subject to additional vesting conditions as may be determined by the Board at the time of grant, including performance vesting conditions.

Section 3.4 Exercise of Options

- (1) The period during which an Option may be exercised (the “**Option Period**”) will be determined by the Board at the time the Option is granted and set out in the Stock Option Certificate in respect of such Option, provided that:
 - (a) all Options expire on the date (the “**Expiry Date**”) set out by the Board on the date of grant and as described in the applicable Stock Option Certificate provided that no Option will be exercisable for a period exceeding ten (10) years from the date the Option is granted;
 - (b) Options may not be exercised until they have vested;

- (c) the Option Period will be automatically reduced in accordance with Section 7.1 upon the occurrence of any of the events referred to in such section; and
 - (d) no Option in respect of which Shareholder approval is required under the rules of any Stock Exchange will be exercisable until such time as such Option has been approved by the Shareholders.
- (2) Despite any other provision of this Plan, if the Expiry Date of an Option falls during a Black-Out Period or within nine (9) Business Days immediately following a date upon which a Participant is prohibited from exercising an Option due to a Black-Out Period (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Company), then the Expiry Date of such Option will be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period is lifted, terminated or removed.
- (3) Subject to Section 9.1(7) and Section 3.5, the Exercise Price of each Share purchased under an Option must be paid in full in cash or by bank draft, wire transfer or certified cheque at the time of such exercise, and upon receipt of payment in full, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.
- (4) Subject to Section 9.1(7), upon the exercise of Options pursuant to this Section 3.4, the Company will use commercially reasonable efforts to promptly deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal or personal representative) or to the order thereof, the number of Shares with respect to which Options have been exercised.
- (5) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by notice given to the Company as required by the Board from time to time.

Section 3.5 Cashless Exercise

A Participant may elect, in his or her sole discretion, to undertake: (i) a broker assisted "cashless exercise" pursuant to which the Company or its designee (including third party administrators) may deliver a copy of irrevocable instructions to a Broker engaged for such purposes to sell the Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required Withholding Obligations against delivery of the Shares to settle the applicable trade; or (ii) a "net exercise" procedure to surrender Options to the Corporation in consideration for an amount from the Company equal to the amount by which (A) the aggregate fair market value of the Shares issuable under such Options, exceeds (B) the aggregate Exercise Price in respect of such Option (the "**In-the-Money Amount**") and, provided that the Participant remit the amount of any Withholding Obligations to the Company in advance, the Company shall deliver the Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount. For these purposes, the fair market value of a Share will be determined with reference to the Market Price of a Share. In all events of cashless or net exercise pursuant to this Section 3.5: (a) the Participant shall comply with Section 9.1(7) of the Plan with regards to any applicable required Withholding Obligations; and (b) shall comply with all such other procedures and policies as the Board may prescribe or

determine to be necessary or advisable from time to time including prior written consent of the Board, in connection with such exercise.

ARTICLE 4 SHARE UNITS

Section 4.1 Nature of Share Units

A Share Unit is an Award of RSUs or PSUs entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, subject to such restrictions, limitations and conditions as the Board may determine at the time of grant. Conditions may be based on continuing employment (or other service relationship) and/or achievement of pre-established Performance Criteria.

Section 4.2 Share Unit Awards

- (1) Subject to the provisions of this Plan, or any approval of Shareholders or Stock Exchange approval which may be required, the Board shall, from time to time, in its sole discretion: (i) designate the Eligible Persons who may receive RSUs and/or PSUs under this Plan; (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Person and the date or dates on which such RSUs and/or PSUs shall be granted; and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, in each case, to the terms and conditions prescribed in this Plan and in any RSU Agreement or PSU Agreement, as applicable. For greater certainty, the Board may reduce or eliminate any Restriction Period in respect of an RSU or PSU from time to time and at any time and for any reason, including but not limited to circumstances involving death or Disability of a Participant.
- (2) Each RSU will be evidenced by an RSU Agreement that sets forth the restrictions, limitations and conditions for each RSU and may include, without limitation, the vesting and terms of the RSUs and the provisions applicable in the event employment or service terminates, and shall contain such terms that may be considered necessary in order that the RSUs will comply with any provisions respecting RSUs in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any Stock Exchange having authority over the Company.
- (3) Each PSU will be evidenced by a PSU Agreement that sets forth the restrictions, limitations and conditions for each PSU and may include, without limitation, the applicable Performance Period and Performance Criteria, vesting and terms of the PSUs and the provisions applicable in the event employment or service terminates, and shall contain such terms that may be considered necessary in order that the PSUs will comply with any provisions respecting RSUs in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any Stock Exchange having authority over the Company.
- (4) Any RSUs or PSUs that are awarded to an Eligible Person who is a resident of Canada or employed in Canada (each for purposes of the Tax Act) may be structured so as to be considered to be a plan described in section 7 of the Tax Act and shall in any event be

structured in such other manner to ensure that such award is not a “salary deferral arrangement” as defined in the Tax Act (or any successor to such provisions).

- (5) Subject to the vesting and other conditions and provisions set forth herein and in the RSU Agreement and/or PSU Agreement, as applicable, the Board shall determine whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share issued from treasury or purchased on the secondary market; (ii) to receive the Cash Equivalent of one Share; or (iii) to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares, as the Board may determine in its sole discretion on settlement.
- (6) The applicable settlement period in respect of a particular Share Unit shall be determined by the Board. Except as otherwise provided in the Award Agreement or any other provision of the Plan, all vested RSUs and PSUs shall be settled as soon as practicable following the Share Unit Vesting Determination Date, as applicable, but in all cases within three (3) years following the calendar year in which the Participant provided the services for which a particular Share Unit is remuneration. Following the receipt of such settlement, the PSUs and RSUs so settled shall be of no value whatsoever and shall be removed from the Participant’s Account.

