This Management Information Circular and the accompanying materials are important and require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult a financial, legal, tax or other professional advisor.

TRANSACTION INVOLVING

FRANCHISE SERVICES OF NORTH AMERICA INC.

AND

ADRECA HOLDINGS CORP.

NOTICE AND MANAGEMENT INFORMATION CIRCULAR FOR

SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

APRIL 30, 2013

These materials are important and require your immediate attention. They require Franchise Services of North America Inc. shareholders to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisor. If you have any questions, including questions regarding the procedures for voting, please contact the General Counsel of Franchise Services of North America Inc., O. Kendall Moore, at (601) 713-4333 or Computershare Trust Company of Canada at 1-800-564-6253 (toll free in Canada and the United States) or (514) 982-7555 (International direct dial) and ask for Investor Services.

MARCH 28, 2013

Neither the TSX Venture Exchange nor any securities regulatory authority has in any way passed upon the merits of the transaction described in this information circular.

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ADDENDA

LETTER TO SHAREHOLDERS

March 28, 2013

Dear Shareholder:

The board of directors cordially invites you to attend the special meeting (the "**Meeting**") of shareholders of Franchise Services of North America Inc. ("**FSNA**") to be held commencing at 10:00 a.m. (Toronto time) on April 30, 2013 at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9.

Effective July 13, 2012, FSNA and one of its wholly-owned subsidiaries entered into a merger agreement pursuant to which FSNA proposes to:

(i) merge (the "**First Merger**") such wholly-owned subsidiary with and into Adreca Holdings Corp. ("**Adreca**"), the sole owner of Simply Wheelz LLC, a Delaware limited liability company, doing business as Advantage Rent A Car, and holder of contractual rights to acquire certain assets associated with rental car locations owned by The Hertz Corporation (collectively, the "**Advantage Assets**"). As a result of the First Merger, Adreca will become a wholly-owned subsidiary of FSNA; and

(ii) immediately after the completion of the First Merger, merge (the "**Second Merger**" and, together with the First Merger, the "**Merger**") Adreca, FSNA's wholly-owned subsidiary, with and into FSNA with FSNA continuing as the surviving corporation of the Second Merger.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass a special resolution approving a statutory arrangement (the "**Arrangement**" and together with the Merger, the "**Transaction**") pursuant to Section 192 of the *Canada Business Corporations Act* (the "**CBCA**") whereby, in order to facilitate the First Merger, FSNA will continue as a Delaware corporation ("**New FSNA**") pursuant to the *General Corporation Law* of the State of Delaware and will concurrently discontinue from Canada under the CBCA.

As consideration for the First Merger, Boketo LLC, a wholly-owned indirect subsidiary of Macquarie Holdings (USA) Inc. and the sole shareholder of Adreca, shall receive 62,212,600 preferred shares, US$0.001 par value per share, of New FSNA ("**Preferred Shares**") and certain rights to acquire additional Preferred Shares upon the exercise of outstanding options convertible into common shares of New FSNA. At the Meeting, shareholders will also be asked to consider and, if deemed advisable, to pass an ordinary resolution approving the First Merger and the issuance of the Preferred Shares in connection therewith.

Among other benefits, the Transaction is an opportunity for FSNA and its shareholders to participate in an exciting growth opportunity associated with the acquisition by FSNA of the Advantage Assets. **The board of directors of FSNA (the "FSNA Board") has unanimously determined that the Transaction is in the best interests of FSNA, and unanimously recommends that shareholders vote FOR the special resolution and FOR the ordinary resolution.**

To be effective, the Arrangement must be approved by a resolution passed by two-thirds of the votes cast by shareholders present in person or by proxy at the Meeting, and is also subject to the satisfaction of certain conditions and the approval of the Court of Queen's Bench of the Province of Alberta. In addition, the First Merger and the issuance of the Preferred Shares must be approved by a simple majority of the votes cast by shareholders present in person or by proxy at the Meeting, and is also subject to the approval of the TSX Venture Exchange.

The accompanying Notice of Special Meeting and Management Information Circular provide a full description of the Transaction and include certain additional information to assist you in considering how to vote on the Arrangement and the First Merger and the issuance of the Preferred Shares. You are encouraged to consider carefully all of the information in the accompanying

Management Information Circular. If you require assistance, you should consult your financial, legal, tax or other professional advisors.

Your vote is important regardless of the number of common shares of FSNA ("**FSNA Shares**") you own. If you are a registered holder of FSNA Shares, I encourage you to take the time now to complete, sign, date and return the enclosed Form of Proxy (printed on blue paper) not later than 10:00 a.m. (Toronto time) on April 26, 2013, to ensure that your FSNA Shares will be voted at the Meeting in accordance with your instructions, whether or not you are able to attend in person. If you hold your FSNA Shares through a broker or other intermediary, you should follow the instructions provided by your broker or other intermediary to vote your FSNA Shares.

Subject to obtaining court and regulatory approvals and satisfying all other conditions of closing, including obtaining the approval of the holders of the FSNA Shares, it is anticipated that the Transaction will be completed on or about May 1, 2013.

If you have any questions relating to the Transaction, please contact the General Counsel of FSNA, O. Kendall Moore, at (601) 713-4333.

On behalf of FSNA, I would like to thank all shareholders for their ongoing support as we prepare for this important event in FSNA's history.

Yours very truly,

(signed) "*Thomas P. McDonnell, III*"

Thomas P. McDonnell, III
Chief Executive Officer and Chairman

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

FRANCHISE SERVICES OF NORTH AMERICA INC.
Suite 204, 7710 - 5th Street S.E.
Calgary, Alberta
T2H 2L9

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders of common shares (the "**FSNA Shareholders**") of Franchise Services of North America Inc. ("**FSNA**") will be held at 10:00 a.m. (Toronto time) on April 30, 2013 at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9, for the following purposes:

1. in accordance with the interim order of the Court of Queen's Bench of the Province of Alberta dated March 28, 2013 (the "**Interim Order**"), to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**") approving an arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* ("**CBCA**"), the purpose of which, among other things, is to effect the continuance of FSNA as a Delaware corporation ("**New FSNA**"), as more fully set forth in the accompanying management information circular (the "**Circular**");

2. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the merger (the "**First Merger**") of a wholly-owned subsidiary of FSNA with and into Adreca Holdings Corp. ("**Adreca**"), pursuant to which Adreca will become a wholly-owned subsidiary of New FSNA, and the issuance of 62,212,600 preferred shares, US$0.001 par value per share ("**Preferred Shares**") and certain rights to acquire additional Preferred Shares upon the exercise of outstanding options convertible into common shares of New FSNA as consideration for the First Merger and approving the creation of a new control person of New FSNA in connection therewith; 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 directors of FSNA has fixed April 1, 2013 as the record date for determining FSNA Shareholders who are entitled to receive notice of and to vote at the Meeting. Only FSNA Shareholders of record as at the close of business on April 1, 2013 are entitled to receive notice of the Meeting and to attend and vote at the Meeting (or any adjournment or postponement thereof). This Notice of Meeting is accompanied by the Circular and a Form of Proxy (printed on blue paper).

Registered holders of FSNA common shares (the "**FSNA Shares**") who are unable to attend the Meeting in person are requested to complete, date, sign and deposit the enclosed Form of Proxy with FSNA by mail using the pre-paid return envelope provided with the Circular, c/o Computershare Trust Company of Canada, 100 University Ave., 9th Floor, North Tower, Toronto Ontario, M5J 2Y1, prior to 10:00 a.m. (Toronto time) on April 26, 2013, or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding holidays and weekends) prior to the start of such adjourned or postponed meeting. Non-registered holders of FSNA Shares should complete and return the voting instruction form or other authorization provided to them in accordance with the instructions provided therein. Failure to do so may result in your FSNA Shares not being voted at the Meeting. If you have any questions about the information contained in the Circular or require assistance in completing your Form of Proxy, please contact the General Counsel of FSNA, O. Kendall Moore, at (601) 713-4333 or Computershare Trust Company of Canada at 1-800-564-6253 (toll free in Canada and the United States) or (514) 982-7555 (International direct dial) and ask for Investor Services.

If you are a non-registered holder of FSNA Shares and receive these materials through your broker, investment dealer, bank, trust company or another intermediary, please carefully follow the instructions provided by your intermediary.

Pursuant to the Interim Order, registered FSNA Shareholders have a right to dissent in respect of the Arrangement Resolution and to be paid an amount equal to the fair value of their FSNA Shares. This dissent right and the dissent procedures are described in the Circular. The dissent procedures require that a registered FSNA Shareholder who wishes to dissent send a written notice of objection to the Arrangement Resolution to FSNA (i) at 204, 7710 – 5th Street. S.E., Calgary, Alberta, T2H 2L9 (Attention: General Counsel) or (ii) by facsimile transmission to (601) 713-4348 (Attention: General Counsel), to be received by 5:00 p.m. (Toronto time) on April 26, 2013 or, in the case of any adjournment or postponement of the Meeting, by 5:00 p.m. (Toronto time) on the day that is two business days before the date of the adjourned or postponed Meeting, and must otherwise strictly comply with the dissent procedures described in the Circular. These dissent procedures are different than the statutory dissent procedures of the CBCA which would permit a notice of objection to be provided at or prior to the Meeting. **Failure to strictly comply with the dissent procedures will result in loss of the right to dissent. Only registered FSNA Shareholders are entitled to dissent and, accordingly, non-registered beneficial FSNA Shareholders should contact their broker, investment dealer, bank, trust company, trustee or other nominee in order to exercise dissent rights**. See the section entitled "*Dissenting Holders' Rights*" in the Circular.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice of Meeting. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Meeting will be held at a time and place to be specified either by FSNA before the Meeting or by the chair at the Meeting.

DATED at Calgary, Alberta on March 28, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Thomas P. McDonnell, III*"

Thomas P. McDonnell, III
Chief Executive Officer and Chairman

Court File No. 1301 - 03896

IN THE COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF CALGARY

IN THE MATTER OF SECTION 192 OF THE CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FRANCHISE SERVICES OF NORTH AMERICA INC. AND THE SHAREHOLDERS OF FRANCHISE SERVICES OF NORTH AMERICA INC.

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an Originating Application (the "**Originating Application**") has been filed with the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") on behalf of Franchise Services of North America Inc. ("**FSNA**") with respect to a proposed arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the "**CBCA**"), involving FSNA and the holders ("**FSNA Shareholders**") of common shares (the "**FSNA Shares**") of FSNA, which Arrangement is described in greater detail in the Management Information Circular of FSNA dated March 28, 2013, accompanying this Notice of Originating Application. At the hearing of the Originating Application, FSNA intends to seek:

(a) a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to the FSNA Shareholders and other affected persons, both from a substantive and a procedural perspective;

(b) an order approving the Arrangement pursuant to the provisions of section 192 of the CBCA;

(c) an order declaring that the registered FSNA Shareholders shall have the right to dissent in respect of the Arrangement pursuant to the provisions of section 190 of the CBCA, as modified by the interim order (the "**Interim Order**") of the Court dated March 28, 2013;

(d) a declaration that the Arrangement will, upon the filing of Articles of Arrangement pursuant to the provisions of section 192 of the CBCA, become effective in accordance with its terms and will be binding on and after the Effective Date as defined in the Arrangement; and

(e) such other and further orders, declarations and directions as the Court may deem just.

(collectively, the "**Final Order**").

AND NOTICE IS FURTHER GIVEN that the said Originating Application was directed to be heard before a Justice of the Court of Queen's Bench of Alberta, Calgary Courts Centre, 601 -5th Street S.W., Calgary, Alberta, T2P 5P7, on May 1, 2013 at 2:00 p.m. (Calgary time) or as soon thereafter as counsel may be heard. Any FSNA Shareholder or any other interested party desiring to support or oppose the Originating Application, may appear at the time of hearing of the Final Order in person or by counsel for that purpose. Any FSNA Shareholder or any other interested party desiring to appear at the hearing of the Final Order is required to file with the Court of Queen's Bench of Alberta, Judicial District of Calgary, and serve upon FSNA by 12:00 Noon (Calgary time) on April 24, 2013, a Notice of Intention to Appear, including an address for service in the Province of Alberta together with any

evidence or materials which are to be presented to the Court. Service on FSNA is to be effected by delivery to the solicitors for FSNA at the address below. If any FSNA Shareholder or any other interested party does not attend, either in person or by counsel, at that time, the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that no further notice of the Originating Application will be given by FSNA and that in the event the hearing of the Final Order is adjourned, only those persons who have appeared before the Court for the application at the hearing shall be served with notice of the adjourned date.

AND NOTICE IS FURTHER GIVEN that further notice in respect of these proceedings will only be given to those persons who have filed a Notice of Intention to Appear.

AND NOTICE IS FURTHER GIVEN that, at the hearing of the Final Order and subject to the foregoing, FSNA Shareholders and any other interested persons will be entitled to make representations as to, and the Court will be requested to consider, the fairness of, the Arrangement. If you do not attend, either in person or by counsel, at that time, the Court may approve or refuse to approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court may deem fit, without any further notice.

AND NOTICE IS FURTHER GIVEN that the Court, by the Interim Order, has given directions as to the calling and holding of the special meeting of the FSNA Shareholders for the purpose of, among other things, such FSNA Shareholders voting upon a special resolution to approve the Arrangement and, in particular, has directed that registered FSNA Shareholders have the right to dissent under the provisions of Section 190 of the CBCA, as modified by the terms of the Interim Order, in respect of the Arrangement.

AND NOTICE IS FURTHER GIVEN that the Final Order approving the Arrangement will, if granted, serve as the basis for an exemption from the registration requirements of the United States *Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of the common shares of FSNA pursuant to the Arrangement.

AND NOTICE IS FURTHER GIVEN that a copy of the said Originating Application and other documents in the proceedings will be furnished to any FSNA Shareholder or other interested party requesting the same by the undermentioned solicitors for FSNA upon written request delivered to such solicitors as follows:

Stikeman Elliott LLP
Barristers & Solicitors
Suite 4300 Bankers Hall West
888 – 3rd Street S.W.
Calgary, Alberta, T2P 5C5
Attention: Michael Mestinsek

DATED at the City of Calgary, in the Province of Alberta, this 28th day of March, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Thomas P. McDonnell, III*"

Thomas P. McDonnell, III
Chief Executive Officer and Chairman

MANAGEMENT INFORMATION CIRCULAR

Introductory Information

This Circular is furnished in connection with the solicitation of proxies by the management of FSNA for use at the Meeting, and any adjournment or postponement thereof. No person has been authorized to give any information or make any representations in connection with the Transaction or 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.

This Circular does not constitute the solicitation of an offer to purchase or to sell any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and FSNA Shareholders are urged to consult their own professional advisors in connection with such matters.

The information concerning Adreca contained in this Circular, excluding any information concerning Advantage (the "**Adreca Information**"), has been provided to FSNA by management of Adreca pursuant to the terms of the Merger Agreement. Although Adreca has advised FSNA that it has no knowledge that would indicate that information in this Circular other than the Adreca Information is untrue or incomplete, none of Adreca or its directors, officers or advisors assumes any responsibility for the accuracy or completeness of any such information, other than Adreca's obligations to FSNA under the Merger Agreement in respect of the Adreca Information. The Carve-out Financial Statements contained in this Circular were provided by Hertz pursuant to the terms of the Advantage Purchase Agreement. The information concerning Advantage contained in this Circular, other than the Carve-out Financial Statements and the information derived therefrom, was obtained by FSNA (i) prior to the First Closing, from Hertz in the course of its due diligence investigations of Advantage and negotiation of the Advantage Purchase Agreement, and (ii) subsequent to the First Closing, through the management of Advantage by FSNA pursuant to the terms of the Management Services Agreement.

All summaries of, and references to, the Transaction in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement (a copy of which is attached as Schedule "C" to this Circular), the Merger Agreement (including the Certificate of Incorporation and other exhibits to the Merger Agreement), the Stockholders Agreement, the Registration Rights Agreement, the Credit Agreement, the Sublease and Hertz Credit Agreement (copies of which are filed on SEDAR at www.sedar.com). You are urged to carefully read the full text of such documents.

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth herein under "*Glossary of Terms*". Information contained in this Circular is given as of March 28, 2013, unless otherwise specifically stated and except that information in documents incorporated by reference herein is given as of the dates noted therein.

All references to the share capital of New FSNA on an "as-converted basis" assume the conversion of all then-outstanding Preferred Shares to New FSNA Shares. See "*The Transaction – The Preferred Shares*" in this Circular.

Information for United States Shareholders

In making an investment decision, investors must rely on their own examination of FSNA and the terms of this Circular, including the merits and risks involved. The Transaction, and the securities issuable in connection with the Transaction, have not been recommended, approved or disapproved by any Federal or state securities commission or any other regulatory authority.

Furthermore, none of the foregoing authorities has passed upon, or endorsed the merits of, the Transaction or the accuracy or adequacy of any portion of this Circular. Any representation to the contrary is a criminal offense.

The issuance of the New FSNA Shares pursuant to the Arrangement has not been registered with the Securities and Exchange Commission under the U.S. Securities Act, or under the securities laws of any states, and, to the extent that registration would otherwise be required under Section 5 thereof, the New FSNA Shares are being offered and sold in reliance on exceptions from registration requirements of the U.S. Securities Act, including the exemption from registration provided by Section 3(a)(10) thereof on the basis of the approval of the Court as described under "*The Transaction – United States Securities Laws Considerations*" in this Circular and applicable state securities laws. As the FSNA Shares are not registered pursuant to Section 12 of the U.S. Exchange Act, the solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United States applicable to proxy statements under the U.S. Exchange Act. To the extent that the issuance of the New FSNA Shares is subject to the U.S. securities laws, they apply only to the holders of FSNA Shares in the U.S. and no other Person has any claims under such laws.

Financial statements of FSNA included or incorporated by reference herein and the Carve-Out Financial Statements have been prepared in accordance with Canadian GAAP and are subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies, whose financial statements are prepared in accordance with generally accepted auditing standards and accounting principles in the U.S. FSNA Shareholders should be aware that the effect of the Arrangement as described herein may have tax consequences in the United States, Canada and other countries. Such tax consequences for FSNA Shareholders who are resident in, or citizens of, the United States, Canada or other countries may not be described fully herein. See "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Income Tax Considerations*" in this Circular. Each FSNA Shareholder is urged to consult his independent professional advisor regarding such tax consequences.

The enforcement by FSNA Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that FSNA is presently incorporated or organized under the laws of Canada, and that some of its officers and directors and the experts named herein may be residents of Canada. FSNA Shareholders may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company to subject itself to a legal proceeding in the U.S. or a U.S. court's judgment.

Cautionary Statement Regarding Forward-Looking Statements

All statements, other than statements of historical fact, contained or incorporated by reference in this Circular, including any information as to the future financial or operating performance of FSNA, Adreca and New FSNA, constitute "forward-looking statements" or "forward-looking information" (together, "forward-looking statements") within the meaning of certain securities laws, including the "safe harbour" or defense to liability for misrepresentations provisions of the Securities Act (Alberta) and National Instrument 51-102 and are based on expectations, estimates and projections as of the date of this Circular.

Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by FSNA and Adreca as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of FSNA and Adreca contained in this Circular, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein as well as: (i) that the proposed Transaction will be completed in accordance with the terms and

conditions of the Merger Agreement; (ii) the accuracy of management's assessment of the effects of the successful completion of the proposed Transaction; (iii) the trading price of the FSNA Shares; (iv) there being no significant disruptions affecting FSNA's, New FSNA's or Adreca's operations, whether due to labour disruptions, air travel disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; and (v) there being no substantive change in laws and regulations affecting FSNA, New FSNA or Adreca.

The forward-looking statements set forth in this Circular are subject to various risks and other factors which could cause actual results to differ materially from those expressed or implied in the forward-looking statements, including the risk that the Transaction will not be completed for any reason.

The words "plans", "expects", or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might", or "will be taken", "occur" or "be achieved" and similar expressions identify forward-looking statements.

Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: actual results of activities; capital expenditures; costs and timing of future acquisitions; requirements for additional capital, including those associated with the need to refinance or purchase additional rental vehicles; claims limitations on insurance coverage; the possibility of new litigation; risks related to franchise operations; risks related to the integration of acquisitions; fluctuations in the currency markets; changes in national and local government legislation, taxation, controls and regulations; and political or economic developments in Canada and the United States. There are also certain risks related to the consummation of the Transaction and the business and operations of New FSNA including, but not limited to, the risk that the expected combination benefits may not be fully realized or not realized within the expected time frame; risks associated with realizing the increased earnings and enhanced growth opportunities currently anticipated for New FSNA; risks associated with realizing the benefits of New FSNA's growth projects; risks associated with meeting key cost estimates by New FSNA; capital requirements and operating risks associated with the expanded operations of New FSNA; risks associated with fleet and financing requirements of New FSNA; risks related to franchising; the market price of the New FSNA Shares; regulatory risks including changes in laws and regulations and cost of compliance; risks related to New FSNA's ability to retain airport concessions; risks associated with the general economic conditions, volume of air travel and fuel costs; risks related to retention of senior management; seasonality; risks associated with New FSNA's relationships with third parties and other risks discussed in this Circular. See "*Risk Factors*" in this Circular.

These risk factors are not intended to represent a complete list of the risk factors that could affect FSNA, Adreca or New FSNA. Although FSNA and Adreca have attempted to identify in this Circular important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements in this Circular, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that the forward-looking statements in this Circular will prove to be accurate, as actual results and future events could differ materially from those anticipated in such forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements in this Circular. All of the forward-looking statements made in this Circular are qualified by these cautionary statements.

Each of FSNA and Adreca disclaims any intention or obligation to update or revise any of the forward-looking statements in this Circular, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

Reporting Currencies and Accounting Principles

Unless otherwise indicated, all references to "US$" or "U.S. dollars" in this Circular refer to United States dollars and all references to "$", "Cdn$" or "Canadian dollars" in this Circular refer to Canadian dollars. FSNA's financial statements are reported in U.S. dollars and are prepared in accordance with Canadian GAAP**.** The Carve-out Financial Statements are reported in U.S. dollars and are prepared in accordance with IFRS. The *pro forma* financial statements of New FSNA are prepared in accordance with the Exemptive Relief Order. See "*General Matters – Exemptions*" in this Circular.

On August 27, 2012, the last trading day before the announcement of the Transaction, the exchange rate for one U.S. dollar expressed in Canadian dollars, based on the noon buying rates provided by the Bank of Canada, was Cdn$0.9892.

Notice to New Hampshire Residents Only

Neither the fact that a registration statement or an application for a license has been filed under Chapter 421-b of the New Hampshire Revised Statutes ("RSA 421-b") with the State of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the State of New Hampshire constitutes a finding by the Secretary of State of New Hampshire that any document filed under RSA 421-b is true, complete and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer or client any representation inconsistent with the provisions of this paragraph.

Questions and Requests for Assistance

Questions and requests for assistance should be directed to the General Counsel of FSNA, O. Kendall Moore at (601) 713-4333, and additional copies of the Circular, and Form of Proxy may be obtained without charge on request from Computershare Trust Company of Canada at 1-800-564-6253 (toll free in Canada and the United States) or (514) 982-7555 (International direct dial) and ask for Investor Services.

SUMMARY

The following information is a summary of the contents of this Circular. This summary is provided for convenience only and the information 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, including the schedules hereto and documents incorporated by reference herein. Capitalized terms in this summary have the meanings set out in the Glossary of Terms or as set out in this summary.

The Meeting

Date, Time and Place of Meeting

The Meeting will be held commencing at 10:00 a.m. (Toronto time) on April 30, 2013 at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9.

The Record Date

The Record Date for determining the FSNA Shareholders entitled to receive notice of and to vote at the Meeting is as of the close of business on April 1, 2013.

Purpose of the Meeting

At the Meeting, FSNA Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution and the Merger Resolution. The approval of the Arrangement Resolution will require the affirmative vote of two-thirds of the votes cast by the FSNA Shareholders present in person or by proxy at the Meeting. The approval of the Merger Resolution will require the affirmative vote of a simple majority of the votes cast by the FSNA Shareholders present in person or by proxy at the Meeting.

The Transaction

The Companies

FSNA is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia. The FSNA Shares trade on the TSXV under the symbol "FSN". FSNA and its subsidiaries own the following brands: U-Save Car & Truck Rental, U-Save Car Sales, Rent-A-Wreck of Canada, Practicar, Auto Rental Resource Center, Xpress Rent A Car, Sonoran National Insurance Group and Peakstone Financial Services. U-Save, together with its subsidiary Auto Rental Resource Center, has over 1,100 locations throughout the United States and is one of North America's largest franchise car rental companies. U-Save currently services 28 airport markets in 11 different states and 7 countries. U-Save Car Sales is an expansion of the U-Save brand into the car sales market, and provides goods and services to car sales operators looking to affiliate with a national brand. Practicar Systems Inc. (a wholly-owned subsidiary of FSNA) owns the rights to the Rent-A-Wreck® and the PractiCar® trademarks for all of Canada. The Rent-A-Wreck® system operates a network of 69 franchised locations from coast-to-coast in Canada, providing a range of vehicle rental, leasing and sales options to its customers. The Rent-A-Wreck® system has been in continuous operation in Canada since 1976.

Adreca is a private company incorporated under the laws of the State of Delaware on June 14, 2012 for the purpose of entering into the Advantage Purchase Agreement with Hertz and subsequently acquiring the Advantage Assets. The Adreca Shares are not listed on any stock exchange. In connection with the acquisition of Advantage and pursuant to the Commitment Letter, Boketo, a wholly-owned indirect subsidiary of Macquarie Holdings (USA) Inc., has capitalized Adreca with approximately US$15 million. Since the First Closing Date, Adreca's sole business has been the ownership of Advantage, which is managed by FSNA pursuant to the Management Services Agreement. For a description of Adreca, see Schedule "D" – "*Information Concerning Adreca*". For a

description of Advantage and the terms of the Advantage Purchase Agreement, see *"The Transaction – The Acquisition of Advantage"* in this Circular.

On completion of the Transaction, New FSNA will be a corporation continued under and governed by the laws of the State of Delaware. As a result of the Second Merger, the business and operations of Advantage will be integrated with the business and operations of New FSNA. See "*Information Concerning FSNA*" in this Circular and "*History of Advantage*" in Schedule "D" – "*Information Concerning Adreca*".

The authorized capital of New FSNA will be 300,000,000 New FSNA Shares and 76,000,000 Preferred Shares. After giving effect to the Transaction, the issued and outstanding share capital of New FSNA is expected to be 62,820,425 New FSNA Shares and 62,212,600 Preferred Shares. Assuming that no FSNA Shareholder exercises Dissent Rights, FSNA Shareholders will own approximately 50.24% of the New FSNA Shares, and Boketo will own approximately 49.76% of the New FSNA Shares, in each case, on a converted basis.

Immediately after completion of the Transaction, the New FSNA Board will consist of the following seven members, three of whom will be existing FSNA directors, three of whom will be selected by the holders of the Preferred Shares and one of whom was selected as an independent and unaffiliated director by FSNA and Boketo: Thomas P. McDonnell, III, David I. Forseth, Thomas H. McNeely, Bruce G. Donaldson, Daniel Boland, Michael Silverton, and William N. Plamondon, III.

See "*New FSNA – After the Transaction*" in this Circular for a description of New FSNA after giving effect to the Transaction.

The Arrangement

As part of the Transaction, FSNA will proceed with the Arrangement, the purpose of which is to effect the Continuance. The Arrangement will be implemented by way of a court-approved plan of arrangement under the CBCA. On the Arrangement Effective Date and commencing at the Arrangement Effective Time, the following shall occur and shall be deemed to occur without any further act or formality:

(a) the Continuance shall be effective and FSNA shall be domesticated in the State of Delaware and shall continue as a corporation under the DGCL under the name "Franchise Services of North America Inc." and the registered address of New FSNA shall be changed to Capitol Services, Inc., 1675 South State St., Ste B, Dover, DE 19901;

(b) all right, title and interest of each FSNA Shareholder in and to his or her FSNA Shares shall be converted into New FSNA Shares on the basis of one New FSNA Share for each FSNA Share; and

(c) a holder of FSNA Shares shall cease to be a holder thereof and shall become a holder of New FSNA Shares in accordance with the provisions of the Plan of Arrangement.

Pursuant to the Plan of Arrangement, for the purposes of the Continuance, the application to domesticate FSNA to the State of Delaware shall be made on a basis such that the Certificate of Incorporation and the by-laws of New FSNA, substantially in the form attached hereto in Schedule "I", and the Certificate of Domestication shall be in the form approved by Boketo and FSNA, each acting in good faith.

As of the Arrangement Effective Time, a Dissenting Holder shall cease to have any rights as an FSNA Shareholder, other than the right to be paid fair value of its FSNA Shares in accordance with Dissent Rights, and the name of each such holder shall be removed from the register of holders of FSNA Shares as it related to the FSNA Shares so being transferred. A Dissenting Holder who for any reason is not entitled to be paid the fair value of the holder's FSNA Shares shall be treated as if such

holder had participated in the Arrangement on the same basis as a non-dissenting FSNA Shareholder.

See "*The Transaction – The Arrangement*" in this Circular.

The Advantage Acquisition

FSNA was unable to be the initial acquirer of Advantage for a variety of reasons, including FSNA's need for shareholder approval for such acquisition and Hertz's need for a rapid, certain divestiture of such business promptly after completion of its tender offer for Dollar Thrifty Automotive Group, Inc. ("**DTAG**"). Thus it was agreed that Adreca would be the initial purchaser of the Advantage business from Hertz. FSNA was fully involved with Boketo in the acquisition process. The consummation of the Merger and the entry into the Final Structure Documents will effect New FSNA's acquisition of Advantage and Boketo's acquisition of a significant stake in New FSNA. See "*The Transaction – The Acquisition of Advantage*" and "*The Transaction – The Merger*" in this Circular.

The Advantage acquisition did not include vehicles. Instead, Hertz agreed to provide Advantage with an initial fleet of vehicles by means of lease and sublease. In addition, Hertz committed to, subject to the satisfaction of certain conditions, providing Advantage with partial fleet financing. See "*The Transaction – The Hertz Financing Documents*" in this Circular.

The Merger

As part of the Transaction, in order to effectuate New FSNA's acquisition of Advantage with Boketo, Advantage Holdings, a wholly-owned subsidiary of FSNA (and following the Arrangement, New FSNA), will merge with and into Adreca and Adreca shall continue as the surviving corporation of the First Merger. At the Effective Time, all Adreca Shares issued and outstanding immediately prior to the Effective Time shall be cancelled and converted into 62,212,600 Preferred Shares and certain rights to acquire additional Preferred Shares upon the exercise of outstanding options convertible into New FSNA Shares. Immediately following the completion of the First Merger, Adreca shall be merged with and into New FSNA and the separate corporate existence of Adreca will cease and New FSNA shall continue as the surviving corporation of the Second Merger. The Merger will be effected pursuant to a plan of merger in accordance with the laws of the State of Delaware.

The Preferred Shares shall be convertible, upon satisfaction of certain conditions, for New FSNA Shares representing 49.76% of the issued and outstanding FSNA Shares at the First Closing Date. The Preferred Shares shall vote together with the New FSNA Shares on all matters, except that the separate approval of the majority of the Preferred Shares shall be required in respect of certain fundamental matters and that the Preferred Shares will have certain board approval rights (including the right to nominate a certain number of directors). The Preferred Shares will have pre-emptive rights and will be subject to coattail provisions. Holders of the Preferred Shares will be paid dividends on an as-converted basis if any dividends are paid on the New FSNA Shares, and upon liquidation, dissolution or winding-up, holders of the Preferred Shares shall be entitled to receive $0.00001 per share.

See "*The Transaction – The Merger*" in this Circular.

The Interim Structure Documents

Concurrently with the entering into of the Merger Agreement, FSNA and Adreca entered into the Management Services Agreement and the Warrant.

See "*The Transaction – The Interim Structure*" in this Circular

The Final Structure Documents

The Final Structure Documents have been entered into in anticipation of the consummation of the Merger. The Final Structure Documents include the Stockholders Agreement, the Registration Rights Agreement, the Credit Agreement and the Amended FSNA Charter Documents.

See "*The Transaction – The Final Structure Documents*" in this Circular.

Recommendation of the FSNA Board

After careful consideration, the FSNA Board has unanimously determined that the Transaction is in the best interest of FSNA. Accordingly, the FSNA Board unanimously recommends that FSNA Shareholders vote FOR the Arrangement Resolution and FOR the Merger Resolution.

Benefits of and Reasons for the Transaction

In the course of their evaluation of the Transaction, the FSNA Board consulted with FSNA's senior management, legal counsel and financial advisors, reviewed a significant amount of information and considered a number of factors including, among others, the following:

(a) *Expected benefits of the acquisition of the Advantage business.* The FSNA Board expects that the acquisition of Advantage resulting from the Transaction will result in a number of anticipated benefits to FSNA Shareholders, including the following:

(i) the Transaction will result in New FSNA acquiring and operating the Advantage Rent A Car system with approximately 60, and potentially up to 75, airport servicing locations throughout the United States;

(ii) New FSNA will operate approximately 24,000 cars initially from these locations, which will be provided by Hertz pursuant to the Sublease and Hawaii Lease;

(iii) FSNA is providing management and back office services to Advantage for the mutual benefit of FSNA and Advantage and New FSNA expects to be able to further develop complimentaries with Advantage after New FSNA and Advantage combine their business;

(iv) New FSNA expects to benefit from economies of scale and increased purchasing power by virtue of its larger size;

(v) New FSNA will have the ability to franchise the Advantage brand to continue the expansion of the scope of airport locations; and

(vi) FSNA's existing U-Save franchisees are expected to benefit from enhanced technology, reservation distribution channels and connectivity and fleet purchasing programs as a result of the Transaction.

(b) *Additional Revenue. A*ccording to the Carve-out Financial Statements attached as Schedule "D" – Appendix "1" of this Circular, Advantage, while under Hertz's ownership, generated approximately US$179 million in revenue for the year ended December 31, 2011. This revenue does not include revenue relating to the additional airport concessions operated under the Dollar and/or Thrifty brands which have been or are expected to be transferred to Advantage. It is expected that this revenue stream will continue and will be acquired by FSNA pursuant to the Transaction.

(c) *Approval Thresholds.* The FSNA Board considered the following required approvals to be protective of the rights of FSNA Shareholders: (i) the Arrangement Resolution must be approved by two-thirds of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting; (ii) the Plan of Arrangement must be approved by

the Court, which will consider, among other things, the fairness of the Plan of Arrangement to FSNA Shareholders; and (iii) the Merger Resolution must be approved by a simple majority of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting.

(d) *Dissent Rights.* Registered Shareholders who oppose the Transaction may, upon compliance with certain conditions, exercise their Dissent Rights and receive the fair value of their FSNA Shares.

In the course of its deliberations, the FSNA Board also identified and considered a variety of risks, including, but not limited to:

(a) the issuance of the Preferred Shares to Boketo under the Transaction may cause the market price of New FSNA Shares to decline;

(b) if the Transaction is completed, Boketo (a) will be a control person of New FSNA, with effective control of an approximate 49.76% voting interest on an as-converted basis, and (b) if the loan is issued under the Credit Agreement, could acquire additional New FSNA Shares after 18 months of the Closing Date, or earlier under certain circumstances; and

(c) the risks to FSNA if the Transaction is not completed, including the transaction costs to FSNA.

The foregoing summary of the information and factors considered by the FSNA Board is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Transaction, the FSNA Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. The FSNA Board's recommendation was made after consideration of all of the above-noted factors and in light of the FSNA Board's collective knowledge of the business, financial condition and prospects of FSNA, and was also based upon the advice of financial advisors and legal advisors to the FSNA Board. In addition, individual members of the FSNA Board may have assigned different weights to different factors.

See "*The Transaction – Benefits of and Reasons for the Transaction*" and "*Risk Factors*" in this Circular.

Voting Agreements

Each of the directors and officers of FSNA who hold FSNA Shares and certain large shareholders of FSNA, have entered into a Voting Agreement with FSNA, Boketo and Adreca pursuant to which they have agreed, on and subject to the terms thereof, among other things, to vote in favour of the Arrangement Resolution and Merger Resolution, and not to sell or transfer any of their FSNA securities to any person and not encumber their FSNA securities until the earlier of the Closing Date and the date the Merger Agreement is terminated in accordance with its terms. As of July 13, 2012, such FSNA Shareholders held, directly or indirectly, in the aggregate, 42,066,771 FSNA Shares, representing approximately 66.96% of the issued and outstanding FSNA Shares on such date.

See "*The Transaction – Voting Agreements*" in this Circular.

Lock-Up Agreements

Certain FSNA Shareholders, who are expected to hold an aggregate of 39,218,321 New FSNA Shares (representing approximately 31.17% of the New FSNA Shares on an as-converted basis) and an aggregate of 62,212,600 Preferred Shares (representing approximately 49.76% of the New FSNA Shares on an as-converted basis) have entered into Lock-up Agreements with Hertz. Pursuant to such Lock-up Agreements, the locked-up shareholders will not, subject to certain exceptions, offer,

sell, contract to sell, pledge, grant any option to purchase, make any short sale or enter into any other agreement to transfer the economic consequences of any FSNA Shares, any New FSNA Shares or shares of Adreca or any of their respective subsidiaries, or any options or warrant to purchase such securities or securities convertible into, exchangeable for or that represent the right to receive such securities, for a period ending the later of (i) the termination of the Sublease in accordance with its terms, and (ii) the termination of the Hawaii Lease in accordance with its terms, subject to certain exceptions such as certain terminations of employment. Notwithstanding the foregoing, the Lock-up Agreements provide that Thomas McDonnell and Sanford Miller may sell up to an aggregate of 2,253,564 and 1,668,269 FSNA Shares or New FSNA Shares, as the case may be, respectively, during such period.

See "*The Transaction – Lock-Up Agreements*" in this Circular.

There are also restrictions on Mr. McDonnell under the Stockholders Agreement which limit his ability to transfer New FSNA Shares.

See "*The Transaction – The Final Structure Documents – Stockholders Agreement*" in this Circular.

The Merger Agreement

The Merger Agreement is described in the section "*The Transaction – The Merger Agreement*" in this Circular and a copy has been filed on SEDAR at www.sedar.com. You should read the Merger Agreement in its entirety as it contains important provisions governing the terms and conditions of the Transaction.

The implementation of the Transaction is subject to a number of conditions being satisfied or waived by FSNA, Boketo and/or Adreca at or prior to the Closing Date, including the following:

(a) the approval of the Arrangement Resolution by the affirmative vote of two-thirds of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting;

(b) the approval of the Merger Resolution by the affirmative vote of a simple majority of the votes cast by FSNA Shareholders in person or by proxy at the Meeting;

(c) receipt of the Final Order;

(d) the Articles of Arrangement having become effective;

(e) the TSXV Approval having been obtained;

(f) the Re-domiciliation having been completed;

(g) no court or Governmental Entity having jurisdiction shall have issued any binding order, decree or ruling, and there shall not be any statute, rule or regulation, restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by the Merger Agreement;

(h) no change in applicable Law or in the interpretation or enforcement thereof shall have occurred where the effect of such change is to prohibit, or prevent, the consummation by any party of any of the transactions contemplated by the Merger Agreement;

(i) performance in all material respects by FSNA and Adreca of all obligations required to be performed by them, respectively, under the Merger Agreement; and

(j) the representations and warranties of FSNA and Adreca contained in the Merger Agreement being true and correct in all material respects on and as of the date of the making thereof (including the Closing Date).

See "*The Merger Agreement – Conditions Precedent to the Transaction*" in this Circular.

Pursuant to the Merger Agreement, FSNA, Adreca and Advantage Holdings have agreed that they shall not, and shall not permit any of their representatives to, directly or indirectly, (i) discuss, encourage, negotiate, undertake, initiate, authorize, recommend, propose or enter into any Acquisition Transaction, (ii) facilitate, encourage, solicit or initiate any discussions, negotiations or submissions of proposals or offers in respect of an Acquisition Transaction, (iii) furnish or cause to be furnished, to any Person, any information concerning the business, operations, properties or assets of FSNA or any of its subsidiaries, or Adreca or Advantage, respectively, in connection with an Acquisition Transaction, or (iv) otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek any of the foregoing.

See "*The Transaction – The Merger Agreement – No Solicitation*" in this Circular.

The Merger Agreement provides that FSNA (or New FSNA, as the case may be) shall pay Macquarie Capital a US$2.5 million arrangement fee in cash on the date that is the later of (i) 90 days after the First Closing Date and (ii) the date on which the First Merger is consummated. After the Approval Deadline, if the First Merger has not occurred, Adreca shall pay Boketo such arrangement fee.

See *"The Transaction – The Merger Agreement – The Arrangement Fee"* in this Circular.

Rights of Dissent

Registered Shareholders are entitled to exercise Dissent Rights by providing written notice to FSNA at or before 5:00 p.m. (Toronto time) on April 26, 2013 (or on the day that is two Business Days immediately preceding any adjourned or postponed meeting) in the manner described under the heading "*Dissenting Holders' Rights*" in this Circular. **Failure to strictly comply with the Dissent Procedures will result in a loss of the Dissent Rights**. If a Registered Shareholder dissents, and the Transaction is completed, FSNA will acquire the shares ("**Dissenting FSNA Shares**") of the Dissenting Holders in exchange for the obligation to pay such Dissenting Holder the "fair value" of its Dissenting FSNA Shares as of the close of business on the last Business Day before the day the Arrangement Resolution is adopted. **Only Registered Shareholders are entitled to dissent and, accordingly, non-registered beneficial FSNA Shareholders should contact their broker, investment dealer, bank, trust company, trustee or other nominee in order to exercise Dissent Rights**. Shareholders should carefully read the section in this Circular entitled "*Dissenting Holders' Rights*" if they wish to exercise Dissent Rights.

See "*The Transaction – Dissenting Holders' Rights*" and Schedule "G" – "*Dissent Provisions of the CBCA*" in this Circular.

Certain Canadian Federal Income Tax Considerations

Upon the Continuance, FSNA will cease to be a resident of Canada for purposes of the Tax Act and will thereafter no longer be subject to Canadian tax on its worldwide income (but will be subject to U.S. federal and state tax). For Canadian tax purposes, upon the Continuance, FSNA will be deemed for Canadian tax purposes to have disposed of all of its property immediately before the Continuance for proceeds of disposition equal to the fair market value of such property at that time and will also be subject to an emigration tax, as described in greater detail in this Circular under the heading "*Certain Canadian Federal Income Tax Considerations – Tax Consequences of the Continuance to FSNA*".

Generally, holders of FSNA Shares will not be considered to have disposed of their FSNA Shares when FSNA ceases to be a resident of Canada. For additional details regarding the Canadian tax consequences to Canadian Resident Holders and U.S. Resident Holders of holding and disposing of New FSNA Shares following the Continuance, see "*Certain Canadian Federal Income Tax Considerations*" in this Circular, which qualifies the foregoing summary.

