

DISTRIBUTION AND SUPPLY AGREEMENT

THIS AGREEMENT is made as of the 28th day of June, 2015 (the “Effective Date”)

B E T W E E N:

COLABOR LIMITED PARTNERSHIP, a limited partnership governed by the laws of the Province of Québec herein represented by its general partner, Colabor Management Inc., a corporation governed by the laws of Canada, through its division, Summit Food Service (the “**Supplier**”)

- and -

CARA OPERATIONS LIMITED, a corporation governed by the laws of Ontario (“**Cara**”)

ARTICLE 1.0 **RECITALS**

- 1.1** Supplier is in the business of purchasing, marketing, warehousing, quality assurance, product research and product development, transportation and distribution services for foodservice customers in Canada performed by Summit Food Service, a division of Colabor.
- 1.2** As of the Effective Date, Cara is the direct owner of each of the Cara Brands.
- 1.3** Cara desires to terminate its existing agreement with Supplier dated [REDACTED] and enter into this Agreement to make available the benefits and obligations of this Agreement to the Operating Units within the Territory, and Supplier is willing and able to sell and deliver Products to Operating Units located from time to time within the Territory, upon the terms and conditions set out in this Agreement.

[Redacted for confidentiality reasons]

THEREFORE the parties agree as follows:

ARTICLE 2.0 **INTERPRETATION**

2.1 Definitions

Wherever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **“affiliate”** or **“affiliated”** means, with respect to any person, another person (i) which is subsidiary of that person, (ii) of which that person is a subsidiary, or (iii) which is a subsidiary of a person of which that person is a subsidiary;
- (b) **“Agreement”** means this agreement and all instruments supplemental hereto or in amendment or confirmation hereof;
- (c) **“Bill Back”** has the meaning attributed thereto in Section 10.1;
- (d) **“Cara Brand”** means [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]; [Redacted for confidentiality reasons]
- (e) **“Cara Catalogue”** means the price list developed by Cara from time to time;
- (f) **“Cara Label Products”** means those Products which are shipped in a Cara or Cara Brand labelled case;
- (g) **“Cara Quality Assurance Standards”** means the quality standards attached as Schedule “D” hereto which may be revised and updated by Cara in its sole discretion from time to time;
- (h) **“Cara Strategic Sourcing Department”** means the Vice-President Strategic Sourcing for Cara Operations Limited, and/or his replacement or alternate designee(s) identified to Supplier in writing from time to time;

- (i) **“Distribution Centre”** means a warehouse facility owned or leased by Supplier currently located in Mississauga, London and Ottawa, Ontario and in Montreal and Quebec City, Quebec where Supplier receives Products from manufacturers for distribution by Supplier to Operating Units and such other warehouse facilities which Supplier may from time to time acquire for the same purposes;

- (j) “**EDI**” means electronic data interchange;

- (k) **“Fill Rate”** means [Redacted for confidentiality reasons]

- (1) “**Franchisee**” has the meaning given in Section 4.3;

- (m) “**FSR**” means a Full Service Restaurant;

- (n) **“Key Drop”** means [REDACTED]; [Redacted for confidentiality reasons]
- (o) **“Landed Cost”** means [REDACTED]; [Redacted for confidentiality reasons]
- (p) **“Manufacturer Branded Products”** means those Products not included in the definition of “Supplier Label Products” or “Cara Label Products” and which are shipped in a manufacturer labelled case;
- (q) **“Non-Contract Items”** means a Product for which Cara has not negotiated the purchase price directly with the manufacturer;
- (r) **“Operating Unit(s)”** means all Cara Brand restaurants in the Territory from time to time during the term of this Agreement;
- (s) **“Operations Representative”** means a person designated as the manager or authorized to act in the absence of the manager of an Operating Unit;
- (t) **“party”** means Cara or Supplier and **“Parties”** means both of them;
- (u) **“person”** means an individual, corporation, body corporate, firm, partnership, trust, joint venture, limited liability company, association, unincorporated organization or governmental authority;
- (v) **“Products”** means Manufacturer Branded Products, Supplier Label Products and Cara Label Products;
- (w) **“QSR”** means a Quick Service Restaurant;
- (x) **“subsidiary”** of a person means (i) in relation to a corporation, the beneficial ownership by the person at the relevant time of shares of such corporation carrying more than fifty percent (50%) of the voting rights ordinarily exercisable at meetings of shareholders of the corporation where such voting rights are