Section 4.3 Performance Criteria and Performance Period Applicable to PSU Awards

For each award of PSUs, the Board shall establish (i) any Performance Criteria and other vesting conditions; and (ii) the period in which any Performance Criteria and other vesting conditions must be met (the “**Performance Period**”), in order for such PSUs to be considered vested and for the Participant to be entitled to have his or her PSUs settled in accordance with Section 4.2(5) above in exchange for all or a portion of the PSUs held by such Participant.

ARTICLE 5 DEFERRED SHARE UNITS

Section 5.1 Nature of DSUs.

A DSU is a unit granted to directors of the Company representing the right to receive a Share or the Cash Equivalent, subject to restrictions and conditions as the Board may determine at the time of grant. Conditions may be based on continuing service as a director (or other service relationship), vesting terms and/or achievement of pre-established Performance Criteria, as applicable.

Section 5.2 DSU Awards.

- (1) Subject to the Company’s director compensation policies determined by the Board from time to time, prior to each fiscal year, each director may elect to receive all or a portion his or her annual retainer fee in the form of a grant of DSUs in the fiscal year. The number of DSUs shall be calculated as the amount of the director’s annual or quarterly retainer fee elected to be paid by way of DSUs divided by the Market Price. At the sole discretion of the Board, fractional DSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.
- (2) Each DSU will be evidenced by an DSU Agreement that sets forth the restrictions, limitations and conditions for each DSU and may include, without limitation, the vesting and terms of the DSUs and the provisions applicable in the event employment or service terminates, and shall

contain such terms that may be considered necessary in order that the DSUs will comply with any provisions respecting DSUs in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any Stock Exchange having authority over the Company.

- (3) Any DSUs that are awarded to a person who is a resident of Canada or employed in Canada (each for purposes of the Tax Act) shall be structured so as to be considered to be a plan described in section 7 of the Tax Act or to meet requirements of paragraph 6801(d) of the Income Tax Regulations adopted under the Tax Act (or any successor to such provisions).
- (4) Subject to vesting and other conditions and provisions set forth herein and in the DSU Agreement, the Board shall determine whether each DSU awarded shall entitle the Participant (i) to receive one Share issued from treasury; (ii) to receive the Cash Equivalent of one Share; (iii) to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares, as the Board may determine in its sole discretion on redemption; or (iv) to entitle the Participant to elect to receive either one Share from treasury, the Cash Equivalent of one Share or a combination of cash and Shares.

Section 5.3 Redemption of DSUs.

- (1) A Participant shall be entitled to redeem his or her DSUs during the period commencing on the Business Day immediately following the Termination Date and ending on the date that is not later than the last Business Day of the end of the first calendar year following the year that includes the Termination Date, or such shorter redemption period set out in the relevant DSU Agreement (the "**DSU Redemption Deadline**") by providing a written notice of settlement to the Company setting out the number of DSUs to be settled and the particulars regarding the registration of the Shares issuable upon settlement, if applicable (the "**DSU Redemption Notice**"). In the event of the death of a director, the DSU Redemption Notice shall be filed by the administrator or liquidator of the estate.
- (2) If a DSU Redemption Notice is not received by the Company on or before the DSU Redemption Deadline, the Participant shall be deemed to have delivered a DSU Redemption Notice on the DSU Redemption Deadline and, if not otherwise set out in the DSU Agreement, the Board shall determine the number of DSUs to be settled by way of Shares, the Cash Equivalent or a combination of Shares and the Cash Equivalent and delivered to the Participant or Administrator or liquidator of the estate of the Participant, as applicable.

ARTICLE 6 CHANGE OF CONTROL

Section 6.1 Change of Control

- (1) Despite any other provision of this Plan, but subject to Section 10.7, in the event of a Change of Control Event, all unvested Awards then outstanding will be, as applicable, substituted by or replaced with awards of the surviving Company (or any affiliate thereof) or the potential successor (or any affiliate thereto) (the "**continuing entity**") on the same terms and conditions as the original Awards, subject to appropriate adjustments that do not diminish the value of the original Awards.

- (2) If within 12 months of a Change of Control Event, a Participant's service, engagement, consulting relationship, office or employment with the Company, a Subsidiary or the continuing entity is terminated without Cause, or the Participant resigns from his or her employment for Good Reason, the vesting of all Awards then held by such Participant (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will be accelerated in full, except that in the event that an Award is subject to vesting upon the attainment of Performance Criteria, then the number or value, as applicable, of Awards that vest will be calculated having regard to the pro rata achievement of any applicable Performance Criteria up to the Termination Date.
- (3) If, upon a Change of Control Event, the continuing entity fails to comply with Section 6.1(1) above, the vesting of all then outstanding Awards (and, if applicable, the time during which such Awards may be exercised or settled, as applicable) will, at the sole discretion of the Board, be accelerated in full.
- (4) No fractional Shares or other security will be issued upon the exercise or settlement of any Award and accordingly, if as a result of a Change of Control Event, a Participant would become entitled to a fractional Share or other security, such Participant will have the right to acquire only the next lowest whole number of Shares or other security and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (5) Despite anything else to the contrary in this Plan, in the event of a potential Change of Control Event, the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control Event. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control Event, the Board has the power, in its sole discretion, to accelerate the vesting of Awards and to permit Participants to conditionally exercise or settle their Awards, as applicable, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of the take-over bid (or the effectiveness of such other transaction leading to a Change of Control Event). If, however, the potential Change of Control Event referred to in this Section 6.1(5) is not completed within the time specified (as the same may be extended), then despite this Section 6.1(5) or the definition of "Change of Control Event": (i) any conditional exercise or settlement of vested Awards, as applicable, will be deemed to be null, void and of no effect, and such conditionally exercised or settled Awards will for all purposes be deemed not to have been exercised or settled, and (ii) Awards which vested pursuant to this Section 6.1(5) will be returned by the Participant to the Company and reinstated as authorized but unissued Shares and the original terms applicable to such Awards will be reinstated.
- (6) If the Board has, pursuant to the provisions of Section 6.1(5), permitted the conditional exercise or settlement of Awards in connection with a potential Change of Control Event, then the Board will have the power, in its sole discretion, to terminate, immediately following actual completion of such Change of Control Event and on such terms as it sees fit, any Awards not exercised or settled (including all unvested Awards), as applicable.