This Circular does not describe the Canadian or foreign tax consequences of the Transaction to any holder of an FSNA Option. Any holder of an FSNA Option is urged to consult their own tax advisors with respect to the tax consequences of the Transaction having regard to their own particular circumstances.

Certain U.S. Federal Income Tax Considerations

The Continuance is expected to be treated for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368 of the Code. In addition, the Merger is expected to be treated for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368 of the Code. Assuming the Continuance and the Merger are treated as reorganizations, no gain or loss will be recognized by FSNA, New FSNA or Adreca as a result of the Continuance or the Merger. In addition, holders of FSNA Shares generally will not recognize any gain or loss for U.S. federal income tax purposes upon the conversion of FSNA Shares into New FSNA Shares pursuant to the Continuance. For additional details regarding the U.S. federal income tax consequences of the Continuance, the Merger, and of holding and disposing of New FSNA Shares, see "*Certain U.S. Federal Income Tax Considerations*" in this Circular. Though U.S. federal estate tax issues are not discussed in detail herein, New FSNA Shares may also be treated as U.S. situate property for U.S. federal estate tax purposes, subject to any applicable estate tax treaty.

NOTICE PURSUANT TO IRS CIRCULAR 230: NOTHING CONTAINED IN THIS CIRCULAR CONCERNING ANY U.S. FEDERAL TAX ISSUE IS INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY A HOLDER OF FSNA SHARES AND/OR NEW FSNA SHARES FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX PENALTIES UNDER THE CODE. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS CIRCULAR. EACH HOLDER SHOULD SEEK U.S. FEDERAL TAX ADVICE, BASED ON SUCH HOLDER'S PARTICULAR CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR.

Other Tax Considerations

This Circular does not address any tax considerations of the Transaction other than Canadian and United States federal income tax considerations and United States estate tax considerations for Non-U.S. Holders. FSNA Shareholders who are resident in jurisdictions other than Canada and the United States should consult their tax advisors with respect to the tax implications of the Transaction, including any associated filing requirements, in such jurisdictions. FSNA Shareholders should also consult their own tax advisors regarding provincial, territorial or state considerations of the Transaction.

Pro Forma Financial Statements

The unaudited *pro forma* condensed consolidated financial statements as at and for the year ended September 30, 2012, following the completion of the Transaction are included in Schedule "H" to this Circular.

The *pro forma* adjustments are based upon the assumptions described in the notes to the unaudited *pro forma* condensed consolidated financial statements. The unaudited pro forma condensed consolidated financial statements are presented for illustrative purposes only and are not indicative of the operating or financial results that would have occurred had the Transaction actually occurred at the time contemplated by the notes to the unaudited pro forma condensed consolidated financial statements or of the results expected in future periods.

Risk Factors

There are risks associated with the completion of the Transaction.

Some of these risks include, but are not limited to: (i) if the Transaction is completed, Boketo will be a control person of New FSNA, with effective control of an approximate 49.76% voting

interest on an as-converted basis and with the option to acquire additional New FSNA Shares pursuant to the Credit Agreement; (ii) the Merger Agreement may be terminated by FSNA or Adreca in certain circumstances, in which case the market price for FSNA Shares may be adversely affected; (iii) the closing of the Transaction is conditional on, among other things, the receipt of consents and approvals from regulatory bodies that could delay or impede completion of the Transaction or impose conditions on the parties thereto that could adversely affect the business or financial condition of New FSNA; (iv) FSNA, Adreca and New FSNA may incur significant Transaction, combination-related and restructuring costs in connection with the Transaction; (v) New FSNA may not realize the benefits of the Transaction currently anticipated due to challenges associated with integrating the operations of FSNA and Adreca; (vi) the increased earnings and enhanced growth opportunities currently anticipated for New FSNA may not be realized; (vii) capital requirements and operating costs associated with the expanded operations of New FSNA may be higher than anticipated; and (viii) fleet and financing requirements of New FSNA may not be obtained on reasonable terms or at all.

See "*Risk Factors*" in this Circular.

FRANCHISE SERVICES OF NORTH AMERICA INC.
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T2H 2L9

INFORMATION CONCERNING THE MEETING

Purpose of the Meeting

At the Meeting, FSNA Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution and the Merger Resolution. The approval of the Arrangement Resolution will require the affirmative vote of two-thirds of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting. The approval of the Merger Resolution will require the affirmative vote of a simple majority of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting.

Date, Time and Place of the Meeting

The Meeting will be held commencing at 10:00 a.m. (Toronto time) on April 30, 2013 at the offices of Stikeman Elliott LLP, 5300 Commerce Court West, 199 Bay Street, Toronto, Ontario, M5L 1B9.

Record Date

The Record Date for determining FSNA Shareholders entitled to receive notice of and to vote at the Meeting is April 1, 2013. Only FSNA Shareholders of record as at the close of business on April 1, 2013 are entitled to receive notice of the Meeting and to attend and vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Circular.

Solicitation of Proxies

This Circular is being furnished in connection with the solicitation of proxies by or on behalf of management of FSNA for use at the Meeting (or any adjournment or postponement thereof) to be held at the time and place and for the purposes set out in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally, by telephone or other electronic means by officers and regular employees of FSNA (for no additional compensation). All costs incurred in connection with the preparation and mailing of this Circular and the accompanying Form of Proxy, as well as any costs of solicitation of proxies, will be borne by FSNA.

Appointment of Proxyholders

The persons named in the accompanying Form of Proxy are O. Kendall Moore and Henri Lefebvre, each of whom is a representative of management of FSNA. **Each FSNA Shareholder has the right to appoint a person or company, other than the persons named in the enclosed Form of Proxy, who need not be an FSNA Shareholder, to attend and act for and on behalf of the FSNA Shareholder at the Meeting.** This right may be exercised by inserting such person's name in the blank space provided in the accompanying Form of Proxy or by completing another proper form of proxy. A proxy that is in writing must be dated the date on which it is executed, must be executed by the FSNA Shareholder or his or her attorney authorized in writing or, if the FSNA Shareholder is a corporation, by a duly authorized officer or attorney of that corporation and, if the proxy is to apply to less than all the FSNA Shares registered in the name of the FSNA Shareholder, must specify the number of FSNA Shares to which it is to apply.

Voting by Proxyholder

The FSNA Shares represented by a properly executed proxy will be voted for or against all matters to be voted on at the Meeting in accordance with the instructions of the Registered Shareholder on any vote that may be called for.

In the absence of any instructions to the contrary, the FSNA Shares represented by proxies received by management will be voted FOR the approval of the Arrangement Resolution and FOR the approval of the Merger Resolution.

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of FSNA knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matters do properly come before the Meeting, it is intended that the person appointed as proxy shall vote on such other business in such manner as that person then considers to be proper.

Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they attend the Meeting in person. Registered Shareholders who choose to submit a proxy may do so by completing, dating and signing the enclosed Form of Proxy and returning it to the Transfer Agent by mail or hand to Computershare Trust Company of Canada, 100 University Ave., 9th Floor, North Tower, Toronto, Ontario M5J 2Y1, ensuring that the proxy is received by 10:00 a.m. (Toronto time) on April 26, 2013 or at least 48 hours (excluding Saturdays, Sundays and holidays) before the time to which the Meeting is adjourned or postponed. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the FSNA Board at its discretion.

Beneficial Shareholders

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, FSNA Shares owned by a Non-Registered Holder are registered either (a) in the name of an Intermediary that the Non-Registered Holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans), or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, FSNA will be distributing copies of the Notice of Meeting, this Circular and the Form of Proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive the Meeting Materials will either:

(a) be given a Form of Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of FSNA Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Form of Proxy, this Form of Proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to

submit a proxy should otherwise properly complete the Form of Proxy and deliver it to the Transfer Agent as set out above; or

(b) more typically, be given a form which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "voting information form") which the Intermediary must follow.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the FSNA Shares which they beneficially own. Should a Non-Registered Holder who receives either form of proxy wish to vote at the Meeting in person, the Non-Registered Holder should strike out the persons named in the form of proxy and insert the Non-Registered Holder's name in the blank space provided. **Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Form of Proxy or voting information form is to be delivered**.

Revocation of Proxies

A Registered Shareholder executing a proxy has the power to revoke it as to any matter on which a vote shall not already have been cast:

(a) by depositing an instrument in writing executed by such FSNA Shareholder or by such FSNA Shareholder's attorney authorized in writing, or, if the FSNA Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:

(i) at the registered office of FSNA, Suite 204, 7710 – 5th Street S.E., Calgary, Alberta, T2H 2L9 Attention: General Counsel, at any time up to and including the last Business Day preceding the day of the Meeting, or any adjournment or postponement thereof, or

(ii) with the chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof; or

(b) in any other manner permitted by law.

A Non-Registered Holder should contact his or her Intermediary and carefully follow the instructions provided by the Intermediary in order to revoke a voting information form (or a proxy).

FSNA Shares Outstanding and Principal Holders Thereof

At the close of business as of the date of this Circular, 62,820,425 FSNA Shares were issued and outstanding. Each FSNA Shareholder is entitled to one vote per FSNA Share held on all matters to come before the Meeting, including the Arrangement Resolution and Merger Resolution. FSNA Shares are the only securities of FSNA which will have voting rights at the Meeting.

To the knowledge of the directors and executive officers of FSNA, other than Sanford Miller who holds approximately 26.57% of the outstanding FSNA Shares and Thomas P. McDonnell, III who holds approximately 35.87% of the outstanding FSNA Shares, there are no persons or companies who beneficially own, directly or indirectly, or exercise control or direction over FSNA Shares carrying more than 10% of the voting rights attached to any class of outstanding voting securities of FSNA.

THE TRANSACTION

The Transaction will be carried out pursuant to the Merger Agreement, the Plan of Arrangement and related documents. A summary of the principal terms of the Merger Agreement and the Plan of Arrangement is provided in this section. This summary does not purport to be complete and is qualified in its entirety by reference to the Merger Agreement, which is available on

SEDAR at www.sedar.com and the Plan of Arrangement, which is attached as Schedule "C" to this Circular.

The Companies

FSNA is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia. The FSNA Shares trade on the TSXV under the symbol "FSN". FSNA and its subsidiaries own the following brands: U-Save Car & Truck Rental, U-Save Car Sales, Rent-A-Wreck of Canada, Practicar, Auto Rental Resource Center, Xpress Rent A Car, Sonoran National Insurance Group and Peakstone Financial Services. U-Save, together with its subsidiary Auto Rental Resource Center, has over 1,100 locations throughout the United States and is one of North America's largest franchise car rental companies. U-Save currently services 28 airport markets in 11 different states and 7 countries. U-Save Car Sales is an expansion of the U-Save brand into the car sales market, and provides goods and services to car sales operators looking to affiliate with a national brand. Practicar Systems Inc. (a wholly-owned subsidiary of FSNA) owns the rights to the Rent-A-Wreck® and the PractiCar® trademarks for all of Canada. The Rent-A-Wreck® system operates a network of 69 franchised locations from coast-to-coast in Canada, providing a range of vehicle rental, leasing and sales options to its customers. The Rent-A-Wreck® system has been in continuous operation in Canada since 1976.

Adreca is a private company incorporated under the laws of the State of Delaware on June 14, 2012 for the purpose of entering into the Advantage Purchase Agreement with Hertz and subsequently acquiring the Advantage Assets. The Adreca Shares are not listed on any stock exchange. In connection with the acquisition of Advantage and pursuant to the Commitment Letter, Boketo, a wholly-owned indirect subsidiary of Macquarie Holdings (USA) Inc., has capitalized Adreca with approximately US$15 million. Since the First Closing Date, Adreca's sole business has been the ownership of Advantage, which is managed by FSNA pursuant to the Management Services Agreement. For a description of Adreca, Advantage and the terms of the Advantage Purchase Agreement, see Schedule "D" – "*Information Concerning Adreca*".

On completion of the Transaction, New FSNA will be a corporation continued under and governed by the laws of the State of Delaware and by virtue of the Second Merger the business and operations of Advantage will be integrated with the business and operations of New FSNA. See "*Information Concerning FSNA*" in this Circular and "*History of Advantage*" in Schedule "D" – "*Information Concerning Adreca*".

The authorized capital of New FSNA will be 300,000,000 shares of New FSNA Shares and 76,000,000 preferred shares, including 75,000,000 Preferred Shares (having a designation of "Series A Preferred Stock"). After giving effect to the Transaction, the issued and outstanding share capital of New FSNA is expected to be 62,820,425 New FSNA Shares and 62,212,600 Preferred Shares. Assuming that no FSNA Shareholders exercises Dissent Rights, FSNA Shareholders will own approximately 50.24% of the New FSNA Shares, and Boketo will own approximately 49.76% of the New FSNA Shares, on an as-converted basis.

Immediately after completion of the Transaction, the New FSNA Board will consist of the following seven members, three of whom will be existing FSNA directors, three of whom will be selected by the holders of the Preferred Shares and one of whom was selected as an independent and unaffiliated director by FSNA and Boketo: Thomas P. McDonnell, III, David I. Forseth, Thomas H. McNeely, Bruce G. Donaldson, Daniel Boland, Michael Silverton, and William N. Plamondon, III.

The Arrangement

The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is attached as Schedule "C" to this Circular. On the Arrangement Effective Date and commencing at the Arrangement Effective Time, the following shall occur and shall be deemed to occur without any further act or formality:

(a) the Continuance shall be effective and FSNA shall be domesticated in the State of Delaware and shall continue as a corporation under the DGCL under the name "Franchise Services of North America Inc." and the registered address of New FSNA shall be changed to Capitol Services, Inc., 1675 South State St., Ste B, Dover, DE 19901;

(b) all right, title and interest of each FSNA Shareholder in and to his or her FSNA Shares shall be converted into New FSNA Shares on the basis of one New FSNA Share for each FSNA Share; and

(c) a holder of FSNA Shares shall cease to be a holder thereof and shall become a holder of New FSNA Shares in accordance with the provisions of the Plan of Arrangement.

Pursuant to the Plan of Arrangement, for the purposes of the Continuance, the application to domesticate FSNA to the State of Delaware shall be made on a basis such that the Certificate of Incorporation and the by-laws of New FSNA, substantially in the form attached hereto in Schedule "I", and the Certificate of Domestication shall be in the form approved by Boketo and FSNA, each acting in good faith.

As of the Arrangement Effective Time, a Dissenting Holder shall cease to have any rights as an FSNA Shareholder, other than the right to be paid the fair value of its FSNA Shares in accordance with the Dissent Rights, and the name of each such holder shall be removed from the register of holders of FSNA Shares as it related to the FSNA Shares so being transferred. A Dissenting Holder who for any reason is not entitled to be paid the fair value of the holder's FSNA Shares shall be treated as if such holder had participated in the Arrangement on the same basis as a non-dissenting FSNA Shareholder.

Effective Date of the Arrangement

If the Arrangement Resolution is passed, the Final Order is obtained, every other requirement of the CBCA relating to the Arrangement is complied with and all other conditions relating to the Transaction disclosed below under "*The Merger Agreement – Conditions Precedent to the Transaction*" are satisfied or waived, the Arrangement will become effective no later than two Business Days after such time, which FSNA and Adreca currently expect to be on or about May 1, 2013.

Share Conversion

At the Arrangement Effective Time, each of the currently outstanding FSNA Shares will automatically convert by operation of law, on a one-for-one basis, into New FSNA Shares. Consequently, at the Arrangement Effective Time, each holder of an FSNA Share will instead hold a New FSNA Share representing the same proportional equity interest in New FSNA as that shareholder held in FSNA. The number of New FSNA Shares outstanding immediately after the Arrangement Effective Time will be the same as the number of FSNA Shares outstanding immediately prior to the Arrangement Effective Time.

New FSNA will not issue new stock certificates to New FSNA stockholders who currently hold any of our share certificates. A shareholder who currently holds any of our share certificates will receive a new stock certificate only upon any future transaction in New FSNA Shares that requires the transfer agent to issue stock certificates in exchange for existing share certificates or unless otherwise required by applicable law. It is not necessary for FSNA Shareholders to exchange their existing share certificates for certificates of New FSNA. Until surrendered and exchanged, each certificate evidencing FSNA Shares will be deemed to evidence the identical number of New FSNA Shares. Holders of uncertificated shares of FSNA immediately prior to the Arrangement Effective Time will continue as holders of uncertificated stock of New FSNA after the Arrangement Effective Time.

The Advantage Acquisition

Advantage Purchase Agreement

In connection with Hertz's planned acquisition of DTAG, the FTC required Hertz to divest certain assets, including Advantage Rent A Car®. Following extensive discussions, the FTC, Hertz, FSNA and Macquarie agreed that FSNA would acquire Advantage from Hertz, with Macquarie as its equity financing source. Macquarie would invest in FSNA in order to provide FSNA with sufficient financial resources for the contemplated transaction. See *"The Transaction – Background to the Transaction"* in this Circular.

However, FSNA was unable to be the initial acquirer of Advantage for a variety of reasons, including FSNA's need for shareholder approval for such acquisition and Hertz's need for a rapid, certain divestiture of such business promptly after completion of its tender offer for DTAG. Thus it was agreed that Adreca, capitalized and solely owned by Boketo, would be the initial purchaser of the Advantage business from Hertz. The ultimate acquirer would be FSNA, by means of a merger with Adreca and in connection with which Boketo, the 100%-owner of Adreca, would become a significant shareholder of FSNA. Concurrently with the execution of the Merger Agreement, Adreca and Hertz entered into the Advantage Purchase Agreement, pursuant to which Adreca agreed to acquire from Hertz all of the limited liability company interests of Advantage and certain airport concessions.

The FTC issued a proposed consent order in November 2012 permitting Hertz to acquire DTAG on the condition that Hertz divest Advantage to FSNA and Adreca. The FTC's stated goal in ordering the divestiture of Advantage was to create "a new independently-owned competitor with a national footprint."[1] Under the proposed consent order, Hertz was also required to divest additional airport concessions. Hertz and Adreca amended and restated the Advantage Purchase Agreement on December 10, 2012 to include these additional airport concessions.

Adreca paid a purchase price of $16 million by issuing the Purchase Price Note to Hertz for the acquisition of Advantage. Pursuant to the Support Agreement, Hertz is required to make certain payments to Adreca, including (i) payments totaling $17 million over the three-year period ending December 12, 2015, which offset against the principal owed under the Purchase Price Note, and (ii) other support payments up to an approximate amount of $18 million in connection with certain additional airport concessions. In the event of a change of control or sale of all or substantially all of the assets of Advantage or FSNA, the Support Agreement, and Hertz's obligation to make further payments under the Support Agreement, would terminate and any amounts owing under the Purchase Price Note would remain payable by Adreca.

The Advantage Purchase Agreement contains customary representations and warranties of Adreca and Hertz. Hertz has certain obligations to indemnify Adreca, including for any losses arising out of or resulting from (i) any breach by Hertz of its representations and warranties or certain covenants, (ii) the ownership and operation of the Advantage Assets, and other assets to be transferred to Advantage subsequent to the First Closing, and (iii) certain liabilities of Advantage retained by Hertz. The survival period for the majority of such representations and warranties expires on December 12, 2014. Hertz's indemnification obligation with respect to breaches of its representations and warranties is limited to a maximum amount of $7.5 million (other than claims with respect to fundamental representations, which are capped at the purchase price under the Advantage Purchase Agreement). Adreca has an obligation to indemnify Hertz for any losses arising out of or resulting from, or otherwise in respect of, (i) Adreca's breach of its representations and warranties or its covenants, (ii) Adreca's ownership and operation of the Advantage business and other assets acquired under the Advantage Purchase Agreement, (iii) Adreca's failure to discharge

[1] Federal Trade Commission (F.T.C.), 77 FR 70440 (2012).

certain liabilities assumed under the Advantage Purchase Agreement, and (iv) the Carve-out Financial Statements. These indemnification obligations continue to be in effect and expose Adreca to ongoing potential liability.

The closing of Adreca's acquisition of Advantage and certain additional airport concessions, began in December 2012 and is proceeding on a rolling basis over the course of 2013:

1. the acquisition of all of the limited liability company interests in Advantage occurred on December 12, 2012 (the "**First Closing**");
2. the acquisition of certain airport concessions held by DTAG occurred on February 15, 2013;
3. the acquisition of certain airport concessions held by DTAG occurred on March 15, 2013; and
4. the acquisition of certain additional airport concessions held by DTAG, currently anticipated to occur no later than August 2013.

At the First Closing, Adreca acquired key assets such as the Advantage brand, employees and certain airport concessions. Notably, Advantage had not been operated by Hertz as a stand-alone business, but rather as one of its divisions. Therefore, carving Advantage out of Hertz's corporate structure has been onerous and time consuming, requiring numerous management and operational functions previously provided by Hertz to be provided by Adreca and, pursuant to the Management Services Agreement, FSNA. Such management and support functions for Advantage include marketing, online travel agency and global distribution system network management, front-end technology support with a new reservations system, insurance and damage claims management, customer service, human resources, third-party service vendor relationship management and information technology support.

The assignment by Hertz and/or DTAG of airport concessions, or a change of control of such airport concessions, in some cases requires the written consent of the relevant airport authority. As of the date of this Circular, not all airport authorities have provided their consent with respect to planned airport concession assignments. The remaining airport concession assignments are anticipated to occur no later than August 2013 as the relevant airport authorities continue to consider consenting to the assignment of these airport concessions. There is no guarantee that such consent will be given by any or all of these airport authorities.

Ownership of the vehicles used in the Advantage business on a day-to-day basis was not transferred to Adreca as part of the acquisition of Advantage. Hertz, Boketo and FSNA negotiated a package of documents whereby Hertz provides a leased and subleased fleet and, subject to satisfaction of certain conditions, partial fleet financing to Advantage in the initial post-closing period. See *"The Transaction – The Hertz Financing Documents"* in this Circular.

The Hertz Financing Documents

In connection with the acquisition of Advantage from Hertz by Adreca, Hertz agreed to provide a leased and subleased fleet and partial fleet financing to Advantage. The following description of certain material provisions of the agreements with Hertz is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Sublease and Hertz Credit Agreement, copies of which have been filed on SEDAR at www.sedar.com.

Sublease

General

Advantage is party, as sublessee, to the Sublease with Hertz, pursuant to which Hertz is contracted to lease up to 22,495 vehicles to Advantage for use in Advantage's daily car rental operations. The Sublease commenced on December 12, 2012 and will terminate on December 12, 2014

(unless terminated earlier). As of March 1, 2013, Advantage was leasing 21,756 vehicles under the Sublease with the remainder expected to be delivered by June 2013.

Subordination to Hertz Lease

The Sublease is expressly subject and subordinate at all times and in all respects to the terms of the Third Amended and Restated Master Motor Vehicle Operating Lease and Servicing Agreement, dated as of September 18, 2009, by and between Hertz Vehicle Financing LLC and Hertz (the "**Hertz Lease**"). Advantage does not have any consent rights over or the ability to control any changes or amendments made to the Hertz Lease (irrespective of whether such changes or amendments are detrimental to Advantage). Such changes or amendments may have a detrimental effect on Advantage, including causing the Sublease to terminate, reducing Advantage's rights or creating more onerous obligations for Advantage under the Sublease. However, Advantage may, under certain circumstances with respect to an amendment to the Hertz Lease, be entitled to receive liquidated damages of up to $25 million from Hertz.

Purchase and Return of Vehicles

Advantage has the right to purchase any vehicle under the Sublease at fair market value (as defined under the Sublease). In addition, Advantage is obligated to use commercially reasonable efforts to return all vehicles to Hertz as early as possible under the Sublease and, in any case, must return any vehicles not purchased to Hertz in accordance with a vehicle return schedule.

The vehicle return schedule under the Sublease is as follows:

(a) By September 12, 2014, Advantage shall have returned or purchased equal to or greater than 25% of the total number of vehicles under the Sublease;

(b) By October 12, 2014, Advantage shall have returned or purchased equal to or greater than 50% of the total number of vehicles under the Sublease;

(c) By November 12, 2014, Advantage shall have returned or purchased equal to or greater than 75% of the total number of vehicles under the Sublease; and

(d) By December 12, 2014, Advantage shall have returned or purchased all remaining vehicles under the Sublease that it has not been previously returned or purchased.

In the event that any vehicles are not purchased by Advantage and not returned to Hertz, such vehicles will be sold at auction. If net sale proceeds from the sale of a vehicle under the Sublease are less than the net book value of such vehicle, Advantage must pay the difference to Hertz.

Rent and Fees

Advantage pays rent to Hertz monthly in advance, based on a fixed depreciation base component and a variable monthly component. In addition, Advantage also pays other fees to Hertz, including a delivery transport fee of $95.50 per vehicle and a monthly vehicle processing fee of $30 per vehicle.

Operational Covenants

Advantage is subject to certain operational covenants under the Sublease, including obligations to keep all vehicles free of any liens and to pay for all maintenance and repairs to keep the vehicles in good working order and condition.

Events of Default

There are a number of events that would constitute an event of default under the Sublease, the occurrence of which may cause the Sublease to terminate, accelerate Advantage's payment obligations to Hertz and require Advantage to return all vehicles to Hertz. These events of default include:

(a) a failure to (i) make rent and other payments, (ii) obtain or maintain insurance, or (iii) return vehicles in accordance with a schedule and other requirements;

(b) a failure to comply with any of the covenants and conditions under the Sublease occurs and which failure continues for more than 30 days;

(c) a breach of any representation or warranty in the Sublease or other documents related to the Sublease (including the Hawaii Lease and Hertz Credit Agreement, described further below);

(d) an event of bankruptcy;

(e) a change of control;

(f) certain events of default relating to the Hertz Lease;

(g) any default, event of default or amortization event with respect to indebtedness of a Sublessee Credit Group Member; and

(h) a material adverse change occurs including in respect of a Sublessee Credit Group Member, or in respect of any Hertz Document or any other material financing arrangement of any Sublessee Credit Group Member, and is continuing for more than 15 business days.

Certain Covenants

The Sublease contains restrictive covenants that limit the ability of Advantage and the other Sublessee Credit Group Members to:

(a) subject to certain exceptions, merge with or into or consolidate with any person, acquire all or substantially all the stock in any person, enter into a joint venture or partnership with any person or acquire any subsidiaries;

(b) subject to certain exceptions, sell, convey, transfer, lease or otherwise dispose of their assets or any interest therein, or permit any person to acquire any interest in their respective assets or issue any shares of their stock;

(c) change the nature of their business;

(d) subject to certain exceptions, make certain investments, including (i) any acquisition of securities, (ii) any purchase of all or a significant part of the assets of a business, (iii) any loan, advance or capital contribution to another person or entity, and (iv) certain guaranty obligations in respect of the indebtedness of another person or entity;

(e) subject to certain exceptions, incur or guarantee any indebtedness, other than specified permitted indebtedness;

(f) subject to certain exceptions, create any liens upon or with respect to any Sublessee Credit Group Member and their respective assets and property;

(g) pay dividends on, redeem or repurchase their capital stock or make other forms of certain restricted payments;

(h) subject to certain exceptions, enter into transactions with affiliates (other than certain subsidiaries of FSNA);

(i) change their accounting treatment and reporting practices or tax reporting treatment or their fiscal year; or

(j) enter into any agreement that restricts their ability to (i) make payments to Hertz or (ii) create any liens in favor of Hertz under the Sublease and other documents related to the Sublease.

These covenants limit New FSNA's ability to conduct its business as it deems best and to take advantage of business opportunities and, as a result, New FSNA's growth could be materially impaired and its business prospects materially adversely affected.

Hawaii Lease

Advantage is party, as lessor, to the Hawaii Lease with Hertz, pursuant to which Hertz is contracted to lease up to 1,500 vehicles to Advantage for use in Advantage's daily car rental operations in Hawaii. The Hawaii Lease commenced on December 12, 2012 and will terminate on December 12, 2014 (unless terminated earlier). As of March 15, 2013, Advantage had 1,200 vehicles outstanding under the Hawaii Lease.

The provisions of the Hawaii Lease are generally similar to the provisions of the Sublease.

Hertz Credit Agreement

General

Advantage is party to the Hertz Credit Agreement, pursuant to which Hertz provides a revolving credit facility (the "**Facility**") to Advantage, the proceeds of which may be used solely to purchase or refinance vehicles for use in Advantage's daily car rental business.

Maximum Principal

The maximum principal amount of the Facility is an amount equal to the lesser of (i) $45 million and (ii) the product of (A) 27.5% and (B) the aggregate net book value of vehicles returned or purchased by Advantage under the Sublease and Hawaii Lease.

Funding Conditions and Availability

Advantage will be able to borrow under the Facility if (among other conditions):

(a) no default or event of default has occurred and is continuing and immediately after giving effect to a loan under the Facility, no default or event of default would exist;

(b) one or more of the Sublessee Credit Group Members have entered into one or more Senior Fleet Financing facilities which in the aggregate have a principal funded or committed amount of at least $100 million, each having a term of at least 364 days and an advance rate of at least 60% ("**Senior Fleet Financing**"); and

(c) Advantage has returned vehicles under the Sublease and Hawaii Lease that, in the aggregate, have a certain minimum amount of value and satisfies other conditions specified in a formula set forth in the Hertz Credit Agreement.

Subject to the satisfaction of certain funding conditions, including those set forth above, the Facility will be available from December 12, 2012 to December 12, 2014. However, after an initial borrowing is made under the Facility, the Facility will only be available to Advantage for a period of 12 months from such initial borrowing date; provided that, if the initial borrowing date is after December 12, 2013, such availability period shall terminate on December 12, 2014 regardless of the length of the availability period.

Ranking

The obligations of each Sublessee Credit Group Member under the Hertz Credit Agreement are and will at all times be unsubordinated general obligations of Advantage and will at all times rank at least equally in right of payment with all other present and future unsubordinated indebtedness of Advantage.

Optional Voluntary Prepayments

Advantage has the right to prepay any amounts under the Facility without premium or penalty, in whole or in part, at any time and from to time.

Mandatory Prepayments

The outstanding principal amount of the Facility must be prepaid, in whole or in part, if:

1. one or more Sublessee Credit Group Members have issued equity or incurred debt (excluding Senior Fleet Financing and certain forms of working capital facilities, and excluding the equity financing of $15 million provided by Boketo to Adreca prior to its acquisition of Advantage) after December 12, 2012 in excess of the Permitted Senior Fleet Equity Financing Amount (defined below); or

2. a Sublessee Credit Group Member receives net cash proceeds from certain assets sales.

Such amount to be prepaid shall be, with respect to (1) above, such amount in excess of the Permitted Senior Fleet Equity Financing Amount on the date of the issuance or incurrence giving rise to such mandatory prepayment obligation and, with respect to (2) above, such net cash proceeds.

"**Permitted Senior Fleet Equity Financing Amount**" means an amount resulting from a formula specified in the Hertz Credit Agreement based on the average advance rate available to all Sublessee Credit Group Members and any special purpose subsidiaries, which may not be less than $60.3 million nor more than $95.4 million.

Interest Rate

Interest on the outstanding principal amount of the Facility will:

1. during the period from December 12, 2012 to, but excluding, the date that is the earlier of one year following the initial funding date and June 12, 2015, accrue at the Applicable Federal Rate (currently, 0.22%),

2. at all times on or after June 12, 2015, accrue at a rate of 13.0%, and

3. at any other time, accrue at a rate of 6.5%.

Interest on the outstanding principal will be payable monthly, in arrears. If any amounts payable to Hertz under the Hertz Credit Agreement are not paid when due or if there are any other events of default, interest will accrue on all amounts owing under the Facility at 2.0% per annum above the then-applicable interest rate set forth above.

Certain Covenants

The restrictive covenants contained in the Hertz Credit Agreement are generally similar to the covenants contained in the Sublease and include many of the covenants described above in respect of the Sublease under the heading "Certain Covenants". In addition, the following restrictive covenants apply under the Hertz Credit Agreement:

(a) if Advantage or any other Sublessee Credit Group Member incurs or assumes any unsubordinated indebtedness, Advantage must ensure that the obligations of such Sublessee Credit Group Member under the Hertz Credit Agreement will rank equally in right of payment with or senior in right of payment to such indebtedness; and

(b) Advantage and the other Sublessee Credit Group Members are limited in their ability to amend their organizational and constitutive documents.

Events of Default

The events of default contained in the Hertz Credit Agreement are generally similar to the events of default contained in the Sublease and include many of the events of default described above in respect of the Sublease under the heading "Events of Default". In addition, the following are also events of default under the Hertz Credit Agreement:

(a) Advantage fails to pay principal or interest or any other amount due (after a 5-business day grace period);

(b) any Senior Fleet Financing of a Sublessee Credit Group Member is terminated under certain circumstances, including a reduction in commitments or advance rates;

(c) the outstanding principal amount of the Facility exceeds the aggregate principal amount outstanding under Senior Fleet Financings of the Sublessee Credit Group (subject to a 3-business day cure period); and

(d) judgments against a Sublessee Credit Group Member in excess of $2,000,000 (in the aggregate) are unsatisfied or unstayed within sixty (60) calendar days from the entry thereof.

If at any time an event of default has occurred and is continuing, Hertz may terminate any available commitment under the Facility, declare the principal of, and all accrued interest on, the Facility to be due and payable immediately and take any appropriate court action and exercise all other rights, powers and remedies relating to any collateral (described further below).

Collateral and Guarantees

Each of the Sublessee Credit Group Members is a party to the Collateral Agency Agreement with Hertz, pursuant to which the Facility is secured by a second lien on the vehicles delivered by Hertz to Advantage under the Sublease and the Hawaii Lease, respectively. After there are no longer any vehicles subleased under the Sublease or leased under the Hawaii Lease, the Facility will remain a senior obligation of Advantage but will not be secured by the vehicles under the Sublease or the Hawaii Lease. In addition, the Collateral Agency Agreement provides that the hold-back and debt service reserve accounts in the name of Advantage, which were established for purposes of the Sublease and the Hawaii Lease, are secured in favor of Hertz. Each of the Sublessee Credit Group Members (other than Advantage) has also entered into guarantees in favor of Hertz in relation to their and Advantage's respective obligations under the Advantage Purchase Agreement, the Sublease, the Hawaii Lease, the Hertz Credit Agreement, the Purchase Price Note, the Current Assets Note and other agreements or documents relating to those agreements.

The Merger

As part of the Transaction, Advantage Holdings, a wholly-owned subsidiary of FSNA (and following the Arrangement, New FSNA), will merge with and into Adreca and Adreca will be the surviving corporation. The First Merger will be effected pursuant to a plan of merger in accordance with the laws of the State of Delaware. Pursuant to the Merger Agreement and the DGCL, the following steps will occur, giving effect to the First Merger:

(a) at the Effective Time, the separate corporate existence of Advantage Holdings will cease and Adreca will continue as the surviving corporation;

(b) the articles of incorporation and by-laws of Adreca that are in effect immediately prior to the Effective Time will become the articles of incorporation and by-laws of the surviving entity, and the directors and officers of the surviving entity shall continue to be the directors and officers of the surviving entity; and

(c) at the Effective Time:

(i) all properties, rights, privileges, powers and franchises of Advantage Holdings and Adreca will become those of the surviving entity;

(ii) all debts, liabilities and duties of Advantage Holdings and Adreca will become those of the surviving entity;

(iii) all Adreca Shares issued and outstanding immediately prior to the Effective Time will be cancelled and converted into 62,212,600 Preferred Shares and certain rights to acquire additional Preferred Shares upon the exercise of outstanding options convertible into New FSNA Shares; and

(iv) each common share of Advantage Holdings issued and outstanding immediately prior to the Effective Time will be converted into one common share of the surviving entity, which will be the only outstanding common shares of such entity following the Effective Time.

Once the First Merger is effected, Adreca will become a wholly-owned subsidiary of New FSNA.

Immediately following the First Merger, Adreca, the surviving entity of the First Merger, shall be merged with and into New FSNA and the separate corporate existence of Adreca will cease and New FSNA will continue as the surviving corporation. The Second Merger will be effected pursuant to a plan of merger in accordance with the laws of the State of Delaware. Pursuant to the Merger Agreement and the DGCL, the following steps will occur, giving effect to the Second Merger:

(a) at the Second Effective Time, the separate corporate existence of Adreca and New FSNA will cease and New FSNA will continue as the surviving corporation;

(b) the articles of incorporation and by-laws of New FSNA that are in effect immediately prior to the Second Effective Time will become the articles of incorporation and by-laws of the surviving entity, and the directors and officers of the surviving entity shall continue to be the directors and officers of New FSNA, as determined in accordance with the Amended FSNA Charter Documents; and

(c) at the Second Effective Time:

(i) all properties, rights, privileges, powers and franchises of New FSNA and Adreca will become those of the surviving entity;

(ii) all debts, liabilities and duties of New FSNA and Adreca will become those of the surviving entity;

(iii) each share of capital stock of Adreca issued and outstanding immediately prior to the Second Effective Time shall be cancelled and no consideration shall be paid in respect thereof; and

(iv) each share of capital stock of New FSNA issued and outstanding immediately prior to the Second Effective Time shall remain outstanding.

For details on the conditions to the completion of the Merger see "*The Transaction – The Merger Agreement*" in this Circular.

Terms of the Preferred Shares

As consideration for the First Merger, Boketo, the sole shareholder of Adreca, will receive 62,212,600 Preferred Shares. See *"The Transaction – Final Structure Documents – Terms of the Preferred Shares"* for additional information concerning the terms of the Preferred Shares.

Effective Date of the Merger

If the Arrangement Resolution and Merger Resolution are passed, the Final Order is obtained, the Arrangement is completed, and all other conditions disclosed below under "*The Merger Agreement – Conditions Precedent to the Transaction*" are satisfied or waived, FSNA and Adreca currently expect that the Merger will become effective on or about May 1, 2013 and, in any event, no earlier than after the Arrangement Effective Time.

The Interim Structure Documents

Concurrently with the entering into of the Merger Agreement, FSNA and Adreca entered into the Management Services Agreement and the Warrant. A summary of the principal terms of the Management Services Agreement and the Warrant is provided below. This summary does not purport to be complete and is qualified in its entirety by reference to the Management Services Agreement and the Warrant, each of which is available on SEDAR at www.sedar.com. The Management Services Agreement and the Warrant will terminate upon the completion of the Merger.

Management Services Agreement

In connection with the Merger and the acquisition of the Advantage Assets by Adreca, FSNA and Adreca entered into the Management Services Agreement pursuant to which FSNA is providing Adreca with certain management services in respect of the Advantage Assets pending closing of the Merger. As consideration for the services provided under the Management Services Agreement, FSNA shall be entitled to its costs plus 25% in respect of services provided by FSNA employees and to recover its costs in respect of all other services.

Warrant

FSNA received the Warrant as consideration for, among other things, entering into the Management Services Agreement and is in addition to the fees payable to FSNA thereunder. The Warrant provides that FSNA is automatically entitled to receive 54 Adreca Shares, representing approximately 35% of Adreca's total outstanding equity on a fully-diluted basis, for no consideration upon the occurrence of an Exit Event in which the total consideration is in excess of US$15 million plus any investment of additional funds in Adreca by MIHI LLC or any of its affiliates (less any repayment of the principal amount of such investment by Adreca to MIHI LLC or any of its affiliates). The term "Exit Event" means (a) a sale, lease, transfer, assignment, merger, exclusive license or other disposition of all or substantially all of the assets of Adreca or Advantage, regardless of the form of transaction, (b) a sale, assignment, transfer or other disposition of all of the stock of Adreca or Advantage, regardless of the form of the transaction, (c) an initial public offering of Adreca or Advantage or (d) a liquidation, dissolution or other winding-up or bankruptcy of Adreca or Advantage or any other transaction in which the holders of Adreca's common stock receive payment or other consideration for such stock.

Final Structure Documents

The Interim Structure Documents described above are intended to be effective during the interim period between the signing of the Merger Agreement and the closing of the Merger. The closing of the Merger will effectuate the transaction between Boketo, the Principal Stockholder and FSNA pursuant to the terms of the Final Structure Documents. The Final Structure Documents include:

(a) the Certificate of Incorporation (including the terms of the Preferred Shares therein);

(b) the by-laws of New FSNA;

(c) the Stockholders Agreement;

(d) the Registration Rights Agreement; and

(e) the Credit Agreement.

Key Terms of the Transaction between Boketo, the Principal Stockholder and FSNA

The following is a summary of the key terms of the transaction between Boketo, the Principal Stockholder and FSNA, the principal terms of which are set forth in the Stockholders Agreement and the provisions of the Certificate of Incorporation relating to the terms of the Preferred Shares. See Schedule "F" – "*Comparison of Shareholder Rights*" for additional information relating to the Certificate of Incorporation and the by-laws of New FSNA. The following summary does not purport to be complete and is qualified in its entirety by reference to the Final Structure Documents, each of which is available on SEDAR at www.sedar.com.

Terms of the Preferred Shares

The following is a summary of the rights, privileges and restrictions attached to the Preferred Shares, which are set forth in the Certificate of Incorporation. This summary does not purport to be complete and is qualified in its entirety by reference to the Preferred Share provisions in the Certificate of Incorporation attached to this Circular as Schedule "I".

Conversion

For so long as the Principal Stockholder holds New FSNA Shares constituting at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, each Preferred Share will be automatically converted, immediately prior to its transfer to a third party unaffiliated with Boketo, into one New FSNA Share (subject to proportional adjustment for dividends, share consolidations and subdivisions and other similar changes in the New FSNA Shares).

After any time at which the Principal Stockholder holds New FSNA Shares constituting less than 10% of the total outstanding equity capital of New FSNA on an as-converted basis, after any time at which the Preferred Shares constitute less than 10% of the total outstanding equity capital of New FSNA on an as-converted basis, immediately prior to the occurrence of certain fundamental changes, at any time after an annual general meeting of stockholders or special meeting of stockholders at which the Preferred Majority nominates a director for election to the New FSNA Board, as described below, but such nominee is not elected to the New FSNA Board, and/or at any time within 30 days prior to a liquidation, dissolution or winding up of New FSNA, each Preferred Share will be automatically convertible, at the option of the holder, into one New FSNA Share (subject to proportional adjustment for dividends, share consolidations and subdivisions and other similar changes in the New FSNA Shares).

Voting

Except as provided below, as required by applicable law or as otherwise provided in the Certificate of Incorporation or the Stockholders Agreement, the Preferred Shares shall vote together with the New FSNA Shares on all matters. The holders of Preferred Shares are entitled to that number of votes on all matters presented to holders of New FSNA Shares equal to the number of New FSNA Shares then issuable upon conversion of the outstanding Preferred Shares. Except as required by applicable law or as otherwise provided in the Certificate of Incorporation or the Stockholders Agreement, the holders of Preferred Shares and New FSNA Shares will have no separate class voting rights, except that, where applicable law, the Certificate of Incorporation or the Stockholders Agreement provides for such separate class voting rights, each Preferred Share shall entitle the holder thereof to one vote. For so long as any Preferred Shares are outstanding and represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis and subject to the New FSNA Board's right to adopt, alter, amend or repeal the By-laws, the approval of a majority of the outstanding Preferred Shares, voting separately as a class (a "**Preferred**

Majority") and a majority of the outstanding New FSNA Shares, voting separately as a class, will be required for the following matters:

(a) amendment of the Certificate of Incorporation or by-laws of New FSNA;

(b) redemption, repurchase or other acquisition of any equity securities of New FSNA or its subsidiaries;

(c) liquidation, dissolution, winding-up or reorganization of New FSNA; or

(d) change in the number of members of the New FSNA Board.