sufficient to elect a majority of the directors of the corporation; (ii) in relation to a limited partnership, the holding by the person of a general partner interest in such limited partnership; and (iii) in relation to a general partnership, limited liability company or joint venture, the beneficial ownership by the person at the relevant time of more than fifty percent (50%) of the ownership interests of the general partnership, limited liability company or joint venture in circumstances where it can reasonably be expected that the person can direct the affairs of the partnership, limited liability company or joint venture; if a person has a subsidiary who in turn has a subsidiary, the second-named subsidiary shall be deemed to be a subsidiary of the person, and so on;

- (y) **“Supplier Label Products”** means those Products which are shipped in a Supplier labelled case;
- (z) **“Territory”** means the geographic area comprised of the Provinces of Ontario (excluding Thunder Bay and the immediate district) and Quebec, unless specifically agreed in writing by the parties to be extended outside this geographic area; and
- (aa) **“Unit of Sale”** means the unit of a Product shipped by Supplier to an Operating Unit as shown on the invoice accompanying such shipment as, for example, “case” or “each”. A Unit of Sale shall not materially change in size from the Effective Date. If there is a material change in the size of a Unit of Sale the parties will negotiate in good faith to determine any cost adjustments for such new Unit of Sale.

2.2 Gender and Number

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

2.3 Article and Section Headings

The insertion of headings and the division of this Agreement into articles and sections are for convenience of reference only and shall not affect the interpretation hereof.

2.4 Entire Agreement

This Agreement and any documents incorporated by reference herein constitute the entire Agreement between the parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions with respect to the subject matter hereof whether oral or written. Except as provided in such materials, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Supplier to Cara. No supplement, modification or waiver of this Agreement shall be binding unless executed in writing by Supplier and Cara.

2.5 Applicable Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

2.6 Severability

If in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provision hereof and without affecting the validity or enforceability of such provision in any other jurisdiction or its application to other parties or circumstances.

2.7 Non-Waiver

The failure by any party to exercise any of its right, power or option given hereunder or to insist upon the strict compliance with the terms and conditions hereof shall not constitute a waiver of the terms and conditions of this Agreement with respect to that or any other or subsequent breach thereof nor a waiver by either party of its rights at any time thereafter to require strict compliance with all terms and conditions hereof.

ARTICLE 3.0 **GRANT**

3.1 Grant

Subject to the terms and conditions set out in this Agreement, Cara hereby appoints Supplier as exclusive supplier to sell and deliver Products to the Operating Units located in the Territory and Supplier agrees to sell and deliver Products as ordered, from time to time, by Operating Units located within the Territory. Operating Units may be owned and operated by Cara or by independent franchisees of Cara. Supplier acknowledges and understands that Cara may at its sole discretion close, sell or otherwise transfer any number of Operating Units (or one or more Cara Brands in whole or in part), in the normal course of business, it being further understood that Cara Brand locations opened in the future by Cara from time to time in the Territory during the term of this Agreement shall be automatically included as Operating Units hereunder.

3.2 New Brands

Should Cara or any affiliate of Cara develop or acquire any new brand during the term of this Agreement for which it will require products which are the same or similar to the Products (“**Additional Products**”) then, except to the extent that such Additional Products are being supplied and continue to be supplied pursuant to an existing distributor contract related to such new brand, Cara will offer Supplier the opportunity to bid to supply such Additional Products. If the parties agree in writing as to the pricing and other terms and conditions of supply of such Additional Products within 30 days after Cara has notified Supplier of the new supply opportunity, then the parties shall execute the necessary amendments to this Agreement and such Additional Products shall be deemed to form part of the Products for all purposes of this Agreement. The parties will negotiate in good faith the terms and conditions relating to the supply of any Additional Products. Should the parties not agree as to the pricing and other terms and conditions of supply for such Additional Products as set out above, then Cara and its franchisees shall be entitled to source and purchase the Additional Products from any supplier or distributor.