ARTICLE 7
TERMINATION OF SERVICE

Section 7.1 Termination of Service

- (1) Except as otherwise set out in a Participant's employment agreement or Award Agreement or as otherwise determined by the Board, in its sole discretion:
- (a) if (A) a Participant ceases to be an Eligible Person as a result of his or her resignation or Retirement, (B) other than in connection with a Change of Control Event as described in Section 6.1(2), a Participant ceases to be an Eligible Person as a result of such Participant's service, engagement, consulting relationship, office or employment with the Company or a Subsidiary having been terminated without Cause or the Participant resigns from his or her employment for Good Reason, or (C) the Participant is no longer serving as a director of the Company,
- (i) each unvested Option held by such Participant will automatically terminate and become void on the Termination Date, and all vested Options held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and 90 days from the Termination Date, and afterwards each vested Option held by such Participant will cease to be exercisable;
 - (ii) the Participant shall be entitled to receive and the Company will issue forthwith Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement, in satisfaction of any vested and unsettled RSUs and PSUs held by the Participant on the Termination Date, and
 - (iii) each unvested RSU and/or PSU held by the Participant will automatically terminate and become void on the Termination Date, and there shall be no further vesting or grants of any Awards under this Plan after the Termination Date;
- (b) if a Participant ceases to be an Eligible Person by reason of death or Disability,
- (i) each unvested Option held by such Participant will automatically terminate and become void on the Termination Date, and all vested Options held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and 12 months from the Termination Date, and afterwards each vested Option held by such Participant will cease to be exercisable;
 - (ii) the Participant shall be entitled to receive and the Company will issue forthwith Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement, in satisfaction of any vested and unsettled RSUs and PSUs held by the Participant on the Termination Date, and
 - (iii) a pro rata portion of each unvested RSU and/or PSU held by the Participant, based on the number of complete months of active service or employment of the Participant between the grant date of the RSU or PSU and the Termination Date relative to the number of months in the original vesting period associated with such Award, will immediately vest and the Participant shall be entitled to

receive and the Company will issue Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement. In the event that an Award is subject to vesting upon the attainment of Performance Criteria, then the number or value, as applicable, of Awards that vest will be calculated having regard to the pro rata achievement of any applicable Performance Criteria up to the Termination Date, which shall be determined at the sole discretion of the Board. All remaining unvested RSUs and PSUs granted to such Participant shall automatically terminate and become void on the Termination Date, and there shall be no further vesting or grants of any Awards under this Plan after the Termination Date;

- (c) if a Participant ceases to be an Eligible Person as a result of such Participant's service, engagement, consulting relationship, office or employment with the Company or a Subsidiary having been terminated for Cause,
 - (i) each (A) Option, whether vested or unvested, and (B) unvested RSU and PSU held by the Participant will automatically terminate and become void on the Termination Date, and
 - (ii) the Participant shall be entitled to receive and the Company will issue forthwith Shares or pay the Cash Equivalent or combination thereof, in accordance with the applicable Award Agreement, in satisfaction of any vested and unsettled RSUs or PSUs held by the Participant on the Termination Date,

provided, however, that in the event that an Ontario Participant's conduct or actions giving rise to Cause do not constitute ESA Cause, such Ontario Participant shall only be entitled to such minimum statutory entitlements in respect of each Award (whether vested or unvested) held by the Participant to the end of the statutory notice period as may be required by ESL.

- (2) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any Awards which would have, but for this Plan, have vested or accrued to the Participant after the Termination Date, including but not limited to damages in lieu of notice of termination at common law. Notwithstanding the foregoing, it is understood and agreed that the Plan and all Award Agreements are subject to all applicable minimum requirements of ESL and it is the intention of the Company or the Subsidiary, as applicable, that employs the Participant to comply with all applicable minimum requirements contained in ESL. Accordingly, the Plan and all Award Agreements shall: (i) not be interpreted as in any way waiving or contracting out of ESL; and (ii) be interpreted to achieve compliance with ESL. In the event that ESL requires the Company or the Subsidiary that employs the Participant, as applicable, to provide the Participant with a superior right or entitlement upon termination of the Participant's employment or otherwise ("**Statutory Entitlements**") than provided for under the Plan or any Award Agreement, then the Company or the Subsidiary, as applicable, shall provide the Participant with the Participant's Statutory Entitlements in substitution for the Participant's rights under the Plan and any Award Agreements. There shall be no presumption of strict interpretation against the Company or any Subsidiary.

**ARTICLE 8
ADJUSTMENTS AND AMENDMENTS**

Section 8.1 Adjustment.