Additionally, the Amended FSNA Charter Documents will deny holders of New FSNA Shares the ability to approve actions by means of written consent but will allow the holders of the Preferred Shares, when acting as a separate class, to approve actions by such means and will deny holders of New FSNA Shares the ability to requisition special meetings of holders of New FSNA Shares but will allow holders of the Preferred Shares to requisition special meetings.

Board Rights

At all times after the Merger, for so long as any Preferred Shares are outstanding and represent at least 15% of the total outstanding equity capital of New FSNA on an as-converted basis, the Preferred Majority shall have the right to nominate for election three of the seven members of the New FSNA Board. For so long as any Preferred Shares are outstanding and represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, the Preferred Majority will have the right to nominate for election two of the seven members of the New FSNA Board. The directors nominated (and subsequently elected) under each of the preceding sentences are collectively referred to as the "Preferred Directors". If the outstanding Preferred Shares represent less than 10% of the total outstanding equity capital of New FSNA on an as-converted basis, the Preferred Majority will not be entitled to nominate any Preferred Directors (although the holders of Preferred Shares may nominate director candidates for election as non-Preferred Directors in accordance with the procedures set forth in New FSNA's by-laws.

The Preferred Majority shall have the right to call a special meeting of the stockholders of New FSNA for the purpose of removing at any time any of the Preferred Directors. If any of the Preferred Directors ceases to serve as a director of the New FSNA Board, the resulting vacancy on the Board shall be filled by a new director appointed by the Preferred Majority. The election or appointment of any Preferred Director shall take effect immediately upon such election or appointment.

In addition to three Preferred Directors, the Certificate of Incorporation provides that the initial New FSNA Board shall consist of Thomas P. McDonnell, III, David I. Forseth and Thomas H. McNeely (each, an initial Common Director), each of whom is an existing director of FSNA, and William N. Plamondon III, who was selected as an independent and unaffiliated director by FSNA and Boketo.

For so long as the Series A Preferred Stock represents at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis and the Principal Stockholder holds New FSNA Shares representing at least 10% of the total outstanding total outstanding equity capital of New FSNA on an as-converted basis, a director (the "**Seventh Director**") shall be selected and nominated by the New FSNA Board in accordance with the procedures set forth in the Certificate of Incorporation. The initial Seventh Director shall be William N. Plamondon III.

The quorum for the transaction of business at any meeting of the New FSNA Board shall consist of a majority of directors then in office; provided that at least one Common Director and one Preferred Director are present at such meeting; provided further that (i) the presence of one Common

Director shall not be required for a meeting that follows a meeting which no Common Director attended; and (ii) the presence of one Preferred Director shall not be required for a meeting that follows a meeting which no Preferred Director attended. Meetings of the New FSNA Board may be convened by any director and all directors must receive written notice of any meeting of the New FSNA Board at least 3 days prior to such meeting, unless the notice requirement is waived by (i) all directors in writing that did not receive such notice or (ii) attendance by those directors.

The New FSNA Board shall establish and maintain an Audit Committee, which shall be comprised of three directors qualified to serve on the Audit Committee, (i) one of which shall be a Preferred Director, (ii) one of which shall be a Common Director who is independent or, if there is no such Common Director, an independent director, and (iii) one of which shall be the Seventh Director. The Audit Committee shall have the mandate and authority to appoint, compensate, retain and oversee New FSNA's auditor, establish procedures for addressing complaints related to accounting or audit matters and engage necessary advisors.

The New FSNA Board shall also establish and maintain a Compensation Committee, which shall be comprised of three directors, (i) one of which shall be a Preferred Director, (ii) one of which shall be the Seventh Director and (iii) one of which shall be a Common Director or, if there are no Common Directors, an independent director. The Compensation Committee shall have the mandate and authority to review and recommend to the full New FSNA Board matters related to (i) the compensation of New FSNA's directors, officers and employees, New FSNA's employee benefit plans and equity compensation plans and any agreement relating to New FSNA's directors, officers and employees, their respective family members or affiliates and (ii) when necessary, candidates for the offices of Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. However, if any officer of New FSNA serves on the Compensation Committee, he or she shall recuse himself or herself from all discussions and decisions of the Compensation Committee with respect to his or her own compensation and if the two remaining members of the Compensation Committee are deadlocked with respect to the compensation of such officer, the decision of the Seventh Director shall be the decision of the Compensation Committee with respect to its recommendation regarding such officer.

For so long as any Preferred Shares are outstanding and represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, the following matters (the "**Super Majority Matters**") will require the approval of the majority of the directors of New FSNA, including at least one Preferred Director:

(a) declaring, setting aside or paying dividends or distributions, whether in cash or in kind;

(b) asset dispositions having an aggregate fair market value in excess of $1,000,000, other than (i) dispositions during the course of a fiscal year that are specified, as to amount as well as nature, in the annual Budget for such fiscal year or (ii) dispositions pursuant to the Sublease or the Hawaii Lease;

(c) acquisitions or investments in an aggregate amount that exceeds $1,000,000, other than (i) acquisitions during the course of a fiscal year that are specified, as to amount as well as nature, in the annual Budget for such fiscal year or (ii) acquisitions pursuant to the Sublease or the Hawaii Lease;

(d) approving an annual budget, including a vehicle acquisition and disposition plan and other appropriate operational information (the "**Budget**"), including any material modifications thereto or any material deviation therefrom;

(e) hiring or terminating the Chief Executive Officer, Chief Financial Officer or Chief Operating Officer;

(f) entering into, amending or enforcing material employee, service provider, consulting or other personal services agreements, terms and incentive plans (including any stock options, warrants or other equity-based incentive plans), other than the base pay of Thomas P. McDonnell, III;

(g) creating, incurring, assuming or suffering to exist any material indebtedness by New FSNA or any of its subsidiaries or guaranteeing any such indebtedness outside of the ordinary course of business;

(h) entering into, amending, waiving or terminating any material contract or commitment, other than agreements during the course of a fiscal year that are specified in the annual Budget for such fiscal year;

(i) entering into, modifying or terminating any joint venture, strategic alliance, partnership or other similar enterprise;

(j) listing on any stock exchange other than the TSXV;

(k) forming any subsidiary of New FSNA or issuing any equity securities of any subsidiary of New FSNA;

(l) appointing, changing or removing the auditors of New FSNA;

(m) material modifications of accounting or taxation methods, practices, procedures and policies;

(n) settling, abandoning or initiating material litigation, arbitration, regulatory proceedings or similar disputes;

(o) entering into or involvement by New FSNA or its affiliates in a related party transaction or arrangement involving any greater-than-5% stockholder of New FSNA, member of the New FSNA Board, or executive or officer of New FSNA, or any individual related by blood, marriage or adoption to any such Person or any affiliate of any such Person;

(p) forming or designating any committee of the New FSNA Board except as expressly provided for in the Certificate of Incorporation;

(q) entering into a new line of business; or

(r) entering into, or amending any contract, agreement, commitment or arrangement to effect any of the foregoing.

For all matters other than the Super Majority Matters, the majority vote of the directors, at a meeting of the New FSNA Board at which a quorum is present, is required.

Pre-emptive Right

For so long as the Preferred Shares are outstanding and represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, the holders of the Preferred Shares will have the right to participate on a pro rata basis in any future equity issuance by New FSNA.

The holders of the Preferred Shares, shall acquire for no (or nominal) consideration additional Preferred Shares upon the exercise of any options or other securities exercisable to acquire New FSNA Shares, in each case that were outstanding on the First Closing Date, so as to maintain in the future the initial 49.76% non-diluted interest of the holders of the Preferred Shares in the New FSNA Shares on an as-converted basis, as such percentage may be adjusted to reflect transfers to unaffiliated third parties. The holders of the Preferred Shares shall have the right to transfer to third parties any of the foregoing preemptive rights. To the extent any such preemptive rights are sold,

transferred or conveyed to unaffiliated third parties, such transferees thereof shall be entitled to acquire only New FSNA Shares, not Preferred Shares, upon the exercise thereof.

Coattail Provisions

The Preferred Shares will be subject to coattail provisions which will prohibit the holders of Preferred Shares from accepting an offer made to a holder of Preferred Shares:

(a) if the Preferred Shares and New FSNA Shares were at the time of the offer a single class of voting securities trading at the market price of the New FSNA Shares (i.e. as if the Preferred Shares and the New FSNA Shares were a single class of voting securities), that would by reason of applicable securities legislation or the rules and requirements of the TSXV, be required to be made to all or substantially all the holders of New FSNA Shares located in the province of Canada to which the requirement applies; and

(b) that is not made concurrently with an identical offer, in terms of price per share and percentage of outstanding shares to be taken up, exclusive of securities owned by the offeror, or certain associates or affiliates of the offeror, immediately before the offer is made, and in all other material respects, and that has no condition attached thereto other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for shares of Preferred Shares.

Unless an exemption from the take-over bid requirements of applicable securities legislation is available, an offer to acquire outstanding voting or equity securities of a class made to one or more persons or companies, where the securities subject to the offer to acquire, together with the offeror's securities, constitute in the aggregate 20% or more of the outstanding securities of that class at the date of the offer to acquire, other than an offer to acquire that is a step in an amalgamation, merger, reorganization or arrangement that requires approval in a vote of security holders, must under applicable securities legislation be made to all holders of the class of securities subject to the bid.

Dividends

The holder of a Preferred Share will be entitled to be paid dividends on an as-converted basis when, as, and if paid on the New FSNA Shares.

Liquidation, Dissolution or Winding-up

Upon liquidation, dissolution or winding-up of New FSNA, holders of the Preferred Shares shall be entitled to receive $0.00001 per Preferred Share before any payment or distribution is made to the holders of New FSNA Shares or any other class or series of stock ranking junior to the Preferred Shares.

Stockholders Agreement

In connection with the Merger, Boketo (as a holder of Preferred Shares), New FSNA and the Principal Stockholder have entered into the Stockholders Agreement, which sets forth certain agreements by and amongst such parties. The following summary of these agreements does not purport to be complete and is qualified in its entirety by reference to the Stockholders Agreement, which is available on SEDAR at www.sedar.com.

Voting Alignment

Under the Stockholders Agreement, for so long as the Principal Stockholder holds New FSNA Shares representing at least 10% of the total outstanding equity capital of New FSNA on an as-

converted basis, the holders of Preferred Shares shall not affirmatively vote their Preferred Shares for any of the following actions without the approval of the Principal Stockholder:

(a) any sale or other disposition by New FSNA or its subsidiaries of any material portion of their respective assets, other than (i) dispositions during the course of a fiscal year that are specified, as to amount as well as nature, in the annual Budget for such fiscal year or (ii) dispositions pursuant to the Sublease or the Hawaii Lease;

(b) listing any security of New FSNA or its subsidiaries on a stock exchange in the United States;

(c) any entry into a contract for products or services, or any modification or termination of any such existing contract, between New FSNA or any of its subsidiaries or affiliates, on the one hand, and Boketo or the holders of Preferred Shares, or any affiliate of Boketo or the holders of Preferred Shares, on the other hand, other than (i) as contemplated by the Interim Structure Documents, the Final Structure Documents or the Hertz Documents or (ii) with respect to the compensation and reasonable expenses of New FSNA Board directors or indemnification agreements with New FSNA Board directors;

(d) entry into a new line of business by New FSNA or its subsidiaries;

(e) forming or designating any committee of the New FSNA Board empowered to exercise any powers or authority of the New FSNA Board in the management of the business and affairs of New FSNA, except as expressly provided for in the Certificate of Incorporation; and

(f) committing to, agreeing to or effecting any merger, arrangement, amalgamation or consolidation, or any other similar transaction (other than a Qualified Sale (as defined below)).

Except as otherwise set forth in the Certificate of Incorporation, under the Stockholders Agreement, for so long as any Preferred Shares remain outstanding and constitute at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, if any applicable law, court, government authority or stock exchanges requires a separate class vote of the New FSNA Shares in which the holders of the Preferred Shares are not entitled to vote, the Principal Stockholder shall vote its shares in relation to such matter as directed by Boketo.

Board Rights

For so long as the Principal Stockholder holds New FSNA Shares representing at least 15% of the total outstanding equity capital of New FSNA on an as-converted basis, the holders of Preferred Shares shall (i) cause the Preferred Directors to nominate as directors for election at any annual meeting of stockholders any three persons designated by the Principal Stockholder and (ii) vote in favor of such nominees. If the Principal Stockholder holds New FSNA Shares representing at least 10% but less than 15% of the total outstanding equity capital of New FSNA on an as-converted basis, the holders of Preferred Shares shall (i) cause the Preferred Directors to nominate as directors for election at any annual meeting of stockholders any two persons designated by the Principal Stockholder and (ii) vote in favor of such nominees.

For so long as any Preferred Shares are outstanding and represent at least 15% of the total outstanding equity capital of New FSNA on an as-converted basis, the Principal Stockholder shall vote in favor of any three nominees for Preferred Directors designated by the Preferred Majority. For so long as any Preferred Shares are outstanding and represent at least 10% but less than 15% of the total outstanding equity capital of New FSNA on an as-converted basis, the Principal Stockholder shall vote in favor of any two nominees for Preferred Directors designated by the Preferred Majority.

The holders of at least 25% of the outstanding Preferred Shares shall have the right to call a special meeting of stockholders for the purpose of (i) removing Common Directors, filling any Common Director vacancies and/or electing Common Directors or (ii) removing Preferred Directors, filling any Preferred Director vacancies and/or electing Preferred Directors, in each case subject to any applicable notice requirements imposed by law or by any securities exchange (a "**Special Stockholders Meeting Regarding Directors**"). A Special Stockholders Meeting Regarding Directors may only be cancelled, postponed or rescheduled by the holders of record of at least 25% of the outstanding Preferred Shares.

For so long as the Principal Stockholder has rights with respect to the designation of Common Directors, if so instructed by the Principal Stockholder, the holders of Preferred Shares shall (i) promptly call a Special Stockholders Meeting Regarding Directors for the purpose of removing any Common Director designated for removal by the Principal Stockholder, (ii) vote in favor of such removal at such Special Stockholders Meeting Regarding Directors and (iii) vote in favor of any person designated by the Principal Stockholder to fill the vacancy created by such removal until the next annual meeting of stockholders.

For so long as the holders of Preferred Shares have rights with respect to the nomination and appointment of Preferred Directors, if so instructed by the Preferred Majority, the Principal Stockholder shall (i) vote in favor of the removal of any Preferred Director designated for removal by the Preferred Majority at a Special Stockholders Meeting Regarding Directors called for such purpose and (ii) vote in favor of any person designated by the Preferred Majority to fill the vacancy created by such removal until the next annual meeting of stockholders.

For so long as the Preferred Shares represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis and the Principal Stockholder holds New FSNA Shares representing at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, if the Principal Stockholder ceases to hold New FSNA Shares representing at least 15% of the total outstanding equity capital of New FSNA on an as-converted basis, the Principal Stockholder will no longer be entitled to designate a third Common Director and, instead, an unaffiliated independent director, selected in accordance with a procedure set forth in the Certificate of Incorporation (each director so selected, an "**Additional Unaffiliated Director**"), will be nominated by the New FSNA Board for election thereto at the next annual meeting of stockholders. In connection with any transaction or event resulting in the Principal Stockholder holding New FSNA Shares representing less than 10% of the total outstanding equity capital of New FSNA on an as-converted basis, the Principal Stockholder will not be entitled to designate any Common Directors (although the Principal Stockholder may nominate director candidates for election in accordance with the procedures set forth in New FSNA's by-laws).

For so long as the Preferred Shares represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis and the Principal Stockholder holds New FSNA Shares representing at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, if the outstanding Preferred Shares cease to represent at least 15% of the total outstanding equity capital of New FSNA on an as-converted basis, the Preferred Majority will no longer be entitled to nominate a third Preferred Director and, instead, an Additional Unaffiliated Director will be nominated by the New FSNA Board for election thereto at the next annual meeting of stockholders. If the outstanding Preferred Shares represent less than 10% of the total outstanding equity capital of New FSNA on an as-converted basis, the Preferred Majority will not be entitled to nominate or appoint any Preferred Directors (although the holders of Preferred Shares may nominate director candidates for election as non-Preferred Directors in accordance with the procedures set forth in New FSNA's by-laws).

For so long as the Preferred Shares represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis and the Principal Stockholder holds New FSNA

Shares representing at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, if the Seventh Director or an Additional Unaffiliated Director ceases to serve as a director for any reason during such person's term of office, the resulting vacancy on the New FSNA Board shall be filled by a new director selected in accordance with the procedure set forth in the Certificate of Incorporation for the selection of the Seventh Director or an Additional Unaffiliated Director, as applicable. At any election of directors of New FSNA, the Principal Stockholder and the holders of Preferred Shares will vote in favor of the Seventh Director, if any, and the Additional Unaffiliated Director(s), if any.

Qualified Sale

The Stockholders Agreement provides that the Principal Stockholder will agree to vote in favor of a "Qualified Sale" of New FSNA to a third party buyer outside of the Macquarie Group initiated by Boketo. "Qualified Sale" means (i) a sale of all or substantially all the issued and outstanding capital stock of New FSNA, (ii) a sale of all or substantially all the assets and business of New FSNA, and a liquidation of New FSNA following such sale, or (iii) a merger, arrangement, amalgamation or consolidation of New FSNA with or into another entity, in each case for cash, publicly traded securities or other liquid consideration for an aggregate consideration paid to all holders of Preferred Shares and New FSNA Shares in excess of US$90 million, or that occurs following December 12, 2014.

Transfer Restrictions

The Stockholders Agreement also restricts the ability of certain of the parties to dispose of their shares. Specifically, the Principal Stockholder may not transfer all or any part of, or interest in, his New FSNA Shares without Boketo's consent for so long as the Preferred Shares are outstanding and represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis; provided that the Principal Stockholder may make certain permitted transfers, such as estate planning-related transfers, as long as such permitted transferees agree to be bound by the Stockholders Agreement as a Principal Stockholder. Similarly, subject to the aforementioned "Qualified Sale" right and the right of Boketo to sell Preferred Shares converted into New FSNA Shares to unaffiliated third parties, Boketo may not transfer its Preferred Shares to an unaffiliated third party outside of the Macquarie Group without the written consent of the Principal Stockholder for so long as the Principal Stockholder holds New FSNA Shares that constitute at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis. Further, the Stockholders Agreement also restricts the ability of Boketo and its affiliates from acquiring any additional securities of New FSNA until June 12, 2014, subject to exceptions (i) for stock dividends, issuances of rights to acquire securities, exchanges with respect to such issuances or similar acquisitions; (ii) for acquisitions by affiliates of Boketo (other than subsidiaries of Boketo) for ordinary course fiduciary, financing, advisory, brokerage, trading, arbitrage, investment, or third party fund and asset management activities (provided such affiliates are not acting on behalf of Boketo); (iii) to restore Boketo to its initial non-diluted interest (subject to any adjustments to such interest in connection with the exercise of dissenters' rights relating to the Arrangement); or (iv) as otherwise permitted by the Certificate of Incorporation, Stockholders Agreement or the Merger Agreement. See "*Final Structure Documents – The Merger - Terms of the Preferred Shares – Pre-emptive Right*" for additional information concerning the pre-emptive rights.

Registration Rights Agreement

In connection with the Merger, Boketo and New FSNA have entered into the Registration Rights Agreement. Under the Registration Rights Agreement, Boketo has demand registration rights pursuant to which Boketo will have the right to require New FSNA to prepare and file a registration statement under United States securities laws and/or a prospectus under Canadian securities laws so

as to render the Preferred Shares more fully resalable. In addition, the Registration Rights Agreement grants piggyback registration rights to Boketo.

Credit Agreement

Boketo has agreed, upon certain conditions and pursuant to a Credit Agreement, to provide additional financing to Adreca if necessary and if other third-party financing cannot be obtained (the "**Credit Agreement**"). The following summary of the Credit Agreement does not purport to be complete and is qualified in its entirety by reference to the Credit Agreement, which is available on SEDAR at www.sedar.com.

Adreca, and following the Merger, New FSNA, may obtain, as an alternative to the additional financing under the Credit Agreement, funding from a third party on terms considered reasonable by the parties, as set out in the Merger Agreement ("**Third Party Financing**"). The Credit Agreement may be repaid with the proceeds of such Third Party Financing until June 12, 2013, to the extent permitted by existing indebtedness of Advantage.

The Credit Agreement will have an available commitment of up to the amount of US$7.5 million and will be guaranteed by New FSNA. If issued prior to the closing of the Merger, the loan will be in the form of an unsecured credit facility at an interest rate of 15% per annum and will not be exchangeable (the "**Pre-Merger Facility**"). Interest on the Pre-Merger Facility will be payable, at Adreca's option, in cash at the end of each month, or, if not paid in cash by such date, the outstanding principal balance of the loan shall be increased by an amount equal to the amount of interest which accrued on the loan during such month (such amount, the "**PIK Interest Amount**"). The PIK Interest Amount (i) shall be treated as an additional principal amount of the loan due under the Pre-Closing Facility, and (ii) shall bear interest at 15% per annum from such Interest Payment Date until paid in full or converted to the Post-Merger Facility as described below.

While the Pre-Merger Facility is outstanding, New FSNA and Boketo will use commercially reasonable efforts to secure Third Party Financing. If Third Party Financing on terms acceptable to the parties is not available prior to closing of the Merger, the loan will convert into a fixed unsecured loan maturing 5 years from the date of the Merger and will have an interest rate of 25% per annum payable at Boketo's option (i) in cash to the extent not in violation of the Hertz Documents, which prohibit such cash payments of interest to Boketo by New FSNA, or (ii) in kind with New FSNA Shares at a certain price per New FSNA Share, which payment in kind shall accrue and the issuance thereof shall be deferred until the earlier of the maturity date and the date upon which the loan is exchanged for New FSNA Shares. The principal and accrued interest will be exchangeable into FSNA Shares on demand in whole or in part at any time following the date that is 18 months after closing of the Merger (subject to earlier conversion rights upon a change of control of New FSNA) (the "**Post-Merger Facility**"). To the extent the principal amount of the loan is exchanged for FSNA Shares, such FSNA Shares will be issuable at the market price of the FSNA Shares at the time the Credit Agreement is entered into, to be reserved by FSNA in accordance with the rules and requirements of the TSXV. However, the maximum number of FSNA Shares issuable pursuant to exchange of the principal amount of the loan will be the principal amount of the loan divided by $0.21. To the extent accrued but unpaid interest is exchanged for FSNA Shares, such FSNA Shares will be issuable at the market price of FSNA Shares at the time of settlement of interest payments. If Third Party Financing on terms acceptable to the parties is secured by or before June 12, 2013, New FSNA will be entitled to repay the outstanding principal of either the Pre-Merger Facility or the Post-Merger facility, as the case may be, solely with the proceeds of such third party financing.

Recommendation of the FSNA Board

After careful consideration, the FSNA Board has unanimously determined that the Transaction is in the best interests of FSNA. Accordingly, the FSNA Board unanimously recommends that FSNA Shareholders vote FOR the Arrangement Resolution and FOR the Merger Resolution.

Background to the Transaction

The Transaction is the result of arm's length negotiations conducted between representatives of FSNA and Macquarie and their respective advisors. The following is a summary of the meetings, negotiations, discussions and actions between the parties that preceded the execution and public announcement of the Merger Agreement.

In the fall of 2011, executives of Hertz approached FSNA to consider whether FSNA would be interested in becoming a divestiture partner to Hertz for the disposition of Advantage, which owns and operates the rental car business known as Advantage Rent A Car, and certain other yet-to-be-determined assets as would be required by the FTC to facilitate Hertz's planned acquisition of DTAG.

FSNA's management met with executives of Hertz to discuss preliminary terms of a proposed transaction, at which point FSNA determined it would need capital in order to facilitate such a transaction.

FSNA's management solicited advice from several investment consultants and met with various potential financing partners to explore opportunities for an investment in FSNA to facilitate the potential transaction.

After carefully considering various partners and opportunities, management made a presentation to the FSNA Board, which determined that management of FSNA should explore the opportunity of partnering with Macquarie so that FSNA would have the necessary financial resources to complete the acquisition.

Over the following twelve months, management met with Hertz executives and the FTC to review the possibility of becoming Hertz's divestiture partner and acquiring assets that would enable the FTC to approve Hertz's proposed acquisition of DTAG.

Concurrently with this process, management of FSNA met with representatives of Macquarie to structure an investment in FSNA in order for FSNA to have the financial resources necessary to complete the Transaction.

Benefits of and Reasons for the Transaction

In the course of their evaluation of the Transaction, the FSNA Board consulted with FSNA's senior management, legal counsel and financial advisors, reviewed a significant amount of information and considered a number of factors including, among others, the following:

(a) *Expected benefits of the acquisition of the Advantage business.* The FSNA Board expects that the acquisition of Advantage resulting from the Transaction will result in a number of anticipated benefits to FSNA Shareholders, including the following:

(i) the Transaction will result in New FSNA acquiring and operating the Advantage Rent A Car system with approximately 60, and potentially up to 75, airport servicing locations throughout the United States;

(ii) New FSNA will operate approximately 24,000 cars initially from these locations, which will be provided by Hertz pursuant to the Sublease and Hawaii Lease;

(iii) FSNA is providing management and back office services to Advantage for the mutual benefit of FSNA and Advantage and New FSNA expects to be able to further develop complimentaries with Advantage after New FSNA and Advantage combine their business;

(iv) New FSNA expects to benefit from economies of scale and increased purchasing power by virtue of its larger size;

(v) New FSNA will have the ability to franchise the Advantage brand to continue the expansion of the scope of airport locations; and

(vi) FSNA's existing U-Save franchisees are expected to benefit from enhanced technology, reservation distribution channels and connectivity and fleet purchasing programs as a result of the Transaction.

(b) *Additional revenue*. According to the Carve-out Financial Statements attached as Schedule "D" – Appendix "1" of this Circular, Advantage, while under Hertz's ownership, generated approximately US$179 million in revenue for the year ended December 31, 2011. This revenue does not include revenue relating to the additional airport concessions operated under the Dollar and/or Thrifty brands which have been or are expected to be transferred to Advantage. It is expected that this revenue stream will continue and will be acquired by FSNA pursuant to the Transaction.

(c) *Approval Thresholds*. The FSNA Board considered the following required approvals to be protective of the rights of FSNA Shareholders: (i) the Arrangement Resolution must be approved by two-thirds of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting; (ii) the Plan of Arrangement must be approved by the Court, which will consider, among other things, the fairness of the Plan of Arrangement to FSNA Shareholders; and (iii) the Merger Resolution must be approved by a simple majority of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting.

(d) *Dissent Rights*. Registered Shareholders who oppose the Transaction may, upon compliance with certain conditions, exercise their Dissent Rights and receive the fair value of their FSNA Shares.

In the course of its deliberations, the FSNA Board also identified and considered a variety of risks, including, but not limited to:

(a) the issuance of the Preferred Shares to Boketo in connection the Transaction may cause the market price of New FSNA Shares to decline;

(b) if the Transaction is completed, Boketo will be a control person of New FSNA, with effective control of an approximate 49.76%voting interest on an as-converted basis and with the option to acquire additional New FSNA Shares pursuant to the Credit Agreement; and

(c) the risks to FSNA if the Transaction is not completed, including the transaction costs to FSNA.

The foregoing summary of the information and factors considered by the FSNA Board is not, and is not intended to be, exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Transaction, the FSNA Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. The FSNA Board's recommendation was made after consideration of all of the above-noted factors and in light of the FSNA Board's collective knowledge of the business, financial condition and prospects of FSNA, and was also based upon the advice of financial advisors and legal advisors to the FSNA Board. In addition, individual members of the FSNA Board may have assigned different weights to different factors.

Voting Agreements

Each of Robert M. Barton, David I. Forseth, Henri Lefebvre and Thomas P. McDonnell, III, each a director and/or officer of FSNA, Jeffrey Congdon and Sanford Miller, have entered into a

Voting Agreement with FSNA, Boketo and Adreca pursuant to which they have agreed, on and subject to the terms thereof, among other things, to vote in favour of the Arrangement Resolution and Merger Resolution, and not to sell or transfer any of their FSNA Shares to any person and not to encumber their FSNA Shares until the earlier of the Closing Date and the date the Merger Agreement is terminated in accordance with its terms. As of July 13, 2012, the date of the Voting Agreement, Sanford Miller, Robert M. Barton, David I. Forseth, Thomas P. McDonnell, III, Jeffrey Congdon and Henri Lefebvre held, directly or indirectly, in the aggregate, 42,066,771 FSNA Shares, representing approximately 66.96% of the issued and outstanding FSNA Shares on such date.

Lock-Up Agreements

Thomas P. McDonnell, III and Sanford Miller, who are expected to hold an aggregate of 39,218,321 New FSNA Shares (representing approximately 31.17% of the New FSNA Shares on an as-converted basis) and Boketo, which is expected to hold an aggregate of 62,212,600 Preferred Shares (representing approximately 49.76% of the New FSNA Shares on an as-converted basis), have entered into Lock-up Agreements with Hertz. Pursuant to such Lock-up Agreements, the locked-up shareholders will not, subject to certain exceptions, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or enter into any other agreement to transfer the economic consequences of any FSNA Shares, any New FSNA Shares or shares of Adreca or any of their respective subsidiaries, or any options or warrant to purchase such securities or securities convertible into, exchangeable for or that represent to the right to receive such securities, for a period ending the later of (i) the termination of the Sublease in accordance with its terms, (ii) the termination of the Hawaii Lease in accordance with its terms, subject to certain exceptions. Notwithstanding the foregoing, the Lock-up Agreements provide that Thomas P. McDonnell, III and Sanford Miller may sell up to an aggregate of 2,253,564 and 1,668,269 FSNA Shares, or New FSNA Shares, as the case may be, respectively, during such period.

The Merger Agreement

The following description of certain material provisions of the Merger Agreement is a summary only, is not comprehensive and is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which has been filed on SEDAR at www.sedar.com.

Pursuant to the Merger Agreement, it was agreed that the parties would carry out the Transaction in accordance with the Merger Agreement, including the terms set out in the Plan of Arrangement.

Conditions Precedent to the Transaction

Mutual Conditions Precedent

The Merger Agreement provides that the obligations of the parties to complete the transactions contemplated by the Merger Agreement are subject to the fulfillment of each of the following conditions precedent, each of which may only be waived in respect of a party thereto, by such party in writing:

(a) the Arrangement Resolution and the Merger Resolution shall have been approved at the Meeting by the required vote;

(b) the Interim Order and the Final Order shall have been obtained and shall not have been set aside or modified, in a manner unacceptable to FSNA or Boketo, each acting reasonably, on appeal or otherwise;

(c) the Articles of Arrangement shall have become effective;

(d) TSXV Approval shall have been obtained;

(e) the Re-domiciliation shall have been completed and the Amended FSNA Charter Documents shall be in effect;

(f) no court or Governmental Entity having jurisdiction shall have issued any binding order, decree or ruling, and there shall not be any statute, rule or regulation, restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by the Merger Agreement;

(g) no change in applicable Law or in the interpretation or enforcement thereof shall have occurred where the effect of such change is to prohibit, or prevent, the consummation by any party of any of the transactions contemplated by the Merger Agreement; and

(h) the parties shall have agreed on the Final Structure Documents and each party signatory thereto shall have executed and delivered to each other signatory thereto each such Final Structure Document.

Additional Conditions Precedent to the Obligations of Adreca and Boketo

The Merger Agreement provides that the obligation of Adreca and Boketo to consummate the transactions contemplated by the Merger Agreement are subject to the fulfillment of each of the following conditions precedent, each of which may be waived by Adreca and Boketo, in writing:

(a) the representations and warranties of each of FSNA and Advantage Holdings contained in the Merger Agreement shall be true and correct in all material respects on and as of the date of the making thereof and the representations of each of Sanford Miller and Thomas P. McDonnell, III set forth in their respective Voting Agreements shall be true and correct in all material respects on and as of the date of the making thereof;

(b) FSNA and Advantage Holdings shall have performed in all material respects the obligations contained in the Merger Agreement required to be performed by them on or prior to the Closing Date;

(c) there shall not be material proceedings or investigations pending or threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over any Sublessee Credit Group Member or its properties: (i) asserting the invalidity of the Merger Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by the Merger Agreement or (iii) seeking any determination or ruling that could reasonably be expected to have an FSNA Material Adverse Effect;

(d) there shall not have been or occurred any event, change, occurrence or circumstance that, individually or in the aggregate with any such events, changes, occurrences or circumstances, constitutes or which could reasonably be expected to constitute a Material Adverse Change;

(e) to the extent applicable under the Merger Agreement, the Assumption shall have been delivered to Boketo;

(f) Adreca and Boketo shall have received a certificate signed by an officer of FSNA on behalf of FSNA, dated as of the Closing Date, stating that (i) the representations and warranties of each of FSNA and Advantage Holdings contained in the Merger Agreement shall be true and correct in all material respects on and as of the date of the making thereof and the representations of each of Sanford Miller and Thomas P. McDonnell, III set forth in their respective Voting Agreement shall be true and correct in all material respects on and as of the date of the making thereof, (ii) FSNA

and Advantage Holdings shall have performed in all material respects the obligations contained in the Merger Agreement required to be performed by them on or prior to the Closing Date and (iii) there shall not have been or occurred any event, change, occurrence or circumstance that, individually or in the aggregate with any such events, changes, occurrences or circumstances, constitutes or which could reasonably be expected to constitute a Material Adverse Change;

(g) Adreca and Boketo shall have received a certificate signed by an officer of Advantage Holdings on behalf of Advantage Holdings, dated as of the Closing Date, stating that (i) the representations and warranties of each of FSNA and Advantage Holdings are true and correct in all material respects on and as of the date of making thereof and the representations of each of Sanford Miller and Thomas P. McDonnell, III set forth in their respective Voting Agreement shall be true and correct in all material respects on and as of the date of the making thereof and (ii) FSNA and Advantage Holdings shall have performed in all material respects the obligations contained in the Merger Agreement required to be performed by them on or prior to the Closing Date;

(h) FSNA and Advantage Holdings shall have delivered, or caused to be delivered (i) an executed opinion of counsel to FSNA substantially to the effect set forth in the Merger Agreement, (ii) the Collateral Agency Agreement, (iii) fully executed Guarantees from each Sublessee Credit Group Member (other than Adreca and Advantage) and (iv) the certificates of insurance contemplated by the Merger Agreement that are due on or prior to such time;

(i) at the Closing, FSNA shall have delivered to Adreca and Boketo (i) true and complete copies of the resolutions of the FSNA Board approving the execution, delivery and performance of the Merger Agreement, the Final Structure Documents to which it is, or is specified to be, a party, and the consummation of the transactions contemplated by the Merger Agreement and the Final Structure Documents, (ii) true and complete copies of the Shareholder Approvals, the Interim Order and the Final Order, (iii) evidence reasonably satisfactory to Boketo that the Articles of Arrangement have become effective, the Re-domiciliation has been completed (including a true and complete copy of the Certificate of Domestication) and the TSXV Approval has been obtained, (iv) true and complete copies of the Charter Documents of FSNA, as in effect after the Arrangement is effective, as amended through the Closing and (v) true and complete copies of the duly executed Resignation Letter;

(j) at the Closing, Advantage Holdings shall have delivered to Adreca and Boketo (i) true and complete copies of the resolutions of Advantage Holdings' board of directors approving the execution, delivery and performance of the Merger Agreement, the Final Structure Documents to which it is, or is specified to be, a party, and the consummation of the transactions contemplated by the Merger Agreement and the Final Structure Documents and (ii) true and complete copies of any required shareholder approvals;

(k) at the Closing, FSNA shall have delivered to Adreca and Boketo a duly executed copy of the officer's certificate attached to the Merger Agreement;

(l) Sanford Miller and Thomas P. McDonnell, III shall have delivered, or caused to be delivered, to Hertz and Boketo fully executed copies of the Lock-up Agreements to which they are signatories;

(m) Sanford Miller shall have executed and delivered, or caused to be delivered, to Boketo and Adreca the employment agreement waiver attached to the Merger Agreement; and

(n) FSNA and U-Save Auto Rental of America, Inc. shall have delivered, or caused to be delivered, to Boketo and Adreca a fully executed copy of a letter to certain employees attached to the Merger Agreement.

Additional Conditions Precedent to the Obligations of FSNA and Advantage Holdings

The Merger Agreement provides that the obligations of FSNA and Advantage Holdings to consummate the transactions contemplated by the Merger Agreement are subject to the fulfillment of each of the following conditions precedent, each of which may be waived by FSNA and Advantage Holdings, in writing:

(a) the representations and warranties of each of Adreca and Boketo shall be true and correct in all material respects on and as of the date of the making of the Merger Agreement;

(b) Adreca and Boketo shall have performed in all material respects all of the obligations contained in the Merger Agreement required to be performed by them at or prior to the Closing Date;

(c) there shall not be material proceedings or investigations pending or threatened, before any court, regulatory body, administrative agency or other governmental instrumentality having jurisdiction over Adreca or Advantage or their respective properties: (i) asserting the invalidity of the Merger Agreement, (ii) seeking to prevent the consummation of any of the transactions contemplated by the Merger Agreement or (iii) seeking any determination or ruling that could reasonably be expected to have an Adreca Material Adverse Effect;

(d) FSNA and Advantage Holdings shall have received a certificate signed by an officer of Adreca on behalf of Adreca, dated as of the Closing Date, stating that (i) the representations and warranties of each of Adreca and Boketo shall be true and correct in all material respects on and as of the date of the making of the Merger Agreement and (ii) Adreca and Boketo shall have performed in all material respects all of the obligations contained in the Merger Agreement required to be performed by them at or prior to the Closing Date;

(e) FSNA and Advantage Holdings shall have received a certificate signed by an officer of Boketo on behalf of Boketo, dated as of the Closing Date, stating that (i) the representations and warranties of each of Adreca and Boketo shall be true and correct in all material respects on and as of the date of the making of the Merger Agreement and (ii) Adreca and Boketo shall have performed in all material respects all of the obligations contained in the Merger Agreement required to be performed by them at or prior to the Closing Date;

(f) at the Closing, Adreca shall have delivered, or caused to be delivered, (i) true and complete copies of the resolutions of Adreca's board of directors approving the execution, delivery and performance of the Merger Agreement, the Final Structure Documents to which it is, or is specified to be, a party, and the consummation of the transactions contemplated by the Merger Agreement and the Final Structure Documents and (ii) true and complete copies of the shareholder approval referred to in the Merger Agreement;

(g) at the Closing, Boketo shall have delivered, or caused to be delivered, true and complete copies of the resolutions of Boketo's board of directors approving the

execution, delivery and performance of the Merger Agreement, the Final Structure Documents to which it is, or is specified to be, a party, and the consummation of the transactions contemplated by the Merger Agreement and Final Structure Documents; and

(h) there shall not have been or occurred any event, change, occurrence or circumstance that, individually or in the aggregate with any such events, changes, occurrences or circumstances, constitutes or which could reasonably be expected to constitute an Adreca Material Adverse Change.

Representations and Warranties

The Merger Agreement contains customary representations and warranties of FSNA and Advantage Holdings relating to matters that include, among other things: organization, authority, enforceability, capital structure, no conflicts, consents, full disclosure, financial statements, undisclosed liabilities, absence of certain changes or events, contracts, properties, insurance, compliance with laws, indebtedness, liens, solvency, litigation, employee and labour matters, employee benefit plans, ERISA matters, taxes, finder's fees, information technology, franchisees and vendors, accounts receivable, related party or transactions with affiliates, reporting issuer status, listing and trading status, compliance with United States securities laws, collateral benefits, restrictions on business activities, PATRIOT Act matters, no burdensome restrictions, existing disqualified franchisees, margin regulations and principal shareholders.

The Merger Agreement also contains customary representations and warranties of Adreca and Boketo relating to matters that include, among other things: organization, capital structure, authority, enforceability, no conflicts, consents, compliance with laws, solvency, litigation, related party or transactions with affiliates, compliance with United States securities laws and restrictions on business activities.

In addition to the foregoing, Boketo represents and warrants that, at the First Closing, it will have US$15 million in net assets and will have the funds necessary to make the investment in Adreca in accordance with the Commitment Letter.

Indemnification

The Merger Agreement contains indemnification provisions pursuant to which FSNA and Boketo have agreed to indemnify each other for losses relating to any breach of such party's representations or warranties or for any non-fulfillment of or failure to perform any covenant or agreement of such party. In the Merger Agreement, FSNA has agreed to ensure that this Circular complies in all material respects with all applicable Laws (as that term is defined in the Merger Agreement) and does not contain a Misrepresentation (as that term is defined in the Merger Agreement), other than with respect to any information provided in writing by Boketo for the purpose of inclusion in this Circular.

No Solicitation

From the date of the Merger Agreement and until the Approval Deadline, neither FSNA, on the one hand, nor Adreca and Advantage, on the other hand, shall, or shall permit, any of their respective representatives to, directly or indirectly, (i) discuss, encourage, negotiate, undertake, initiate, authorize, recommend, propose or enter into any Acquisition Transaction, (ii) facilitate, encourage, solicit or initiate any discussions, negotiations or submissions of proposals or offers in respect of an Acquisition Transaction, (iii) furnish or cause to be furnished, to any Person, any information concerning the business, operations, properties or assets of FSNA or any of its subsidiaries, or Adreca or Advantage, respectively, in connection with an Acquisition Transaction, or (iv) otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt by any other Person to do or seek any of the foregoing.

FSNA shall promptly notify, in writing, Boketo, Adreca and Advantage of receipt of any proposal or offer from any other Person to effect an Acquisition Transaction or any request for non-public information relating to them or for access to their properties, books or records. Adreca and Advantage shall also notify FSNA after receipt of any of the foregoing.

Termination of the Merger Agreement

The Merger Agreement provides that if each of the Shareholder Approvals, the Interim Order, the Final Order and the TSXV Approval has not been obtained by the Approval Deadline, then Boketo and Adreca shall each have the right, at the option of each, to effect a sale of Adreca or Advantage, respectively, or another Exit Event or to assign their respective rights under the Merger Agreement.