ARTICLE 4.0 ORDERS, PRODUCT QUALITY AND PRICES

4.1 Orders for Products and Acceptance of Orders

The parties shall agree from time to time as to the manner and form by which an Operating Unit shall order Products from Supplier. Orders by an Operating Unit for Products shall not be binding on the owner of the Operating Unit unless and until the Products ordered are delivered in proper quantity and quality to the Operating Unit and accepted by the Operations Representative. Other than in the case of a Key Drop, acceptance of an order shall be evidenced by a signature from an Operations Representative each time Products are delivered to an Operating Unit, acknowledging receipt of such Products in the proper quantity and quality, with any discrepancies to quantity or quality noted on the delivery receipt by the Operations Representative. In the case of a Key Drop, any discrepancies to quantity or quality must be reported to Supplier by the Operations Representative within 24 hours of delivery.

4.2 Product Quality

Supplier shall adhere to the Product quality standards set out in Schedule “A” hereto. Except in the case of a Key Drop, an Operations Representative and a representative of Supplier shall promptly inspect all delivered Products. The Operations Representative shall be entitled to refuse to accept delivery of Products that do not comply with the Product quality standards set out in Schedule “A” hereto.

4.3 Franchisees

Supplier is obligated to supply the Products, as ordered, to all Operating Units within the Territory, including, for certainty, all Operating Units which are independent businesses operating as franchisees of Cara (“Franchisees”).

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] [Redacted for confidentiality reasons]

[REDACTED]. Regardless of the payment terms, Supplier shall contact the Cara Strategic Sourcing Department and the Franchisee with as much advance notice as is reasonably possible in the circumstances in the event Supplier intends to adjust the payment terms or discontinue service to a Franchisee for failure of such Franchisee to comply with the terms of payment. **[Redacted for confidentiality reasons]**

4.4 Delivery of Products

- i. Supplier shall deliver the Products to the Operating Unit that is specified in each order and shall comply with the delivery specifications described in Schedule “B” attached hereto. [REDACTED].
- ii. Delivery frequency to Operating Units shall be as outlined in Schedules “E” and “F” attached hereto or as mutually agreed to by both parties. Operating Units will allow Supplier to deliver [REDACTED].
[REDACTED]. Cara will work with Supplier to identify and select Operating Units for Key Drops. [REDACTED]
[REDACTED]

[Redacted for confidentiality reasons]

- iii. Shipment, delivery and fulfilment of each order shall be strictly in accordance with quantities, delivery date and destination, and within the agreed upon time window, for delivery as specified in the order. Supplier shall promptly notify the affected Operating Unit of any anticipated or actual delays in deliveries, the reasons therefor, and the actions being taken by Supplier to overcome or minimize the delay. Supplier agrees to diligently monitor its performance against its delivery deadlines on an ongoing basis and, upon request shall advise the Cara Strategic Sourcing Department of the current status of orders.
- iv. Cara reserves the right to temporarily source goods for direct shipment to any Operating Unit if that Operating Unit is out of stock of required Product and Supplier cannot deliver the Product to the Operating Unit on a timely basis (as such term is defined in Schedule “A” hereto).

4.5 Service Requirements

Supplier agrees to meet the service requirements outlined in Schedule “C” attached hereto and acknowledges that any breach of the service requirements shall constitute a breach of this Agreement for purposes of the terms of paragraph 8.3(ii).

Supplier acknowledges that it is in both parties’ interest to continually enhance efficiencies and reduce costs through continuous improvement to the supply chain process, and shall strive to continually improve its technology base such that it is consistent with or leads industry standards from time to time, and Supplier shall update Cara regarding any opportunities and advancements that may prove beneficial to both parties. Supplier shall consider in good faith any suggestions made by Cara to improve the supply chain process.