In the event of any stock dividend, stock split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of the Company's assets to shareholders, or any other change in the Shares, the Board will make such proportionate adjustments, if any, as the Board in its sole discretion, subject to regulatory approval, may deem appropriate to reflect such change (for the purpose of preserving the value of the Awards), with respect to (i) the number or kind of Shares or other securities reserved for issuance pursuant to the Plan; and (ii) the number or kind of Shares or other securities subject to unexercised Awards previously granted and the exercise price of those Awards provided, however, that no substitution or adjustment will obligate the Company to issue or sell fractional Shares. The existence of any Awards does not affect in any way the right or power of the Company or a Subsidiary or any of their respective shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the capital structure or the business of, or any amalgamation, merger or consolidation involving, to create or issue any bonds, debentures, shares or other securities of, or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of or any sale or transfer of all or any part of the assets or the business of, or to effect any other corporate act or proceeding relating to, whether of a similar character or otherwise, the Company or such Subsidiary, whether or not any such action would have an adverse effect on the Plan or any Award granted hereunder.

Section 8.2 Dividend Share Units.

Unless the Board determines otherwise at the time of grant or issuance of the Award, when normal cash dividends (other than stock dividends) are paid on Shares, Participants shall receive additional DSUs, RSUs and/or PSUs, as applicable ("**Dividend Share Units**") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of DSUs, RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Company on each Share, and dividing the result by the Market Price on the dividend payment date, which Dividend Share Units shall be in the form of DSUs, RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 8.2 shall be subject to the same vesting conditions and settlement terms as applicable to the related DSUs, RSUs and/or PSUs in accordance with the respective Award Agreement.

Section 8.3 Amendment or Discontinuance

- (1) The Board may suspend or terminate this Plan at any time, or from time to time amend or revise the terms of this Plan or of any Award granted under this Plan and any Award Agreement or other agreement or document relating to it, provided that no such suspension, termination, amendment or revision will be made:
 - (a) except in compliance with applicable law and with the prior approval, if required, of any Stock Exchange or any other regulatory body having authority over the Company, this Plan or the Shareholders; and

- (b) in the case of an amendment or revision to an outstanding Award, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.
- (2) If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award or any rights granted pursuant to this Plan remain outstanding and, despite the termination of this Plan, the Board may make such amendments to this Plan or to the terms of any outstanding Awards as they would have been entitled to make if this Plan were still in effect.
- (3) Subject to any applicable rules of any Stock Exchange, the Board may from time to time, in its sole discretion and without the approval of Shareholders, make amendments to this Plan or any Awards, which may include but are not limited to:
- (a) any amendment to the vesting and assignability provisions of this Plan and any Award;
 - (b) any amendment regarding the effect of any termination of a Participant's employment, engagement, contract or office;
 - (c) any amendment which accelerates the date on which any Award may be exercised under this Plan;
 - (d) any amendment to add provisions permitting for the granting of cash-settled awards, a form of financial assistance, clawback, or dividend equivalents and any amendment to a cash-settled award, financial assistance, clawback or dividend equivalent provision which is adopted;
 - (e) any amendment necessary to comply with applicable law or the requirements of any Stock Exchange or any other regulatory body having authority over the Company, this Plan or the Shareholders;
 - (f) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of this Plan or any agreement ancillary thereto, correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correct any grammatical or typographical errors or amend the definitions in this Plan regarding administration of this Plan;
 - (g) any amendment regarding the administration of this Plan; and
 - (h) any other amendment, fundamental or otherwise, that does not require the approval of Shareholders under Section 8.3(4).
- (4) Shareholder approval is required for the following amendments to this Plan or any Awards:
- (a) any increase in the maximum number of Shares that may be issuable pursuant to Awards granted under this Plan as set out in Section 2.4(3), other than an adjustment pursuant to Section 8.1;
 - (b) any (i) reduction in the Exercise Price or purchase price (in respect of the settlement of RSUs, PSUs and/or DSUs) of an Award, as applicable, (ii) extension of the term of an

Award (including the Expiry Date of an Option) benefitting an Insider, or (iii) amendment providing for the cancellation and reissue of Awards, other than an adjustment pursuant to Section 8.1;

- (c) any extension of the Expiry Date of an Award, except in case of an extension due to a Black-Out Period;
- (d) any amendment to remove or to exceed the insider participation limit set out in Section 2.4(8) or the non-employee director limited in Section 2.4(9);
- (e) any amendment which would permit Options to be transferable or assignable other than by will or the laws of descent and distribution (provided that Options may be transferred or assigned by a Participant to a Permitted Assign with the Board's prior written consent and subject to such conditions as the Board may stipulate, as set out in Section 9.1(3)); and
- (f) any amendment to Section 8.3(3) or Section 8.3(4).

ARTICLE 9 GENERAL CONDITIONS

Section 9.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (1) **No Rights as a Shareholder** – Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.
- (2) **Conformity to Plan** – In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (3) **Non-Transferability** – Except as set forth herein, Awards are not transferable. Awards may be exercised only by:
 - (a) the Participant to whom the Awards were granted;
 - (b) with the Board's prior written approval and subject to such conditions as the Board may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant;

- (c) upon the Participant's death, by the legal representative of the Participant's estate; or
- (d) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Company of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

- (4) **Fractional Shares** – No fractional Shares will be issued upon the exercise or settlement of Awards granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise or settlement of an Award, or from an adjustment pursuant to Section 8.1, such Participant will only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (5) **No Guarantee** – For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Company to grant any Awards in the future nor shall it entitle the Participant to receive future grants. No amount will be paid to or in respect of a Participant under the Plan or pursuant to any other arrangement, and no Awards will be granted to such Participant to compensate for any downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon or in respect of the Participant for such purpose.
- (6) **Quotation of Shares** – So long as the Shares are listed on any Stock Exchange, the Company must apply to such Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise or settlement of all Awards granted under this Plan, however, the Company cannot guarantee that such Shares will be listed or quoted on such Stock Exchange.
- (7) **Tax Withholdings** – Despite any other provision contained in this Plan, in connection with the exercise or settlement of an Award by a Participant from time to time, the Company may withhold from any amount payable to a Participant, including the issuance of Shares to a Participant upon the exercise or settlement of such Participant's Awards, such amounts as are required by law to be withheld or deducted as a consequence of his or her exercise or settlement of Awards or other participation in this Plan ("**Withholding Obligations**"). The Company has the right, in its sole discretion, to satisfy any Withholding Obligations by:
 - (a) selling or causing to be sold, on behalf of any Participant, such number of Shares issued to the Participant on the exercise or settlement of Awards as is sufficient to fund the Withholding Obligations;
 - (b) retaining the amount necessary to satisfy the Withholding Obligations from any cash amount which would otherwise be delivered, provided or paid to the Participant by the Company, whether under this Plan or otherwise;
 - (c) requiring the Participant, as a condition of exercise to (i) remit the amount of any such Withholding Obligations to the Company in advance; (ii) reimburse the Company for any such Withholding Obligations; or (iii) cause a broker who sells Shares acquired by the Participant on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligation and to remit such amount directly to the Company; and/or