The Merger Agreement may be terminated at any time prior to the Closing Date:

(a) by mutual agreement of FSNA and Boketo;

(b) by either FSNA or Boketo: (i) if the Closing has not occurred on or prior to the date that is 300 days after the date of the Merger Agreement; provided however, that such right to terminate the Merger Agreement shall not be available to any party whose failure to fulfill any obligation under the Merger Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or prior to such date; (ii) if any Governmental Entity shall have issued an order, decree or ruling or taken any other action (which order, decree, ruling or other action the parties to the Merger Agreement shall use their commercially reasonable efforts to lift), in each case permanently restraining, enjoining or otherwise prohibiting the material transactions contemplated by the Merger Agreement and such order, decree, ruling or other action shall have become final and non-applicable; or (iii) if any condition to the obligation of such party to consummate the Merger becomes incapable of satisfaction before the Approval Deadline; provided, however, that such right to terminate the Merger Agreement shall not be available to any such party whose failure to fulfill such obligation under the Merger Agreement has been the cause of, or resulted in, the failure of such condition; or

(c) by Boketo to effect a sale of Adreca or Advantage or another Exit Event after the Approval Deadline.

Arrangement Fee

The Merger Agreement provides that FSNA (or New FSNA, as the case may be) shall pay Macquarie Capital a US$2.5 million arrangement fee in cash on the date that is the later of (i) 90 days after the First Closing Date and (ii) the date on which the First Merger is consummated. After the Approval Deadline, if the First Merger has not occurred, Adreca shall pay Boketo such arrangement fee.

Expense Reimbursement

The Merger Agreement provides that Adreca shall reimburse Boketo and FSNA for any reasonable and documented out-of-pocket expenses incurred by them in connection with the Merger Agreement, the Hertz Documents and related documents prior to the date of the Merger Agreement with respect to the fees and expenses of legal counsel to FSNA, legal counsel to Boketo and Adreca and certain consulting firms (other than expenses reimbursed to FSNA by Hertz under the Advantage Purchase Agreement). Subject to the Management Services Agreement, Boketo and FSNA shall each bear its own expenses incurred on or after the date of the Merger Agreement in connection with the Transaction; provided, however, that Adreca shall reimburse Boketo and FSNA for any reasonable and documented out-of-pocket expenses, including all fees and expenses of counsel, financial advisers, accountants, consultants and other advisers, incurred by them, during the period

from and after the date of the Merger Agreement and before the Merger, in connection with mutually defending or promoting the interests of Adreca in any dispute between Adreca and Hertz relating to the Hertz Documents; provided, further that Adreca shall have no such reimbursement obligation with respect to FSNA after the Approval Deadline unless it involves FSNA in any such dispute. For the avoidance of doubt, Adreca shall be responsible for all fees and expenses of KPMG LLP and PricewaterhouseCoopers LLP in connection with the preparation of the Carve-out Financial Statements attached as Schedule "D" – Appendix "1" of this Circular and Adreca shall be entitled to all expense reimbursements payable by Hertz in relation thereto.

Procedure for the Transaction to Become Effective

Procedural Steps

The procedure to be followed in order to complete the Transaction is as follows:

(a) the Arrangement must be approved by the FSNA Shareholders in the manner set forth in the Interim Order and the First Merger and issuance of the Preferred Shares must be approved by the FSNA Shareholders;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all required regulatory approvals in respect of the completion of the Transaction must be obtained;

(d) promptly following granting of the Final Order, FSNA will file the Articles of Arrangement and concurrently file a Certificate of Domestication and the Certificate of Incorporation in Delaware;

(e) all conditions precedent to the Transaction, as set forth in the Merger Agreement, must be satisfied or waived by the appropriate party to the Merger Agreement; and

(f) promptly following the filing of the Articles of Arrangement and Certificate of Domestication and the Certificate of Incorporation, and the satisfaction or waiver of all applicable conditions precedent, the parties will file the Certificates of Merger for the First Merger and the Second Merger.

The Closing is expected to occur no later than two Business Days after the satisfaction or waiver of all conditions precedent to Closing.

TSXV Approval

FSNA submitted an application seeking TSXV approval of the Transaction on June 12, 2012. On August 9 and August 28, 2012 legal counsel to Boketo submitted supplemental information to the TSXV in respect of certain revisions to the terms of the Transaction. On August 29, 2012, the TSXV confirmed it will consider the Transaction to be a "Fundamental Acquisition" under the TSXV rules based on the representations made by FSNA and Boketo. The TSXV was periodically updated as to the status of the Transaction through the fall and winter of 2012. On March 22, 2013, the TSXV conditionally approved the Transaction subject to the satisfaction of the customary requirements of the TSXV.

Shareholder Approval of the Transaction

The Arrangement

The approval of the Arrangement Resolution will require the affirmative vote of two-thirds of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting. The complete text of the Arrangement Resolution to be presented to the Meeting is set forth in Schedule "A" to this Circular.

The Merger

The approval of the Merger Resolution will require the affirmative vote of a simple majority of the votes cast by FSNA Shareholders present in person or by proxy at the Meeting. The complete text of the Merger Resolution to be presented to the Meeting is set forth in Schedule "B" to this Circular.

Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101")

Sanford Miller, a significant shareholder of FSNA, is one of two managing partners, and a 50% owner, of Narcoossee Place, LLC ("**Narcoossee**"), which owns a car rental and parking facility near the Orlando airport. In connection with the Transaction, Hertz requested that the Orlando Airport Authority consent to the assignment of the Advantage in-terminal concession to Adreca, but the Orlando Airport Authority declined to permit such assignment. As an alternative arrangement, Adreca entered into a lease for the Narcoossee property (the "**Orlando Lease**") on November 28, 2012. The property is approximately 7.5 acres in size and is currently being used for Advantage's rental car business in the vicinity of Orlando Airport.

Prior to entering into the Orlando Lease, FSNA and Adreca negotiated the terms of the Orlando Lease with Narcoossee. FSNA and Adreca hired an independent third-party appraiser, Beaumont, Matthes & Church Inc., which provided an appraisal of the fair market value of the Orlando Lease ("**Independent Appraisal**"). The Independent Appraisal's determination of fair market value informed the basis of the financial terms of the Orlando Lease.

Adreca and FSNA determined that it was necessary to secure a rental car site near Orlando Airport that could be made ready for Advantage rental car customers on the date of Adreca's acquisition of Advantage. In the circumstances, including significant uncertainty with respect to the timing of regulatory clearance for the Transaction and of the date of the acquisition, they concluded that it was in their best interests for Adreca to enter into the Orlando Lease on arms-length terms. The Orlando Lease is for a one year term, with an option for the tenant to extend the lease for an additional year. The Orlando Lease also includes an option for the tenant to purchase the property, subject to certain conditions.

In addition, prior to and after entering into the Orlando Lease, FSNA and Adreca negotiated with a different third-party landlord in respect of an alternative property to serve the Orlando airport. Subsequent to entering into the Orlando Lease, Adreca entered into a lease with the third-party landlord for a term of six months, with an option to purchase the property at a negotiated value.

Notwithstanding the fact that Adreca (and not FSNA) is party to the Orlando Lease, the Orlando Lease transaction may constitute a related party transaction under MI 61-101 and Policy 5.9 of the TSX Venture Exchange Corporate Finance Manual. To the extent the Orlando Lease does constitute such a related party transaction, FSNA is relying on the exemptions in Section 5.7(a) and Section 5.7(c) of MI 61-101 to the requirement for "minority approval" of the transaction by the FSNA Shareholders. These exemptions are available to FSNA because:

(a) the fair market value of the Orlando Lease does not exceed 25% of FSNA's market capitalization. FSNA's market capitalization on the date that the Orlando Lease was entered into was approximately $28 million, while the fair market value of the Orlando Lease is $240,000 per year for up to two years for a total fair market valuation of $480,000. The Orlando Lease also has an option for Adreca to purchase the subject property for not less than $3,630,007.47 by no later than 120 days before the expiry of the last annual term of the Orlando Lease; and

(b) the Orlando Lease was entered into by Adreca in the ordinary course of business on reasonable commercial terms that, considered as a whole, are not less advantageous to Adreca than if the lease was with a person dealing at arm's length with Adreca. The existence of the Orlando Lease is being generally disclosed by this Circular.

Court Approval of the Transaction

An arrangement under the CBCA requires court approval. Prior to the mailing of this Circular, FSNA obtained the Interim Order, which provides for the calling and holding of the Meeting, the Dissent Rights and other procedural matters. A copy of the Interim Order is attached as Schedule "E" to this Circular.

Subject to approval of the Arrangement Resolution by FSNA Shareholders at the Meeting, the hearing in respect of the Final Order is currently scheduled to take place on May 1, 2013 in the Court at 2:00 p.m. Any FSNA securityholder or other person who wishes to appear, or to be represented, and to present evidence or arguments must serve and file a Notice of Appearance as set out in the Notice of Originating Application and satisfy any other requirements of the Court. The Court will consider, among other things, the fairness and reasonableness of the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with terms and conditions, if any, as the Court deems fit. In the event that the hearing is postponed, adjourned or re-scheduled then, subject to further order of the Court, only those persons having previously served a Notice of Appearance in compliance with the Notice of Originating Application and the Interim Order will be given notice of the postponement, adjournment or re-scheduled date.

The Court's approval is required for the Arrangement to become effective and the Court has been informed that approval, if obtained, will constitute the basis for the Section 3(a)(10) Exemption with respect to, among other things, New FSNA Shares to be issued pursuant to the Arrangement as described below under "*The Transaction – United States Securities Laws Considerations*".

Assuming the Final Order is granted and the other conditions to Closing contained in the Merger Agreement are satisfied or waived to the extent legally permissible, then the Articles of Arrangement will be filed with the Director and the Arrangement will become effective following the issuance of a Certificate of Arrangement thereafter.

Fees, Costs and Expenses

The estimated fees, costs and expenses of FSNA in connection with the Transaction contemplated herein including, without limitation, financial advisors' fees, filing fees, legal and accounting fees were approximately $3.8 million as of February 28, 2013. The estimated fees, costs and expenses of Adreca in connection with the Transaction contemplated herein including, without limitation, financial advisors' fees and legal and accounting fees were approximately $7.1 million as of February 28, 2013. From March 1, 2013 until the completion of the Transaction, the estimated fees, costs and expenses of FSNA in connection with the Transaction contemplated herein including, without limitation, financial advisors' fees, filing fees, legal and accounting fees and printing and mailing costs are anticipated to be approximately $450,000. From March 1, 2013 until the completion of the Transaction, the estimated fees, costs and expenses of Adreca in connection with the Transaction contemplated herein including, without limitation, financial advisors' fees and legal and accounting fees are anticipated to be approximately $500,000. The estimated fees, costs and expenses of FSNA and Adreca in connection with the Transaction contemplated herein, in the aggregate, are anticipated to be approximately $11,450,000.

Dissenting Holders' Rights

Section 190 of the CBCA provides registered shareholders of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental corporate changes. The Interim Order expressly provides Registered Shareholders with the right to

dissent from the Arrangement Resolution pursuant to section 190 of the CBCA, with modifications to the provisions of Section 190 of the CBCA as provided for in the Plan of Arrangement and the Interim Order. Any Registered Shareholder who dissents from the Arrangement Resolution in compliance with Section 190 of the CBCA, as modified by the Plan of Arrangement and the Interim Order, will transfer its shares to FSNA and, in the event the Arrangement becomes effective, FSNA will have the obligation to pay such Dissenting Holder the fair value of its Dissenting FSNA Shares as of the close of business on the last Business Day before the day the Arrangement Resolution is adopted.

Section 190 of the CBCA provides that a shareholder may only make a claim under that section with respect to all of the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. **One consequence of this provision is that only a Registered Shareholder may exercise the Dissent Rights in respect of FSNA Shares that are registered in that FSNA Shareholder's name.**

In many cases, shares beneficially owned by a Non-Registered Holder are registered either: (a) in the name of an Intermediary, or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. Accordingly, a Non-Registered Shareholder will not be entitled to exercise its Dissent Rights directly (unless the shares are re-registered in the Non-Registered Shareholder's name). A Non-Registered Holder who wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered Holder deals in respect of its shares and either: (i) instruct the Intermediary to exercise the Dissent Rights on the Non-Registered Holder's behalf (which, if the FSNA Shares are registered in the name of CDS Clearing and Depository Services Inc. or other clearing agency, may require that such FSNA Shares first be re-registered in the name of the Intermediary), or (ii) instruct the Intermediary to re-register such FSNA Shares in the name of the Non-Registered Shareholder, in which case the Non-Registered Holder would be able to exercise the Dissent Rights directly.

A Registered Shareholder who wishes to dissent must provide a Dissent Notice to FSNA (i) at 204, 7710 – 5th Street S.E., Calgary, Alberta, T2H 2L9 (Attention: General Counsel) or (ii) by facsimile transmission to (601) 713-4384 (Attention: General Counsel) to be received not later than 5:00 p.m. (Toronto time) on April 26, 2013 (or 5:00 p.m. (Toronto time) on the day which is two Business Days immediately preceding any adjourned or postponed Meeting). Failure to strictly comply with these dissent procedures may result in the loss or unavailability of the right to dissent.

The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote at the Meeting. However, the CBCA provides, in effect, that a Registered Shareholder who has submitted a Dissent Notice and who votes for the Arrangement Resolution will no longer be considered a Dissenting Holder with respect to that class of shares voted for the Arrangement Resolution, in this case the FSNA Shares. The CBCA does not provide, and FSNA will not assume, that a proxy submitted instructing the proxyholder to vote against the Arrangement Resolution, a vote against the Arrangement Resolution, or an abstention constitutes a Dissent Notice, but a Registered Shareholder need not vote its FSNA Shares against the Arrangement Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote for the Arrangement Resolution does not constitute a Dissent Notice. However, any proxy granted by a Registered Shareholder 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 FSNA Shares in favour of the Arrangement Resolution and thereby causing the Registered Shareholder to forfeit its Dissent Rights.

FSNA (or its successor) is required, within 10 days after FSNA Shareholders adopt the Arrangement Resolution, to notify each Dissenting Holder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any FSNA Shareholder who voted for the Arrangement Resolution or who has withdrawn its Dissent Notice.

A Dissenting Holder who has not withdrawn its Dissent Notice prior to the Meeting must then, within 20 days after receipt of notice that the Arrangement Resolution has been adopted, or if the Dissenting Holder does not receive such notice, within 20 days after learning that the Arrangement Resolution has been adopted, send to FSNA a written notice (a "**Demand for Payment**") containing its name and address, the number of its Dissenting FSNA Shares, and a demand for payment of the fair value of such FSNA Shares. Within 30 days after sending the Demand for Payment, the Dissenting Holder must send to FSNA or the Transfer Agent certificates representing FSNA Shares in respect of which he, she or it dissents. FSNA or the Transfer Agent will endorse on share certificates received from a Dissenting Holder a notice that the holder is a Dissenting Holder and will forthwith return the share certificates to the Dissenting Holder. A Dissenting Holder who fails to make a Demand for Payment in the time required or to send certificates representing Dissenting FSNA Shares has no right to make a claim under section 190 of the CBCA.

Under section 190 of the CBCA, a Dissenting Holder ceases to have any rights as an FSNA Shareholder in respect of its Dissenting FSNA Shares other than the right to be paid the fair value of the Dissenting FSNA Shares as determined pursuant to the Interim Order, unless (i) the Dissenting Holder withdraws its Dissent Notice before New FSNA makes an Offer to Pay, (ii) New FSNA fails to make an Offer to Pay in accordance with subsection 190(12) of the CBCA and the Dissenting Holder withdraws the Demand for Payment, or (iii) the directors of FSNA revoke the Arrangement Resolution, in which case the Dissenting Holder's rights as an FSNA Shareholder will be reinstated.

Pursuant to the Plan of Arrangement, in no case shall FSNA, New FSNA or any other person be required to recognize any Dissenting Holder as an FSNA Shareholder at or after the Arrangement Effective Date, and the names of such Dissenting Holders shall be deleted from the share register at the Arrangement Effective Date.

Pursuant to the Plan of Arrangement, Dissenting Holders who are ultimately determined to be entitled to be paid fair value for their Dissenting FSNA Shares shall, notwithstanding anything to the contrary contained in Part XV of the CBCA, be deemed to have transferred such Dissenting FSNA Shares to FSNA in consideration for a debt claim against FSNA to be paid fair value for such shares pursuant to the Dissent Procedures and shall not be entitled to any other payment or consideration, including any payment under the Arrangement had such holders not exercised their Dissent Rights. Fair value shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the FSNA Shareholders at the Meeting.

Pursuant to the Plan of Arrangement, Dissenting Holders who are ultimately determined not to be entitled, for any reason, to be paid fair value for their Dissenting FSNA Shares, shall be deemed to have participated in the Arrangement as of the Arrangement Effective Time on the same terms and at the same time as a non-Dissenting Holder and shall be entitled to receive only the same consideration which an FSNA Shareholder is entitled to receive under the Arrangement as if such Dissenting Holder had not exercised Dissent Rights.

New FSNA is required, not later than seven days after the later of the Arrangement Effective Date and the date on which a Demand for Payment is received from a Dissenting Holder, to send to each Dissenting Holder who has sent a Demand for Payment an Offer to Pay for its Dissenting FSNA Shares in an amount determined by the New FSNA Board to be the fair value of the FSNA Shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay must be on the same terms. New FSNA must pay for the Dissenting FSNA Shares of a Dissenting Holder within 10 days after an Offer to Pay has been accepted by a Dissenting Holder, but any such offer lapses if New FSNA does not receive an acceptance within 30 days after the Offer to Pay has been made.

If New FSNA fails to make an Offer to Pay for a Dissenting Holder's FSNA Shares, or if a Dissenting Holder fails to accept an Offer to Pay that has been made, New FSNA may, within 50 days

after the Arrangement Effective Date or within such further period as a court may allow, apply to a court to fix a fair value for the FSNA Shares of Dissenting Holders. If New FSNA fails to apply to a court, a Dissenting Holder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Holder is not required to give security for costs in such an application.

If New FSNA or a Dissenting Holder makes an application to court, New FSNA will be required to notify each affected Dissenting Holder of the date, place and consequences of the application and of its right to appear and be heard in person or by counsel. Upon an application to a court, all Dissenting Holders who have not accepted an Offer to Pay will be joined as parties and be bound by the decision of the court. Upon any such application to a court, the court may determine whether any person is a Dissenting Holder who should be joined as a party, and the court will then fix a fair value for the Dissenting FSNA Shares of all Dissenting Holders who have not accepted an offer to pay. The final order of a court will be rendered against New FSNA in favour of each Dissenting Holder for the amount of the fair value of its Dissenting FSNA Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Holder from the Arrangement Effective Date until the date of payment.

Registered Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their FSNA Shares as determined under the applicable provisions of the CBCA (as modified by the Plan of Arrangement and the Interim Order) will be more than or equal to the consideration under the Arrangement. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Holder of consideration for such Dissenting Holder's Dissenting FSNA Shares.

The foregoing is only a summary of the dissenting holder provisions of the CBCA (as modified by the Plan of Arrangement and the Interim Order), which are technical and complex. A complete copy of section 190 of the CBCA is attached as Schedule "G" to this Circular. It is recommended that any Registered Shareholder 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 modified by the Plan of Arrangement and the Interim Order) may prejudice its Dissent Rights.

United States Securities Laws Considerations

Exemption from the Registration Requirements of the U.S. Securities Act

The securities to be issued by New FSNA pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and to the extent that such issuance would otherwise require registration under Section 5 of the U.S. Securities Act, will be effected in reliance on the exemption provided by Section 3(a)(10) thereof and exemptions, where available, provided under the securities laws of each state of the United States in which FSNA Shareholders reside, subject to certain notice requirements. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security issued in exchange for outstanding securities, where the terms and conditions of such issue and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by any court or governmental authority expressly authorized by law to grant such approval. The Staff of the SEC generally recognizes exchanges effected under court approval of a Canadian plan of arrangement as qualifying for the Section 3(a)(10) exemption. Accordingly, the Final Order, if granted after such a hearing, will constitute the basis for an exemption from the registration requirements of the U.S. Securities Act with respect to the New FSNA securities issued in connection with the Arrangement.

Resales of New FSNA Shares after the Completion of the Arrangement

The following discussion summarizes U.S. federal securities laws as such laws relate to the resale of held by to FSNA Shareholders after the Arrangement. The discussion does not address the

securities laws of any U.S. state or Canadian province that may also impact the resale of such shares. As it is ultimately the shareholders' responsibility to comply with any such laws, shareholders are urged to consult with their own advisors before reselling their shares.

Under the U.S. Securities Act, restrictions on the resale of shares issued by New FSNA pursuant to the Arrangement will depend on whether a particular FSNA Shareholder is an "affiliate" of FSNA or Adreca before the completion of the Arrangement or is an "affiliate" of New FSNA after completion of the Arrangement. As defined in Rule 144, promulgated under the U.S. Securities Act, an "affiliate" of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. Typically, persons who are executive officers, directors, or 10% or greater shareholders of an issuer are considered to be its "affiliates."

In general, FSNA Shareholders who are not affiliates of FSNA or Adreca at the time of the FSNA shareholder vote on the Arrangement and who will not be affiliates of New FSNA after completion of the Transaction may resell the New FSNA Shares held by them after the Arrangement without registration of the resale under the U.S. Securities Act, provided such shares are not otherwise restricted.

In general, FSNA Shareholders who are affiliates of FSNA or Adreca at the time of the FSNA shareholder vote, but who will not be affiliates of New FSNA after completion of the Transaction, may resell such shares without registration of the resale under the U.S. Securities Act, provided that such persons have not been an affiliate of New FSNA during the three-month period immediately preceding the resale.

FSNA Shareholders who are affiliates of FSNA or Adreca at the time of the FSNA shareholder vote on the Arrangement or who will be affiliates of New FSNA after completion of the Transaction may not resell the New FSNA Shares held by them after the Arrangement in the absence of registration under the U.S. Securities Act, unless an exemption from registration is available.

Regulation S provides an exemption from the registration requirements of the U.S. Securities Act for certain offers and sales of securities outside the United States. New FSNA will not qualify as a "foreign private issuer" (as defined in Rule 405 under the U.S. Securities Act) and thus will be categorized as a domestic issuer subject to Rule 903(a)(3) of Regulation S. Offers and sales of New FSNA's equity securities may be made in reliance on Regulation S only if certain conditions are met, including the transfer restriction under such rule that subsequent resales of equity securities initially sold in reliance on Regulation S are not made to any U.S. resident or other U.S. person (as defined in Rule 902(k) under the U.S. Securities Act) for one year following such initial sale.

Without an available exemption from registration under the U.S. Securities Act, affiliates (including control persons such as officers or directors) of New FSNA will not be able to freely resell New FSNA Shares in or outside the United States. Such registration exemptions are highly technical. We suggest that any affiliates (including control persons such as officers or directors) of New FSNA considering making sales pursuant to any such registration exemption discuss the conduct of such proposed sales with U.S. counsel.

NEW FSNA AFTER THE TRANSACTION

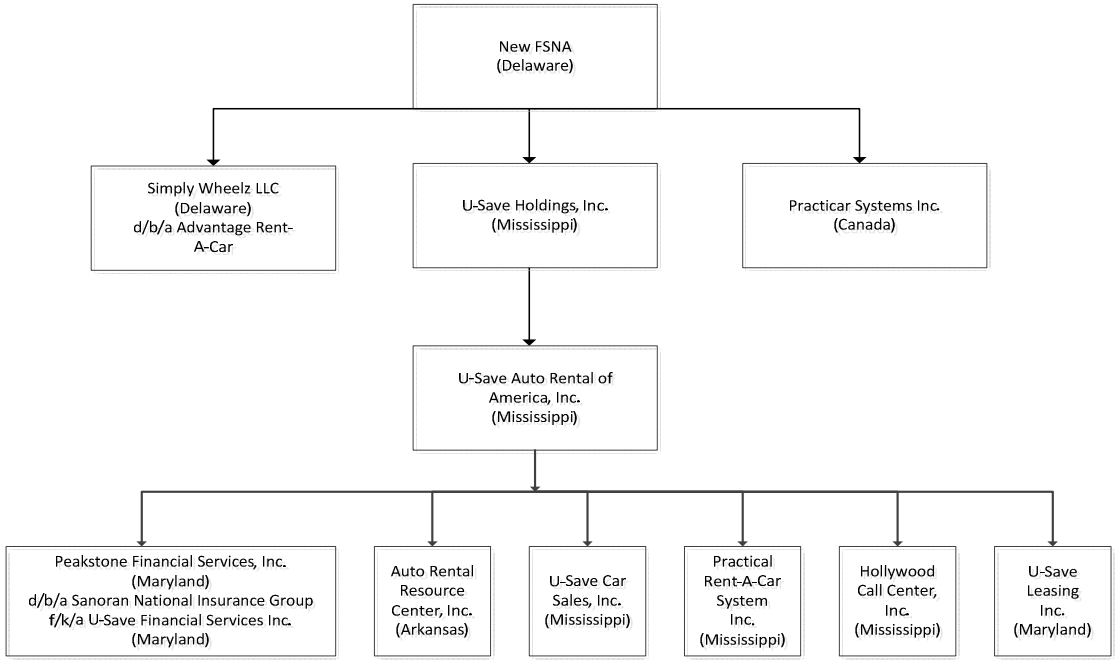
General

Upon completion of the Transaction, Franchise Services of North America Inc., as New FSNA, will be a corporation continued under and governed by the laws of the State of Delaware.

The principal executive office of New FSNA will be located at 1052 Highland Colony Parkway, Suite 204 Ridgeland, MS 39157. The office of New FSNA's registered agent for service will be Capitol Services, Inc., 1675 South State St., Ste B, Dover, DE 19901.

Organization Chart

The following chart shows the corporate structure of New FSNA, assuming the completion of the Transaction, including its material subsidiaries and their respective jurisdictions of incorporation, each of which is wholly-owned:



Amended FSNA Charter Documents

The Amended FSNA Charter Documents are attached to this Circular as Schedule "I". For a summary of the terms of the Preferred Shares which form part of the FSNA Charter Documents, see "*The Transaction – The Merger – The Preferred Shares*".

Summary Description of the Business

Overview

New FSNA and its subsidiaries will own the following brands: U-Save Car & Truck Rental, U-Save Car Sales, Rent-A-Wreck of Canada, Practicar, Auto Rental Resource Center, Xpress Rent A Car and Peakstone Financial Services. U-Save, together with its subsidiary Auto Rental Resource Center, has over 1,100 locations throughout the United States and is one of North America's largest franchise car rental companies. U-Save currently services 28 airport markets in 11 different states and 7 countries. U-Save Car Sales is an expansion of the U-Save brand into the car sales market, and provides goods and services to car sales operators looking to affiliate with a national brand. Practicar Systems Inc. (a wholly-owned subsidiary of FSNA) owns the rights to the Rent-A-Wreck® and the PractiCar® trademarks for all of Canada. The Rent-A-Wreck® system operates a network of 67 franchised locations from coast-to-coast in Canada, providing a range of vehicle rental, leasing and sales options to its customers. The Rent-A-Wreck® system has been in continuous operation in Canada since 1976.

In addition, after giving effect to the Merger, New FSNA will own the Advantage Assets. Advantage currently operates 56 airport locations and 5 locations within hotels. As part of the divestiture package required by the FTC, Adreca entered into an agreement with Hertz on December 10, 2012, that will transfer the rights to occupy and rent vehicles from additional on-airport concessions that were formerly operating as Thrifty and/or Dollar Rent A Car locations. It is anticipated these on-airport concessions will be transferred to Adreca in installments through to

August 2013. If these additional concessions are acquired, Advantage will be operating up to 75 airport locations in the United States.

Advantage services the leisure segment of the rental car market and has a high concentration of locations in the southern, southwestern, and western and mountain states. Advantage enjoys wide brand recognition and competes with companies such as Payless, Alamo and Fox in airport car rental.

See "*Business of Advantage*" in Schedule "D" – *Information Concerning Adreca*.

Share Capital of New FSNA

The authorized capital of New FSNA will be 300,000,000 New FSNA Shares and 76,000,000 preferred shares, including 75,000,000 Preferred Shares (designated as "Series A Preferred Stock"). The New FSNA Shares and the rights of New FSNA Shareholders will be governed by applicable laws of the State of Delaware, as well as the Certificate of Incorporation and by-laws of New FSNA. Although the rights and privileges of shareholders under the CBCA, including FSNA Shareholders, are in many instances comparable to those under the DGCL, there are several differences. See Schedule "F" – "*Comparison of Shareholder Rights*" to this Circular.

Each New FSNA Share will entitle the holder thereof to receive notice of any meetings of New FSNA Shareholders, to attend and to cast one vote per New FSNA Share at all such meetings. Upon the liquidation, dissolution or winding up of New FSNA, shareholders of New FSNA will be entitled to receive on a pro-rata basis the net assets of New FSNA after payment of debts and other liabilities, including the liquidation preference of the Preferred Shares.

Dividends or Distributions

FSNA has not historically paid dividends on the FSNA Shares. The payment of dividends by New FSNA in the future will be dependent on New FSNA's earnings, financial condition and such other factors as the New FSNA Board considers appropriate. FSNA currently does not anticipate that New FSNA will pay any dividends in the foreseeable future.

Post-Transaction Shareholdings and Significant Shareholders

Immediately after completion of the Transaction, assuming that no FSNA Shareholder exercises Dissent Rights, FSNA Shareholders will own approximately 50.24% of the New FSNA Shares on an as-converted basis, and Boketo will own approximately 49.76%of the New FSNA Shares on an as-converted basis.

Immediately following the completion of the Transaction Thomas P. McDonnell, III is expected to own approximately 35.87% of the New FSNA Shares (18.02% of the New FSNA Shares on an as-converted basis). Sanford Miller is expected to own approximately 26.56% of the New FSNA Shares (13.34% of the New FSNA Shares on an as-converted basis) and Boketo is expected to own 100% of the Preferred Shares, representing approximately 49.76%of the New FSNA Shares on an as-converted basis.

Securities Subject to Contractual Restrictions on Transfer

Following completion of the Transaction, none of the New FSNA Shares or Preferred Shares will be held in escrow or subject to contractual restrictions other than as disclosed in the table below.

Designation of Class	Number of Securities Subject to a contractual Restriction on Transfer[1][2][3]	Percentage of Class[4]
New FSNA Shares.....	39,218,321	62.43%
Preferred Shares	62,212,600	100%

Notes:

(1) Pursuant to Lock-up Agreements entered into or to be entered into prior to Closing, certain FSNA Shareholders, who are expected to hold an aggregate of 39,218,321 New FSNA Shares (representing approximately 31.37% of the New FSNA Shares on an as-converted basis) and 62,212,600 Preferred Shares (representing approximately 49.76%of the New FSNA Shares on an as-converted basis) have agreed that they will not, subject to certain exceptions, offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or enter into any other agreement to transfer the economic consequences of any FSNA Shares, any New FSNA Shares or shares of Adreca or any of their respective subsidiaries, or any options or warrant to purchase such securities or securities convertible into, exchangeable for or that represent the right to receive such securities, for a period ending the later of (i) the termination of the Sublease in accordance with its terms, and (ii) the termination of the Hawaii Lease in accordance with its terms.

(2) The Lock-up Agreements provide that Thomas P. McDonnell, III and Sanford Miller may sell up to an aggregate of 2,253,564 and 1,668,269 New FSNA Shares, respectively.

(3) The Stockholders Agreement provides that the Principal Stockholders may not transfer all or any part of, or interest in, their New FSNA Shares (except in the case of certain estate planning-related transfers) without Boketo's consent for so long as the Preferred Shares are outstanding and represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis. The Stockholders Agreement also provides that Boketo may not transfer its Preferred Shares to an unaffiliated third party outside of the Macquarie Group, other than pursuant to a Qualified Sale or a sale of Preferred Shares which have been converted into New FSNA Shares to unaffiliated third parties, without the written consent of the Principal Stockholders for so long as the Principal Stockholders holds New FSNA Shares that constitute at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis.

(4) Assumes 125,033,042 New FSNA Shares issued and outstanding following the completion of the Transaction. On an as-converted basis assuming the conversion of all Preferred Shares into New FSNA Shares, the percentage of New FSNA Shares subject to contractual restrictions is 81.12%.

Fully Diluted Share Capital of New FSNA

The following table sets forth the fully diluted share capital of New FSNA after giving effect to the Transaction:

Security	Number of Shares	Percentage[1]
New FSNA Shares outstanding as at the Effective Date.....	62,820,425[2]	46.75%
Preferred Shares outstanding as at the Effective Date	62,212,600	46.30%
New FSNA Shares reserved for issuance upon the exercise of the New FSNA Options[3]	9,330,556	6.95%
Total.....	134,363,597[4]	100%

Notes:

(1) Assuming the conversion of the issued and outstanding Preferred Shares to New FSNA Shares and no exercises of New FSNA Options. See "*The Transaction – The Preferred Shares*" in this Circular.

(2) The Lock-up Agreements provide that Thomas P. McDonnell, III and Sanford Miller may sell up to an aggregate of 2,253,564 and 1,668,269 New FSNA Shares, respectively.

(3) Pursuant to the Stockholders Agreement, Boketo will be issued additional Preferred Shares in the event that New FSNA Options are exercised in order to maintain Boketo's 49.76% interest in New FSNA.

(4) The authorized capital of New FSNA will be 300,000,000 New FSNA Shares and 76,000,000 preferred shares, including 75,000,000 Preferred Shares (designated as "Series A Preferred Stock).

Unaudited Condensed Consolidated Pro Forma Financial Statements

The unaudited pro forma condensed consolidated financial statements of New FSNA contained in Schedule "H" to this Circular (the "**Pro Forma Financial Statements**") have been prepared to illustrate the pro forma effects of the Transaction combining Advantage with FSNA and gives effect to the Transaction as if it had occurred at earlier dates. They are derived from the historical financial information of Advantage and FSNA, which is not indicative of the future operating results or financial performance of Advantage, FSNA or New FSNA. The Pro Forma Financial Statements of New FSNA are provided for illustrative purposes only.

The Pro Forma Financial Statements are based on the assumptions described in the respective notes to the Pro Forma Financial Statements. The unaudited pro forma consolidated statement of financial position has been prepared based on the assumption that, among other things, the

Transaction occurred on September 30, 2012. The unaudited pro forma consolidated statement of revenue and operating expenses has been prepared based on the assumption that, among other things, the Transaction occurred on October 1, 2011. The Pro Forma Financial Statements do not purport to (a) represent, and are not necessarily indicative of, New FSNA's consolidated financial position or results of operations if the Transaction creating it occurred at an earlier date or if the events reflected therein were in effect for the periods presented or (b) project New FSNA's consolidated financial position or results of operations for any future date or period.

The Pro Forma Financial Statements are based on certain assumptions and adjustments and should be read in conjunction with the description of the Transaction contained in this Circular and the audited and unaudited consolidated financial statements of FSNA incorporated by reference and included in this Circular and the Carve-out Financial Statements attached as Appendix 1 to Schedule **"D"** to this Circular.

Directors and Officers of New FSNA

Immediately prior to the consummation of the Arrangement the current directors of FSNA will resign, with the exception of Thomas P. McDonnell, III, David I. Forseth and Thomas H. McNeely (the "**Continuing FSNA Directors**"). Upon consummation of the First Merger, the New FSNA Board will consist of seven members, three of whom will be the Continuing FSNA Directors, three of whom will be selected by the holders of Preferred Shares (initially Bruce G. Donaldson, Daniel Boland and Michael Silverton) and one of whom (the "**Seventh Director**") will be selected in accordance with the procedures set forth in the Certificate of Incorporation (initially William N. Plamondon).

The following table lists the names of the proposed directors and executive officers of New FSNA upon completion of the Transaction, their province or state and country of residence, their principal occupations and the number and percentage of New FSNA Shares each director and executive officer is expected to beneficially own, or exercise control or direction over, directly or indirectly, following completion of the Transaction.

Name, Province or State and Country of Residence	Proposed Position with New FSNA	Principal Occupation	Number and Percentage of New FSNA Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly[(1)(2)(3)]
Thomas P. McDonnell, III Madison, Mississippi, USA	Chief Executive Officer, Chairman and Director	Chairman and Chief Executive Officer, FSNA and U-SAVE	22,535,635 35.87%
David I. Forseth Calgary, Alberta, Canada	Director	Chief Executive Officer of Concept Management Ltd. O/A JaniKing of Southern Alberta	1,299,741 2.07%
Thomas H. McNeely Mississauga, Ontario, Canada	Director	Chief Executive Officer of Pet Valu Canada, Inc.	None
Bruce Donaldson Summit, New Jersey,	Director	Managing Director at Macquarie Capital	None

Name, Province or State and Country of Residence	Proposed Position with New FSNA	Principal Occupation	Number and Percentage of New FSNA Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly[1][2][3]
USA			
Daniel Boland Rowayton, Connecticut, USA	Director	Managing Director at Macquarie Capital	None
Michael Silverton New York, New York, USA	Director	Senior Managing Director at Macquarie Capital	None
William N. Plamondon III Fort Lauderdale, Florida, USA	Director	President and Chief Executive Officer of R.I. Heller & Co. LLC	None
Robert M. Barton Lithia, Florida, USA	President and Chief Operating Officer	President and Chief Operating Officer of FSNA	20,500 0.03%
Ashley Chambliss Madison, Mississippi, USA	Interim Chief Financial Officer	Interim Chief Financial Officer of FSNA	None
O. Kendall Moore Madison, Mississippi, USA	General Counsel	General Counsel, Secretary and Vice President of FSNA	None

Notes:

(1) Assumes 62,820,426 issued and outstanding New FSNA Shares.

(2) Percentage provided assumes the conversion of all issued and outstanding Preferred Shares to New FSNA Shares. See "*The Transaction – The Preferred Shares*" in this Circular.

(3) Not including 963,000, 963,000, 1,753,334 and 231,524 New FSNA Options held by Messrs. McDonnell, Barton, Moore and Ms. Chambliss, respectively.

The term of office of the directors will expire on the date of the first annual meeting of the shareholders of New FSNA or when their successors have been duly elected and qualified, unless their office is earlier vacated in accordance with the Certificate of Incorporation or pursuant to the provisions of applicable Delaware law.

Following completion of the Transaction, it is expected that the directors and executive officers of New FSNA, as a group, will beneficially own, or exercise control or direction over, directly or indirectly, an aggregate of 23,855,876 New FSNA Shares, representing approximately 37.97% of the issued and outstanding New FSNA Shares (approximately 19.08% of the issued and outstanding New FSNA Shares on an as-converted basis).

The following is a summary biography of each of the proposed directors and executive officers of New FSNA.

Thomas P. McDonnell, III
Chief Executive Officer, Chairman and Director

Mr. McDonnell has been a U-Save franchisee since 1994 and he currently operates one U Save franchise in the greater Jackson, Mississippi area. Mr. McDonnell became Chief Executive Officer and Director of U-Save America in 1996 and in December of 2003 he became Co-Chief Executive Officer. He has also served as President and Director of U-Save Holdings, Inc., located in Ridgeland, Mississippi, since 1996. Since November 2006 he has served as Co-Chief Executive Officer of FSNA and, in December 2012, he became FSNA's sole Chief Executive Officer and sole Chairman. Mr. McDonnell has served as President and Director of LeFleur Transportation of Jackson, Inc. in Ridgeland, Mississippi and its affiliates, and as President and Director of Private Investment Management, Inc., since 1990. He has served as Chairman of the Board of Managers and Treasurer of System7Franchising, LLC in Charlotte, North Carolina since 2009.

Bruce Donaldson
Director

Mr. Donaldson is a Managing Director at Macquarie Capital, which he joined in 2008. Mr. Donaldson invests in, and manages, certain private capital investments for Macquarie Capital. Mr. Donaldson currently serves as a director on the board of certain Macquarie-affiliated companies.

Daniel Boland
Director

Mr. Boland is a Managing Director at Macquarie Capital, which he joined in 2008. Mr. Boland invests in, and manages, certain private capital investments for Macquarie Capital. Mr. Boland currently serves as a director on the board of certain Macquarie-affiliated companies.

Michael Silverton
Director

Mr. Silverton is a Senior Managing Director at Macquarie Capital, which he joined in 1997. Mr. Silverton invests in, and manages, certain private capital investments for Macquarie Capital. Mr. Silverton currently serves as a director on the board of certain Macquarie-affiliated companies.

David I. Forseth
Director

Mr. Forseth was Chairman and President of Forseth Management Inc. from 1974 until its amalgamation with Practicar Systems Inc. ("**Practicar**") in 1996 after which he served, at various times, as Practicar's Chairman, Chief Executive Officer and President until its business combination with U-Save America in 2006. Mr. Forseth currently serves as Chief Executive Officer of Concept Management Ltd., operating as JaniKing of Southern Alberta, a commercial cleaning business, in the province of Alberta.

Thomas H. McNeely
Director

Mr. McNeely served as the President and Chief Executive Officer of Herbal Magic LLC from 2003 to 2007. Mr. McNeely served as an Executive Vice President and Chief Financial Officer at Tim Hortons group of companies. He served as Vice President and Corporate Controller at Abitibi-Consolidated Inc. and spent several years as external auditor with PriceWaterhouse LLP's Toronto office. Mr. McNeely has been a director of Pet Valu Inc. since May 2008 and FSNA since March 26, 2009. Mr. McNeely currently serves as the chief executive officer of Pet Valu Canada, Inc.

William N. Plamondon III
Director

Mr. Plamondon began his career in franchise development at Budget Rent A Car in 1978. As Vice President, franchised operations, Mr. Plamondon built Budget Rent A Car's functions in field operations, training and development, and acquisition and refranchising. From 1989 to 1992, Mr.

Plamondon served as the Executive Vice President of sales and marketing and later Executive Vice President, North America. From 1992 to 1997, Mr. Plamondon served as President of Budget Rent A Car. Mr. Plamondon was the founding member of the National Tourism Organization and formerly served on the board of directors for American Car Rental Association, Protein Polymer Technologies Inc., American Technologies Group, Ecologic Transportation, Inc. and International Franchise Association and ANC Rental Corporation. Mr. Plamondon founded R.I. Heller & Co. LLC in 1998 and serves as its current President and Chief Executive Officer.

Robert M. Barton
President and Chief Operating Officer

From June 2003 to June 2006, Mr. Barton was part owner and Executive Vice President of Van Rental Services, LLC, a U-Save franchise located in Tampa, Florida. In July 2004 Mr. Barton joined U-Save America, as Vice President, Sales and Marketing. In August of 2005 Mr. Barton became Executive Vice President of U-Save America. In October 2006, Mr. Barton was named Chief Operating Officer of U-Save America. In July 2009, Mr. Barton was named President of U-Save America. From November 2006 to July 2009, he served as Executive Vice President and Chief Operating Officer of FSNA. Mr. Barton was appointed President and Chief Operating Officer of FSNA in July 2009. He is also the current President of the American Car Rental Association (ACRA).

Ashley Chambliss
Interim Chief Financial Officer

Ms. Chambliss joined U-Save America in March 2001 as Director of Accounting. In November 2006, she became Corporate Controller of U-Save. Since November 2006, she has served as Corporate Controller of FSNA. In March 2012, she was promoted to Interim Chief Financial Officer of FSNA.