[Redacted for confidentiality reasons]

i. Operating Units shall purchase Products from Supplier at prices which are the Landed Cost to Supplier distribution centre receiving same marked-up in accordance with Schedules “E” and “F”.

iii. Cara will provide Supplier with a draft of each Cara Catalogue when prepared by Cara. Supplier shall have seven days to review such draft and provide Cara with a list of discrepancies found by Supplier. Cara shall have two business days from receipt of Supplier's list of discrepancies and, if Cara does not give Supplier written notice of disagreement with such list within the two day period, Cara shall amend the Cara Catalogue accordingly.

iv. Notwithstanding the foregoing, with respect to Products which are regulated by a managed supply governed body (for example poultry and dairy) the prices will be adjusted in accordance with such regulatory guidelines on a timely basis.

5.2 Substitute Pricing and Product

- i. Any Product substituted by Supplier for an out-of-stock Product ordered by an Operating Unit must be pre-approved by the Cara Strategic Sourcing Department and shall be of similar quality to the out-of-stock product and meet all of Cara's Quality Assurance Standards and, if due to Supplier error, shall be supplied to the Operating Unit at the same delivered price as the out-of-stock Product or lower. Cara may withhold such approval at Cara's sole discretion. Supplier agrees that out-of-stock situations as a result of Supplier error should be infrequent and acknowledges that continued out-of-stock situations are viewed by Cara as unacceptable and adversely impacting the business of the Operating Units, and shall constitute a breach of this Agreement. If any stock-out is due in whole or in part to the negligence or fault of Supplier, Supplier shall immediately report such stock-out to the Cara Strategic Sourcing Department with a description and the quantity of substitute product delivered, and indemnify and forthwith reimburse Cara for any lost rebates, allowances and discounts as a result of such stock-out. If any stock-out is attributable to the manufacturer, Supplier must notify the Cara Strategic Sourcing Department immediately in order that Cara may communicate directly with the manufacturer.
- ii. Supplier shall obtain the prior written approval of the Cara Strategic Sourcing Department before delivering any Supplier Label Products to an Operating Unit hereunder, unless such Supplier Label Products are expressly provided for in the order. For purposes hereof, this restriction applies to any product marketed, sold or distributed by Supplier or any of its subsidiaries or affiliates. Such approval must be in writing and shall only apply to the Products or categories of Product actually specified in such approval and shall not be construed to be a "blanket" approval to supply Supplier Label Products generally. Such approval shall not relieve Supplier of its obligations under Section 5.2(i).

5.3 Duties, Taxes and Surcharges

- i. All applicable duties, taxes, freight, currency exchange, brokerage fees, customs fees and similar costs or fees relating to the purchase of Products for the sole use

of the Operating Units shall be included in the prices set forth in the Cara Catalogue and are the responsibility of each Operating Unit.

[REDACTED]

Additional Fuel Surcharge Examples:

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

[REDACTED]
[REDACTED] [Redacted for confidentiality reasons]

5.4 Invoices

All invoices rendered by Supplier to an Operating Unit shall include:

- i. the complete legal name and address of the Operating Unit that received the Products;
- ii. a description of the Products delivered and the cost per unit of measure thereof;
- iii. Supplier's goods and services tax number and/or harmonized sales tax number; and
- iv. the amount of harmonized sales tax or goods and services and provincial sales taxes payable in respect of the Products.

In the event of any discrepancy between an invoice issued by Supplier and this Agreement, this Agreement shall govern.

5.5 Credit Invoices

Supplier's representative and the relevant Operations Representative shall, at the time of delivery to the Operating Unit, have the authority to mutually adjust the amount of the invoice issued by Supplier in respect of the delivery to account for any of the following:

- i. short-shipments (except that in the case of a Key Drop, any claim must be reported by the Operating Unit to Supplier within 24 hours of delivery);
- ii. Products wrongly included in the shipment; and
- iii. Product returns (in accordance with Section 4.2 where Supplier has not complied with the Product quality standards listed in Schedule “A” hereto) and the Operations Representative refuses delivery in accordance with this Agreement. Product returns (i) must be approved by Supplier’s representative, acting reasonably and (ii) must be returned in their original unmarked cases at the time of the next delivery.