- (d) making such other arrangements as the Company may reasonably require.
- (8) **Broker Assisted Exercise** – The sale of Shares by the Company, or by a broker engaged by the Company (the “**Broker**”), under Section 3.5 or under any other provision of the Plan will be made on any Stock Exchange. The Participant consents to such sale and grants to the Company an irrevocable power of attorney to effect the sale of such Shares on his or her behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the Withholding Obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Company or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Company nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise. The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.
- (9) **Clawback** – In the sole discretion of the Board, all Awards granted under the Plan, and Shares delivered upon exercise or settlement of vested Awards or the Cash Equivalent thereof, are subject to clawback and recapture in accordance with (a) the Company’s applicable clawback policies in effect from time to time, and (b) any applicable clawback or similar provisions in the Participant’s (i) employment agreement, and/or (ii) Award Agreement, in each case to the extent permitted by law.
- (10) **Acceptance of Terms** – Participation in the Plan by any Participant shall be construed as acceptance of the terms and conditions of the Plan by the Participant and as to the Participant's agreement to be bound thereby.

**ARTICLE 10
MISCELLANEOUS**

Section 10.1 Right to Adopt Other Share Compensation Arrangements

Nothing contained in this Plan will prevent the Board from adopting other or additional Share Compensation Arrangements or compensation arrangements, subject to any required Shareholder or Stock Exchange approval.

Section 10.2 Right to Issue Other Shares

The Company is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, or varying or amending its share capital or corporate structure.

Section 10.3 Discretionary Nature of Awards

This Plan does not grant any Participant or any employee of the Company or its Subsidiaries the right or obligation to serve or continue to serve as a Consultant, director, officer or employee, as the case may be, of the Company or its Subsidiaries. The awarding of Awards to any Eligible Person is a matter to be determined in the sole discretion of the Board. This Plan will not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other

securities in the capital of the Company other than as specifically provided for in this Plan. The grant of an Award to, or the exercise or settlement of an Award by, a Participant under this Plan does not create the right for such Participant to receive additional grants of Awards under this Plan.

Section 10.4 Future Value of Shares

The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale. The Company makes no representation or warranty as to the future market value of the Shares or with respect to any present or future income tax matters affecting the Participant resulting from the grant or exercise or settlement of an Award and/or transactions in the Shares. Neither the Company, nor any of its directors, officers, employees, Shareholders or agents will be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares under this Plan, with respect to any fluctuations in the market price of Shares or in any other manner related to this Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

Section 10.5 No Rights to Property or Assets of the Company

Participants (and their legal personal representatives) have no legal or equitable rights, claims, or interest in any specific property or assets of the Company or any Subsidiary. No assets of the Company or any Subsidiary will be held in any way as collateral security for the fulfillment of the obligations of the Company or any Subsidiary under this Plan. Any and all of the Company's or any Subsidiary's assets are, and remain, the general unpledged, unrestricted assets of the Company or Subsidiary. The Company's or any Subsidiary's obligation under this Plan are merely that of an unfunded and unsecured promise of the Company or such Subsidiary to pay money and/or issue Shares in the future, and the rights of Participants (and their legal personal representatives) are no greater than those of unsecured general creditors.

Section 10.6 Foreign Jurisdictions

The Board may adopt such rules or regulations and vary the terms of this Plan and any Award issued in accordance with this Plan as it considers necessary to address tax or other requirements of any applicable non-Canadian jurisdiction.

Section 10.7 Compliance with Legislation

- (1) This Plan, the terms of the issue or grant of, and the grant and exercise or settlement of, any Award under this Plan, and the Company's obligation to sell and deliver Shares upon the exercise or settlement of Awards, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Company or a Participant of any laws, rules and regulations or any condition of such approvals.

- (2) The Participant agrees to fully cooperate with the Company in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Company with such laws, rule and requirements, including all tax withholding and remittance obligations and such representations or agreements as the Company or counsel for the Company may consider appropriate to avoid violation of applicable securities laws.
- (3) No Award will be granted, and no Shares issued under this Plan, where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Award or purported issue of Shares under this plan in violation of this provision is void.
- (4) The Company has no obligation to issue any Shares pursuant to this Plan unless such Shares have been duly listed with any Stock Exchange. Shares issued or sold to Participants pursuant to the exercise or settlement of Awards may be subject to limitations on sale or resale under applicable securities laws. Without limiting the generality of the foregoing, the Board may cause a legend or legends to be put on any such certificates of Shares delivered under the Plan to make appropriate reference to such restrictions or may cause such Shares delivered under the Plan in book-entry form to be held subject to the Company's instructions or subject to appropriate stop-transfer orders or other restrictions.
- (5) If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Company to issue such Shares will terminate and any funds paid to the Company in connection with the exercise or settlement of such Award will be returned to the applicable Participant as soon as practicable.