O. Kendall Moore
General Counsel

Mr. Moore joined U-Save America in May 2000 and currently serves as Vice-President, General Counsel and Secretary. Since November 2006, he has served as General Counsel and Secretary of FSNA.

Corporate Cease Trade Orders

As a reporting issuer on the TSXV, FSNA's annual audited financial statements in respect of the 12 month period ending September 30, 2007 (the "**2007 Annual Financial Statements**") were required to be filed with the Canadian securities regulatory authorities by no later than January 28, 2008. FSNA did not meet this deadline and did not file its 2007 Annual Financial Statements by January 28, 2008. The delay in filing such statements related, in part, to the challenge of combining FSNA's United States and Canadian operations as a result of the transaction with U-Save America, as well as consolidating prior financial information prepared in respect of different financial periods and two sets of accounting standards.

On January 28, 2008, FSNA issued a press release announcing that it had delayed the filing of the 2007 Annual Financial Statements. On February 6, 2008, the corresponding material change report was filed on SEDAR. A press release providing an update with respect to the anticipated timing of the filing of the 2007 Annual Financial Statements was issued on February 22, 2008. On February 25 and February 29, 2008, FSNA filed its 2007 Annual Financial Statements and its first quarter interim financial statements, respectively.

On February 4, 2008, the Alberta Securities Commission issued a cease trade order in respect of FSNA. FSNA was also cease traded in British Columbia and Manitoba on February 5 and February 20, 2008, respectively. In addition, the Ontario Securities Commission issued a temporary cease trade order dated February 7, 2008 and a cease trade order dated February 19, 2008 (the cease

trade orders issued by each of the Alberta Securities Commission, the British Columbia Securities Commission, The Manitoba Securities Commission and the Ontario Securities Commission are collectively referred to as the "**Cease Trade Orders**"). The TSXV, as a result of the cease trade order issued by the Alberta Securities Commission, suspended trading in the FSNA Shares effective February 4, 2008.

By June 26, 2008, all of the Cease Trade Orders were revoked, and on June 26, 2008 trading in the FSNA Shares on the TSXV resumed.

Thomas P. McDonnell, III was a director of FSNA when the Cease Trade Orders were issued and the FSNA Shares were suspended from trading on the TSXV.

Other than as described above, no proposed director or executive officer of New FSNA is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company that was:

(a) subject 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 consecutive days, 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 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 consecutive days, 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.

Bankruptcies

Other than as disclosed below or elsewhere in this Circular, no proposed director or executive officer of New FSNA or an FSNA Shareholder or Adreca shareholder that is expected to hold a sufficient number of securities of New FSNA to affect materially the control of New FSNA:

(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 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.

Penalties and Sanctions

Other than as disclosed in this Circular, no proposed director or executive officer of New FSNA or an FSNA Shareholder or Adreca shareholder that is expected to hold a sufficient number of securities of New FSNA to affect materially the control of New FSNA, has been subject to:

(a) 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) 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.

Auditors

The auditors of FSNA are Ernst & Young LLP at its offices located at 222 Bay Street, 21st Floor, Toronto, ON, M5K 1J7.

Transfer Agent and Registrar

The transfer agent and registrar for the FSNA Shares in Canada is, and after the Transaction will remain, in respect of the New FSNA Shares, Computershare Trust Company of Canada at its principal offices in Toronto, Ontario, Canada.

STATEMENT OF EXECUTIVE COMPENSATION

See Schedule "J" – "*Statement of Executive Compensation*" in this Circular.

COMPARISON OF SHAREHOLDER RIGHTS

Upon completion of the Transaction, FSNA Shareholders will become New FSNA Shareholders. Since New FSNA will be a Delaware company, the rights of New FSNA Shareholders will be governed by the applicable laws of the State of Delaware, including the DGCL, and by the Certificate of Incorporation and by-laws of New FSNA. Since FSNA is currently a CBCA company and the rights of FSNA Shareholders are governed by the CBCA and by FSNA's articles and by-laws. Although the right and privileges of shareholders under the CBCA are in many instances comparable to those under the DGCL, there are several differences. See Schedule "F" – "*Comparison of Shareholders Rights*" in this Circular.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Introduction

The following summary describes the principal Canadian federal income tax considerations generally applicable to an FSNA Shareholder who holds, as a beneficial owner, FSNA Shares pursuant to the Plan of Arrangement. This summary is applicable to such a holder who, at all relevant times, for purposes of the *Income Tax Act* (Canada), (the "**Tax Act**") (i) deals at arm's length and is not affiliated with FSNA or New FSNA, (ii) holds its FSNA Shares and will hold its New FSNA Shares as capital property; (iii) in respect of which New FSNA is not a "foreign affiliate" for the purposes of the Tax Act; (iv) is not a "specified financial institution" for purposes of the Tax Act; (iv) has not elected under the Tax Act to determine his or her Canadian tax results in a currency other than Canadian currency; and (v) has not entered and will not enter into a "derivative forward agreement" as that term is defined in proposed amendments contained in a Notice of Ways and Means Motion that accompanied the federal budget tabled by the Minister of Finance (Canada) on March 21, 2013 with respect to the FSNA Shares or the New FSNA Shares. The FSNA Shares and New FSNA Shares will generally be capital property to a holder unless they are held in the course of carrying on a business of trading or dealing in securities or have been acquired in a transaction or transactions considered to be an adventure or concern in the nature of trade. This summary assumes that FSNA will cease to be resident in Canada for purposes of the Tax Act at the time of the Continuance and that from the time of the Continuance and at all relevant times thereafter, New FSNA will be a resident of the United States for purposes of the Canada-U.S. Income Tax Convention (1980) (the "**Treaty**"), and will be entitled to the benefits of the Treaty.

This summary is based upon (i) the facts set out in this Circular (including the documents incorporated by reference, (ii) the current provisions of the Tax Act, and (iii) an understanding of the current administrative policies and practices of the CRA published 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 (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, administrative or judicial action nor does it take into account tax legislation or consideration of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

Certain holders resident in Canada for purposes of the Tax Act ("**Canadian Resident Holders**") whose FSNA Shares might not otherwise qualify as capital property may be entitled to make, or may, to the extent they have not already done so, make the irrevocable election permitted by subsection 39(4) of the Tax Act, the effect of which may be to deem to be capital property the FSNA Shares (and all other "Canadian securities", as defined in the Tax Act) owned by such Canadian Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. Canadian Resident Holders whose FSNA Shares might not otherwise be considered to be capital property should consult their own tax advisors regarding this election. New FSNA Shares will not be Canadian securities for these purposes.

This summary does not address the Canadian tax consequences of the Transaction to any holder of FSNA Options. **Any holder of FSNA Options is urged to consult their own tax advisors with respect to the tax consequences of the Transaction having regard to their own particular circumstances.**

Subject to certain exceptions that are not discussed in this summary, for purposes of the Tax Act, all amounts must be determined in Canadian dollars based on the daily noon rate as quoted by the Bank of Canada for the applicable day (or, if there is no such rate quoted for the applicable day, the closest preceding day for which such a rate is quoted) or such other rate of exchange that is acceptable to the CRA.

This summary is of a general nature only, and is not intended to be legal or tax advice to any particular holder. This summary is not exhaustive of all possible Canadian federal income tax considerations. Accordingly, holders of FSNA Shares should consult their own tax advisors having regard to their particular circumstances.

Tax Consequences of the Continuance to FSNA

Upon the Continuance, FSNA will cease to be a resident of Canada for purposes of the Tax Act and will thereafter no longer be subject to Canadian tax on its worldwide income (but will be subject to U.S. federal and state tax). However, if New FSNA carries on business in Canada or has other Canadian sources of income, it will be subject to Canadian tax in respect of such Canadian-source income, subject to relief under the Treaty.

For purposes of the Tax Act, FSNA's taxation year will be deemed to have ended immediately before it ceases to be a resident of Canada and a new taxation year will be deemed to have begun at that time. Immediately before the deemed year end, FSNA will be deemed to have disposed of each of its properties for proceeds of disposition equal to the fair market value of such properties and to have reacquired the properties at a cost amount equal to the fair market value immediately thereafter. Such deemed disposition may cause FSNA to incur a Canadian income tax liability as a result of income or capital gains realized on such deemed disposition.

The Tax Act also imposes an emigration tax on a corporation when it ceases to be resident in Canada as described above. The emigration tax will be imposed on the amount by which the fair

market value of all of the properties of FSNA immediately before the Continuance exceeds the aggregate of (i) the paid-up capital of the shares of FSNA and (ii) the amount of debts owing by FSNA (other than amounts payable in respect of dividends and this emigration tax), calculated immediately before the taxation year which is deemed to have ended on its emigration. The emigration tax must be paid on or before the day on which FSNA is required to file its income tax return for such taxation year and cannot be offset by any losses of FSNA. The emigration tax will be imposed at a rate of 5%, unless it can reasonably be concluded that one of the main reasons that FSNA became resident in the U.S. was to reduce the emigration tax or Canadian withholding tax payable by FSNA, in which case the rate of emigration tax would be 25%.

The management of FSNA, along with its professional advisors, will determine the fair market value of the properties of FSNA for purposes of the foregoing deemed disposition at fair market value and emigration tax. However, the CRA may not accept management's determination of the fair market value for such purposes.

Canadian Resident Holders

The following portion of this summary is applicable to holders of FSNA Shares and New FSNA Shares who are Canadian Resident Holders.

Canadian Resident Holders should not be deemed to have disposed of their FSNA Shares as a result of the Continuance and therefore, should not recognize any capital gain or loss.

When a Canadian Resident Holder sells or otherwise disposes of New FSNA Shares such Canadian Resident Holder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the adjusted cost base of such shares and any reasonable costs of disposition. One-half of any capital gain will be included in income as a taxable capital gain and one-half of any capital loss will be deducted as an allowable capital loss against taxable capital gains realized in the year of disposition. Any unused allowable capital losses may be applied to reduce net taxable capital gains realized in the three preceding taxation years or any subsequent taxation year, subject to the detailed provisions of the Tax Act in that regard.

A Canadian Resident Holder's adjusted cost base of its New FSNA Shares may be adjusted through the application of the OIFP Rules which are discussed below under the subheading "Offshore Investment Fund Property Rules".

Dividends received or deemed to be received by a Canadian Resident Holder on the New FSNA Shares will be included in computing the Canadian Resident Holder's income for tax purposes. In the case of a Canadian Resident Holder that is an individual, such dividends will not be subject to the gross-up and dividend tax credit rules normally applicable in respect of taxable dividends received from taxable Canadian corporations. In the case of a Canadian Resident Holder that is a corporation, such Canadian Resident Holder will not be able to deduct the amount of dividends in computing its taxable income.

A "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6⅔% on its "aggregate investment income" which is defined to include amounts in respect of taxable capital gains and certain dividends.

To the extent that U.S. withholding taxes are imposed on dividends paid by New FSNA to a Canadian Resident Holder following the Continuance, the amount of such tax will generally be eligible for a Canadian foreign tax credit or tax deduction, subject to the detailed rules and limitations under the Tax Act. Canadian Resident Holders are advised to consult their own tax advisors with respect to the availability of a Canadian foreign tax credit or deduction having regard to their particular circumstances.

Canadian Resident Dissenters

A Canadian Resident Holder that validly exercises Dissent Rights (a "**Canadian Resident Dissenter**") and consequently is entitled under the Arrangement to receive the fair value of the FSNA Shares in respect of which they dissent, will be deemed to have transferred their shares to FSNA in exchange for FSNA's obligation to pay the fair value of such shares. Although the issue is not free from doubt, under such circumstances the Canadian Resident Dissenter will be deemed to have received a dividend on FSNA Shares equal to the amount by which the fair value of the FSNA Shares exceeds the paid-up capital of such shares for purposes of the Tax Act.

The amount of this deemed dividend could, in some circumstances, be treated as proceeds of disposition in the case of Canadian Resident Dissenters that are corporations. The difference between the fair market value and the amount of the deemed dividend would be treated as proceeds of disposition of the FSNA Shares for purposes of computing any capital gain or capital loss arising on the disposition thereof. The Canadian Resident Dissenter must include in its income any interest awarded to it by a court. Canadian Resident Dissenters that are corporations should consult their own tax advisors with respect to the tax treatment in their particular circumstances of dissenting to the Arrangement.

Canadian Resident Holders that are considering exercising Dissent Rights in connection with the Arrangement are urged to consult their tax advisors with respect to the tax consequences of such action in their particular circumstances.

Foreign Property Information Reporting

A Canadian Resident Holder that is a "specified Canadian entity" for a taxation year or a fiscal period and whose total "cost amount" (as such terms are defined in the Tax Act) of "specified foreign property" at any time in the year or fiscal period exceeds $100,000 will be required to file an information return on or before the entity's "filing due date" (as defined in the Tax Act) for the year or period disclosing prescribed information. In the March 4, 2010 Federal Budget, the Minister of Finance proposed that the existing reporting requirements with respect to "specified foreign property" be expanded to require more detailed information. As of the date hereof, revised legislation reflecting such proposed amendments has not yet been released. The New FSNA Shares will be "specified foreign property" for these purposes and Canadian Resident Holders should consult their own tax advisors to determine whether these rules are applicable in their particular circumstances.

Eligibility for Investment

New FSNA Shares issued under the Arrangement will, on the Arrangement Effective Date, be qualified investments under the Tax Act for registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), deferred profit sharing plans, registered education savings plans, tax-free savings accounts ("**TFSAs**") and registered disability savings plans (collectively "**Plans**") provided that, on such date, the New FSNA shares are listed on a designated stock exchange (which currently includes the TSXV).

Notwithstanding the foregoing, if the New FSNA Shares are a "prohibited investment" for a TFSA, RRSP or RRIF, the holder of the TFSA or the annuitant of the RRSP or RRIF, as the case may be, will be subject to a penalty tax as set out in the Tax Act. New FSNA Shares will generally not be a "prohibited investment" for a TFSA, RRSP or RRIF provided that the holder of the TFSA, or the annuitant of the RRSP or RRIF, as the case may be, deals at arm's length with New FSNA for purposes of the Tax Act and does not have a "significant interest" (within the meaning of the Tax Act) in New FSNA or in any corporation, partnership or trust with which New FSNA does not deal at arm's length for purposes of the Tax Act. Pursuant to proposed amendments to the Tax Act released by the Department of Finance (Canada) on December 21, 2012, the New FSNA Shares will generally not be a "prohibited investment" provided that the holder of the TFSA, or the annuitant under the

RRSP or RRIF, as the case may be, deals at arm's length with New FSNA for purposes of the Tax Act and does not have a "significant interest" (within the meaning of the Tax Act) in New FSNA. In addition, pursuant to such proposed amendments, the New FSNA Shares will generally not be a "prohibited investment" if the New FSNA Shares are "excluded property" as defined in such proposed amendments for trusts governed by a TFSA, RRSP or RRIF. Holders of TFSAs and annuitants of RRSPs and RRIFs should consult their own tax advisors as to whether the New FSNA Shares will be a "prohibited investment" in their particular circumstances.

Offshore Investment Fund Property Rules

The Tax Act contains rules which, in certain circumstances, may require a Canadian Resident Holder to include an amount in income in each taxation year in respect of the acquisition and holding of New FSNA Shares if:

(a) the value of such New FSNA Shares may reasonably be considered to be derived, directly or indirectly, primarily from portfolio investments in (i) shares of the capital stock of one or more corporations, (ii) indebtedness or annuities, (iii) interests in one or more corporations, trusts, partnerships, organizations, funds or entities, (iv) commodities, (v) real estate, (vi) Canadian or foreign resource properties, (vii) currency of a country other than Canada, (viii) rights or options to acquire or dispose of any of the foregoing, or (ix) any combination of the foregoing ("**Investment Assets**").

(b) It may be reasonably concluded that one of the main reasons for the Canadian Resident Holder acquiring or holding the New FSNA Shares was to derive a benefit from portfolio investments in Investment Assets in such a manner that the taxes, if any, on the income, profits and gains from such Investment Assets for any particular year are significantly less than the tax that would have been applicable under Part I of the Tax Act if the income, profits and gains had been earned directly by the Canadian Resident Holder.

If applicable, these rules would generally require a Canadian Resident Holder to include in income for each taxation year in which such Canadian Resident Holder holds the New FSNA Shares, an imputed amount determined by applying a prescribed rate of interest to the "designated cost" (as defined for purposes of the offshore investment fund property rules) to the Canadian Resident Holder of such New FSNA Shares at the end of the month for the year (other than a capital gain) of the Canadian Resident Holder from the New FSNA Shares. Any amount required to be included in computing a Canadian Resident Holder's income in respect of a New FSNA Share under these rules would be added to the adjusted cost base to the Canadian Resident Holder of such New FSNA Share.

The application of these rules depends, to a large extent, on the reasons for a Canadian Resident Holder acquiring or holding New FSNA Shares. Canadian Resident Holders are urged to consult their own tax advisors regarding the application and consequences these rules.

U.S. Resident Holders

This portion of the summary is generally applicable to a holder of FSNA Shares who, at all relevant times, for purposes of the application of the Tax Act, is resident of the United States for purposes of the Treaty and is entitled to the benefits therein, and who does not use or hold, and is not deemed to use or hold, their FSNA Shares in the course of carrying on a business in Canada ("**U.S. Resident Holders**"). Special rules, which are not discussed in this summary, may apply to a U.S. Resident Holder of FSNA Shares or New FSNA Shares that is a non-resident insurer that carries on an insurance business in Canada and elsewhere. Such holders should consult their own advisors with respect to the tax treatment of owning FSNA Shares or New FSNA Shares in their particular circumstances.

U.S. Resident Holders will not be deemed to have disposed of their FSNA Shares as a result of the Arrangement. After the Continuance, U.S. Resident Holders will not be subject to Canadian withholding tax on dividends received from New FSNA.

A U.S. Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on the disposition of New FSNA Shares after the Continuance unless such shares are "taxable Canadian property" for purposes of the Tax Act and the U.S. Resident Holder is not entitled to protection under the Treaty. Provided that the New FSNA Shares are listed on a designated stock exchange (which includes the TSXV) at a particular time, the New FSNA Shares will not generally constitute taxable Canadian property to a U.S. Resident Holder at that time unless (i) at any time during the 60 month period that ends at the time of disposition, the U.S. Resident Holder or persons with whom the U.S. Resident Holder did not deal at arm's length (within the meaning of the Tax Act), or any combination thereof, owned 25% or more of the issued shares of any class of the capital stock of FSNA or New FSNA; and at such time, (ii) more than 50% of the fair market value of the FSNA Shares or New FSNA Shares was derived directly or indirectly from one or any combination of real or immovable properties situated in Canada, Canadian resource properties, Canadian timber resource properties and options in respect of or interests or rights in such properties. In certain circumstances New FSNA Shares could be deemed to be taxable Canadian property to a U.S. Resident Holder.

Dissenting U.S. Resident Holders

A U.S. Resident Holder that validly exercises Dissent Rights (a "**U.S. Resident Dissenter**") and consequently is entitled under the Arrangement to receive the fair value of the FSNA Shares in respect of which they dissent, will be deemed under the Arrangement to have transferred FSNA Shares to FSNA in exchange for FSNA's obligation to pay the fair value of such shares. Although the issue is not free from doubt, under such circumstances, the U.S. Resident Dissenter will be deemed to have received a dividend on FSNA Shares equal to the amount by which the fair value of the FSNA Shares exceeds the paid-up capital of such shares for purposes of the Tax Act. The deemed dividend will be subject to Canadian withholding tax at a rate of 25% of the gross amount of the deemed dividend, but will be reduced to the rate of 15% under the provisions of the Treaty, other than for U.S. Resident Dissenters that are U.S. corporations owning at least 10% of the voting stock of FSNA, in which case the rate of withholding on dividends under the Treaty would be 5%.

A U.S. Resident Dissenter will also be considered to have disposed of the FSNA Shares for proceeds of disposition equal to the amount paid to such U.S. Resident Dissenter. A U.S. Resident Dissenter will not be subject to tax under the Tax Act on any capital gain realized on such disposition of FSNA Shares unless such shares are "taxable Canadian property" for purposes of the Tax Act and the U.S. Resident Dissenter is not entitled to protection under the Treaty.

Interest received by a U.S. Resident Dissenter consequent to the exercise of dissent rights will not be subject to withholding tax under the Tax Act, provided such interest is not "participating debt interest" for purposes of the Tax Act.

U.S. Resident Holders who are considering exercising Dissent Rights in connection with the Arrangement are urged to consult their tax advisors with respect to the tax consequences of such action.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

Notice Pursuant to IRS Circular 230

NOTICE PURSUANT TO IRS CIRCULAR 230: NOTHING CONTAINED IN THIS SUMMARY CONCERNING ANY U.S. FEDERAL INCOME TAX ISSUE IS INTENDED OR WRITTEN TO BE USED, AND IT CANNOT BE USED, BY A HOLDER OF FSNA SHARES AND/OR NEW FSNA SHARES FOR THE PURPOSE OF AVOIDING U.S. FEDERAL TAX

PENALTIES UNDER THE CODE. THIS SUMMARY WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED BY THIS CIRCULAR. EACH HOLDER SHOULD SEEK U.S. FEDERAL TAX ADVICE, BASED ON SUCH HOLDER'S PARTICULAR CIRCUMSTANCES, FROM AN INDEPENDENT TAX ADVISOR.

Scope of this Disclosure

The following discussion sets forth certain material U.S. federal income tax consequences of (i) the Continuance and the Merger to FSNA, New FSNA, Adreca and holders of FSNA Shares and New FSNA Shares and (ii) holding and disposing of New FSNA Shares by Non-U.S. Holders (as defined below). This discussion addresses only those FSNA Shareholders who hold FSNA Shares and New FSNA Shares, as applicable, as a capital asset. This discussion does not address all aspects of taxation that may be relevant to particular holders in light of their personal investment or tax circumstances or to persons that are subject to special tax rules. In particular, this description of U.S. federal income tax consequences does not address the tax treatment of special classes of holders, such as banks, insurance companies, tax-exempt entities, financial institutions, broker-dealers, dealers in securities or currencies, holders that elect to use the mark-to-market method of accounting, controlled foreign corporations, passive foreign investment companies, real estate investment trusts, regulated investment companies, persons holding FSNA Shares and/or New FSNA Shares as part of a hedging or conversion transaction or as part of a "straddle," United States expatriates, holders who acquired their FSNA Shares pursuant to the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan, holders who are treated as partnerships for U.S. federal income tax purposes and holders of FSNA Options.

This discussion is also based on the assumptions that FSNA is taxed as a domestic corporation for U.S. federal income tax purposes in accordance with Section 7874(b) of the Code, that the Continuance and the Merger take place as described in the Merger Agreement and Plan of Arrangement and that the factual representations contained therein, and otherwise received from FSNA, Adreca, and New FSNA are true without regard to any "knowledge" or "materiality" qualifier contained therein. This discussion is based on current provisions of the Code, U.S. Treasury Regulations, judicial opinions, published positions of the IRS, and other applicable authorities, all as in effect on the date of this proxy circular and all of which are subject to differing interpretations or change, possibly with retroactive effect. This discussion does not give a detailed discussion of any U.S. federal estate, state, local or foreign tax considerations.

FSNA has not sought, and will not seek, a ruling from the IRS as to any U.S. federal income tax consequence described herein. The IRS may disagree with the discussion herein, and its determination may be upheld by a court. Moreover, there can be no assurance that future legislation, regulation, administrative rulings or court decisions will not adversely affect the accuracy of the statements in this discussion.

As used in this summary, the term "U.S. Holder" means a beneficial owner of FSNA Shares and/or New FSNA Shares that is for U.S. federal income tax purposes:

(a) a citizen or resident of the United States;

(b) a corporation (including any entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof, or the District of Columbia;

(c) an estate the income of which is taxable in the United States regardless of its source; or

(d) a trust, the administration of which is subject to the primary supervision of a United States Court and over which one or more United States persons have the authority to

control all substantial decisions of the trust, or that has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a United States person.

If a partnership (including for this purpose any other entity, either organized within or without the United States, that is treated as a partnership for U.S federal income tax purposes) holds the shares, the tax treatment of a partner as a beneficial owner of the shares, generally will depend upon the status of the partner and the activities of the partnership. Foreign partnerships also generally are subject to special U.S. federal income tax documentation requirements. A beneficial owner of FSNA Shares and/or New FSNA Shares who is neither a U.S. Holder nor a partnership is referred to below as a "Non-U.S. Holder."

Tax Consequences of the Continuance and Merger to FSNA and New FSNA

The Continuance is expected to be treated for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368 of the Code. In addition, the Merger is expected to be treated for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368 of the Code. Assuming the Continuance and the Merger are respected as reorganizations under the Code by the IRS, no gain or loss will be recognized by FSNA, New FSNA or Adreca as a result of the Continuance or the Merger.

If, by virtue of the Merger or any subsequent transactions in New FSNA Shares or other "stock" (as defined in Section 382 of the Code) of New FSNA, an "ownership change" (within the meaning of Section 382 of the Code) occurs with respect to New FSNA or a "loss group" (as defined in Section 1.1502-91(c)(1) of the U.S Treasury Regulations), of which New FSNA is the common parent, then the ability of New FSNA or the loss group, as applicable, to use its net operating losses or other tax assets may be severely limited following such "ownership change".

Tax Consequences of the Continuance and the Merger to the Shareholders

The Continuance

The following are the material U.S. federal income tax consequences of the Continuance to the holders of FSNA Shares, assuming that the Continuance is respected as a reorganization under Section 368 of the Code by the IRS:

(a) holders of FSNA Shares who receive New FSNA Shares upon conversion of their FSNA Shares in connection with the Continuance will not recognize any gain or loss with respect to such transaction;

(b) the aggregate tax basis of the New FSNA Shares received by holders of FSNA Shares in the Continuance will be the aggregate tax basis of the FSNA Shares converted thereto; and

(c) the holding period for the New FSNA Shares received in the Continuance will include the holder's holding period for the FSNA Shares converted thereto.

It should be noted that one or more subsidiaries of FSNA own parcels of United States real estate, United States personal property, United States leasehold interests and interests in domestic corporations that may constitute United States real property interests, as defined in the Code ("**USRPIs**"). Generally, a corporation is a United States real property holding corporation ("**USRPHC**") if the fair market value of its USRPIs equals or exceeds 50% of the aggregate fair market value of its worldwide real property interests and its other assets used or held for use in a trade or business. The determination of whether FSNA is a USRPHC is fact specific and depends on the composition of its assets. FSNA has not made a determination of whether it is a USRPHC. If FSNA is a USRPHC, Non-U.S. Holders may be required to comply with certain reporting and other requirements of Section 897 of the Code and applicable U.S. Treasury Regulations to achieve nonrecognition of gain, carryover tax basis and tacked holding periods upon the conversion of FSNA

Shares into New FSNA Shares pursuant to the Continuance. Non-U.S. Holders should consult their tax advisors to determine their reporting and other obligations with respect to the conversion of FSNA Shares into New FSNA Shares pursuant to the Continuance.

Notwithstanding the foregoing, a U.S. Holder of FSNA Shares who exercises its Dissent Rights will recognize gain or loss on the exchange of FSNA Shares for cash in an amount equal to the difference between (a) the U.S. dollar value, on the date of receipt, of the cash consideration received and (b) such holder's adjusted tax basis in its FSNA Shares. Whether a Non-U.S. Holder who is not subject to U.S. federal income tax on worldwide income and who exercises Dissent Rights would recognize gain or loss for U.S. federal income tax purposes depends upon whether FSNA constitutes a USRPHC and upon whether any income tax treaty relief applies to such Non-U.S. Holder. The tax consequences described under "Certain U.S. Federal Income Tax Considerations – Taxation of Non-U.S. Holders of New FSNA Shares; Gain on Sale or Other Disposition of New FSNA Shares" are the same as those that apply to a Non-U.S. Holder's exercise of Dissent Rights.

U.S. Holders who exercise their Dissent Rights will be subject to Canadian withholding tax on the deemed dividends received by such U.S. Holders. See "Certain Canadian Federal Income Tax Considerations – U.S. Resident Holders – Dissenting U.S. Resident Holders", above. The amount subject to Canadian withholding tax may be greater than the amount of gain actually recognized by such U.S. Holder for U.S. federal income tax purposes. The ability of a U.S. Holder to claim a foreign tax credit with respect to any Canadian taxes withheld on amounts received pursuant to the Offer is subject to complex limitations and may require that such U.S. Holder make an election pursuant to the Code and the Treaty. The rules relating to U.S. foreign tax credits are very complex, and each U.S. holder should consult its own tax adviser regarding the application of such rules and their eligibility for the benefits of the Treaty.

The Merger

There will be no U.S. federal income tax consequences of the Merger to the holders of New FSNA Shares.

Information Reporting and Backup Withholding

Information reporting and backup withholding generally will not apply to the Continuance. However, holders who exercise their Dissent Rights and receive cash in exchange for their FSNA Shares will be subject to information reporting to the IRS. In addition, backup withholding at the applicable rate will generally apply to such cash proceeds if the holder fails to properly certify that it is not subject to backup withholding, generally on an IRS Form W-9 or relevant IRS Form W-8. Certain holders, including, among others, U.S. corporations, are not subject to information reporting or backup withholding, but they would still need to furnish an IRS Form W-9 or relevant IRS Form W-8 or otherwise establish an exemption. Backup withholding is not an additional tax. Any amount withheld as backup withholding from payments to a holder will be creditable against the holder's U.S. federal income tax liability, provided that it timely furnishes the required information to the IRS. Holders should consult their own tax advisors regarding application of backup withholding in their particular circumstance and the availability of and procedure for obtaining an exemption from backup withholding under current U.S. Treasury regulations.

Taxation of Non-U.S. Holders of New FSNA Shares

Distributions on New FSNA Shares

Cash or other property distributions on New FSNA Shares (other than certain pro rata distributions of New FSNA Shares) will constitute dividends for U.S. federal income tax purposes to the extent paid from New FSNA's current earnings and profits for that taxable year or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be

applied against and reduce a Non-U.S. Holder's adjusted tax basis in its New FSNA Shares, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of New FSNA Shares and will be treated as described under the section titled "*Gain on Sale or Other Disposition of New FSNA Shares*" below.

Dividends paid to a Non-U.S. Holder of New FSNA Shares generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends, or such lower rate specified by an applicable income tax treaty (generally 15% for Non-U.S. Holders who are eligible for the benefits of the Treaty, other than for Non-U.S. Holders that are Canadian corporations owning at least 10% of the voting stock of New FSNA, in which case the rate of withholding on dividends under the Treaty would be 5%). To receive the benefit of a reduced treaty rate, a Non-U.S. Holder must furnish to New FSNA a valid IRS Form W-8BEN (or other applicable form) certifying, under penalties of perjury, such Non-U.S. Holder's qualification for the reduced rate. This certification must be provided to New FSNA prior to the payment of dividends and must be updated periodically.

If a Non-U.S. Holder holds New FSNA Shares in connection with the conduct of a trade or business in the United States, and if dividends paid on New FSNA Shares are effectively connected with such Non-U.S. Holder's U.S. trade or business, the Non-U.S. Holder will be exempt from the aforementioned U.S. federal withholding tax. To claim the exemption, the Non-U.S. Holder must furnish to New FSNA a properly executed IRS Form W-8ECI (or applicable successor form).

Such effectively connected dividends generally will be subject to U.S. federal income tax on a net income basis at the regular graduated U.S. federal income tax rates in the same manner as if such Non-U.S. Holder were a resident of the United States. A Non-U.S. Holder would therefore be required to include on its U.S. federal income tax return, and to pay U.S. tax on, such effectively connected gain. A Non-U.S. Holder that is a non-U.S. corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of a portion of its effectively connected earnings and profits for the taxable year. Non-U.S. Holders should consult their tax advisors to determine whether and how any applicable income tax treaties may impact their U.S. federal tax positions.

Non-U.S. Holders that do not timely provide New FSNA with the required certification to claim an exemption from, or a reduction in the rate of, withholding may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under a relevant income tax treaty or applicability of other exemptions from withholding.

Gain on Sale or Other Disposition of New FSNA Shares

Subject to the discussion below regarding backup withholding, a Non-U.S. Holder generally will not be subject to U.S. federal income tax on any gain realized upon the sale or other disposition of New FSNA Shares, unless:

(a) the gain is effectively connected with a trade or business carried on by the Non-U.S. Holder in the United States (subject to any applicable income tax treaty);

(b) the Non-U.S. Holder is an individual present in the United States for 183 days or more in the taxable year of disposition and certain other requirements are met; or

(c) New FSNA (or FSNA) is or has been a USRPHC at any time within the shorter of the five-year period preceding the disposition and the Non-U.S. Holder's holding period for the New FSNA Shares. The determination of whether New FSNA (or FSNA) is a USRPHC is fact specific and depends on the composition of its assets. FSNA has not made a determination of whether it is a USRPHC. Because the determination of whether New FSNA is a USRPHC depends on the fair market value of its USRPIs

relative to the fair market value of its other business assets there can be no assurance that New FSNA's USRPHC status will not change in the future.

Gain described in the first bullet point above will be subject to U.S. federal income tax on a net income basis at regular graduated U.S. federal income tax rates generally in the same manner as if such Non-U.S. Holder were a resident of the United States. A Non-U.S. Holder would therefore be required to include on its U.S. federal income tax return, and to pay U.S. tax on, such effectively connected gain. A Non-U.S. Holder that is a non-U.S. corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of a portion of its effectively connected earnings and profits for the taxable year. Non-U.S. Holders should consult their tax advisors to confirm whether and how any applicable income tax treaties may impact their U.S. federal tax positions.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty) but may be offset by U.S. source capital losses (even though the individual is not considered a resident of the United States), provided that the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses. Non-U.S. Holders should consult their tax advisors to confirm whether and how any applicable income tax treaties may impact their U.S. federal tax positions.

Gain described in the third bullet point above will be subject to U.S. federal income tax on a net income basis at regular graduated U.S. federal income tax rates generally in the same manner as if such Non-U.S. Holder were a resident of the United States. In addition, if FSNA is a USRPHC, the purchaser of the New FSNA Shares will be required to withhold and remit to the IRS 10% of the purchase price unless an exception applies (e.g., it receives a "withholding certificate" from the Non-U.S. Holder). A Non-U.S. Holder also will be required to file a U.S. federal income tax return for any taxable year in which it realizes a gain from the disposition of New FSNA Share that is subject to U.S. federal income tax. Non-U.S. Holders should consult their own tax advisors concerning the consequences of disposing of New FSNA Shares.

Backup Withholding and Information Reporting

Generally, New FSNA must report annually to the IRS and to each Non-U.S. Holder the amount of dividends paid to, and the tax withheld with respect to, each Non-U.S. Holder. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the Non-U.S. Holder resides or is established. Backup withholding generally will not apply to distributions to a Non-U.S. Holder of New FSNA Shares provided the Non-U.S. Holder furnishes to New FSNA the required certification as to its non-U.S. status, such as by providing a valid IRS Form W-8BEN or IRS Form W-8ECI, or certain other requirements are met. Notwithstanding the foregoing, backup withholding may apply if either New FSNA has actual knowledge, or reason to know, that the holder is a U.S. person that is not an exempt recipient.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

New Legislation Relating to Foreign Accounts

The newly enacted Foreign Account Tax Compliance Act ("**FATCA**") may impose withholding taxes on certain types of payments made to "foreign financial institutions" or "FFIs" and certain "non-financial foreign entities", or "NFFEs". FATCA imposes a 30% withholding tax on dividends on, or gross proceeds from, the sale or other disposition of New FSNA Shares paid to an FFI unless the FFI enters into an agreement with the IRS to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these reporting and other requirements. In addition, the legislation

imposes a 30% withholding tax on the same types of payments to certain NFFEs unless these entities certify that they do not have any substantial U.S. owners or furnish identifying information regarding each substantial U.S. owner. Pursuant to recently issued final U.S. Treasury Department regulations, these rules generally would apply to payments of dividends made after December 31, 2013, and to gross proceeds from the sale or other disposition of New FSNA Shares after December 31, 2016. The categorization of many entities as FFIs or NFFEs is not entirely clear under the Final Regulations, so prospective investors should consult their tax advisors regarding the impact of this legislation.

The U.S. federal income tax discussion set forth above is included for general information purposes only and may not be applicable depending upon a holder's particular situation. FSNA Shareholders should consult their own tax advisors with respect to the tax consequences to them of the Continuance and the Merger and the acquisition, ownership, and disposition of New FSNA Shares, including the tax consequences under U.S. federal, state, local, foreign and other tax laws, and the possible effects of changes in U.S. federal or other tax laws.

OTHER TAX CONSIDERATIONS

This Circular does not address any tax considerations of the Transaction other than Canadian and United States federal income tax considerations. FSNA Shareholders who are resident in jurisdictions other than Canada and the United States should consult their tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions and with respect to the tax implications in such jurisdictions. FSNA Shareholders should also consult their own tax advisors regarding provincial, territorial or state considerations of the Transaction.

RISK FACTORS

In assessing the Transaction and the operations of New FSNA and Advantage, FSNA Shareholders should carefully consider the risks described below, together with the other information contained in, or incorporated by reference in this Circular, including the disclosure under Schedule "D" – "*Information Concerning Adreca*". Additional risks and uncertainties, including those currently unknown to, or considered immaterial by, FSNA, may also adversely affect the businesses of New FSNA or Advantage.

Risks Related to the Acquisition of Advantage

New FSNA's acquisition of the Advantage rental car business as a result of the Transaction involves risks and uncertainties that may entail significant harm to its business or financial condition.

The Transaction will effectuate New FSNA's acquisition of the Advantage rental car business, which Adreca, a wholly-owned subsidiary of Boketo, acquired from Hertz in December 2012. FSNA and Adreca are parties to the Management Services Agreement under which FSNA has been providing to Adreca and Advantage management services relating to the Advantage business since Adreca acquired Advantage.

Adreca and FSNA have been operating the newly-acquired Advantage business for a limited time and, because they are currently separate entities, have not fully integrated their joint operation of the Advantage business. If the Transaction is completed, there will remain numerous risks and uncertainties relating to the acquisition of Advantage, including:

(a) the risk associated with managing the larger scale, greater geographic reach and more extensive scope of the Advantage business as compared to FSNA's existing businesses;

(b) difficulties in transforming Advantage from a business dependent on Hertz for numerous services and resources into a viable, stand-alone business that is able to effectively compete with large, well-established, rental car companies;

(c) potential problems associated with the assimilation of the operations, personnel and technologies of Advantage and the development of effective collaboration among the previously separate management teams of FSNA, Adreca and Advantage;

(d) the risk of higher than expected investments being required to implement necessary compliance processes and related systems for New FSNA, including accounting systems and internal controls over financial reporting;

(e) Advantage's current dependence on Hertz, a competitor, for the rental car fleet and related financing necessary for the operation of the Advantage business;

(f) the possibility of Adreca's available capital and financing being exhausted before the Advantage business generates sufficient cash flow, including as a result of unexpectedly high start-up costs, low revenues from car rentals, limited access to credit until stand-alone financial performance has been demonstrated, non-operating funding requirements related to the acquisition of Advantage from Hertz (including reserve accounts and short-term borrowings), or other factors;

(g) the need to raise additional capital through public or private financings if Advantage generates insufficient cash flow – either as a result of weaker than expected operating performance or transaction-related cash outflows – to fund the working capital needs of the business and the acquisition of fleet; and

(h) the risk of Advantage not performing as expected or having unforeseen liabilities (indemnification for liabilities relating to Advantage being limited under the Advantage Purchase Agreement).

In terms of revenue, number of customers, number of employees and geographic scope, Advantage is substantially larger than FSNA, so New FSNA will be likely to suffer a material adverse effect from any circumstance that has such an effect on Advantage. FSNA has no prior experience in making an acquisition that has had the scale of, or posed challenges similar to, the acquisition of Advantage.

If the Transaction is completed, New FSNA will have limited means to fund (a) the significant Transaction fees incurred by both FSNA and Adreca, (b) vehicle delivery and reserve account obligations to Hertz under the Sublease and Hawaii Lease and other non-operating funding requirements related to the acquisition of Advantage from Hertz, and (c) the operational requirements of the recently acquired Advantage rental car business of Adreca, including the acquisition of additional fleet for upcoming operations at additional airports.

Since the acquisition of Advantage, Adreca has had to make significant expenditures relating to the establishment of Advantage as a stand-alone business under the management and control of Adreca and, pursuant to the Management Services Agreement, FSNA. Significant components of these expenditures are fixed in the short term, including minimum concession fees, real estate taxes, rent, insurance, utilities, maintenance and other facility related expenses, the costs of operating Advantage's information technology systems and minimum staffing costs. In addition, significant components of these expenditures are extraordinary costs that must be incurred in an initial start-up period so that Advantage has in place the infrastructure necessary to generate revenues in the future. Many of these expenditures have been paid, or will be payable, during the off-peak winter season when revenues of Advantage are lower.

Immediately prior to its acquisition of the Advantage business from Hertz, Adreca's only asset was cash and cash equivalents equal to $15 million, which was also its net equity capital at such

time. As of the date of this Circular, Adreca also maintained access to debt financing, which is currently undrawn, in the amount of $7.5 million. See "*The Transaction – Final Structure Documents – Credit Agreement*" in this Circular.

For its fiscal year ended September 30, 2012, FSNA suffered a net loss of $2,089,966 and for its first quarter ended December 31, 2012, it suffered a net loss of $1,151,696. FSNA ended its fiscal year with cash and cash equivalents of $1,837,917, as compared to $2,586,399 at the end of its previous fiscal year. At September 30, 2012, FSNA had total shareholders' equity of $4,370,985.

If the Transaction is completed, New FSNA, taken together with Adreca, will be obligated to pay fees and other expenses related to the Transaction of approximately $11,450,000, including a $2.5 million arrangement fee payable to Macquarie Capital, filing fees, legal and accounting fees, soliciting fees, regulatory fees and printing and mailing costs. See "*The Transaction – Fees, Costs and Expenses*" in this Circular. In addition, two notes payable by FSNA to third party totaling $2.5 million will be subject to mandatory repayment as a result of the Transaction. Relative to both the combined capitalization of FSNA and Adreca and their available funds after required repayments of FSNA indebtedness, these expenses will constitute a significant current liability of New FSNA.

In addition to Transaction Expenses, New FSNA will assume all funding obligations of Adreca with respect to the acquisition of Advantage from Hertz. These obligations are largely related to the Sublease and Hawaii Lease between Advantage and Hertz and include:

(a) the payment of a $95.50 per vehicle delivery fee for the remaining 850 vehicles to be provided by Hertz;

(b) the funding of a debt service reserve account on a monthly basis that will progressively increase from an initial amount of approximately $430,000 to approximately $800,000; and

(c) the requirement in June 2013 to deposit $1 million in a hold-back reserve account that will serve as security to Hertz and provide it with protection from potential shortfalls of Advantage relating to the residual value of vehicles sold by Advantage under the Sublease and Hawaii Lease.