5.6 Payment

[Redacted]

[Redacted]

[Redacted]

[Redacted]. [Redacted for confidentiality reasons]

5.7 EDI

Supplier agrees to transmit to the Cara Strategic Sourcing Department by EDI for all Products delivered to Operating Units. It is the responsibility of Supplier to ensure the accuracy and timely delivery of this information to the Cara Strategic Sourcing Department. All Products listed for shipment to any Operating Unit must have assigned UPC / SCC codes (where available) in order to ensure accurate tracking. Cara will provide to Supplier UPC / SCC codes for all items as needed. A record of purchases for any Operating Unit shall be transmitted to the Cara Strategic Sourcing Department on a daily basis and historical tracking of purchases shall be provided to the Cara Strategic Sourcing Department upon request.

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]. [Redacted for confidentiality reasons]

ARTICLE 6.0 TITLE, RISK OF LOSS

6.1 Title and Risk of Loss

Legal title to, and risk of loss, damage, contamination and destruction of, any Product shall at all times remain with Supplier and shall only pass to Cara or Franchisee as applicable, upon delivery of said Product at the Operating Unit.

ARTICLE 7.0 OBLIGATIONS OF SUPPLIER

7.1 Obligations of Supplier

During the term of this Agreement, Supplier shall:

- i. advise the Cara Strategic Sourcing Department on a timely basis fully as to any anticipated problems that Supplier may have with its unions which could lead to a work force disturbance (including Supplier's contingency procedures regarding labour disputes or strikes). In the event of such a disturbance the parties agreed that Operating Units shall have the right to secure distribution from alternate suppliers for so long as the disturbance continues;
- ii. not make any offer or supply gifts or benefits of any sort whatsoever to any Operations Representative or other employee of Cara or a Franchisee, without the express written permission of the Cara Strategic Sourcing Department;
- iii. use its commercially reasonable efforts to keep the Cara Strategic Sourcing Department informed as to new product and industry developments and trends, and it relates to the distribution industry;
- iv. respect all trademark rights and other registrations of Cara, of each Cara Brand and of the Operating Units;
- v. comply with all applicable laws and regulations, orders, rulings and ordinances, including, without limitation, any applicable consumer protection and trade practice laws and obtain all necessary permits, approvals and licenses which are necessary or may have application to the sale and distribution of the Products; and
- vi. maintain adequate and sufficient insurance coverage in respect of its business consistent with industry standards for leading distributors, such insurance to cover Supplier's liability to Cara and its customers arising from Supplier's distribution activities and any subsequent consumers of such Products and to be on terms acceptable to Cara; evidence of such insurance coverage and the particulars thereof to be provided to the Cara Strategic Sourcing Department upon request.

7.2 Audit

Cara (and its authorized representatives and agents) shall, at its own cost and expense, upon thirty (30) days prior written notice to Supplier, have access to and review during normal business hours, and if determined by Cara to be appropriate, audit Supplier's records and any and

all supporting materials, records, documentation relevant to the transactions between Cara and Supplier (including transactions between Supplier and Franchisees) including the verification of information supporting all Fill Rates reported, all prices charged by Supplier in connection with the purchase of Product under this Agreement and upon which fuel surcharges were based.

Supplier shall not withhold, deny, screen, filter or modify records in respect of the audit rights hereunder, provided that Supplier may redact individual line items which relate exclusively to other customers of Supplier. In the event that Supplier withholds or modifies information, or fails for any reason to provide information in respect of the audit rights provided for herein, Cara may terminate this Agreement in accordance with the provisions of Section 8.3. Supplier acknowledges that any termination under this Article 7.0 shall not in any way otherwise restrict or limit any right, claim or recovery by Cara in respect of the breach by Supplier of any provision of this Agreement.

In the event that the results of such audit by Cara reveal discrepancies or overcharges, Supplier shall forthwith remedy such discrepancy and shall forthwith reimburse the appropriate purchaser for such amounts plus a penalty at the Bank of Nova Scotia rate of prime plus 3% and shall reimburse Cara for the costs of the audit.

All information learned or exchanged in connection with any audit, as well as the results of any audit, is Confidential Information for the purposes hereof.