Section 10.8 Use of an Administrative Agent and Trustee

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Company and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 10.9 Notice

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Company, to the office of the Company in Vancouver, British Columbia, Attention: [●]; or if to a Participant, to such Participant by electronic mail at his or her email address, by hand delivery or courier at his or her address as it appears on the books of the Company or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

Section 10.10 Successors and Assigns.

The Plan shall be binding on all successors and assigns of the Company and a Participant, including without limitation, the personal legal representatives of a Participant, or any receiver or trustee in bankruptcy or representative of the Company's or Participant's creditors.

Section 10.11 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

Section 10.12 No Liability.

No member of the Board, or any committee or other subdelegate shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder.

Section 10.13 Governing Law

This Plan is governed by the laws of the province of British Columbia and the federal laws of Canada applicable therein.

Section 10.14 Effective Date

This Plan has been effective as of [●], 2024, as amended or amended and restated from time to time (the “**Effective Date**”).

APPENDIX L

BOARD MANDATE

1.0 INTRODUCTION

The members of the board of directors (respectively, the “**Directors**” and the “**Board**”) of A&W Food Services of Canada Inc. (the “**Company**”) are elected by the shareholders of Company and are responsible for the stewardship of the Company. The purpose of this mandate (the “**Board Mandate**”) is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

Certain aspects of the composition and organization of the Board are prescribed and/or governed by the *Canada Business Corporations Act* (the “**CBCA**”) and the constating documents of the Company, and applicable agreements, including the investor rights agreement among TorQuest Partners Fund IV, Paul Hollands, David Mindell, Jefferson Mooney (collectively, the “**Investors**”), Wavin’ in the Breeze Holdings Inc., DM Ventures Inc., Weeo Gweat Enterprises Inc., Western Corporate Enterprises Inc. and the Company (the “**Investor Rights Agreement**”). Certain provisions of the Board Mandate may be modified or superseded by the provisions of the Investor Rights Agreement. In the event of a conflict between this Board Mandate and the Investor Rights Agreement, the Investor Rights Agreement shall prevail.

2.0 CHAIR OF THE BOARD

The chairperson of the Board (the “**Chair**”) shall be appointed and replaced from time to time by a majority of the Board.

3.0 BOARD SIZE

The constating documents of the Company provide that the Board shall be comprised of a minimum of three Directors and a maximum of ten Directors. At the time that this Board Mandate was established, the Board is comprised of eight Directors. The Board shall periodically review its size in light of its duties and responsibilities from time to time.

4.0 INDEPENDENCE

- (a) The Board will include a minimum of three independent Directors. A Director shall be considered independent if he or she would be considered independent for the purposes of section 1.4 of National Instrument 52-110 – *Audit Committees*.
- (b) As long as the Investor Rights Agreement is in effect and the Investors are collectively entitled to nominate at least three Directors to the Board, if the aggregate ownership percentage of the Investors of the Company is at any time (i) less than 40.0% but greater than or equal to 30.0% for a continuous 90 day period, the Company and the Board shall take all necessary corporate action, to the fullest extent permitted by applicable law, so that there are at least four independent Directors on the Board who are not nominees of the Investors, including by appointing new independent Directors between annual shareholder meetings or by nominating a new independent Director for election as a Director at the next annual shareholder meeting, or (ii) less than 30.0% for a continuous 90 day period, the Company and the Board shall take all necessary corporate action, to the fullest extent permitted by applicable law so that there are at least five independent Directors on the Board who are not nominees of the Investors, including by appointing new independent Directors between annual shareholders meetings or by nominating new independent Directors for election as Directors at the next annual shareholders meeting, to the extent that, in each of (i) and (ii), the prescribed number of independent Directors are not already serving on the Board.
- (c) The Board shall appoint an independent lead Director (the “**Lead Director**”) from among the Directors, who shall serve for such term as the Board may determine. If the Company has a Chair who is independent, then the role of the Lead Director will be filled by the Chair. The Lead Director or independent Chair shall chair any meetings of the independent Directors and assume such other responsibilities as the independent Directors may designate in accordance with any applicable position descriptions or applicable guidelines that may be adopted by the Board from time to time.

5.0 ROLE AND RESPONSIBILITIES OF THE BOARD

The Board will be responsible for supervising the management of the business and affairs of the Company and is

expected to focus on guidance and strategic oversight with a view to the best interests of the Company.

In accordance with the CBCA, in discharging his or her duties, each Director must act honestly and in good faith, with a view to the best interests of the Company. Each Director must also exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

6.0 BOARD MEETINGS

- (a) In accordance with the constating documents of the Company, meetings of the Board may be held at such times and places (whether in person, telephonically and/or other communications medium) as the Chair may determine and as many times per year as necessary to effectively carry out the Board's responsibilities. The independent Directors shall hold in camera meetings before or after any meeting of the Board and its committees and otherwise as may be required. Each member of the Board is expected to review materials in advance and to attend, where possible, all scheduled meetings of the Board.
- (b) Powers of the Board may also be exercised by written resolutions signed (physically or electronically) by all Directors.
- (c) The Chair will be responsible for establishing or causing to be established the agenda for each Board meeting, and for ensuring that regular minutes of Board proceedings are kept and circulated on a timely basis for review and approval.
- (d) The Board may invite, at its discretion, any other individuals to attend its meetings. Senior executives of the Company shall attend a meeting if invited by the Board.

7.0 DELEGATIONS AND APPROVAL AUTHORITIES

- (a) The Board will appoint the president and chief executive officer of the Company (the "CEO") and delegate to the CEO and other senior executives the authority over the day-to-day management of the business and affairs of Company.
- (b) The Board may delegate certain matters it is responsible for to the committees of the Board, currently consisting of the Audit, Finance and Risk Committee and the Governance and Compensation Committee. The Board may appoint other committees, as it deems appropriate, subject to the Investor Rights Agreement and to the extent permissible under applicable law. The Board will, however, retain its oversight function and ultimate responsibility for such matters and associated delegated responsibilities.