The substantial amounts held in these reserve accounts will be treated as restricted cash and will only be available to Advantage in limited circumstances prior to the termination of the Sublease and Hawaii Lease and payment in full of any amounts then due and payable under the Sublease and related documents. Relative to the combined capitalization of FSNA and Adreca, their available funds after required repayments of FSNA indebtedness and the projected cash flows of Adreca from operations, these vehicle delivery and reserve account amounts will constitute significant obligations that must be funded by New FSNA.

The acquisition of Advantage will include the transfer of certain airport concessions to operate rental car locations but will not include the benefit of vehicles provided by Hertz to serve such airports. As a result, New FSNA will need to acquire and finance its fleet for these locations on a stand-alone basis. With regards to the timing of the transfer of locations not supported by vehicles under the Sublease and Hawaii Lease, 10 locations are expected to be transferred in May 2013, and 3 locations in August 2013. It is estimated that Advantage will require 2,000 to 3,000 additional vehicles in connection with these locations. Advantage has commenced discussions with financing sources but, as of the date of this Circular, has not obtained committed funding.

After the completion of the Transaction, New FSNA will have only limited financial resources, in particular because of (a) the limited funds of Adreca and FSNA, (b) the significant costs relating to the Transaction and (c) the substantial transition costs relating to the operation of Advantage as a stand-alone business for the first time. With respect to the near future after completion of the Transaction, FSNA has a current business plan that contains projections of its

revenues, expenses, cash flow and funding needs. These projections are subject to numerous uncertainties and potential risks relating to the future performance of Advantage and FSNA. There can be no assurance that New FSNA will have sufficient financial resources to offset and endure material underperformance of its business in the near term. If the Transaction is completed, and Advantage or FSNA do not, in the near future, perform as well as projected in the current business plan and do not generate sufficient cash flow to meet operational and transaction-related needs, New FSNA will require additional equity or debt financing. None of Boketo, other shareholders of FSNA, any affiliates of any shareholders of FSNA or any other person has any obligation to provide any financing to New FSNA, other than pursuant to the Credit Agreement. Financing, if any, of New FSNA may be on terms that are unfavourable to holders of New FSNA's ordinary shares and may cause a decline in the value of their shares. Such shareholders could suffer significant dilution from the issuance of additional equity to supply New FSNA's financing needs.

Advantage is highly dependent on Hertz for its rental car fleet and related financing, but Hertz will only supply them to Advantage or New FSNA on a temporary basis. New FSNA may not be able to obtain alternative fleet or financing for the ongoing operation or growth of Adreca's business at attractive pricing, if at all.

If Advantage does not have a suitable rental car fleet and affordable financing for such fleet, its rental car business is not viable and cannot survive. In connection with Adreca's acquisition of Advantage from Hertz, Hertz is providing almost all of the rental car fleet and related financing necessary for the operation of the Advantage business. Even though Hertz is a competitor of Advantage, Hertz and Adreca agreed to a contract for the provision of fleet by Hertz, because Advantage could not, prior to its acquisition by Adreca, obtain fleet on attractive terms from any other person. However, Hertz will not be an available source of rental car fleet or financing to Advantage or New FSNA for more than a limited, transitional period of time. Advantage has obligations under certain of the Hertz Documents to seek to obtain alternative fleet and financing as soon as possible. In any event, Hertz's obligations to supply Advantage with fleet and financing terminates no later than December 12, 2014 (or earlier as provided under certain of the Hertz Documents).

Advantage's ability to obtain alternative fleet and financing, and the attractiveness of their terms, will depend on such factors as (a) its financial health and performance, (b) its equity capitalization and creditworthiness, (c) its operating history, (d) financiers' perceptions of its controls for preserving the value of its car rental fleet (that is, the collateral for secured financing), (e) the state of the new and used car markets and (f) conditions in the financial markets. In particular, alternative financing was unavailable to Advantage at the time of its sale to Adreca in December 2012 because of lender requirements for audited historical results and demonstrated stand-alone performance, neither of which could be satisfied as Advantage had been operated as a division of Hertz and thus did not have – and still does not have – audited financials relating to its performance as a standalone entity or an independent track record. Advantage will not be able to obtain financing until these circumstances have changed.

FSNA believes that there are numerous potential financing alternatives for the fleet including loans from commercial banks or specialty financing firms, conduit financing, car leases or a combination thereof. However, there can be no assurance that New FSNA will be able to obtain, on a timely basis or on satisfactory terms, if at all, car rental fleet and related financing from a provider that is an alternative to Hertz. The possible terms of any arrangements for alternative fleet and financing are uncertain and may be less favorable than the existing terms with Hertz. The Sublease provides New FSNA with a loan-to-value on the fleet of 100%. It is expected that the loan-to-value on the replacement financing of New FSNA will approximate the levels of rental car competitors and require an equity component of New FSNA equal to at least 10-20% of the value of the fleet. The equity component is projected to be funded through a combination of operating cash flow and

operating company debt but these projections are subject to numerous risks and uncertainties. If these projections prove to be too optimistic for New FSNA and these sources of funding prove insufficient to provide the full amount of the equity component, New FSNA may require additional equity financing at terms that may be unattractive or dilutive to existing shareholders.

New FSNA's financial condition, results of operations and business could be materially adversely affected by disadvantageous arrangements for fleet and financing. New FSNA would likely become bankrupt or insolvent if Advantage failed to maintain a supply of fleet and related financing, whether as a result of a termination of certain Hertz Documents and unavailability of alternative financing or for any other reason.

If certain of the Hertz Documents terminate, Advantage may be required to obtain additional capital to fund new vehicles to operate its car rental business and no assurances can be given that such financing or new vehicles will be available at all or available on terms acceptable to New FSNA.

Under certain of the Hertz Documents, there are (i) a number of covenants that impose obligations on Adreca, Advantage and FSNA and its Subsidiaries and (ii) potential circumstances affecting Adreca, Advantage and FSNA and its Subsidiaries that could constitute events of default, including events of default arising from material breaches of such covenants. The occurrence of any defaults under such Hertz Documents could result in a termination of them. If New FSNA were to lose the vehicles and financing under the Hertz Documents, there can be no assurances that alternative financing or vehicles will be available at all or available on terms acceptable to New FSNA. Additionally, such defaults could require New FSNA or its Subsidiaries to sell assets, and otherwise restrict its operations in order to repay Hertz or other creditors of New FSNA. Such alternative measures could have a material adverse effect on New FSNA's business, financial condition and results of operations.

If the terms under the Hertz Lease are amended or the Hertz Lease terminates, the terms of the Sublease may also be affected or the Sublease may be terminated, and no assurances can be given that any vehicle provided under the Sublease will remain available to Advantage or that New FSNA will be able to source new or replacement vehicles to continue to operate its car rental business.

The Sublease is expressly subject and subordinate at all times and in all respects to the terms of the Hertz Lease and Hertz is not required to request consent from Advantage prior to amending or terminating the Hertz Lease. Amendments to the Hertz Lease could have a material adverse effect on New FSNA's financial condition, results of operations and business. Termination of the Hertz Lease would also terminate the Sublease, making it necessary for Advantage to obtain additional financing to buy vehicles to replace the vehicles previously provided under the Sublease. There can be no assurances that New FSNA would be able to obtain such additional financing, buy or replace the required vehicles on a timely basis or on satisfactory terms, if at all. Failure to do so would have a material adverse effect on New FSNA's financial condition, results of operations and business.

The Hertz Documents contain restrictive covenants which may limit the way in which New FSNA conducts its business and impair its growth.

New FSNA will be subject to covenants under certain of the Hertz Documents that, among other things, will restrict New FSNA's ability to (i) enter into mergers or consolidations; (ii) make investments; (iii) incur or guarantee indebtedness; (iv) create liens; (v) pay dividends and make other distributions; (vi) sell or dispose of assets; or (vii) change the business conducted by New FSNA and its Subsidiaries. These covenants will limit New FSNA's ability to conduct its business as it deems best and to take advantage of business opportunities, including limiting its ability to obtain secured financing. As a consequence of these covenants, New FSNA's growth could be materially impaired and its business prospects materially adversely affected.

The financial information of FSNA, Advantage and New FSNA in this Circular is not representative of the future results or performance of New FSNA, as the new owner of a newly independent business.

The financial information of Advantage in this Circular has been prepared as if Advantage existed as a stand-alone entity under Hertz's ownership, but Hertz did not in fact operate Advantage on this basis. For example, Hertz performed for Advantage such functions as accounting, treasury, legal, risk management, human resources and income tax. Numerous adjustments and allocations have been made in the Advantage financial information, because Hertz did not account for or operate Advantage as a single, stand-alone business. These adjustments and allocations may not be indicative of the actual costs that would have been incurred during the periods presented if Advantage had historically operated as a separate stand-alone entity. Furthermore, they have been calculated by reference to Hertz's corporate expenses, which differ from the corporate expenses of Advantage under the management and operation of Adreca and FSNA (or New FSNA, as the case may be). The financial information of Advantage in this Circular does not reflect many significant changes that have occurred or will occur in the operational arrangements for Advantage as a separate, independent company. This financial information is not indicative of the future operating results or financial performance of Advantage or New FSNA.

The financial information of FSNA in this Circular does not reflect the acquisition of Advantage, which will have a material effect on the financial results and condition of New FSNA. Such financial information of FSNA is not indicative of the future operating results or financial performance of New FSNA. For example, the financial information of FSNA and New FSNA, as well as the factors affecting their financial results, will differ significantly, because the Advantage business (a) is relatively large as compared to FSNA's business, (b) has a broader geographic reach than FSNA's existing business and (c) will be integrated with FSNA's business.

The Pro Forma Financial Statements in this Circular have been prepared to illustrate the pro forma effects of the Transaction combining Advantage with FSNA and gives effect to the Transaction as if it had occurred at earlier dates. It is derived from the historical financial information of Advantage and FSNA, which is not indicative of the future operating results or financial performance of Advantage, FSNA or New FSNA. The Pro Forma Financial Statements are provided for illustrative purposes only and do not purport to (a) represent what the financial position or results of operations of New FSNA would actually have been if the Transaction creating it occurred at an earlier date or (b) to project the consolidated financial position or results of operations for any future date or period.

Other Risks Related to the Transaction

If the Transaction is completed, Boketo and Thomas P. McDonnell, III will be "control persons" of New FSNA, together having a controlling percentage of the total voting interest, control over the management of New FSNA, and approval rights over significant corporate actions. The preferences and interests of Boketo and Thomas P. McDonnell, III may differ from or conflict with those of other shareholders of New FSNA.

Immediately after the closing of the Transaction, Boketo will own 62,212,600 Preferred Shares representing an approximate 49.76% voting interest on matters requiring shareholder approval. As a result, Boketo and its affiliates will exercise significant control over all matters requiring shareholder approval. In addition:

(a) The holders of Preferred Shares will have rights to nominate board members and rights to fill vacancies with respect to such board members;

(b) Representatives of the holders of the Preferred Shares will be three of the seven initial board members of New FSNA; three of the other initial board members being

Thomas P. McDonnell, III, David I. Forseth, and Thomas H. McNeely and the seventh being an independent member;

(c) The board members nominated or appointed by the holders of Preferred Shares will have rights to approve significant corporate actions, such as payment of dividends, material dispositions and acquisitions, and incurrence of material debt;

(d) The holders of Preferred Shares will have separate approval rights in respect of certain fundamental corporate actions, such as amendments to the Certificate of Incorporation and by-laws of New FSNA;

(e) Boketo is party to a stockholders agreement with Thomas P. McDonnell, III that gives it rights, (a) relating to the composition and procedures of the New FSNA Board and (b) under certain conditions, to require Thomas P. McDonnell, III to vote for and participate in a sale of New FSNA to a third party where the aggregate consideration exceeds $90 million or which occurs after December 12, 2014 (a "**Qualified Sale**"); and

(f) Boketo may have the right to exchange all or a portion of the principal amount of the loan granted pursuant to the Credit Agreement into FSNA Shares, thereby potentially increasing the voting power of Boketo.

See "The Transaction – The Merger – The Preferred Shares". Because of the magnitude of its voting interest in New FSNA and the extent of its rights relating to the control of New FSNA, Boketo will be able to significantly influence or determine the strategic direction and policies of New FSNA.

Immediately after the closing of the Transaction, Thomas P. McDonnell, III will

(a) continue as the Chief Executive Officer of New FSNA,

(b) continue as a member of the New FSNA Board, and

(c) own 22,535,635 New FSNA Shares, representing (a) an approximate 18% voting interest on matters requiring approval by the Preferred Shares and New FSNA Shares combined and (b) an approximate 36% voting interest on matters requiring separate class approval by the New FSNA Shares.

In addition, Thomas P. McDonnell, III has entered into a stockholders agreement with Boketo giving him rights relating to (a) the composition and procedures of the New FSNA Board, and (b) the approval of specified corporate actions, including major asset dispositions, mergers and similar transactions (other than a Qualified Sale) and New FSNA's entry into contracts with Boketo or any of its affiliates. *See "The Transaction – Final Structure Documents – Stockholders Agreement".* Because of the magnitude of his voting interest in New FSNA, his management positions with New FSNA and his stockholders agreement with Boketo, Thomas P. McDonnell, III will be able to significantly influence the conduct of New FSNA's business and affairs. In particular, when Boketo and Thomas P. McDonnell, III are in agreement, they will be able to control New FSNA.

The preferences and interests of Boketo and Thomas P. McDonnell, III may differ from or conflict with those of other shareholders of New FSNA, for example in any of the following circumstances. Boketo and other shareholders of New FSNA may differ over the best business and other strategies to pursue to maximize the value of New FSNA, including with regard to acquisitions, dispositions, financing or management. As an owner of Preferred Shares and convertible debt in New FSNA, Boketo will have a different situation in the capital structure of New FSNA than other shareholders of New FSNA and may pursue or reject debt or equity financing alternatives in a manner that is at odds with the interests or preferences of other shareholders of New FSNA. In addition, Boketo and other shareholders of New FSNA may have different views about whether, when and how to sell New FSNA. Boketo might reject offers to purchase New FSNA that other

shareholders of New FSNA consider to be highly profitable, or select a bid and purchaser for New FSNA that other shareholders of New FSNA consider to be inferior to other possibilities. Alternatively, because of a need or desire for liquidity, Boketo might cause a sale of New FSNA at a time that other shareholders of New FSNA, with differing needs for liquidity, regard as sub-optimal.

A relatively small percentage of the total outstanding share capital of New FSNA will be available for public trading. Markets for the trading of New FSNA shares may be illiquid and the market price of New FSNA Shares may be volatile.

If the Transaction is completed, Boketo, Thomas P. McDonnell, III and Sanford Miller will, taken together, own approximately 81% of the total outstanding share capital of New FSNA. The remainder will be a public float of 23,602,104 New FSNA Shares available for trading over the TSXV that represents approximately 19% of the total outstanding share capital of New FSNA. The limits on the ability of potential investors to exercise control or influence over New FSNA may deter some of them from acquiring significant amounts of New FSNA Shares and could restrict liquidity in the trading of New FSNA Shares. The relatively small size of the public float, both in terms of the amount of shares and the percentage of share capital, could also restrict liquidity and cause high volatility in the trading price and volume of New FSNA Shares.

There can be no assurance that there will be a liquid trading market for New FSNA Shares or that the quoted prices for them will represent the actual prices at which they can be sold. If such market is illiquid, shareholders may experience little or no demand for the purchase of New FSNA Shares and may be unable to sell their shares at an attractive price, if at all.

FSNA Shareholders will suffer immediate and substantial dilution due to the Transaction.

The Transaction will increase the number of outstanding shares of the company on an as converted basis. If the Transaction is completed, shareholders of FSNA prior to the Transaction will own a smaller percentage of the total outstanding capital of New FSNA after the Transaction than they did prior to the Transaction. As a result of this dilution, and the control rights accorded to Boketo's Preferred Shares, the voting interest and power of shareholders of FSNA prior to the Transaction will be diminished as a result of the Transaction.

The rights of FSNA Shareholders under Canadian law differ from the rights of shareholders of New FSNA under Delaware law, and in some cases Delaware law will provide less shareholder protection after the Transaction.

In connection with the Arrangement, FSNA Shareholders will become shareholders of a Delaware corporation. There are material differences between the CBCA and the DGCL and between FSNA's current articles of incorporation and by-laws and the Amended FSNA Charter Documents. For example, under Canadian law, many significant corporate actions, such as amending a corporation's articles of incorporation or continuing into another jurisdiction, require the approval of at least two-thirds of the votes cast by shareholders. In contrast, Delaware law only requires a simple majority of the total voting power of all outstanding shares entitled to vote thereon to approve significant corporate actions, such as amending a corporation's certificate of incorporation (in addition to a majority of the outstanding shares of each class entitled to vote as a class thereon), unless a greater percentage is required under the corporation's certificate of incorporation. New FSNA's certificate of incorporation will require separate class votes by the Preferred Shares and the New FSNA Shares on the following matters:

(a) amendments to the Amended FSNA Charter Documents (subject to the New FSNA Board's right to adopt, amend or repeal New FSNA's by-laws);

(b) redemptions or repurchases of equity securities of New FSNA or its subsidiaries;

(c) effecting a liquidation of New FSNA; or

(d) changing the number of members of the New FSNA Board.

For other matters, New FSNA's certificate of incorporation will generally require a simple majority of the Preferred Shares and the New FSNA Shares, voting together as a class, subject to the rights of the holders of Preferred Shares.

Additionally, the Amended FSNA Charter Documents will deny holders of New FSNA Shares the ability to approve actions by means of written consent but will allow the holders of the Preferred Shares, when acting as a separate class, to approve actions by such means and will deny holders of New FSNA Shares the ability to requisition special meetings of holders of New FSNA Shares but will allow holders of the Preferred Shares to requisition special meetings.

Furthermore, shareholders under Canadian law are entitled to dissent rights in connection with a number of extraordinary corporate actions, including (a) an arrangement with another unrelated corporation, (b) certain amendments to a corporation's articles of incorporation or (c) the sale of all or substantially all of a corporation's assets. In contrast, Delaware law provides shareholders with appraisal rights for certain mergers or consolidations, but not for any other extraordinary corporate event, and appraisal rights under Delaware law can be more difficult to perfect than dissent rights under Canadian law. Some of these differences could provide less protection to shareholders of New FSNA and give more discretion to New FSNA's directors and officers. See Schedule "F" – "*Comparison of Shareholder Rights*" to this Circular.

There can be no certainty that all conditions precedent to the Transaction will be satisfied or that the Merger Agreement will not be terminated by FSNA, Boketo or Adreca. The business prospects of FSNA and the market price for FSNA Shares may be materially adversely affected by a failure to complete the Transaction.

The completion of the Transaction is subject to the satisfaction of a number of conditions precedent, certain of which are wholly or partly outside the control of FSNA, Boketo or Adreca. For instance, the Merger Agreement contains conditions precedent with regard to (a) FSNA Shareholders approving the Arrangement, the Merger and the issuance of the Preferred Shares, (b) the required regulatory approvals being obtained by FSNA, (c) the representations and warranties of FSNA in the Merger Agreement being true in all material respects, (d) the covenants of FSNA in the Merger Agreement being performed in all material respects, and (e) there being no material adverse change in the financial condition, assets, operations or business of FSNA. In addition, each of FSNA and Boketo has rights to terminate the Merger Agreement in certain circumstances, including if such conditions precedent have become incapable of being satisfied or if the completion of the Transaction has not occurred on or prior to May 9, 2013. Accordingly, there is no certainty, nor can FSNA provide any assurance, that the conditions precedent to the Transaction will be satisfied or that the Merger Agreement will not be terminated by FSNA or Boketo. If the Transaction is not completed, the business prospects of FSNA may be materially adversely affected and the market price of the FSNA Shares may decline to the extent that the previously prevailing market price reflects a market assumption that the Transaction will be completed.

In relation to the acquisition and conduct of the Advantage business, Boketo and FSNA are subject to regulatory clearance by the FTC that has and could continue to impose significant compliance costs on Boketo and FSNA and impede management's ability to devote time to business operations.

In response to the FTC's concerns that Hertz's acquisition of DTAG would reduce competition in the rental car industry, Hertz and the FTC agreed in a settlement that Hertz would divest its Advantage business and certain additional airport concessions to Adreca and FSNA. The FTC's stated goal for the divestiture was to create a new independently-owned rental car competitor with a national footprint. In pursuit of this goal, the FTC engaged with Hertz for more than 18 months and Hertz, FSNA and Boketo for more than ten months in an extensive process of

investigation and negotiation relating to such settlement. Relative to the management and financial resources of FSNA and Boketo, this process placed material demands on them. Not only did FSNA and Boketo have to devote significant amounts of management time to this FTC process, they had to pay significant fees to lawyers and other advisors to assist them in it. These FTC-related fees constitute a significant portion of the total expenses relating to the Transaction, which expenses were significantly higher than expected and will materially adversely affect the financial results of FSNA if the Transaction is not completed. If the Transaction is completed, the FTC-related expenses will constitute a significant current liability of New FSNA, which New FSNA will have limited means to fund without additional equity or debt financing.

Prior to the settlement with Hertz, Boketo and FSNA, the FTC sought information from FSNA and Boketo regarding their respective resources and managerial capabilities to acquire the divested assets and replace DTAG as an effective competitor in the affected geographic markets. The FTC continues to seek additional information of this sort for purposes of deciding whether the results of the Advantage acquisition are sufficiently positive to allow it to issue the final order approving the settlement. The ongoing FTC process has imposed significant costs on Boketo and FSNA, both in terms of management time and external legal fees. It may distract management from business operations and have a material adverse effect on the development of the Advantage business. The external fees relating to it could increase New FSNA's need for additional equity or debt financing and could have a material adverse effect on the financial condition of New FSNA. While the issuance of the FTC's final order is pending, the uncertainty relating to it could result in a material adverse effect on New FSNA's ability to attract additional equity or debt financing. If the FTC takes regulatory or legal action that is contrary to the issuance of the final order, the result could be legal proceedings involving Adreca or New FSNA that could have a material adverse effect on their financial condition, results of operations and business.

Because of the significant fees incurred by FSNA in connection with the Transaction, failure to complete it, whether as a result of the termination of the Merger Agreement by Boketo or FSNA or for any other reason, would likely have a material adverse effect on the financial condition of FSNA.

Regardless of whether the Transaction is completed, FSNA will be obligated to pay fees and other expenses related to it, including filing fees, legal and accounting fees, soliciting fees, regulatory fees and printing and mailing costs. Such fees, costs and expenses are significant and will materially adversely affect the financial results of FSNA if the Transaction is not completed and they are incurred without achieving the corresponding benefits that FSNA expects to realize upon completion of the Transaction. See "*The Transaction – Fees, Costs and Expenses*" in this Circular.

Other Risks Related to New FSNA

Advantage has a short operating history as a stand-alone business and New FSNA may face difficulties in the development of Advantage as an independent company.

Adreca acquired the Advantage business on December 12, 2012 and, since that date, has been managing it with the assistance of FSNA under the Management Services Agreement. Hertz, the prior owner of Advantage, provided it with a wide range of corporate services, such as accounting, treasury, legal, risk management, human resources and income tax. The assets and employees relating to these corporate services remained with Hertz and were not included with the Advantage business transferred to Adreca. In addition, Hertz was the source of car rental fleet and related financing and information technology for the Advantage business. Hertz will, for a transitional period ending no later than December 2014, supply car rental fleet and related financing for the Advantage business.

Adreca and FSNA are in the transition process of developing the services and infrastructure that Advantage needs to operate successfully as a stand-alone business. For instance, the information

technology systems for operating the Advantage business are new to it and to employees of Advantage and FSNA. These employees are still in the process of being fully trained for these systems, but their available time is severely constrained by the extraordinary demands of this transition process. These employees are not yet able to use the full functionality of the information technology systems of the Advantage business and FSNA and Advantage are still in a process of determining whether they have all necessary or desirable functionality from such information technology systems. For example, in critical areas of financial reporting, rental pricing and vehicle utilization, Advantage's use of information technology systems is not yet optimal and these systems must be further developed for Advantage to become a competitive business on a medium term basis.

Furthermore, FSNA and Advantage have experienced difficulties administering insurance claims relating to damage to rental vehicles. Advantage has had to expend significant amounts to repair damaged rental vehicles, but does not yet have adequate resources or processes for obtaining insurance reimbursements for such expenditures within a reasonably prompt time frame. As a result, Advantage has been experiencing significant cash outflow relating to rental repairs that are having an adverse effect on its financial condition.

In the transition process of developing Advantage into a viable and competitive stand-alone business, FSNA and Advantage must satisfactorily address many extraordinary, non recurring demands. Their existing resources are therefore extended to their limits. Moreover, some of these limits cannot be sensibly extended by the addition of permanent resources, which would eventually become excessive. FSNA and Advantage face the significant management challenge that they must successfully allocate limited resources to the most critical tasks, both in terms of significance and urgency. Even if they achieve optimal allocation of limited resources, they may encounter circumstances in which those resources prove to be insufficient and additional resources are not readily available. There can be no assurance that FSNA and Advantage will succeed in managing the transitions process well. Failure to do so could have a material adverse effect on New FSNA's business, financial condition and results of operations.

Adreca has incurred, and may continue to incur, significant start-up costs relating to the establishment of the services and infrastructure that Advantage needs to operate successfully as a stand-alone business. Furthermore, operating costs may increase now that Advantage no longer operates as a component of Hertz. Adreca has sought to budget for future costs in its business plan, but cannot project such costs with certainty and may encounter unexpected difficulties in the development of such services and infrastructure. Not only could such difficulties result in greater costs than expected, they could be the cause of poor performance of the business or deficiencies in its compliance with applicable law and regulation. New FSNA will have limited financial means to cover unexpected costs or declines in revenue.

Because Advantage was not operated as an independent entity in the past, New FSNA will have an incomplete management team and will need to hire additional senior managers in key areas, such as fleet management, human resources, treasury, and marketing. FSNA and Advantage's current employees and consultants in these and other management areas are not based in one location, so New FSNA will face the challenge of integrating interactions among existing personnel and new hires across different locations or establishing a single core location for management functions. New FSNA may find that it needs to acquire assets in addition to those transferred to it by Hertz. New FSNA may experience difficulties in integrating the assets of FSNA with Advantage. New FSNA's financial condition, results of operations and business could be harmed it if fails to acquire needed, quality personnel or assets on a timely basis or is not able to successfully integrate its personnel or assets.

In addition, Advantage has encountered credit issues with vendors, because of the lack of audited financials and because of certain vendors' prior experience with Advantage during its 2008-09 bankruptcy proceedings, which occurred prior to its acquisition by Hertz. These credit issues,

despite offers to provide guarantees by both an affiliate of Boketo and FSNA, have resulted in demands for onerous payment terms and requests for collateralization until creditworthiness can be demonstrated.

Adreca must seek car rental fleet and financing from sources other than Hertz and will be materially adversely affected if it does not obtain them on attractive terms. See "*Advantage is highly dependent on Hertz for its rental car fleet and related financing, but Hertz will only supply them to Advantage or New FSNA on a temporary basis. New FSNA may not be able to obtain alternative fleet or financing for the ongoing operation or growth of Adreca's business at attractive pricing, if at all.*"

The business of Advantage is much larger in size and broader in reach than the existing businesses of FSNA and there can be no assurances that New FSNA will be successful in operating Advantage.

In terms of revenue, employees, assets and most other measures, the size of New FSNA will more than double as a result of the Advantage acquisition. New FSNA will face many new challenges incorporating Advantage into its operations and operating such a large-scale business with a national scope. There can be no assurances that New FSNA will successfully overcome these challenges or succeed.

The basis of evaluating New FSNA is limited.

New FSNA will have a limited meaningful operating and financial history upon which an investor may evaluate its performance and prospects. In particular, the Advantage business has only been operated as a stand-alone business since December 12, 2012 and will be highly significant to the business, financial performance, financial condition and prospects of New FSNA. New FSNA cannot be sure that it will have accurately identified all risks to its business or that it will be able to timely perceive and appropriately mitigate additional risks as they arise.

The implementation of new internal policies for New FSNA, including for Advantage, may uncover problems or issues which may materially adversely affect the financial condition, results of operations, business or prospects of New FSNA.

New FSNA will become a larger public company after the Merger, with the acquisition of the Advantage business. However, the Advantage business was not previously operated as a stand-alone business. Accordingly, internal management and financial policies will be implemented or updated by New FSNA as applicable and relevant for a public company of this size after the Transaction is completed. It is thus possible for serious issues to be discovered during or after the implementation process. These issues, or necessary remedial measures relating to them, could have effects that are materially adverse to the financial condition, results of operations, business or prospects of New FSNA.

New FSNA will face intense competition and a failure to successfully meet these challenges could have a material adverse effect on New FSNA's financial condition, results of operations, business or prospects.

New FSNA will operate in the auto rental industry, which is highly competitive with various companies focusing on different markets, such as business and vacation travel at or near airports, insurance replacement and neighbourhood travel.

Large national rental car competitors to New FSNA will include Hertz (including the Dollar and Thrifty brands), Avis Budget Group (including the Avis and Budget brands), and Enterprise Holdings (including the Enterprise, National and Alamo brands). Many of New FSNA's large national competitors will have significant competitive advantages over it, which include:

(a) greater financial, marketing and customer service resources;

(b) longer operating histories and established relations with suppliers (including automotive manufacturers) and financiers of car rental fleets;

(c) access to sources of substantial capital;

(d) contracts with corporate customers which lessen reliance on retail customers and provide a more stable and consistent source of revenues;

(e) greater brand name recognition and a larger customer base; and

(f) greater market presence and coverage.

Large national rental car companies may also benefit from a large, loyal customer base, greater brand recognition and a large base of corporate customers with pre-existing contracts. To the extent such competitors match New FSNA's prices, New FSNA may find it difficult to overcome these advantages of its competitors. Further, to compete with large national competitors that enjoy superior brand recognition as compared to New FSNA, New FSNA may have to charge low prices and its profitability may suffer.

In addition, New FSNA will compete with numerous smaller local and regional competitors, such as Payless Car Rental, Fox Rent A Car, E-Z Rent-A-Car and Sixt Rent A Car. Like New FSNA, these competitors may not have a large base of corporate customers providing a steady flow of business clients at contracted rates and thus, like New FSNA, they may seek to compete aggressively on the basis of price, particularly in times of low rental car demand. FSNA and Advantage, as well as some of their local or regional competitors, are focused on the leisure retail segment of the vehicle rental market, which is especially price sensitive. In addition, some local or regional competitors may engage in fierce price competition in order to build market share. Moreover, low barriers to entry in this market may mean New FSNA may face additional local or regional competitors at any time.

To the extent that New FSNA matches competitors' downward pricing, it could have a material adverse effect on New FSNA's results of operations by reducing revenues and profits. To the extent New FSNA does not match competitors' downward pricing, it could also have a material adverse effect on New FSNA's results of operations by reducing rental volume, resulting in lower revenues and profits.

Pricing is highly dynamic, changing frequently over a short period of time and in different markets. Thus, New FSNA's success will depend not only on actual pricing but on how well pricing is adjusted in response to competitive pressures. This in turn requires adept fleet management so that the right vehicles are available at the right time in the right places. FSNA and its competitors, often working with third parties, have developed sophisticated pricing and fleet management systems which monitor competitors' rates in order to adjust pricing in response to market conditions. In some markets, pricing may change several times over the course of a day. Pricing and fleet management technology will be subject to constant refinement and development by New FSNA and its competitors. A failure to properly implement such systems or to upgrade such technology could have a material adverse effect on New FSNA's ability to compete effectively on price, particularly in the cost-conscious retail leisure market.

In addition, the internet has increased pricing transparency among car rental companies by enabling cost-conscious customers to more easily obtain the lowest rates for any given trip. This transparency may increase the prevalence and intensity of price competition in the auto rental industry going forward. See "*Advantage depends on third-party suppliers to provide key vehicle reservation, fleet management and financial systems, as well as other systems and services that are needed for its business*."

If Advantage is unable to purchase an adequate number of competitively priced vehicles or the cost of the vehicles it purchases increases, New FSNA's financial condition, results of operations and business may be materially adversely affected.

A fundamental requirement for Advantage's car rental business is to ensure there is an adequate number of cars available to be used in the business. Adreca and Advantage are not currently party to any long-term vehicle supply arrangements with manufacturers. The price and other terms at which vehicles may be acquired therefore varies based on market and other conditions. Consequently, there is no assurance that New FSNA will be able to purchase a sufficient number of vehicles at competitive prices and on competitive terms and conditions. If New FSNA is unable to obtain an adequate supply of vehicles, or if New FSNA obtains unfavorable pricing and other terms when it acquires vehicles, then New FSNA's financial condition, results of operations and business may be materially adversely affected.

Increasing vehicle prices could materially adversely impact New FSNA's results of operations and financial condition.

In recent years, the average price of vehicles acquired for rental car purposes has increased. There can be no assurance that New FSNA will be able to effectively control the average cost of their fleets by purchasing a mix of less expensive vehicles. To the extent that New FSNA attempts to pass on the increased cost of vehicles to its rental customers by increasing rental rates, it could have a material adverse effect on New FSNA's results of operations, as New FSNA may lose rental volume. To the extent that New FSNA does not pass on the increased cost of vehicles to its rental customers by increasing rental vehicle rates, it could have a material adverse effect on its profitability.

Manufacturer safety recalls could have a material adverse effect on New FSNA's financial condition, results of operations and business.

The cars that will be leased or owned by New FSNA may be subject to safety recalls by their manufacturers. Under certain circumstances, recalls may cause New FSNA to attempt to retrieve cars from renters or to decline to re-rent returned cars until they can arrange for the remedial measures described in the recalls to be completed. If a large number of cars are the subject of simultaneous recalls, or if needed replacement parts are not in adequate supply, New FSNA may not be able to re-rent recalled cars for a significant period of time. In addition, New FSNA could also face liability claims if recalls affect cars that it has already sold. Depending on the severity of the recall, it could materially and adversely affect New FSNA's revenues, create customer service problems, reduce the residual value of the cars involved and harm New FSNA's general reputation.

New FSNA will be exposed to market conditions for used vehicles.

Adreca retains a residual value risk on all vehicles provided by Hertz under the Sublease and Hawaii Lease and expects that it will continue to operate a fleet of vehicles subject to such risk. The depreciation costs for these vehicles are highly dependent on both the general used vehicle auction market and wholesale used vehicle prices at the time of sale. The relative strength or weakness of the used car market, particularly the market for one to two year old used cars, may materially affect the prices of vehicles and therefore any gains and losses made by New FSNA when it sells vehicles. The strength of the used car market and its impact on residual values is influenced by various factors, including:

(a) macroeconomic factors affecting supply and demand for used vehicles;

(b) the volume of new vehicles produced by automotive manufacturers and the applicable level of discounts or incentives offered to stimulate sales;

(c) the availability of consumer credit to purchase new or used vehicles; and

(d) changes in gasoline prices affecting consumer demand for certain types of vehicles.

In addition, residual values fluctuate seasonally, with the lowest values typically in the fourth quarter of the calendar year. If New FSNA sells vehicles during periods of weak rental demand, it could suffer losses on such sales that have a material adverse effect on its financial condition, results of operations and business. If New FSNA is unable to, or elects not to, sell vehicles during periods of weaker rental demand, its vehicle utilization levels and profitability could be adversely affected and, as a consequence, its financial conditions, results of operations and business could be materially adversely affected.

Weakness in the U.S. and global economy could materially adversely affect New FSNA's financial condition, results of operations and business.

New FSNA's financial condition, results of operations and business will be dependent on general economic conditions in the United States, its principal market, as well as the global economy. A decline in economic activity in the United States or internationally may adversely affect New FSNA's financial condition, results of operations and business both directly by reducing demand for rental vehicles in general and indirectly by reducing demand for air travel, the source of rental vehicle business in and near airports. In the vehicle rental business, a decline in economic activity typically results in a decline in both business and leisure travel, including with respect to levels of airline passenger traffic. In particular, a significant reduction in airline passenger traffic could cause a corresponding decline in the volume of vehicle rental transactions and could negatively affect New FSNA's financial condition, results of operations and business, especially if it occurs during the peak car rental season in the third quarter of the calendar year.

The business of New FSNA will be highly dependent on the level of air travel and a reduction in air travel for any reason could materially adversely affect New FSNA's financial condition, results of operations and business.

A significant proportion of Advantage's rental revenues are attributable to airport locations and the number of airline passengers has a significant impact on Advantage's results of operations and business. In recent times, mergers and acquisitions in the airline industry, airline restructuring through bankruptcy, and challenging economic conditions have caused airlines to reduce flight schedules. The airline industry has also faced considerable challenges in light of global economic conditions, severe weather conditions and competitive industry conditions. Reductions in airline passenger traffic may be caused by:

(a) significant airline capacity reductions;

(b) airfare or related fee increases;

(c) disruptions to, or adverse effects on, business or leisure air travel, such as significant increases in fuel prices or a protracted disruption in fuel supplies; or

(d) work stoppages, military conflicts, terrorist incidents, natural disasters, epidemic diseases, or the response of governments to any of these events.

Significant reductions in airline passenger traffic could cause a corresponding decline in the volume of car rental transactions and negatively affect New FSNA's financial condition, results of operations and business, particularly if such disruption occurs during Advantage's peak rental season in the third quarter of the calendar year.

Reduced availability and increases in the price of fuel could harm New FSNA's business.

New FSNA's results of operations could be adversely affected by significant increases in fuel prices, limitations on fuel supplies or the imposition of mandatory allocations or rationing of fuel. The price of oil has experienced significant volatility in recent periods and affected automotive and

air travel in material ways. A variety of factors, including the current economic environment and continuing significant political unrest and other concerns involving certain oil-producing nations, could cause further price volatility or affect fuel prices. Significant increases in fuel prices or a severe and protracted disruption of fuel supplies could materially adversely affect New FSNA's results of operations if they increase operating costs and if these increased costs cannot be passed through to New FSNA's customers, or if they increase the cost of travel, or cause declines in airline passenger traffic and thereby reduce the volume of rental transactions.

New FSNA may fail to retain Advantage's current clients.

New FSNA's success will depend in part on its ability to retain Advantage's clients. New FSNA's ability to retain Advantage's clients will depend on a variety of factors, including the quality, price, and responsiveness of the services offered by New FSNA, as well as its ability to market these services effectively and to differentiate itself from its competitors. The loss of a significant number of Advantage's existing clients would have a material adverse effect on New FSNA's financial condition, results of operations and business.

New FSNA will be dependent on internet sales and third party distribution channels.

Advantage is heavily dependent on internet sales and third party distribution channels to obtain reservations for its business. Internet sales are generated from its own website Advantage.com and third party websites, including online travel agencies ("**OTAs**") such as Expedia, Travelocity, Orbitz and Priceline. Third party distribution channels include traditional travel agencies, airlines, hotel companies, marketing partners, as well as global distribution system networks ("**GDSs**"), such as Travelport (including Galileo and Worldspan), Sabre and Amadeus that connect travel agents, travel service providers and corporations to the Advantage reservations systems.

Changes in the future in the way travel-related products and services are marketed and sold over the internet, changes in Advantage's pricing arrangements and relationships with third-party distribution channels, the termination of any of these relationships or a reduction in the transaction volume of such channels, or a GDS's inability to process and communicate reservations to Advantage could have an adverse impact on Advantage's financial condition, results of operations and business, particularly if customers of Advantage were unable to access the Advantage reservation systems through alternate channels. See "*Advantage depends on third-party suppliers to provide key vehicle reservation, fleet management and financial systems, as well as other systems and services that are needed for its business.*"

There are no assurances that concessions granted in favor of Advantage at airport car rental locations will continue or that leases for suitable off-airport or near-airport facilities can be obtained or will be renewed.

To operate airport car rental locations, Advantage has obtained concessions or similar leasing, licensing or permitting agreements or arrangements (each, a "concession") which grants Advantage the right to conduct a car rental business at a relevant airport location. Most of these agreements are for a fixed length of time, while others create operating rights and payment obligations that are terminable at any time. There are no assurances that any concession will continue to be granted to Advantage or be renewed in the future and the termination of a concession or concessions could have a material adverse effect on the financial condition, results of operations and business of New FSNA. If a concession is terminated at an airport location that Advantage currently operates, Advantage will no longer be able to operate at that airport location and may be required to move to an off-airport location, which may be less profitable. Off-airport locations may require leased facilities. Suitable locations may be difficult to identify and Advantage may not be able to negotiate satisfactory terms on a timely basis, if at all. In addition, leases for such sites may

not be long term, may not include an option to renew and may not be renewable for satisfactory terms, if at all.

Advantage is currently engaged in efforts to operate at approximately 20 additional airports to be divested by Hertz under the Advantage Purchase Agreement, which are subject to concession assignment by Hertz and consent by the relevant airport authorities. Advantage is also actively engaged in preparing bids to operate concessions at multiple airports. There is no assurance that consent from the relevant airport authorities will be provided, or that Advantage will be successful in its bids with respect to any of these concessions. If Advantage is unable to obtain the necessary airport authority consents or be successful in its bids for airport concessions, in either case at a significant number of airports or at certain key airports, it could have a material adverse effect on Advantage's financial condition, results of operations and business.

In moving from an in-terminal location to a near-airport facility in Orlando, the largest car rental market in the United States, Advantage has encountered difficulties.

Orlando, Florida is the largest car rental market in the United States and a key market for Advantage. While it was a division of Hertz, Advantage operated from an in-terminal concession in Orlando International Airport. However, the Orlando airport authority did not consent to the transfer of the concession in connection with Adreca's acquisition of Advantage. Thus, at the time of the acquisition of Advantage by Adreca, Advantage had no choice but to move from an in-terminal location to a near-airport facility during the peak season in Florida. The move from an in-terminal airport location to a near-airport facility during peak season exacerbated normal transition challenges related to Adreca's acquisition of Advantage. Although Advantage has resolved many of those challenges, it continues to address issues associated with counter space, fueling, car washing, traffic flow and customer lines as it seeks to advance the transition process in Orlando.

New FSNA will face risks arising from its heavy reliance on communications networks and information systems.

New FSNA will rely heavily on information systems (a) to accept reservations, (b) process rental and sales transactions, (c) manage its fleet of cars, (d) account for its activities and (e) otherwise conduct its business. In addition, New FSNA will utilize the live booking engine developed by FSNA and New FSNA will rely on communications services providers to link these information systems with the business locations that these systems serve. A failure of a major system, or a major disruption of communications between the system and the locations it serves, could:

(a) cause a loss of reservations;

(b) interfere with the ability of New FSNA to manage its fleet;

(c) slow rental and sales processes; and

(d) otherwise materially and adversely affect New FSNA's ability to manage its business effectively.