ARTICLE 8.0 **ASSIGNMENT, TERM AND TERMINATION**

8.1 **Assignment**

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[Redacted for confidentiality reasons]

8.2 Term

Subject to the early termination provisions set out in this Agreement, the term of the Agreement shall be for a period of seven and a half (7.5) years commencing on the Effective Date (the “**Initial Term**”). At the end of the Initial Term, Cara shall have the option in its sole discretion to renew this Agreement for an additional term of two (2) years on the same terms and conditions by giving Supplier no less than twelve months prior written notice.

8.3 Termination

- i. Either Supplier or Cara may terminate this Agreement immediately, upon written notice to the other party, upon the happening of any one or more of the following events:
 - (a) the dissolution or winding-up of the other party; or
 - (b) in the event that the other party makes a general assignment for the benefit of creditors, or if a bona fide petition is filed against the other party under applicable bankruptcy legislation, or if the other party shall be declared or adjudicated bankrupt, or if a liquidator, trustee in bankruptcy or any other officer with similar powers shall be appointed of or for the other party or if the other party shall commit an act of bankruptcy or institute proceedings to be adjudged bankrupt or consent to the institution of such appointment or proceedings.

- ii. Except in the case of a default pursuant to Section 8.3(iii), either Supplier or Cara may terminate this Agreement upon the failure of the other party to remedy any breach of this Agreement within 30 days receipt of written notice of such breach, such termination to be effective on a date specified by the terminating party not less than three months from the date of notice as determined by the terminating party in its sole discretion. Without limiting the generality of the foregoing, Cara may invoke this termination right should Supplier fail to remedy any deficiency under any Quality Assurance Vendor Audit contemplated by Schedule A hereto within 30 days of receipt of notice of any deficiency.
- iii. Cara may terminate this Agreement upon written notice to Supplier, such notice to be effective on a date specified by Cara not less than nine (9) months from the date of notice as determined by Cara in its sole discretion, upon the happening of any one or more of the following events:
- (a) any Supplier distribution centre commits three consecutive weeks of Fill Rate Default (as defined in Schedule C) for any single Cara Brand and fails by the conclusion of the fifth consecutive week to have achieved the Critical Fill Rate Threshold set out in Schedule C; or
 - (b) the cumulative total of Fill Rate Defaults for all Supplier distribution centres reaches 24 weeks of Fill Rate Default over any rolling 24 month period.

[illegible]

[Redacted for confidentiality reasons]

8.4 Other Relief

Any termination under this Article 8 shall be without prejudice to any other rights (including any right of indemnity), remedy or relief vested in or to which either party may otherwise be entitled against the other.

ARTICLE 9.0 RELATIONSHIP AND INDEMNIFICATION

9.1 Independent Parties

This Agreement does not constitute and shall not be construed as constituting a partnership, joint venture or principal-agency relationship between the parties, and neither of the parties nor any of their employees or agents shall have any power, authority or right to obligate or bind the other party in any manner whatsoever.

9.2 Indemnity

Supplier agrees to indemnify and save harmless Cara and each Franchisee of and from any claim, demand, cause of action, liability, loss, damage, cost or expense (not including incidental, consequential, special or punitive damages or lost profits) suffered by, imposed upon or asserted against Cara, any Franchisee or any Operating Units, as a result of, in respect of or arising out of any negligent act or omission of Supplier in connection with the supply of goods or provision of services by Supplier to Operating Units under this Agreement.

Supplier acknowledges that Cara is acting as trustee and agent for the Franchisees with respect to the indemnity provided in this Section 9.2 and that the Franchisees shall have the full right and entitlement to take the benefit of and enforce such indemnity notwithstanding that they may not individually be parties to this Agreement. Supplier agrees that Cara may enforce the indemnity for and on behalf of the Franchisees and, in such event, Supplier will not in any proceeding to enforce the indemnity by or on behalf of the Franchisees assert any defence thereto based on the absence of authority or consideration or privity of contract and hereby irrevocably waives the benefit of any such defence.