8.0 STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT

- (a) The Board will adopt a strategic planning process to establish long-term objectives and goals for the Company's business and will review, approve and modify as appropriate the strategies proposed by senior executives to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, an annual budget which takes into account, among other things, the opportunities and risks of the Company's business and affairs.
- (b) The Board, in conjunction with management, will be responsible to identify the principal risks of the Company's business and oversee management's implementation of appropriate systems to seek to effectively monitor, manage and mitigate the impact of such risks. Pursuant to its duty to oversee the implementation of effective risk management policies and procedures, the Board may delegate to applicable Board committees the responsibility for assessing and implementing appropriate policies and procedures to address specified risks, including delegation of financial, cyber, social and environmental sustainability, climate change and related risk management to the Audit, Finance and Risk Committee and delegation of risks associated with compensation policies and practices to the Governance and Compensation Committee.

9.0 SUCCESSION PLANNING, APPOINTMENT AND SUPERVISION OF SENIOR EXECUTIVES

- (a) The Board will approve the corporate goals and objectives of the CEO and review the performance of the CEO against such corporate goals and objectives.

- (b) The Board will approve the succession plan for the Company, including the selection, appointment, supervision, training and evaluation of the senior executives of the Company, and will also approve the compensation of the senior executives of Company upon recommendation of the Governance and Compensation Committee.

10.0 FINANCIAL REPORTING AND INTERNAL CONTROLS

The Board will review and monitor, with the assistance of the Audit, Finance and Risk Committee, the adequacy and effectiveness of the Company's system of internal control over financial reporting, including any significant deficiencies or changes in internal control and the quality and integrity of the Company's external financial reporting processes, and its management information systems.

11.0 REGULATORY FILINGS

The Board will approve applicable regulatory filings that require or are advisable for the Board to approve, which the Board may delegate in accordance with Section 7(b) of this mandate. These include, but are not limited to, the annual audited financial statements, interim financial statements and related management discussion and analysis accompanying such financial statements, management information circulars, annual information forms, offering documents and other applicable disclosure.

12.0 CORPORATE DISCLOSURE AND COMMUNICATIONS

The Board will seek to ensure that corporate disclosure of the Company complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the Company's securities are listed. In addition, the Board shall adopt appropriate procedures designed to permit the Board to receive feedback from shareholders on material issues. The Board will adopt and implement a disclosure policy to facilitate communications with shareholders and other stakeholders.

13.0 CORPORATE SOCIAL RESPONSIBILITY, ETHICS AND INTEGRITY

The Board will provide leadership to the Company in support of its commitment to corporate social responsibility, set the ethical tone for the Company and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the CEO and management and satisfy itself that the CEO and management create a culture of integrity throughout the Company.

14.0 CORPORATE POLICIES

The Board will adopt and periodically review policies and procedures designed to ensure that the Company and its Directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Company's business ethically and with honesty and integrity.

15.0 REVIEW OF MANDATE

The Board may review and recommend changes to the Board Mandate from time to time and the Governance and Compensation Committee may periodically review and assess the adequacy of this Board Mandate and recommend any proposed changes to the Board for consideration.

This Board Mandate is intended as a component of a flexible governance framework to assist the Board in carrying out its duties to the Company in accordance with applicable law. It does not establish any legally binding obligations beyond those imposed by applicable law and is not intended to give rise to any liability on the part of the Company or its Directors or officers to shareholders, security holders, customers, suppliers, partners, competitors, employees or other persons, or to any other liability whatsoever on their part.

Dated: ■, 2024

Approved by: Board of Directors of the Company

APPENDIX M

AUDIT, FINANCE AND RISK COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit, Finance and Risk Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of A&W Food Services of Canada Inc. (“**Company**”).

1.0 PURPOSE

The purpose of the Committee will be to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) financial reporting and related financial disclosure;
- (b) ensuring that an effective risk management and financial control framework has been implemented and tested by management of the Company; and
- (c) external and internal audit processes.

2.0 COMPOSITION AND MEMBERSHIP

- (a) The Board will appoint the members (“**Members**”) of the Committee, taking into account any recommendation made by the Governance and Compensation Committee, and subject to the requirements of the investor rights agreement among TorQuest Partners Fund IV, Paul Hollands, David Mindell, Jefferson Mooney, Wavin’ in the Breeze Holdings Inc., DM Ventures Inc., Weeo Gweat Enterprises Inc., Western Corporate Enterprises Inc. and the Company (the “**Investor Rights Agreement**”). The Members will be appointed to hold office until the next annual general meeting of shareholders of the Company or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee by appointment from among qualified directors of the Board. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director of the Company.
- (b) The Committee will consist of as many directors of the Board as the Board may determine, but in any event, not less than three Members. Each Member will meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the Company’s securities are listed, including National Instrument 52-110 — *Audit Committees* (“**NI 52-110**”), subject to available exemptions permitted under NI 52-110. NI 52-110 also requires that to be independent, a Member must be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member’s independent judgment.
- (c) The Board will appoint one of the independent directors of the Board to act as the chair of the Committee (the “**Chair**”), taking into account any recommendation that may be made by the Governance and Compensation Committee.
- (d) The Committee may delegate any or all of its functions to any of its Members or any sub-set thereof, or other persons, from time to time as it sees fit.