In addition, because New FSNA's and its franchisee's systems will contain information about many individuals and businesses, the failure to maintain the security of the data held in these systems, whether the result of New FSNA's error or the malfeasance or errors of others, could harm New FSNA's reputation or give rise to legal liabilities leading to lower revenues, increased costs and other material adverse effects on its financial condition, results of operations and business.

Capital and credit market issues could negatively affect New FSNA's financing of its fleet of vehicles.

The rental car business, including Advantage's rental car business, is capital intensive. New FSNA will depend on access to the capital markets for financing of its vehicles. The capital and credit

markets have experienced increased volatility and disruption over the past several years, making it more difficult for companies to access those markets. New FSNA cannot be assured that continued or increased volatility and disruption in the capital and credit markets will not impair its liquidity, financial condition or fleet financing. New FSNA's business could also be negatively affected if its suppliers or customers experience disruptions resulting from tighter capital and credit markets. Any failure by New FSNA or its customers to meet financing needs could have a material adverse effect on New FSNA's financial condition, results of operations and business.

The business operations of New FSNA could be severely disrupted if it loses the services of members of its senior management team.

New FSNA's senior management team will have industry experience in the car rental and car rental franchise industry. It would be highly disruptive to New FSNA if it were to lose the services of any one or more members of its senior management team, whether due to death, disability or termination of employment. In such event, New FSNA may be unable to successfully implement its business strategy, financial plans, marketing and other objectives. In particular, since Advantage's business is in a start-up phase when many challenges are extraordinary and novel, there will be high demands on the capability and availability of senior management during this phase and adverse events relating to senior management could have a material adverse effect on New FSNA's financial condition, results of operations and business.

New FSNA's ability to recruit and retain management and other qualified personnel will be crucial to its ability to develop, market and support its products and services.

New FSNA will depend on the services of its key technical, sales and management personnel. The loss of the services of any of these persons could have a material adverse effect on New FSNA's financial condition, results of operations and business. Success of New FSNA will also be highly dependent on its ability to identify, hire, train, motivate and retain highly qualified management, technical, sales and marketing personnel. Competition for such personnel can be intense, and it cannot be assured that New FSNA will be able to attract or retain highly qualified marketing, sales and managerial personnel in the future. New FSNA's inability to attract and retain the necessary management, technical, sales and marketing personnel may adversely affect its future growth and profitability. It may be necessary for New FSNA to increase the level of compensation paid to existing or new employees to a degree that its operating expenses could be materially increased.

FSNA's former co-Chief Executive Officer and former co-Chairman was recently removed from such positions and subsequently terminated for cause.

On December 6, 2012, the FSNA Board resolved to remove FSNA's former co-Chief Executive Officer and former co-Chairman Sanford Miller from all of his executive positions with FSNA and its subsidiaries. On December 10, 2012, Mr. Miller resigned from the FSNA Board.

Under Mr. Miller's employment agreement with U-Save America, he may be entitled to certain severance pay and benefits if he is terminated without "Cause", as that term is defined in Mr. Miller's employment agreement. See Schedule "J" – "*Statement of Executive Compensation*". On February 28, 2013, the FSNA Board, with the advice of counsel, determined that "Cause", as that term is defined in Mr. Miller's employment agreement, existed as of the date of his removal from all his executive positions. See "*Information concerning FSNA – Recent Developments*".

The cost of compliance with or remediation under environmental regulation could materially adversely affect New FSNA's financial condition, results of operation and cash flows.

New FSNA, including Advantage, will be subject to numerous environmental laws and regulations in the United States, including, among other things, with respect to the ownership, use or storage of petroleum products, such as gasoline, diesel fuel and motor and waste oils; the treatment

or discharge of waste waters; and the generation, storage, transportation and off-site treatment or disposal of waste materials. New FSNA will make expenditures, including for liability insurance, to comply with environmental laws and regulations. These expenditures may be material to New FSNA's financial condition and results of operations. In the United States, Advantage, in connection with its transition to a stand-alone business, is in the process of designing environmental programs to maintain compliance with applicable technical and operational requirements, including the replacement and upgrade of underground storage tanks and periodic testing and leak monitoring of underground storage tanks. There can be no assurance that environmental issues won't arise before these programs are fully developed and implemented or that these programs will ensure compliance with all regulations to which Advantage is or will be subject. The tank systems located at each relevant location may not at all times remain free from undetected leaks, and the use of these storage tanks may result in significant spills, which may expose Advantage to material liabilities.

New FSNA may also be subject to requirements relating to the remediation of, or liability for remediation of, substances released into the environment at properties leased or operated by New FSNA or Advantage or at properties to which substances are sent for treatment or disposal.

In recent years, there have been rapid changes to environmental legislation and regulations and related administrative policies. There is a risk that governmental environmental requirements, or enforcement thereof, may become more stringent in the future and that New FSNA may be subject to additional risk of legal proceedings brought by government agencies or private parties for environmental matters. In addition, there may be other locations of which FSNA is currently unaware at which wastes generated by it or Advantage may have been inappropriately released or disposed. In the future, these locations may become the subject of remediation for which New FSNA may be liable, in whole or part. Accordingly, there can be no assurance that New FSNA's future environmental liabilities will not be material to its financial condition, results of operations or business.

Advantage depends on third-party suppliers to provide key vehicle reservation, fleet management and financial systems, as well as other systems and services that are needed for its business.

The operation of Advantage's business is dependent upon obtaining adequate services on a timely and efficient basis. Advantage relies on third-party suppliers (often on an exclusive basis), including for (a) the implementation and customization of its entire vehicle reservation and fleet management system, (b) all financial systems, such as fleet tracking/statistics, financial reporting systems (profit and loss), revenue tracking, credit card processing, and income statement production, and (c) certain human resources systems. Advantage also outsources other services such as security, vehicle maintenance, car washing and a customer service call center.

In addition, Advantage's business depends extensively on relationships with OTAs, such as Expedia, Travelocity, Orbitz and Priceline, and GDSs, such as Travelport (including Galileo and Worldspan), Sabre and Amadeus, which provide vehicle inventory data to OTAs. Advantage might not be able to maintain these relationships or replace them on financially attractive terms. If these OTAs or GDSs do not adequately perform their obligations, reduce their activities with Advantage or provide it with unfavorable treatment, Advantage may have more difficulty attracting and maintaining users and its financial condition, results of operations and business could be materially adversely affected. Advantage monitors the distribution market and will seek to secure relationships with significant emerging platforms, but its efforts in this regard may not be successful. See *"New FSNA will be dependent on internet sales and third party distribution channels."*

There can be no assurance that third-party suppliers will adequately perform at current demand levels or that they will dedicate sufficient resources and personnel on a timely basis to meet additional expected or unexpected demands. Errors or problems with any of Advantage's outsourced systems or services could (a) diminish its ability to respond quickly and effectively to its

customers, (b) negatively affect its ability to manage reservations or its fleet or to handle customer service and (c) disrupt or impair its internal information systems. Encountering these types of problems may prove to be more significant as Advantage's customer volume increases. Any of these occurrences could affect the quality of Advantage's services and may have a material adverse effect on Advantage's financial condition, results of operations and business.

Advantage may have limited recourse against third-party suppliers in the event of performance or service-level issues. Advantage's options in finding alternatives may be limited. There can be no assurance that Advantage will be able to do so or do so on a timely basis or on terms acceptable to it. Moreover, the process of identifying alternate third-party providers and entering into agreements with them may be time-consuming, expensive and disruptive to Advantage's customers or internal systems and may have a material adverse effect on Advantage's financial condition, results of operations and business.

New FSNA will face risks in relation to liability and insurance.

New FSNA faces risks in relation to liability and insurance. The businesses of New FSNA will expose it to claims for personal injury, death and property damage related to the use of certain vehicles and customers on its properties, along with the possibility of workers' compensation claims and other employment-related claims by employees of New FSNA. New FSNA generally maintains insurance coverage through unrelated third party insurance carriers, although many of such coverages have significant self-insured components. New FSNA could become exposed to uninsured liabilities resulting from unusually high losses, payouts, general economic events or otherwise. In addition, liabilities in respect of existing or future claims may exceed the level of New FSNA's reserves or insurance, which could adversely impact its financial condition. In that event, New FSNA may not have sufficient capital available to pay any uninsured claims. Further, New FSNA administers insurance programs for its franchisees and other parties and is exposed to regulatory and other risks relating to such administration.

New FSNA may be subject to legal proceeding and disputes.

Given the nature of New FSNA's business, New FSNA may be involved in litigation from time to time in the ordinary course of business. New FSNA may also be subject to legal proceedings and disputes with former franchisees and others. It is not feasible to predict or determine the outcome of these proceedings and litigation is subject to inherent uncertainties. New FSNA cannot be assured that the ultimate resolution of any legal proceedings will not have a material adverse effect on its financial condition, results of operations and business. The outcome of such legal proceedings may have a negative impact on New FSNA's financial results. If any such claims and lawsuits, individually or in the aggregate, were resolved against New FSNA, New FSNA's results of operations and cash flows could be adversely affected.

New FSNA may have to initiate litigation in order to protect its trademarks. Such litigation may be costly and time consuming and the outcome cannot be assured.

New FSNA (either directly or through its subsidiaries) will have registered trademarks which are material to the business carried on by it in those jurisdictions where it will carry on business. Protecting such trademarks may require initiating legal action to prevent their use by others. Any litigation, regardless of the outcome, could result in substantial costs and diversion of resources and could have a material adverse effect on New FSNA's financial condition, results of operations and business.

New FSNA will be subject to seasonal variations in customer demand; however, many of New FSNA's operating expenses will be fixed.

New FSNA's business will be subject to seasonal variations and customer demand, with the summer vacation period representing the peak season for vehicle rentals. Many of New FSNA's operating expenses, such as rent, insurance and personnel will be fixed and cannot be reduced during periods of decreased rental demand. As a result, there can be no assurance that New FSNA will have sufficient liquidity under all conditions. Any occurrence that disrupts rental activity during New FSNA's peak season could have a disproportionately material adverse effect on the rental volume of New FSNA and its franchisees, resulting in a material adverse effect on New FSNA's financial condition, results of operations and business.

New FSNA will also face indirect exposure through its franchisees to many of the same risks it will face directly.

In addition to the risks New FSNA will face directly, it will also face many of the same risks indirectly through its franchisees, including risks related to competition, increased vehicle prices, manufacturer safety recalls, fuel prices and availability, communications networks and information systems, and seasonal variations in customer demand.

INFORMATION CONCERNING FSNA

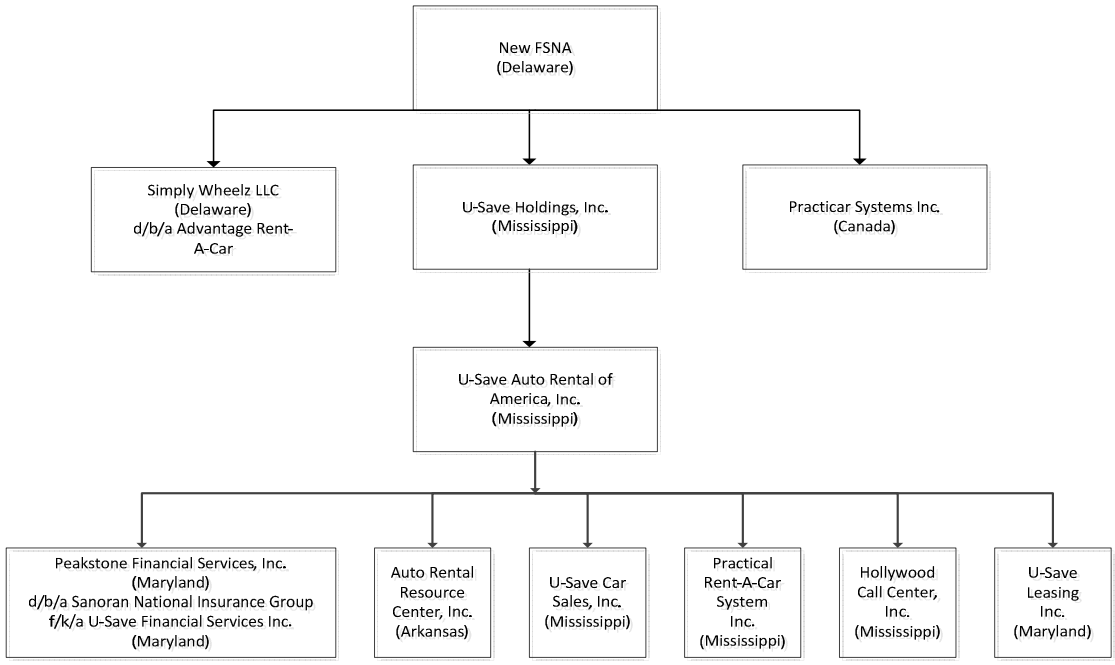
Corporate Structure

Name, Address and Incorporation

FSNA was incorporated on August 27, 1998 under the CBCA as Rent-A-Wreck Capital Inc. FSNA's head office is located at 204, 7710 - 5th Street S.E., Calgary, Alberta, T2H 2L9 and its registered office is located at 3700, 400 – 3rd Avenue S.W., Calgary, Alberta, T2P 4H2.

Corporate Structure

The following diagram illustrates the intercorporate relationships among FSNA and its subsidiaries, all of which are wholly-owned and the jurisdiction of incorporation or formation, as applicable, of such subsidiaries.



Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from reports and other information filed by FSNA with Canadian provincial securities commissions. Copies of these reports and information may be obtained on request free of charge from the General Counsel of FSNA, Tel: (601) 713-4333. In addition, copies of the documents incorporated herein by reference are available to the public free of charge on SEDAR at www.sedar.com.

The following documents, filed by FSNA with securities commissions or similar authorities in certain provinces of Canada, are specifically incorporated by reference into and form an integral part of this Circular:

(a) the audited financial statements of FSNA as at and for the years ended September 30, 2012 and September 30, 2011, together with the notes thereto and the auditors' reports thereon;

(b) management's discussion and analysis of the financial condition and results of operations of FSNA for the years ended September 30, 2012 and September 30, 2011;

(c) the financial statements of FSNA as at and for the interim period ended December 31, 2012 together with the notes thereto; and

(d) management's discussion and analysis of the financial condition and results of operations of FSNA for the interim period ended December 31, 2012.

Any news release issued by us after the date of this Circular and prior to the Meeting that specifically states that it is intended to be incorporated by reference in this Circular shall be deemed to be incorporated by reference in this Circular. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the 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 shall 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 shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

Summary Description of the Business

FSNA and its subsidiaries own the following brands: U-Save Car & Truck Rental, U-Save Car Sales, Rent-A-Wreck of Canada, Practicar, Auto Rental Resource Center, Xpress Rent A Car, Sonoran National Insurance Group and Peakstone Financial Services. U-Save America, together with its subsidiary Auto Rental Resource Center, has over 1,100 locations throughout the United States and is one of North America's largest franchise car rental companies. U-Save America currently services 28 airport markets in 11 different states and 7 countries. U-Save Car Sales is an expansion of the U-Save America brand into the car sales market, and provides goods and services to car sales operators looking to affiliate with a national brand. Practicar Systems Inc. (a wholly-owned subsidiary of FSNA) owns the rights to the Rent-A-Wreck® and the PractiCar® trademarks for all of Canada. The Rent-A-Wreck® system operates a network of 69 franchised locations from coast-to-coast in Canada, providing a range of vehicle rental, leasing and sales options to its customers. The Rent-A-Wreck® system has been in continuous operation in Canada since 1976.

Recent Developments

On December 6, 2012, the FSNA's Board decided to streamline FSNA's executive management (as disclosed in FSNA's news release dated December 7, 2012 and its material change report dated December 13, 2012) and resolved to remove Sanford Miller from all of his executive positions with FSNA and its subsidiaries. On December 10, 2012, Mr. Miller resigned from the FSNA Board. FSNA's subsidiary, U-Save America, subsequently terminated its employment agreement with Mr. Miller, on March 1, 2013, and on that same date sought a declaration from a federal court in Mississippi that U-Save America owes no severance pay or benefits to Mr. Miller.

On February 8, 2013, the FSNA Board formed an independent committee whose mandate includes overseeing the final steps and the closing of the Transaction.

The consolidation of the car rental industry continues with the Hertz acquisition of DTAG. This transaction created the need for Hertz to divest the Advantage Assets in order to gain approval from the FTC, which in turn gave rise to the Transaction. The acquisition of Advantage by Adreca from Hertz pursuant to the Advantage Purchase Agreement closed on December 12, 2012. On February 15, 2013, Advantage also acquired additional airport concessions from Hertz and DTAG, as applicable. FSNA has been managing the Advantage Assets with Adreca pursuant to and in accordance with the Management Services Agreement.

It is increasingly common for airports to use Consolidated Rental Car Operation Centers ("**CONRAC**") in order to cut down on traffic in the terminals, free up incremental parking locations, and consolidate busing activity. Entrance into these CONRAC facilities "levels the playing field" amongst competitors and allows for mid-sized competitors (such as Advantage) to compete more effectively with the larger providers of car rental services.

The continued expansion of the internet and mobile applications for smart phones intensifies competition in the car rental industry, but also creates significant opportunity for mid-sized companies. The ability to garner leisure travelers from online travel agencies and organic websites has allowed for reductions in reservation costs and greater access to the travelling public. As a result, companies such as Advantage can more effectively compete against larger car rental companies.

Three Year History

For the year ended September 30, 2010, FSNA faced significant challenges in its ability to recruit potential franchise candidates as the credit crisis in the United States and Canada significantly limited the ability of entrepreneurs to borrow funds in order to finance rental fleets. Additionally, for the first time in recent memory, vehicles purchased from U.S. automobile manufacturers were no longer able to be financed for 100% of the acquisition cost of the vehicle, and credit enhancements had to be provided. This significantly impacted many participants in the rental car industry (including U-Save franchisees) and impaired their ability to borrow money to finance their fleet and have the additional liquidity and capital necessary to successfully operate. As a result, some franchisees closed their businesses and others reduced their fleet of available rental vehicles from which FSNA earns insurance commissions and royalty revenue.

For the year ended September 30, 2011, although credit markets began to stabilize, one of FSNA's insurance carriers went into "run-off", meaning it was no longer providing insurance coverage, although older claims continued to develop and were settled. This resulted in a disproportionate number of claims and claim expenses being incurred by FSNA.

For the year ended September 30, 2012, FSNA incurred over $2,000,000 of transaction fees directly related to the acquisition of Advantage by Adreca. These non-recurring expenses contributed to the challenges faced by FSNA.

Prior Sales

No FSNA Shares or securities convertible into FSNA Shares have been issued in the twelve months preceding the date of this Circular.

Trading Price and Volume

The FSNA Shares are listed and posted for trading on the TSXV under the symbol "FSN". The following table sets forth information relating to the trading of the FSNA Shares on the TSXV for the months indicated.

Month	High	Low	Volume
February 2012	$0.40	$0.21	155,300
March 2012	$0.37	$0.20	186,100
April 2012	$0.25	$0.17	72,500
May 2012	$0.47	$0.22	135,900
June 2012	$0.56	$0.28	103,300
July 2012	$0.35	$0.25	56,000
August 2012	$0.33	$0.25	30,500
September 2012	$0.68	$0.33	1,018,700
October 2012	$0.55	$0.35	685,800
November 2012	$0.56	$0.30	1,337,500
December 2012	$0.55	$0.48	237,505
January 2013	$0.55	$0.50	244,082
February 2013	$0.95	$0.51	908,495
March 1 to 28, 2013	$0.84	$0.50	152,500

The price of the FSNA Shares as reported by the TSXV at the close of business on August 24, 2012, the last day on which FSNA Shares were traded before the announcement of the Transaction, was $0.33.

The price of the FSNA Shares as reported by the TSXV at the close of business on March 28, 2013 was $0.65.

Securities Authorized for Issuance under Equity Compensation Plans

FSNA has one equity compensation plan, the FSNA Option Plan. The FSNA Option Plan has been approved by the FSNA Shareholders. The following table provides aggregated information as of the date of this Circular with respect to the FSNA Option Plan.

Plan Category	Number of FSNA Shares to be issued upon exercise of outstanding FSNA Options	Weighted average exercise price of outstanding FSNA Options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plan approved by FSNA Shareholders	9,305,994(1)	US$0.15	3,258,091
Equity Compensation plans not approved by FSNA Shareholders	N/A	N/A	N/A
Total	9,305,994(1)	US$0.15	3,258,091

Note:
(1) FSNA is currently considering whether 1,292,149 of the issued FSNA Options remain outstanding.

Indebtedness of Directors and Executive Officers

The following table sets forth the aggregate indebtedness of the current or former directors and officers of FSNA to FSNA or its subsidiaries as at the date hereof:

Purpose	To FSNA or its subsidiaries(1)	To Another Entity
Share purchases	US$1,332,355	Nil
Other	US$1,072,149	Nil

Note:
(1) Please refer to the disclosure regarding the indebtedness of directors and officers set forth in the notes to the table below.

The following table sets forth the amounts owing from each current or former director and officer of FSNA indebted to FSNA or any of its subsidiaries, as the case may be, as at the date hereof.

Name and Principal Position (if applicable)	Involvement of FSNA or Subsidiary	Largest Amount Outstanding During Last Completed Financial Year (US$)	Amount Outstanding as at March 1, 2013 (US$)	Financially Assisted Securities Purchases During Last Completed Financial Year	Security for Indebtedness	Amount Forgiven During Most Recently Completed Financial Year
Securities Purchase Programs						
Thomas P. McDonnell, III, *Chairman and Chief*	USHI (Lender)	1,632,355(2)	1,332,355	Nil	Nil	Nil

Executive Officer[1]						
Other Programs						
Sanford Miller, *Former Co-Chairman and former Co-Chief Executive Officer*[3]	U-Save America (Lender)	104,000[4]	84,000	Nil	Nil	Nil
RAC Enterprises LLC [5] *Florida, U.S.*	U-Save America (Lender)	938,149[6] [7]	938,149	Nil	Nil	Nil
O. Kendall Moore, *Vice President, General Counsel and Secretary*	U-Save America (Lender)	50,000[8]	50,000	Nil	Nil	Nil

Notes:

(1) Director and proposed nominee for election as a director of New FSNA.

(2) This indebtedness was incurred by Mr. McDonnell in connection with amounts paid by U-Save America on behalf of Messrs. Miller and McDonnell in respect of interest payments on loans incurred by them to acquire U-Save America shares through their ownership in USHI. This note was restructured effective February 1, 2010 into a new note that bears interest at prime plus 2% (currently 5.25%) and requires annual principal payments of $150,000. This note matures in 2020.

(3) Former Co-Chairman and former Co-Chief Executive Officer.

(4) This indebtedness was incurred by Mr. Miller in connection with his assumption of debt related to certain activities of a U-Save America franchise formerly owned by Mr. Miller. This was restructured effective February 1, 2010 into a new note that bears interest at prime plus 2% (currently 5.25%) and requires annual principal payments of $10,000. This note matures in 2020.

(5) Mr. Miller, former Co-Chairman and former Co-Chief Executive Officer of FSNA, is a co-owner of RAC Enterprises LLC, a U-Save America franchisee located in Florida, USA.

(6) This amount reflects US$990,050 due to U-Save America from RAC Enterprises LLC, a U-Save America franchisee, in which Mr. Miller is a co-owner, and is evidenced by a secured five (5) year promissory note dated December 31, 2008 issued by RAC Enterprises LLC to U-Save America with an annual interest rate of 6.0%. The note calls for interest only payments during the first year followed by a graduated principal and interest payments in years two (2) through five (5). A balloon payment of US$723,754 is due at the end of the term. The note matures January 1, 2014. This indebtedness relates to certain accounts receivable which were rolled into this note.

(7) This amount has been deemed uncollectible and, as a result, was removed from the FSNA balance sheet and written off against a previously established allowance at June 30, 2012.

(8) This amount, which reflects a personal loan from U-Save America to Mr. Moore, is represented by an unsecured non-interest bearing promissory note dated May 12, 2005, as amended and restated, issued by U-Save America to Mr. Moore in the amount of US$80,000 and due May 12, 2020. Pursuant to the terms of the promissory note, $30,000 will be forgiven from the principal amount of $80,000 upon payment of $50,000 or before May 12, 2020.

Other than as disclosed in the above table, none of the current or former directors and officers of FSNA is indebted to FSNA or any of its subsidiaries.

Interests of Certain Persons or Companies in Matters to be Acted Upon

Except as otherwise disclosed in this Circular, no person who has been a director or executive officer of FSNA since the beginning of FSNA's most recently completed financial year, and no associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

As of the date of this Circular, the directors and executive officers of FSNA and their associates and affiliates beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of approximately 24,184,085 FSNA Shares, representing approximately 38.50% of the FSNA Shares outstanding as of the close of business on such date. All of the FSNA Shares held by the directors and executive officers of FSNA will be treated in the same fashion under the Transaction as FSNA Shares held by any other FSNA Shareholder.

Interests of Informed Persons in Material Transactions

No informed person of FSNA, 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 FSNA or any of its subsidiaries in the most recently completed financial year of FSNA.

Material Contracts

Other than the Merger Agreement, the Management Services Agreement, the Warrant, the Stockholders Agreement, the Registration Rights Agreement, the Credit Agreement, the Guarantees and contracts entered into in the ordinary course of business, FSNA did not enter into any material contract either (i) within its most recently completed financial year, or (ii) after January 1, 2012 and before its most recently completed financial year and which is still in effect as of the date hereof.

INFORMATION CONCERNING ADRECA

Information concerning Adreca, including with respect to the acquisition of Advantage and the Advantage Assets, is set out in Schedule "D". **The information is presented on a pre-Transaction basis and reflects the business, financial and share capital position of Adreca, including the acquisition by Adreca of Advantage. See "*New FSNA After the Transaction*" in this Circular for *pro forma*, business, financial and share capital information relating to New FSNA.**

MATTERS TO BE APPROVED AT THE MEETING

Approval of the Arrangement

At the Meeting, FSNA Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution, the full text of which is set forth in Schedule "A". For a description of the Arrangement, see "*The Transaction – The Arrangement*" in this Circular.

It is the intention of the persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, to vote such proxies "FOR" the Arrangement.

Approval of the First Merger and the Issuance of the Preferred Shares

In connection with the First Merger, FSNA intends to issue the Preferred Shares to Boketo, the sole shareholder of Adreca, as further described under "*The Transaction - The Merger*" in this Circular. At the Meeting, FSNA Shareholders will be asked to consider and, if deemed advisable, to approve the Merger Resolution, the full text of which is set forth in Schedule "B". For a description of the Merger, the proposed share issuance and the regulatory approvals required in connection with the issuance, see "*The Transaction - Procedure for the Transaction to Become Effective*".

It is the intention of the persons named in the enclosed Form of Proxy, if not expressly directed to the contrary in such Form of Proxy, to vote such proxies "FOR" the First Merger and the issuance of the Preferred Shares.

GENERAL MATTERS

Auditors, Transfer Agent and Registrar

The auditors of FSNA are Ernst & Young LLP at its offices located at 222 Bay Street, 21st Floor, Toronto, ON, M5K 1J7. Ernst & Young LLP is independent with respect to FSNA within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

The transfer agent and registrar for the FSNA Shares is and, for the New FSNA Shares will be, Computershare Trust Company of Canada at its offices at 600, 530 – 8th Avenue S.W., Calgary Alberta, T2P 3S8.

Legal Proceedings and Regulatory Actions

Except as described herein, FSNA is not a party to any legal proceedings or regulatory actions material to it and, to its knowledge, no such proceedings or actions are contemplated. See "*Information Concerning FSNA - Recent Developments*".

Interests of Experts

C.L. King and Seer Capital were retained by FSNA to act as financial advisor in connection with the Transaction. As of the date of this Circular, neither C.L. King nor Seer Capital holds any registered or beneficial interests, direct or indirect, in any securities of FSNA.

Exemptions

FSNA applied for relief from the requirement set forth in Item 14.2 of National Instrument 51-102F5 which would otherwise mandate "prospectus-level disclosure" regarding Advantage in accordance with Item 32.2 of Form 41-101F1. The Advantage Assets may be viewed as a primary business of Adreca pursuant to Section 32.1(b) of Form 41-101F1. The treatment of the Advantage Assets as a primary business of Adreca requires FSNA to include audited financial statements in respect of the Advantage Assets for up to three years prior to the date hereof. FSNA has been informed by Hertz that the preparation of the required financial statements relating to Advantage is impracticable. FSNA therefore applied for relief under National Policy 11-203 – *Process for Exemptive Relief Applications*. Such relief was granted pursuant to the Exemptive Relief Order on December 18, 2012, provided that the Circular contains the following (collectively, the "**Carve-Out Financial Statements**"):

(a) an audited statement of Advantage's revenues and operating expenses excluding any allocation of (i) Hertz's corporate expenses (such as accounting, treasury, legal, risk management and human resources) and (ii) income taxes, prepared in accordance with IFRS (the "**Statement of Revenues and Operating Expenses**") for the years ended 31 December 2011 and 2010 that:

  (i) provides a statement that the operating statements are prepared using accounting policies that are permitted by IFRS and would apply to those line items if those line items were presented as part of a complete set of financial statements;

  (ii) provides a description of the accounting policies used to prepare the operating statements; and

  (iii) includes an auditor's report that reflects the fact that the operating statements were prepared in accordance with the basis of presentation disclosed in the notes to the operating statements;

(b) an audited schedule of the Advantage assets to be acquired and liabilities assumed by FSNA/Adreca for the years ended 31 December 2011 and 2010 (the "**Schedule**") that:

(i) includes all the assets and liabilities acquired;

(ii) provides a statement that the schedule is prepared using accounting policies that are permitted by IFRS and would apply to those line items if those line items were presented as part of a complete set of financial statements;

(iii) provides a description of the accounting policies used to prepare the Schedule; and

(iv) includes an auditor's report that reflects the fact that the Schedule was prepared in accordance with the basis of presentation disclosed in the notes to the Schedule;

(c) an unaudited comparative statement of Advantage's revenues and operating expenses as of Advantage's then most recently completed interim period, reporting revenues and expenses in a manner consistent with the Statement of Revenues and Operating Expenses referred to in clause (a) above, as well as an unaudited schedule of the Advantage assets to be acquired and liabilities to be assumed as of 30 September 2012, reporting in a manner consistent with the Schedule referred to in clause (b) above;

(d) *pro forma* operating statements for the year ended 30 September 2012 which will include FSNA's income statements and the Statement of Revenues and Operating Expenses; and

(e) a pro forma balance sheet as of 30 September 2012.

Additional Information

Additional information relating to FSNA can be found on SEDAR at www.sedar.com. Copies of those documents, as well as any additional copies of this Circular, are available upon written request to the General Counsel, Franchise Services of North America Inc., O. Kendall Moore, Tel: (601) 713-4333, upon payment of a reasonable charge where applicable.

APPROVAL OF THE BOARD OF DIRECTORS

The contents and the sending of the Notice of Meeting and this Circular have been approved by the FSNA Board.

DATED this 28th day of March, 2013

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Thomas P. McDonnell, III*"

Thomas P. McDonnell, III
Chief Executive Officer and Chairman

GLOSSARY OF TERMS

In this Circular, the following capitalized words and terms shall have the following meanings:

"**2007 Annual Financial Statements"** has the meaning ascribed to it in the section entitled "*New FSNA after the Transaction – Corporate Cease Trade Orders*";

"**Account Control Agreements**" has the meaning ascribed thereto in the Sublease;

"**Acquisition Transaction**" means any transaction involving a merger, amalgamation, consolidation, business combination, purchase or disposition of any material amount of assets of FSNA or any of its Subsidiaries, or Adreca or Advantage, respectively, other than the transactions contemplated by the Merger Agreement;

"**Additional Unaffiliated Director**" has the meaning ascribed to it in the section entitled "*The Transaction – Final Structure Documents – Stockholders Agreement – Board Rights*";

"**Adreca**" means Adreca Holdings Corp., a Delaware corporation;

"**Adreca Shares**" means the issued and outstanding common shares of Adreca;

"**Adreca Material Adverse Change**" means any change in any fact or circumstance or event which has a material adverse effect on: (a) the financial condition, assets, operations or business of Adreca or Advantage or the consolidated financial condition, assets, operations or business of Adreca and Advantage taken as a whole; (b) the ability of Adreca or Advantage to perform its payment obligations under any Sublease Document; or (c) the validity, legality or enforceability of any Sublease Document; provided that, "Adreca Material Adverse Change" shall not include (i) effects to the extent that they result from any attack, outbreak, hostility, terrorist activity, act or declaration of war or act of public enemies, (ii) solely with respect to clause (c) of this definition, changes in law, regulations or the interpretation thereof or (iii) changes in the national or world economy or financial markets as a whole or changes in general economic conditions that affect the industries in which Adreca or Advantage conduct their business, except to the extent such changes or conditions adversely affect Adreca and Advantage, taken as a whole, in a materially disproportionate manner relative to other similarly situated participants in the industries or markets in which they operate;

"**Adreca Material Adverse Effect**" means a material adverse effect on the ability of Boketo or Adreca to timely perform its obligations under the Interim Structure Documents, the Final Structure Documents or on the ability of the Boketo or Adreca to timely consummate the Transaction;

"**Advantage**" means Simply Wheelz LLC, a Delaware limited liability company, d/b/a Advantage Rent A Car;

"**Advantage Assets**" means all of the equity of Advantage and certain assets associated with rental car locations owned by Hertz and to be transferred to Advantage in accordance with the Advantage Purchase Agreement;

"**Advantage Holdings**" means Advantage Company Holdings, Inc., a Delaware corporation;

"**Advantage Purchase Agreement**" means the Amended and Restated Purchase Agreement, dated as of December 10, 2012, between Adreca and Hertz, and any amendment thereto or amendment and restatement thereof;

"**Amended FSNA Charter Documents**" means, in respect of FSNA in connection with the Re-domiciliation, New FSNA's certificate of incorporation and by-laws in form and substance mutually satisfactory to FSNA and Boketo;

"**Approval Deadline**" means the date that is 300 days after the date of the Merger Agreement;

"**Arrangement**" means the arrangement under the provisions of Section 192 of the CBCA on the terms set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Merger Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order;

"**Arrangement Effective Date**" means the date upon which the Arrangement becomes effective as provided in the Plan of Arrangement;

"**Arrangement Effective Time**" means 12:01 a.m. (Toronto time) on the Arrangement Effective Date;

"**Arrangement Resolution**" means the special resolution of the FSNA's Shareholders approving the Arrangement, as attached to this Circular in Schedule "A";

"**Articles of Arrangement**" means the articles of arrangement to be filed with the Director according to the provisions of the CBCA;

"**Assignment and Assumption Agreement**" means each assignment and assumption agreement entered into, or to be entered into, between Advantage and DTAG or Hertz, as applicable, with respect to the "Second Closing" (as defined in the Advantage Purchase Agreement);

"**Assumption**" means the assumption, by FSNA, of all obligations of Adreca or Advantage, as applicable, to Boketo, at Boketo's option, under the Credit Agreement as of Closing, in the event that Boketo and FSNA are unable to secure third-party financing prior to the Closing Date;

"**Base Rate**" has the meaning ascribed to it in the section entitled "*Certain Canadian Federal Income Tax Considerations – Offshore Investment Fund Property Rules*" of this Circular;

"**Boketo**" means Boketo LLC, a Delaware limited liability company;

"**Business Day**" means any day, other than a Saturday, a Sunday or a day on which banks in Toronto, Ontario, Canada; Calgary, Alberta, Canada; New York, New York, United States of America; or Dover, Delaware, United States of America are authorized or obligated by law or executive order to close;

"**Canadian GAAP**" means Canadian generally accepted accounting principles as contemplated by the Handbook applied on a consistent basis, and which incorporates IFRS under Part 1 of the Handbook for periods beginning on and after January 1, 2011 and Canadian generally accepted accounting principles under Part V of the Handbook prior to January 1, 2011;

"**Canadian Resident Dissenters**" has the meaning ascribed to it in the section entitled "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Canadian Resident Holders*" of this Circular;

"**Canadian Resident Holder**" has the meaning ascribed to it in the section entitled "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*" of this Circular;

"**Carve-out Financial Statements**" has the meaning ascribed to it in the section entitled "*General Matters – Exemptions*" of this Circular;

"**CBCA**" means the *Canada Business Corporations Act* and the regulations made thereunder, as promulgated or amended from time to time;

"**Cease Trade Orders**" has the meaning ascribed to it in the section entitled "*New FSNA after the Transaction - Corporate Cease Trade Orders*" of this Circular;

"**Certificate of Arrangement**" means the certificate issued by the Director to FSNA upon receipt of the Articles of Arrangement pursuant to section 192 of the CBCA;

"**Certificate of Domestication**" means the certificate of corporate domestication required by §388 of the DGCL, as part of the Arrangement;

"**Certificate of Incorporation**" means the certificate of incorporation of New FSNA to be filed with the Secretary of State of the State of Delaware in connection with the Arrangement;

"**Certificates of Merger**" means the certificates of merger to be filed with the Secretary of State of the State of Delaware in connection with the consummation of the First Merger and the Second Merger;

"**Charter Documents**" means articles of incorporation and by-laws and similar constating documents of a corporation, the articles of organization, certificate of a limited liability company and operating agreement, or similar formation and governing documents of a form of entity other than a corporation;

"**Circular**" means this management information circular, including the Notice of Meeting and all schedules hereto and all amendments hereof;

"**Closing**" means the closing of the Transaction;

"**Closing Date**" means the date and time upon which the Closing occurs;

"**Code**" means the United States *Internal Revenue Code* of 1986, as amended;

"**Collateral Agency Agreement**" means the Collateral Agency, Intercreditor and Security Agreement, dated as of December 12, 2012, among Hertz, as Collateral Agent and Secured Creditor, Advantage, as Debtor, and FSNA, Adreca, U-Save Car Sales, Inc., U-Save America, U-Save Holdings, Inc., U-Save Leasing, Inc., Peakstone Financial Services, Inc. d/b/a Sonoran National Insurance Services Group f/k/a U-Save Financial Services, Inc., Auto Rental Resource Center, Inc., Practical Rent-A-Car System, Inc. and Hollywood Call Center, Inc., each a Guarantor, and each other entity that becomes a Guarantor thereto by joinder as provided therein;

"**Commitment Letter**" means the Equity Commitment Letter from Boketo to Adreca dated July 13, 2012;

"Common Directors" means the members of the Board who are neither Preferred Directors, the Seventh Director nor Additional Unaffiliated Directors;

"**Compensation Committee**" means the compensation committee of FSNA, and after the completion of the Transaction, the compensation committee of New FSNA;

"**CONRAC**" has the meaning ascribed to it in the section entitled "*Information Concerning FSNA – Recent Developments*" of this Circular;

"**Continuance**" means the continuance/domestication of FSNA into the State of Delaware pursuant to the provisions of the DGCL, and the concurrent discontinuance of FSNA from Canada under the provisions of the CBCA;

"**Continuing FSNA Directors**" has the meaning ascribed to it in the section entitled "*New FSNA after the Transaction – Directors and Officers of New FSNA*" of this Circular;

"**control**" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, or as trustee or executor, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, as trustee or executor, by contract or credit arrangement or otherwise;

"**Court**" means the Alberta Court of Queen's Bench;

"**CRA**" means Canada Revenue Agency;

"**Credit Agreement**" means the Credit Agreement entered into in accordance with Section 2.13 of the Merger Agreement;

"**Current Assets Note**" means the Current Assets Note, dated December 12, 2012, issued by Adreca in favor of Hertz;

"**Demand for Payment**" has the meaning ascribed to it under the heading "*Dissenting Holders' Rights*" of this Circular;

"**DGCL**" means the General Corporation Law of the State of Delaware;

"**Director**" means the Director appointed under Section 260 of the CBCA;

"**Dissent Notice**" means the written objection of a Registered Shareholder to the Arrangement Resolution, submitted to FSNA in accordance with the Dissent Procedures;

"**Dissent Procedures**" means the dissent procedures, as described under the heading "*Dissenting Holders' Rights*" in this Circular;

"**Dissent Rights**" means the right to dissent from the Arrangement Resolution pursuant to section 190 of the CBCA, with modifications to the provisions of section 190 as provided in the Plan of Arrangement and the Interim Order;

"**Dissenting FSNA Shares**" has the meaning ascribed to it under the heading "*Rights of Dissent*" of this Circular;

"**Dissenting Holder**" means a registered holder of FSNA Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights;

"**DTAG**" means Dollar Thrifty Automotive Group, Inc., a Delaware corporation;

"**Effective Time**" means the date and time at which the First Merger becomes effective and, in any event, no earlier than after the Arrangement Effective Time;

"**Exemptive Relief Order**" means the exemptive relief order granted by the Alberta Securities Commission and the Ontario Securities Commission dated December 18, 2012 pursuant to an application by FSNA under National Policy 11-203 – *Process for Exemptive Relief* for relief from, among other things, the requirement set forth in Item 14.2 of National Instrument 51-102F5 which would otherwise mandate "prospectus-level disclosure" regarding Advantage in accordance with Item 32.2 of Form 41-101F1;

"**Exit Event**" has the meaning ascribed to it in the section entitled "*The Transaction – The Merger – Interim Structure Documents – Warrant*" of this Circular;

"**Final Order**" means the final order to be made by the Court approving the Arrangement, as such order may be amended by the Court (with the consent of both FSNA and Adreca, each acting reasonably) at any time prior to the Arrangement 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 FSNA and Adreca, each acting reasonably) on appeal;

"**Final Structure Documents**" means the Stockholders Agreement, the Registration Rights Agreement, the Credit Agreement and the Amended FSNA Charter Documents;

"**First Closing**" means the closing of the purchase and sale of all of the limited liability company interests of Advantage pursuant to the Advantage Purchase Agreement;

"**First Closing Date**" means December 12, 2012, the date on which the First Closing occurred;

"**First Merger**" the merger of Advantage Holdings with and into Adreca, pursuant to which the separate corporate existence of Advantage Holdings shall cease upon the completion thereof and Adreca shall continue as the surviving corporation;

"**Form of Proxy**" means the form of proxy (printed on blue paper) accompanying this Circular;

"**FSNA**" means Franchise Services International, Inc., a company existing under the CBCA and unless the context requires otherwise, includes its subsidiaries;

"**FSNA Board**" means the board of directors of FSNA;

"**FSNA Deletion Event**" means, after the Approval Deadline but prior to the Effective Time, the first date, if any, on which (a) the Management Services Agreement has been terminated and (b) the Merger Agreement has been terminated;

"**FSNA Material Adverse Effect**" means a material adverse effect (a) persisting or reasonably expected to persist for at least four consecutive fiscal quarters on the business, assets, liabilities, condition (financial or otherwise), results of operations or prospects of FSNA and its subsidiaries, taken as a whole, or (b) on the ability of FSNA to timely consummate the Transaction and to timely perform its obligations under any Interim Structure Document, any Final Structure Document or any Hertz Document;

"**FSNA Option**" means an option to purchase FSNA Shares under the FSNA Option Plan;