Cara agrees to indemnify and save harmless Supplier of and from any claim, demand, cause of action, liability, loss, damage, cost or expense (not including incidental, consequential, special or punitive damages or lost profits) suffered by, imposed upon or asserted against Supplier as a result of, in respect of, or arising out of any negligent act or omission of Cara or any Operating Units owned by Cara caused by Cara's handling, preparation or storage of the goods supplied by Supplier to Cara under this Agreement.

The indemnifying party under this Section 9.2 agrees to pay all costs and expenses, including but not limited to legal fees, which may be reasonably incurred by the indemnified party in connection with enforcing any of its rights under this Section 9.2.

The indemnifying party's obligations under this Section 9.2 shall remain in force until time-barred by applicable law.

ARTICLE 10.0 **GENERAL**

10.1 Confidentiality

Each party acknowledges that as a consequence of entering into this Agreement, certain competitively sensitive and confidential information may be disclosed by a party to the other, including without limitation customer and pricing information (including promotional allowances) (together with the existence and content of this Agreement, collectively the "**Confidential Information**"). The receiving party acknowledges that such Confidential Information of the disclosing party shall be and remain solely the property of the disclosing party, and the receiving party agrees and covenants that during the term of this Agreement and at all times after its expiration or earlier termination:

- i. such Confidential Information shall be kept confidential and secret and neither the receiving party nor any individuals associated with the receiving party in any capacity, whether as directors, officers, agents, employees or otherwise, shall use the disclosing party's Confidential Information for any purpose or disclose such Confidential Information to any Operating Unit, in the case of Supplier, or third person, except to the extent such Confidential Information must necessarily be used for the performance of this Agreement or is disclosed with the prior written

consent of the disclosing party or under requirement of law or a court of competent jurisdiction; and

- ii. to keep all information regarding the disclosing party's growth plans, timing and nature of promotions, pricing of product or any other competitive information that the receiving party may encounter due to its relations with the disclosing party confidential.

Supplier shall, during the term of this Agreement and at all times after its expiration or earlier termination:

- iii. not disclose any customer base information without the prior written consent of Cara, nor disclose without Cara's prior written consent, not to be unreasonably withheld, any volume, product or pricing information attributable in any way to Cara including any bulk information where Cara's volume is included but not identified, other than as required by applicable securities laws. For further clarity this shall include all Manufacturer Branded Products and Cara Label Products; and
- iv. use Cara's Products and Cara negotiated prices (including Bill Backs as defined below) only for Cara's business hereunder unless authorization in writing is given in advance by the Cara Strategic Sourcing Department. For the foregoing purposes "Bill Backs" shall mean the difference between the FOB invoiced price to the applicable Distribution Centre of Supplier from a manufacturer and the contracted price Cara has negotiated from the manufacturer where the invoice price is higher than the contracted price. This difference may be charged back (Billed Back) to the manufacturer by Supplier, along with EDI information supporting Cara's usage. In determining the restaurant delivered cost, Supplier shall use Cara's contract rate and not the manufacturer invoice price.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED] Where possible, the party which is required by law or by a court to so disclose Confidential Information shall seek confidential treatment of the information or a protective order or other appropriate remedy to, so far as possible, maintain the confidentiality of the Confidential Information. **[Redacted for confidentiality reasons]**

10.2 Force Majeure

Neither party shall be responsible to the other for non-performance (which for certainty includes a reduction in Product orders by Cara and Franchisees for purposes of Section 8.1) or delay in performance (other than any payment of money) occasioned by any causes beyond its control including without limitation, acts of god, acts of nature, war, acts of civil or military authority, embargos or insurrections, fire, flood, power outages, outbreaks of epidemics, quarantines or public health emergencies or acts of terrorism provided that such party shall take all commercially reasonable actions to perform and to minimize the impact of non-performance or delay.

10.3 Successors and Assigns

This Agreement shall enure to the benefit of and be binding upon Cara and Supplier and their respective successors and permitted assigns.

10.4 Survival

All obligations of Cara and Supplier including obligations of indemnity and confidentiality which expressly or by their nature survive the expiration, termination or assignment of this Agreement shall continue in full force and effect subsequent to and notwithstanding such expiration, termination or assignment and until they are satisfied or by their nature expire.