3.0 MEETINGS

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than once per quarter. To the extent possible, advance notice of each meeting will be given to each Member orally, by telephone or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.
- (b) At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chair shall convene a meeting of the Committee. Any such request shall be required to set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- (c) The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee, the Members in attendance may select one of their number to act as Chair of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. The powers of the Committee may be exercised at a meeting where a quorum is present or by resolution in writing signed by all Members.
- (e) The Committee may invite from time to time, at its discretion, senior executives of the Company or such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee.
- (f) The secretary of the Company (the "**Secretary**") may act as secretary of the Committee unless an alternative secretary is appointed by the Committee. The secretary of the Committee shall keep minutes of Committee proceedings and shall circulate such minutes to the Committee and the Board on a timely basis.
- (g) To the extent possible, in advance of every regular meeting of the Committee, the Chair, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4.0 EXERCISE OF POWER BETWEEN MEETINGS

Between meetings, the Chair or any Member designated for such purpose by the Committee, may, if required under the circumstances, exercise any power delegated by the Committee on an interim basis. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

5.0 DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee as they relate to the following matters, will be as follows:

Financial Reporting and Disclosure

- (a) review and recommend to the Board (or approve if the Board has so delegated) the interim financial statements and related management's discussion and analysis, and review and recommend to the Board for approval the annual audited financial statements, including the auditor's report thereon, and related management's discussion and analysis, financial reports and any guidance with respect to financial information to be provided to analysts and rating agencies (if applicable), prior to their being filed with the appropriate regulatory authorities and/or publicly disclosed. The Committee shall satisfy itself that the financial statements are presented in accordance with applicable accounting principles, with such documents to indicate whether such information has been reviewed by the Board or the Committee. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements, that the review function has been effectively carried out;
- (b) review and discuss with management press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any applicable laws or otherwise pursuant to the policies of the Company before the Company publicly discloses this information, including the type and presentation of information, paying particular attention to any forward-looking guidance, pro forma or non-IFRS measures. The Committee shall recommend to the Board the approval of the annual earnings releases. The Committee shall have the authority to approve the interim earnings releases (if so delegated by the Board) and shall review matters related to the interim earnings releases with the Board;
- (c) review and recommend to the Board for approval, where appropriate, all other public disclosure documents containing audited or unaudited financial information prior to their being filed with the appropriate regulatory authorities and/or publicly disclosed, including any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;

- (d) review with management of the Company, and with external auditors, significant disclosure issues regarding accounting principles, practices, and judgments of management and alternative treatments under International Financial Reporting Standards ("IFRS"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable;
- (e) seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

Internal Controls and Audit

- (f) review the adequacy and effectiveness of the Company's system of internal control and management information systems through discussions with management and the external auditor to ensure that the Company maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement in the financial statements and other identified risks, including detecting control weaknesses and fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of the Company at any particular time;
- (g) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;

External Audit

- (h) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of the Company;
- (i) ensure the external auditors report directly to the Committee on a regular basis;
- (j) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (k) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (l) review the audit plan of the external auditors prior to the commencement of the audit;
- (m) establish and maintain a direct line of communication with the Company's external auditors;
- (n) meet in camera with only the auditors, and with only the members of the Committee;
- (o) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor's team, with respect to preparing and issuing an audit report or performing other audit, review or attest services for the Company, including the resolution of issues between management of the Company and the external auditors regarding financial disclosure;
- (p) review the results of the external audit and the external auditor's report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of the Company, the ramifications of their use as well as any other material changes;
- (q) review and report on all material written communication between management and the auditors such as management letters and schedule of unadjusted differences and review any material written communications between senior executives of the Company and the external auditors and any significant disagreements between the senior executives and the external auditors;
- (r) discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

- (s) discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;
- (t) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (u) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to address any such issues.

Non-Audit Services

- (v) pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

Compliance

- (w) periodically review and recommend changes to the whistleblower policy to the Board for consideration, as well as monitor the whistleblower policy and associated procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
 - (ii) the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters;
 - (iii) any violations of any applicable law, rule or regulation that relates to corporate financial reporting and disclosure, or violations of the Company's Code of Conduct with respect to financial matters;
- (x) review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company; and
- (y) review and monitor the implementation of the Company's Code of Conduct.

Risk

- (z) review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- (aa) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks as well as risks related to cyber, social and environmental sustainability, and climate change, and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company;
- (bb) periodically review the Company's policies and procedures for reviewing and approving or ratifying related-party transactions.

Other Duties

- (cc) Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties. Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law.

6.0 OVERSIGHT FUNCTION

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply

with IFRS and other applicable requirements. These are the responsibilities of management of the Company and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules. Certain of the provisions of this Charter may be modified or superseded by the provisions of the Investor Rights Agreement and, in the event of a conflict between this Charter and the Investor Rights Agreement, the Investor Rights Agreement shall prevail.

The Board may review and recommend changes to this Charter from time to time and the Governance and Compensation Committee may periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration. This Charter is intended as a component of a flexible governance framework to assist the Board in carrying out its duties to the Company in accordance with applicable law. It does not establish any legally binding obligations beyond those imposed by applicable law and is not intended to give rise to any liability on the part of the Company or its Directors or officers to shareholders, security holders, customers, suppliers, partners, competitors, employees or other persons, or to any other liability whatsoever on their part.

7.0 REPORTING AND EVALUATION

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The performance of the Committee shall be evaluated by the Board as part of its regular evaluation of the Board committees.

8.0 ACCESS TO INFORMATION AND AUTHORITY TO RETAIN INDEPENDENT ADVISORS

The Committee shall have unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members.

The Committee has the authority to retain, at the Company's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

The Committee shall discharge its responsibilities and shall assess the information provided by the Company's management and the external advisers, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which directors are subject under applicable law.

9.0 REVIEW OF CHARTER

The Committee will periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: ■, 2024

Approved by: Audit, Finance and Risk Committee
Board of Directors of the Company