10.5 Dispute Resolution

Any dispute arising hereunder shall be resolved in accordance with the provisions of the Dispute Resolution Procedure set out in Schedule G.

10.6 Notice

All notices, consents and approvals (herein referred to as a “**notice**”) permitted or required to be given hereunder shall be deemed to be sufficiently and duly given if written and delivered personally or if transmitted by facsimile transmission or other form of recorded communication tested prior to transmission.

If to Supplier addressed as follows:

Summit Food Service, a Division of Colabor
580 Industrial Road
London, Ontario N5V 1V1

Attention: President
Fax: (519) 453-5148

with a copy to:

Colabor Limited Partnership
c/o Colabor Management Inc.
1620, Montarville Boulevard
Boucherville, Québec J4B 8P4

Attention: President
Fax: (450) 449-2098

and if to Cara addressed as follows:

Cara Operations Limited
199 Four Valley Drive

Vaughan, Ontario

Attention: Vice President, Strategic Sourcing
Fax: 1-866-645-0315

with a copy to:

Attention: Legal Counsel
Fax: 1-866-603-0337

Any notice so given or made shall be deemed to have been given or made and received on the date of delivery or on the day of transmission by facsimile transmission or other form of recorded communication, as the case may be. Any party from time to time by written notice to the other, may change its address for the purpose of this Agreement.

10.7 Cumulative Rights

The rights of Cara and Supplier hereunder are cumulative and no exercise or enforcement by Cara or Supplier of any right or remedy hereunder shall preclude the exercise or enforcement by Cara or Supplier of any other right or remedy of which Cara or Supplier is otherwise entitled by law to enforce.

10.8 Further Assurances

The parties agree to do or cause to be done all acts or things necessary to implement and carry into effect this Agreement to its full extent.

10.9 Counterparts

This Agreement may be executed in any number of counterparts and by facsimile or other similar means of transmission, each of which shall be deemed an original and all of which together shall constitute one and the same document, binding on all parties notwithstanding that each of the parties may have signed different counterparts.

10.10 Entire Agreement

This Agreement constitutes the entire agreement between the parties, expressly superseding the agreement of [REDACTED] between the parties with respect to all matters contained herein.

[Redacted for confidentiality reasons]

10.11 Law of Agreement

This Agreement is made pursuant to the laws of Ontario and the laws of Canada applicable therein and will be governed by, and construed in accordance with, such laws. The parties attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

10.12 Acknowledgement

Supplier acknowledges that Cara Operations Limited is entering into this Agreement on its own and on behalf of and for the benefit of its independent franchisees which manage or own one or more Operating Units. The parties agree that references to “Cara” herein shall mean and refer to Cara Operations Limited and its subsidiaries from time to time, collectively.

IN WITNESS OF WHICH the parties have duly executed this Agreement.

COLABOR LIMITED PARTNERSHIP, by
its general partner, **COLABOR
MANAGEMENT INC.**

By: (s) Jack Battersby
Name: Jack Battersby
Title: President, Summit Division

By: (s) Claude Gariépy
Name: Claude Gariépy
Title: CEO, Colabor Group

CARA OPERATIONS LIMITED

By: (s) Peter Vale
Name: Peter Vale
Title: Vice President, Strategic Sourcing

By: (s) Bill Gregson
Name: Bill Gregson
Title: Chief Executive Officer

SCHEDULE A

PRODUCT QUALITY STANDARDS

[Redacted for confidentiality reasons]

SCHEDULE B

DELIVERY SPECIFICATIONS

[Redacted for confidentiality reasons]

SCHEDULE C

SERVICE STANDARDS AND OPERATIONAL AGREEMENT

[Redacted for confidentiality reasons]

.

SCHEDULE D

QUALITY ASSURANCE STANDARDS

[Redacted for confidentiality reasons]

SCHEDULE E

QSR – QUICK SERVICE RESTAURANTS

[Redacted for confidentiality reasons]

SCHEDULE F
FSR – FULL SERVICE RESTAURANTS

[Redacted for confidentiality reasons]

SCHEDULE G

DISPUTE RESOLUTION

[Redacted for confidentiality reasons]