"**FSNA Option Plan**" has the meaning ascribed to it in the section entitled "*Statement of Executive Compensation – FSNA Option Plan*";

"**FSNA Shareholders**" means, at the relevant time, the holders of FSNA Shares;

"**FSNA Shares**" means the issued and outstanding common shares in the capital of FSNA;

"**FTC**" has the meaning ascribed to it in the section entitled "*The Transaction – Background to the Transaction*" of this Circular;

"**Governmental Entity**" means any government or any arbitrator, tribunal or court of competent jurisdiction, administrative agency, regulatory body or commission or other governmental authority or instrumentality (in each case whether federal, state, provincial, local, foreign, international or multinational);

"**Guarantees**" means each guarantee executed by Adreca, Advantage, FSNA and any of its Subsidiaries guaranteeing the obligations of FSNA, any of FSNA's Subsidiaries, Advantage or Adreca under the Sublease or under any Sublease Document;

"**Handbook**" means the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time;

"**Hawaii Lease**" means the Master Motor Vehicle Operating Hawaii Lease Agreement, dated as of December 12, 2012, between Hertz and Advantage;

"**Hawaii Lease Side Letter**" means the Hawaii Lease Side Letter, dated as of December 12, 2012, between Hertz and Advantage relating to the definition of "Capitalized Cost" in the Hawaii Lease;

"**Hertz**" means The Hertz Corporation, a Delaware corporation;

"**Hertz Credit Agreement**" means the Hertz Senior Note Credit Agreement, dated as of December 12, 2012, between Hertz and Advantage;

"**Hertz Documents**" means, collectively, the Sublease, the Hawaii Lease, the Collateral Agency Agreement, the Purchase Price Note, the Current Assets Note, the Advantage Purchase Agreement, each Guarantee, each Limited Guarantee, each Assignment and Assumption Agreement, the Commitment Letter, the Support Agreement, the Transition Services Agreement, each Lock-Up Agreement, the Account Control Agreements and the Hertz Credit Agreement;

"**Hertz Lease**" has the meaning ascribed to it in the section entitled "*The Transaction – The Advantage Acquisition – The Hertz Financing Documents – Sublease*" in this Circular;

"**IFRS**" means International Financial Reporting Standards;

"**Interim Order**" means the interim order of the Court dated March 28, 2013, providing for, among other things, the calling and holding of the Meeting, attached as Schedule "E" hereto;

"**Interim Structure Documents**" means the Merger Agreement, the Management Services Agreement, the Warrant and the Voting Agreements;

"**Intermediary**" includes a bank, trust company, securities dealer or broker and trustee or administrator of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plan or other intermediary;

"**IRS**" means the United States Internal Revenue Service;

"**Investment Assets**" has the meaning ascribed to it in the section entitled "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Offshore Investment Fund Property Rules*" of this Circular;

"**Laws**" means any federal, state, provincial, local or foreign law, (including common law), statute, code, ordinance, rule, regulation, order, judgment, injunction or decree, administrative order or decree, administrative or judicial decision, arbitral award, and any other executive or legislative proclamation;

"**Limited Guarantee**" means each Limited Guarantee dated as of July 13, 2012, executed by each of Macquarie Financial Holdings Limited and MIHI LLC in favor of Hertz;

"**Lock-up Agreement**" means each Equity Interest Lock-Up Agreement, dated July 13, 2012, from each of Boketo, Sanford Miller and Thomas P. McDonnell, III to Hertz;

"**Macquarie**" means the group comprising of MIHI LLC, Boketo and Adreca;

"**Macquarie Capital**" means Macquarie Capital (USA) Inc., a Delaware corporation;

"**Macquarie Group**" means Macquarie Group Limited, each of its subsidiaries and any fund or similar vehicle managed or advised by any such subsidiary;

"**Management Services Agreement**" means the Management Services Agreement, dated as of July 13, 2012, among FSNA and Adreca and, upon the First Closing, Advantage;

"**Material Adverse Change**" means any change in any fact or circumstance or event which has a material adverse effect on: (a) (in respect of any Sublessee Credit Group Member) the financial condition, assets, operations or business of any such Sublessee Credit Group Member or the consolidated financial condition, assets, operations or business of the Sublessee Credit Group taken as a whole; (b) the ability of any Sublessee Credit Group Member to perform its payment obligations under any Sublease Document or any other material financing arrangement of any Sublessee Credit Group Member or document related to any of the foregoing; or (c) the validity, legality or enforceability of any Sublease Document or any other material financing arrangement of any Sublessee Credit Group Member or any document related to any of the foregoing; provided that, "Material Adverse Change" shall not include (i) effects to the extent that they result from any attack, outbreak, hostility, terrorist activity, act or declaration of war or act of public enemies, (ii) solely with respect to clause (c) of this definition, changes in law, regulations or the interpretation thereof or (iii) changes in the national or world economy or financial markets as a whole or changes in general economic conditions that affect the industries in which the Sublessee Credit Group Members conduct their business, except to the extent such changes or conditions adversely affect the Sublessee Credit Group Members, taken as a whole, in a materially disproportionate manner relative to other similarly situated participants in the industries or markets in which they operate;

"**Meeting**" means the special meeting of FSNA Shareholders, including any adjournments or postponements thereof, called and to be held to consider, and if deemed advisable, to pass, with or without variation, the Arrangement Resolution and the Merger Resolution;

"**Meeting Materials**" has the meaning ascribed to it in the section entitled "*Beneficial Shareholders*" in this Circular;

"**Merger**" means, collectively, the First Merger and the Second Merger;

"**Merger Agreement**" means the Agreement and Plan of Merger dated as of July 13, 2012, among Adreca, Boketo, FSNA and Advantage Holdings, and any amendment thereto or amendment and restatement thereof;

"**Merger Resolution**" means the ordinary resolution of the FSNA Shareholders to approve the First Merger and the issuance of the Preferred Shares in connection therewith, as attached to this Circular as Schedule "B";

"**MI 61-101**" has the meaning ascribed to it in the section entitled "*Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions"* of this Circular;

"**Named Executive Officer**" has the meaning ascribed to it in the section entitled "*Statement of Executive Compensation – Compensation Discussion and Analysis*";

"**Narcoossee**" has the meaning ascribed to it in the section entitled "*Procedures for the Transaction to Become Effective – Shareholder Approval of the Transaction*" of this Circular;

"**New FSNA**" means FSNA as continued to the State of Delaware at the Arrangement Effective Date and, unless the context requires otherwise, includes its subsidiaries;

"**New FSNA Board**" means the board of directors of New FSNA;

"**New FSNA Option**" means an FSNA Option outstanding immediately before the Arrangement Effective Time which has converted into an option to purchase a New FSNA Share in accordance with the Plan of Arrangement, and is outstanding immediately after the Arrangement Effective Time;

"**New FSNA Shares**" means the issued and outstanding shares of common stock of New FSNA;

"**Non-Registered Holder**" means a non-registered beneficial holder of FSNA Shares whose shares are held through an Intermediary;

"**Non-U.S. Holder**" has the meaning ascribed to it in the section entitled "*Certain United States Income Tax Considerations – Scope of this Disclosure*" of this Circular;

"**Notice of Appearance**" means a notice of appearance as set out in the Originating Application;

"**Notice of Meeting**" means the notice of the Meeting accompanying this Circular;

"**Notice of Originating Application**" means the notice that the Originating Application has been filed with the Court;

"**Offer to Pay**" means the written offer of New FSNA to each Dissenting Holder who has sent a Demand for Payment to pay for its FSNA Shares in an amount considered by the New FSNA Board to be the fair value of the shares, in compliance with the Dissent Procedures;

"**Originating Application"** means the application that has been filed with the Court on behalf of FSNA with respect to the Arrangement;

"**Orlando Lease**" has the meaning ascribed to it in the section entitled "*Procedures for the Transaction to Become Effective- Shareholder Approval of the Transaction*" of this Circular;

"**Person**" means an individual, a corporation, a partnership, a limited liability company, an association, a trust, a joint venture, a Governmental Entity or other entity or organization;

"**PIK Interest Amount**" has the meaning ascribed to it in the section entitled "*The Transaction – The Final Structure Documents – Credit Agreement*" of this Circular;

"**Plan of Arrangement**" means the plan of arrangement attached hereto in Schedule "C", and any amendment thereto;

"**Post-Merger Facility**" has the meaning ascribed to it in the section entitled "*The Transaction – The Final Structure Documents – Credit Agreement*" of this Circular;

"**Practicar**" has the meaning ascribed to it in the section entitled "*New FSNA after the Transaction – Directors and Officers of New FSNA – David I. Forseth*" of this Circular;

"**Pre-Merger Facility**" has the meaning ascribed to it in the section entitled "*The Transaction – The Final Structure Documents – Credit Agreement*" of this Circular;

"**Preferred Directors**" has the meaning ascribed to it in the section entitled "*The Transaction – The Merger – Terms of the Preferred Shares*" of this Circular;

"**Preferred Majority**" has the meaning ascribed to it in the section entitled "*The Transaction – The Merger – Terms of the Preferred Shares*" of this Circular;

"**Preferred Shares**" means the preferred shares, US$0.001 par value per share, of New FSNA designated as "Series A Preferred Stock" to be issued to Boketo pursuant to the Merger Agreement with the rights restrictions and privileges set forth in the Certificate of Incorporation, as attached to this Circular in Schedule "I";

"**Principal Stockholder**" means Thomas P. McDonnell, III;

"**Pro Forma Financial Statements**" has the meaning ascribed to it in the section entitled " *New FSNA after the Transaction - Unaudited Pro Forma Condensed Consolidated Financial Statements*";

"**Proposed Amendments**" has the meaning ascribed to it in the section entitled "*Certain Canadian Federal Income Tax Considerations – Introduction*" of this Circular;

"**Purchase Price Note**" means the Senior Promissory Note, dated December 12, 2012, issued by Adreca in favor of Hertz;

"**Qualified Sale**" has the meaning ascribed to it in the section entitled "*The Transaction – Final Structure Documents - Shareholders Rights Agreement*" of this Circular;

"**Re-domiciliation**" means the changing of FSNA's jurisdiction of incorporation to Delaware pursuant to Section 388 of the DGCL and as a result of which FSNA will no longer be a corporation subject to the CBCA;

"**Record Date**" means April 1, 2013;

"**Registered Shareholder**" means a registered holder of FSNA Shares as recorded in the shareholder register of FSNA maintained by the Transfer Agent;

"**Registration Rights Agreement**" means the registration rights agreement, dated as of March 26, 2013, between FSNA and Boketo;

"**Relevant SPV Parent**" means (i) prior to the consummation of the First Merger, Adreca and (ii) following the consummation of the First Merger, New FSNA;

"**Resignation Letter**" means the resignation letter of one member of the FSNA Board, effective immediately prior to Closing;

"**Schedule"** has the meaning ascribed to it in the section entitled "*General Matters – Exemptions*" of this Circular;

"**SEC**" has the meaning ascribed to it in the section entitled "*Information for United States Shareholders"* of this Circular;

"**Second Effective Time**" means the date and time at which the Second Merger becomes effective and, in any event, no earlier than after the Effective Time;

"**Second Merger**" means, the merger that occurs immediately after the completion of the First Merger whereby New FSNA merges with and into Adreca, pursuant to which the separate corporate existence of Adreca shall cease upon the completion thereof and New FSNA shall continue as the surviving corporation;

"**Section 3(a)(10) Exemption**" means the exemption from the registration requirements of the U.S. Securities Act provided under Section 3(a)(10) thereof;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Senior Fleet Equity Financing**" has the meaning ascribed to it in the Sublease;

"**Senior Fleet Financing**" has the meaning ascribed to it in the Sublease;

"**Seventh Director**" has the meaning ascribed to it in the section entitled "*The Transaction – Final Structure Documents – Terms of the Preferred Shares – Board Rights*" of this Circular;

"**Shareholder Approvals**" means the approval of the Arrangement Resolution and the Merger Resolution;

"**Special Stockholders Meeting Regarding Directors**" has the meaning ascribed to it in the section entitled "*The Transaction – The Merger – Stockholders Agreement*" of this Circular;

"**Special Purpose Subsidiary**" means a 100% wholly-owned direct or indirect subsidiary of the Relevant SPV Parent that (a) is an issuer of asset-backed securities or otherwise issues limited recourse debt in connection with one or more asset-backed warehouse or other asset-backed financing agreements, (b) is a bankruptcy-remote special-purpose entity, (c) is engaged solely in the business of (i) acquiring, selling, collecting, financing or refinancing accounts and/or receivables (including any thereof constituting or evidenced by chattel paper, instruments or general intangibles), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and/or (ii) acquiring, selling, leasing, financing or refinancing vehicles and/or related rights (including under leases, manufacturer warranties, and buy-back programs, and insurance policies) and /or assets (including managing, exercising and disposing of any such rights and/or assets), all proceeds thereof and all rights (contractual and other), collateral and other assets relating thereto, and (d) has been designated as a "Special Purpose Subsidiary" by Advantage in a written notice actually received by Hertz;

"**Statement of Revenues and Operating Expenses**" has the meaning ascribed to it in the section entitled "*General Matters – Exemptions*" of this Circular;

"**Stockholders Agreement**" means the Stockholders Agreement, dated as of March 26, 2013, with respect to New FSNA among FSNA, Boketo and Thomas P. McDonnell, III;

"**Super Majority Matters**" has the meaning ascribed to it in the section entitled "*The Transaction – The Merger – Terms of the Preferred Shares*" of this Circular;

"**Sublease**" means the Master Motor Vehicle Operating Sublease Agreement, dated as of December 12, 2012, between Hertz and Advantage;

"**Sublease Documents**" means, collectively, the Hertz Documents, any documents entered into in connection with any Senior Fleet Financing, any documents entered into in connection with any Senior Fleet Equity Financing, the Sublease Side Letter, the Hawaii Lease Side Letter and any agreement, certificate, instrument or other document executed, delivered, furnished or otherwise prepared in connection with any of the foregoing;

"**Sublease Side Letter**" means the Sublease Side Letter, dated December 12, 2012, between Hertz and Advantage relating to the definition of "Capitalized Cost" in the Sublease;

"**Sublessee Credit Group**" means Advantage, FSNA (or New FSNA, as the case may be), Adreca and each existing and future Subsidiary thereof (other than (i) any Special Purpose Subsidiary and (ii) Practicar Systems Inc.); provided that, following the occurrence of an FSNA Deletion Event, "Sublessee Credit Group" shall mean Advantage, Adreca and each existing and future Subsidiary thereof (other than any Special Purpose Subsidiary);

"**Sublessee Credit Group Member**" means any person or entity belonging to the Sublessee Credit Group;

"**Subsidiary**" or "**Subsidiaries**" means, with respect to any Person, any corporation, partnership or other entity or organization, whether incorporated or unincorporated, of which (i) such Person or any other Subsidiary of such Person is a general partner (excluding such partnerships where such Person or any Subsidiary of such Person does not have a majority of the voting interest in such partnership) or (ii) at least a majority of the securities or other interests having by their terms ordinary voting power to elect a majority of the board of directors or others performing similar functions with respect to such corporation or other entity or organization is directly or indirectly owned or controlled by such Person or by one or more of its Subsidiaries, or by any such Person and one or more of its Subsidiaries;

"**Support Agreement**" means the Support Agreement, dated as of December 12, 2012, between Hertz and Adreca;

"**Tax Act**" has the meaning ascribed to it in the section entitled "*Certain Canadian Federal Income Tax Considerations - Introduction*" of this Circular;

"**Transaction**" means the Merger, Arrangement and other transactions contemplated by the Merger Agreement;

"**Transition Services Agreement**" means the Transition Services Agreement, dated as of December 12, 2012, between Hertz and Advantage;

"**Transfer Agent**" means Computershare Trust Company of Canada;

"**Treaty**" has the meaning ascribed to it in the section entitled "*Certain Canadian Federal Income Tax Considerations - Introduction*" of this Circular;

"**TSXV**" means the TSX Venture Exchange;

"**TSXV Approval**" means the letter issued by the TSXV advising FSNA that approval of the Transaction and the transactions contemplated by the Credit Agreement has been granted, subject to the satisfaction of customary conditions set out therein;

"**U-Save America**" means U-Save Auto Rental of America, Inc.;

"**U.S. Exchange Act**" means the United States *Securities Exchange Act of 1934*, and the regulations made thereunder, as promulgated or amended from time to time;

"**U.S. GAAP**" means generally accepted accounting principles in effect in the United States;

"**U.S. Resident Dissenter**" has the meaning ascribed to it in the section entitled "*Comparison of Shareholder Rights – Tax Consequences of the Continuance of FSNA – U.S. Resident Holders – Dissenting U.S. Resident Holders*" of this Circular;

"**U.S. Resident Holders**" has the meaning ascribed to it in the section entitled "*Comparison of Shareholder Rights – Tax Consequences of the Continuance of FSNA – U.S. Resident Holders*" of this Circular;

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, and the regulations made thereunder, as promulgated or amended from time to time;

"**Voting Agreement**" means each Voting Support Agreement, dated July 13, 2012, entered into by each of Sanford Miller, Thomas P. McDonnell, III, Robert M. Barton, Jeffrey Congdon, David I. Forseth and Henri Lefebvre with FSNA, Boketo and Adreca; and

"**Warrant**" means the Warrant, dated July 13, 2012, issued by Adreca to FSNA.

AUDITORS' CONSENT

We have read the Notice of Meeting and Management Information Circular (the "Circular") of Franchise Services of North America Inc. (the "Corporation") dated March 28, 2013 relating to the special meeting of shareholders of the Corporation to approve the Transaction. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Circular of our report to the shareholders of the Corporation on the following:

- the consolidated statements of financial position of the Corporation as at September 30, 2012 and 2011 and the consolidated statements of loss and accumulated deficit, comprehensive loss, changes in equity and cash flows for the years then ended; our report is dated January 25, 2013, and
- the consolidated balance sheets of the Corporation as at September 30, 2011 and 2010 and the consolidated statements of operations and accumulated deficit, comprehensive loss and cash flows for the years then ended; our report is dated January 25, 2013.

DATED March 28, 2013

(signed) "Ernst & Young LLP"

Chartered Accountants

Licensed Public Accountants

Toronto, Ontario

Consent of KPMG LLP

We have read the Notice of Meeting and Management Information Circular (the "Circular") of Franchise Services of North America Inc. (the "Corporation") dated March 28, 2013 relating to the special meeting of shareholders of the Corporation to approve the Transaction. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned Circular of our report to the directors of the Corporation on the Schedules of Advantage Rent-A-Car, which comprise the Schedules of Assets to be Acquired and Liabilities to be Assumed as at December 31, 2011 and 2010, and the Schedules of Revenues and Operating Expenses for the years then ended, and, notes, comprising a basis of presentation, summary of significant accounting policies and other explanatory information. Our report is dated December 13, 2012.

KPMG LLP

March 28, 2013
New York, New York

SCHEDULE "A"
ARRANGEMENT RESOLUTION

SPECIAL RESOLUTION OF THE SHAREHOLDERS
OF FRANCHISE SERVICES OF NORTH AMERICA INC.

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving Franchise Services of North America Inc. ("**FSNA**"), as more particularly described and set forth in the management information circular (the "**Circular**") dated March 28, 2013 of FSNA (as the Arrangement may be modified or amended in accordance with its terms) is hereby authorized, approved and adopted.

2. The plan of arrangement (the "**Plan of Arrangement**") involving FSNA, the full text of which is set out as Exhibit A to the agreement and plan of merger dated as of the 13th day of July, 2012 among Adreca Holdings Corp., Boketo LLC, FSNA and Advantage Company Holdings, Inc., as amended (the "**Merger Agreement**") (as the Plan of Arrangement may be modified or amended in accordance with its terms) is hereby authorized, ratified and confirmed.

3. Notwithstanding that this resolution has been passed, and the Arrangement adopted, by the holders of common shares of FSNA ("**FSNA Shares**") or that the Arrangement has been approved by the Court of Queen's Bench of Alberta, the directors of FSNA are hereby authorized and empowered without further notice to or approval of the holders of FSNA Shares (i) to amend the Merger Agreement or the Plan of Arrangement, to the extent permitted by the Merger Agreement, and (ii) subject to the terms of the Merger Agreement, not to proceed with the Arrangement.

4. Any officer or director of FSNA is hereby authorized and directed for and on behalf of FSNA to execute, under the seal of FSNA or otherwise, and to deliver articles of arrangement and such other documents as are necessary or desirable to the Director under the CBCA in accordance with the Merger Agreement for filing.

5. Any officer or director of FSNA is hereby authorized and directed for and on behalf of FSNA to execute or cause to be executed, under the seal of FSNA or otherwise, 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 effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

SCHEDULE "B"
MERGER RESOLUTION

ORDINARY RESOLUTION OF THE SHAREHOLDERS OF FRANCHISE SERVICES OF NORTH AMERICA INC.

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The directors of Franchise Services of North America Inc. ("**FSNA**") are hereby authorized and empowered, without further notice to or approval of the holders of the common shares of FSNA ("**Common Shares**"), to effect the merger (the "**Merger**") of FSNA's wholly-owned subsidiary Advantage Company Holdings, Inc. ("**Advantage**") with and into Adreca Holdings Corp. (**"Adreca**"), whereby Adreca shall be the surviving corporation, pursuant to a merger agreement among FSNA, Boketo, Advantage and Adreca dated effective July 13, 2012 (the "**Agreement**") and in consideration thereof to issue to Boketo LLC ("**Boketo**") (i) 62,212,600 preferred shares of FSNA ("**Preferred Shares**") and (ii) such additional Preferred Shares, for no (or nominal) consideration, upon the exercise of any option or other security of FSNA convertible into Common Shares, in each case that were outstanding on December 12, 2012, so as to allow Boketo to maintain a 49.76%interest in the total equity of FSNA on an as converted basis, in each case having the rights privileges and restrictions described in the management information circular of FSNA dated March 28, 2013 in connection with the Merger. The separate corporate existence of Advantage shall cease and Adreca shall continue as the surviving corporation of the Merger.

2. The creation of Boketo as a new "control person" (as defined in the TSX Venture Exchange's Corporate Finance Manual) of FSNA in connection with the transactions contemplated by the Agreement is hereby approved.

3. Any officer or director of FSNA is hereby authorized and directed for and on behalf of FSNA to execute or cause to be executed, under the seal of FSNA or otherwise, 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 effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

SCHEDULE "C"
PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Arrangement Effective Date**" means the date upon which the Arrangement becomes effective as established by the date of issue shown on the Certificate;

"**Arrangement Effective Time**" means 12:01 a.m. (Toronto time) on the Arrangement Effective Date;

"**Arrangement Resolution**" means the special resolution of the FSNA Shareholders approving the Arrangement, such resolution to be in substantially the form of Exhibit B attached to the Merger Agreement;

"**Arrangement**" means an arrangement under the provisions of Section 192 of the CBCA on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or modification thereto made in accordance with the terms of the Merger Agreement and this Plan of Arrangement, or made at the direction of the Court in the Final Order (with the consent of FSNA and Boketo, each acting reasonably);

"**Articles of Arrangement**" means the articles of arrangement of FSNA in respect of the Arrangement, to be filed with the Director after the Final Order is made;

"**Boketo"** means Boketo LLC;

"**Business Day**" means any day, other than a Saturday, a Sunday and a statutory holiday in Toronto, Ontario, Canada; Calgary, Alberta, Canada; New York, New York, United States of America; or Dover, Delaware, United States of America;

"**CBCA**" means the *Canada Business Corporations Act* and the regulations made thereunder, as promulgated or amended from time to time;

"**Certificate**" means the certificate or other confirmation of filing giving effect to the Arrangement to be issued by the Director pursuant to Section 192(7) of the CBCA after the Articles of Arrangement have been filed;

"**Certificate of Domestication**" means the certificate of corporate domestication required by Section 388 of the DGCL, as part of the Arrangement;

"**Charter Documents**" means the articles and by-laws of FSNA;

"**Company**" means Adreca Holdings Corp., a Delaware corporation;

"**Continuance**" means the discontinuance of FSNA from the jurisdiction of the CBCA and the concurrent domestication of FSNA in the State of Delaware pursuant to the provisions of Section 388 of the DGCL;

"**Court**" means the Court of Queen's Bench of Alberta;

"**DGCL**" means the General Corporation Law of the State of Delaware;

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA;

"**Dissent Rights**" has the meaning ascribed thereto in Section 4.1;

"**Dissenting FSNA Shareholder**" means an FSNA Shareholder who has properly and validly exercised the Dissent Rights, who has not withdrawn or been deemed to have withdrawn such dissent and who is ultimately determined to be entitled to be paid the fair value of its FSNA Shares, but only in respect of the FSNA Shares in respect of which Dissent Rights are validly exercised by such FSNA Shareholder, such FSNA Shares referred to as "**FSNA Dissent Shares**";

"**Final Order**" means the order of the Court approving the Arrangement as such order may be amended by the Court (with the consent of FSNA and Boketo, each acting reasonably) at any time prior to the Arrangement Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or amended (provided that any such amendment shall be acceptable to FSNA and Boketo, each acting reasonably) on appeal;

"**FSNA**" means Franchise Services of North America Inc., a corporation existing under the laws of Canada;

"**FSNA Dissent Shares**" has the meaning ascribed thereto in the definition of Dissenting FSNA Shareholder in this Section 1.1;

"**FSNA Meeting**" means the special meeting of the FSNA Shareholders (including any adjournments or postponements thereof) to be called and held pursuant to the Interim Order to consider and, if thought fit, approve the Arrangement Resolution;

"**FSNA Shareholders**" means, at any time and unless the context otherwise requires, the registered holders of FSNA Shares;

"**FSNA Shares**" means the common shares in the capital of FSNA;

"**Governmental Entity**" means any (a) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, court, commission, commissioner (including the Commissioner of Competition appointed pursuant to the *Competition Act* (Canada)), tribunal (including the Competition Tribunal established under the *Competition Tribunal Act* (Canada)), board, bureau, agency or instrumentality, domestic or foreign, (b) any subdivision or authority of any of the foregoing, (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, or (d) stock exchange, automated quotation system, self-regulatory authority or securities regulatory authority;

"**Interim Order**" means the interim order of the Court, as the same may be amended by the Court (with the consent of FSNA and Boketo, each acting reasonably), made in connection with the Arrangement following the application therefor contemplated by the Merger Agreement;

"**Law**" or **"Laws**" means all federal, state and provincial codes, conventions, laws, ordinances, policies, by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority (including the TSXV), and the term "applicable" with respect to such Laws and in a context that refers to one or more parties, means such Laws as are applicable to such party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the party or parties or its or their business, undertaking, property or securities;

"**Liens**" means any pledges, claims, liens, charges, options, hypothecs, mortgages, security interests, restrictions, adverse rights or any other encumbrances of any kind or nature whatsoever;

"**Merger Agreement**" means the agreement and plan of merger dated as of the 13th day of July, 2012 among the Company, Boketo, FSNA and Advantage Company Holdings, Inc. as the same may be

amended, supplemented or restated in accordance with its terms providing for, among other things, the Arrangement;

"**New FSNA**" means Franchise Services of North America Inc., a corporation continued under the laws of the DGCL;

"**New FSNA Shares**" means the shares of common stock of New FSNA, US$0.001 par value per share;

"**Notice of Dissent**" means a written notice provided by an FSNA Shareholder to FSNA setting forth such FSNA Shareholder's objection to the Arrangement Resolution and exercise of Dissent Rights;

"**Person**" includes an individual, limited or general partnership, limited liability company, limited liability partnership, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

"**Plan of Arrangement**" means this plan of arrangement, and references to "**Article**" or "**Section**" mean the specified Article or Section of this Plan of Arrangement;

"**Preferred Shares**" means the preferred shares, US$0.001 par value per share, of New FSNA designated as "Series A Preferred Stock"; and

"**TSXV**" means the TSX Venture Exchange.

1.2 Number and Gender

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular number include the plural and vice versa, and words importing any gender include all genders.

1.3 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections and other parts and the insertion of headings are for convenience only and shall not affect the construction or interpretation of this Plan of Arrangement.

1.4 Time

All times expressed herein are Toronto time unless otherwise stipulated herein.

1.5 Currency

All references to currency in this Plan of Arrangement are to United States dollars, being lawful money of the United States of America, unless otherwise specified.

1.6 Statutory References

Unless otherwise expressly provided herein, any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.

1.7 Internal References

Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.

ARTICLE 2
THE ARRANGEMENT

2.1 Effectiveness

(1) Subject to the terms of the Merger Agreement, this Plan of Arrangement is made pursuant to the Arrangement Agreement and will become effective at the Arrangement Effective Time (except as otherwise provided herein) and will be binding from and after the Arrangement Effective Time on FSNA and all other Persons including (i) all holders and all beneficial owners of FSNA Shares; and (ii) the registrar and transfer agent in respect of the FSNA Shares.

(2) The Articles of Arrangement and Certificate shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the provisions of Article 2 has become effective in the sequence and at the times set out therein. If no Certificate is required to be issued by the Director pursuant to Section 192, the Arrangement shall become effective on the date the Articles of Arrangement are filed with the Director pursuant to Section 192 of the CBCA.

2.2 The Arrangement

On the Arrangement Effective Date and commencing at the Arrangement Effective Time, the following shall occur and shall be deemed to occur concurrently without any further act or formality:

(1) the Continuance shall be effective and FSNA shall be domesticated in the State of Delaware and shall continue as a corporation under the DGCL under the name Franchise Services of North America Inc. and the registered address of New FSNA shall be changed to Capitol Services, Inc., 1675 South State St., Ste B, Dover, DE 19901;

(2) all right, title and interest of each FSNA Shareholder in and to his or her FSNA Shares shall be converted into New FSNA Shares on the basis of one New FSNA Share for each FSNA Share; and

(3) a holder of FSNA Shares shall cease to be a holder thereof and shall become a holder of New FSNA Shares in accordance with the provisions of this Plan of Arrangement.

2.3 Delaware Corporate Law Matters

For the purposes of the Continuance, the application to domesticate FSNA to the State of Delaware shall be made on the following basis:

(1) the Certificate of Domestication, the certificate of incorporation and the by-laws of New FSNA shall be in the form approved by Boketo and FSNA, each acting reasonably; and

(2) the authorized capital of New FSNA shall be 300,000,000 New FSNA Shares and 76,000,000 preferred shares, including 75,000,000 Preferred Shares (designated as "Series A Preferred Stock").

ARTICLE 3
CERTIFICATES

3.1 Outstanding Certificates

On the Arrangement Effective Date, certificates formerly representing FSNA Shares shall, automatically and without the necessity of presenting the same for exchange, represent the New FSNA Shares contemplated in Article 2.

ARTICLE 4
RIGHTS OF DISSENT

4.1 Dissent Rights

Each FSNA Shareholder shall have the right to dissent with respect to the Arrangement in accordance with the Interim Order and this Section 4.1 (the "**Dissent Rights**"). As of the Arrangement Effective Time, such Dissenting FSNA Shareholder shall cease to have any rights as an FSNA Shareholder, other than the right to be paid fair value of its FSNA Shares in accordance with Dissent Rights, and the name of each such holder shall be removed from the register of holders of FSNA Shares as it related to the FSNA Shares so being transferred, notwithstanding the provisions of Section 190 of the CBCA. A Dissenting FSNA Shareholder who for any reason is not entitled to be paid the fair value of the holder's FSNA Shares shall be treated as if the FSNA Shareholder had participated in the Arrangement on the same basis as a non-dissenting FSNA Shareholder, notwithstanding the provisions of Section 190 of the CBCA. The fair value of the FSNA Shares shall be determined as of the close of business on the last Business Day before the day on which the Arrangement is approved by the FSNA Shareholders at the FSNA Meeting. For greater certainty, in addition to any other restrictions in Section 190 of the CBCA, any Person who has voted in favour of the Arrangement shall not be entitled to dissent with respect to the Arrangement.

ARTICLE 5
GENERAL

5.1 Paramountcy

From and after the Arrangement Effective Time (i) this Plan of Arrangement shall take precedence and priority over any and all FSNA Shares issued prior to the Arrangement Effective Time, and (ii) the rights and obligations of the registered holders of FSNA Shares and FSNA, and any trustee or transfer agent therefor in relation thereto, and any other Person having any right, title or interest in or to FSNA Shares, shall be solely as provided for in this Plan of Arrangement.

5.2 Amendment

(1) Subject to the Sections 5.2(2) and (4) hereof, FSNA and Boketo reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Arrangement Effective Date, provided that any such amendment, modification and/or supplement must be contained in a written document which is (i) agreed to in writing by FSNA and Boketo, (ii) filed with the Court and, if made following the FSNA Meeting, approved by the Court subject to such conditions as the Court may impose, and (iii) if so required by the Court, communicated to FSNA Shareholders in the manner required by the Court.

(2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by FSNA or Boketo at any time prior to or at the FSNA Meeting (provided

that FSNA and Boketo shall have consented thereto in writing), with or without any prior notice or communication, and if so proposed and accepted by the Persons voting at the FSNA Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(3) Any amendment, modification and/or supplement to this Plan of Arrangement that is approved by the Court following the FSNA Meeting shall be effective only if (i) it is agreed to by each of FSNA and Boketo, (ii) it is filed with the Court (other than amendments contemplated in Section 5.2(2) hereof, which shall not require such filing), and (iii) required by the Court, it is consented to by holders of the FSNA Shares voting in the manner directed by the Court.

(4) Notwithstanding anything in this Plan of Arrangement or the Merger Agreement, no amendment, revision, update or supplement shall be made to the Plan of Arrangement that (i) would require FSNA to obtain any regulatory approval or the approval of FSNA Shareholders in respect of such amendment, revision, update or supplement other than at the FSNA Meeting, (ii) would prejudice in any material respect the FSNA Shareholders, (iii) would impede or materially delay the consummation of the transactions contemplated by the Plan of Arrangement, or (iv) would require FSNA to take any action in contravention of applicable Law, the Charter Documents of FSNA or any material provision of any material agreement to which it is a party.

(5) Any amendment to this Plan of Arrangement may be made prior to or following the Arrangement Effective Time by FSNA provided that it concerns a matter which, in the reasonable opinion of FSNA, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of FSNA.

5.3 Further Assurances

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

SCHEDULE "D"
INFORMATION CONCERNING ADRECA

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

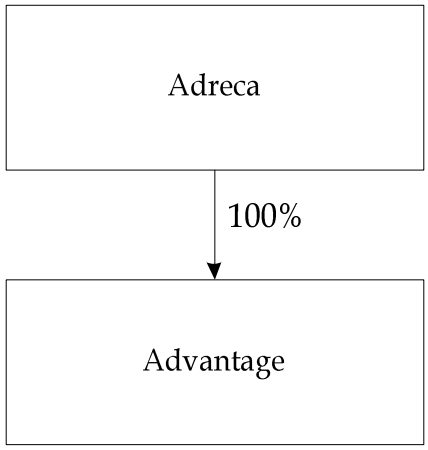
This Schedule "D" contains "forward-looking statements," which reflect the current expectations of FSNA's management regarding Adreca's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may," "would," "could," "will," "anticipate," "believe," "plan," "expect," "intend," "estimate," "aim," "endeavour" and similar expressions have been used to identify these forward-looking statements. These statements reflect FSNA's current beliefs with respect to future events and are based on information currently available to FSNA's management. Forward-looking statements involve significant known and unknown risks, uncertainties and assumptions. Many factors could cause Adreca's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including those listed in the "Risk Factors" section of the Circular. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this Schedule "D." These factors should be considered carefully and readers should not rely on these forward-looking statements. See the section of this Schedule "D" titled "Risk Factors" and "Management's Discussion and Analysis." Investors and others should carefully consider these risk factors, other uncertainties, and potential events when making an investment decision. FSNA does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on its behalf except as required by law. Forward-looking information in this document is based on FSNA's views and the actual outcome is uncertain. Readers should consider the above-noted factors when reviewing the information in this Schedule "D."

Name and Incorporation

Adreca was incorporated under the laws of Delaware on June 14, 2012 for the purpose of entering into the Advantage Purchase Agreement and the Merger Agreement and subsequently participating in the Transaction. The principal executive offices of Adreca are located at 125 West 55th Street, New York, NY 10019. Adreca's registered agent for service in Delaware is The Corporation Trust Company and their offices are located at 1209 Orange Street, Wilmington, DE 19801.

Intercorporate Relationships

The following chart sets out the current corporate structure of Adreca, including its wholly-owned subsidiary Advantage. Both Adreca and Advantage are formed under the laws of the state of Delaware.



THE HISTORY OF ADVANTAGE

In April 2009, certain assets of Advantage Rent-A-Car were acquired by Hertz through Simply Wheelz, LLC, a wholly-owned subsidiary of Hertz, out of bankruptcy for $32.4 million. This acquisition provided Hertz with the rights to certain trademarks and copyrights to use the Advantage Rent-A-Car brand name, website and phone numbers. In addition, the acquisition provided Hertz with the option to be assigned certain leases, property, and equipment, airport concession agreements and other agreements associated with approximately 20 locations that Advantage Rent-A-Car was operating. Hertz subsequently pursued a strategic plan to increase Advantage's scope by expanding into additional locations. Hertz did not operate Advantage as a stand-alone business and provided Advantage with a wide range of corporate services, such as accounting, treasury, legal, risk management, human resources and income tax, as well as the car rental fleet, pricing and revenue management and related financing and information technology.

On July 13, 2012, Hertz entered into the Advantage Purchase Agreement to sell Advantage Rent-A-Car to Adreca. At the time of the acquisition in December 2012, Advantage operated 56 rental car locations, predominantly on-airport or in close proximity to major airports in the U.S., through either stand-alone concessions or dual-branded counters with Hertz. Adreca was incorporated under the laws of Delaware on June 14, 2012 for the purpose of entering into the Advantage Purchase Agreement with Hertz to acquire Advantage.

On December 12, 2012, pursuant to the Advantage Purchase Agreement, Adreca acquired all of the limited liability company interests of Advantage and certain assets associated with rental car locations previously owned by Hertz. As of the date hereof, Adreca has not conducted any business operations other than through Advantage or in connection with the Transaction. Concurrent with the acquisition, Adreca entered into various agreements ancillary to the acquisition of Advantage, including the Support Agreement, Sublease, Hawaii Lease, Hertz Credit Agreement, Collateral Agency Agreement, the Guarantees, Current Assets Note and Purchase Price Note. See *"The Transaction – The Hertz Financing Documents"* in the Circular. Adreca and FSNA are party to the Management Services Agreement pursuant to which FSNA provides certain management services to Adreca in respect of Advantage pending closing of the Merger. See "*The Transaction – The Interim Structure Documents – The Management Services Agreement*" in the Circular.

Further, the FTC mandated as part of Hertz's divestiture requirements that approximately 26 additional in-airport concessions associated with the Dollar and/or Thrifty brands were also required to be divested. Hertz and Adreca agreed that these additional concessions will be acquired by Adreca and it is anticipated that these additional concessions would be operated as new Advantage in-airport rental locations. On February 15, 2013 and March 15, 2013, Advantage acquired certain of these additional concessions and it is anticipated that, subject to receiving consent of certain airport authorities, the remainder of these concessions will be progressively acquired through August 2013. Certain of these in–airport concessions related to airport locations where Advantage already had existing off-airport concessions and Advantage moved, or will move, into the in-airport concession location and relinquished, or will relinquish, the corresponding off-airport concession location. It is anticipated that ultimately Advantage will operate a total of up to 75 rental locations serving airports throughout the United States.

BUSINESS OF ADVANTAGE

Overview

Advantage is currently positioned as a brand, and targets consumers, in the value-oriented segment of the U.S. rental car market. Acquired by Adreca on December 12, 2012, Advantage currently provides car rentals to travelers from 60 airport-centric locations and has a fleet of approximately 23,000 cars, ranging from economy cars to minivans and SUVs. Advantage primarily

services the leisure segment of the rental car market and predominantly operates in key domestic leisure destinations, including California, Florida, Texas, Colorado, Hawaii and Arizona. Advantage competes (a) directly with companies in the value-oriented leisure segment, such as Payless, Alamo, Fox, and Sixt, and (b) indirectly with companies such as Budget and Thrifty, which target mid-tier leisure-oriented customers.

Industry and Competition

Advantage competes primarily in the U.S. car rental and leasing industry. The United States car rental and leasing market is comprised of approximately 5,000 companies, each of which competes on branding, pricing, product offerings, product attributes, and location. The top four U.S. rental car companies operate national brands and maintain market leadership by continuing to build brand recognition and establishing key relationships with strategic partners, such as airlines and hotels. Smaller market participants generally succeed by establishing a market or geographic niche and fulfilling the unmet demand of the larger rental companies.

Car rental companies typically incur substantial debt to finance their fleets which makes them dependent on access to fleet financing and capital markets to fund operations, and also has a direct impact on profitability due to the interest costs associated with the debt and fluctuations in interest rates. Car rental companies are also dependent on vehicle manufacturers and overall economic conditions in the new and used vehicle markets, as these factors directly impact the cost of acquiring vehicles, and the ultimate disposition value of vehicles, both of which impact operating cost. One method that car rental companies historically used to acquire their fleets was under guaranteed purchase programs, under which vehicle manufacturers repurchase or guarantee the resale value of the vehicle in future periods, thereby allowing the rental companies to fix their holding cost of the vehicle (referred to as "program vehicles"). More recently, car rental companies have increased vehicle purchases made outside of guaranteed repurchase programs as original equipment manufacturers curtailed programs in order to lower fleet costs, which has increased their dependence on the used vehicle market in terms of both determining holding cost, and for ultimate disposition of the vehicles. Vehicle rental companies bear residual value risk for these vehicles, which are referred to as "non-program vehicles" or "risk vehicles".

The U.S. car rental market can be split into two primary segments based on price and customer service: premium segment and value-oriented segment. The premium segment consists of large national rental car companies which include Hertz, Avis Budget (including the Avis brand), and Enterprise Holdings (including the National brand). These large national rental car companies often have significant competitive advantages over Advantage, which include:

(a) greater financial, marketing and customer service resources;

(b) longer operating histories and established relations with suppliers (including automotive manufacturers) and financiers of car rental fleets;

(c) access to sources of substantial capital;

(d) contracts with corporate customers which lessen reliance on retail customers and provide a more stable and consistent source of revenue;

(e) greater brand name recognition and a larger customer base; and

(f) greater market presence and coverage.

In particular, as compared to Advantage, large national rental car competitors may benefit from a large, loyal customer base, greater brand recognition and a large base of corporate customers with pre-existing contracts. To the extent such competitors match Advantage's prices, Advantage may find it difficult to overcome existing customers' attraction to them. Further, to compete with

large national rental car competitors that enjoy superior brand recognition as compared to Advantage, Advantage may have to often lower prices and, as a result, its profitability may suffer.

Within the value-oriented segment, brands are further segmented as "mid-tier" or "deep-value". The mid-tier is composed of brands such as Dollar and Thrifty (which are owned by Hertz), Budget (which is owned by Avis Budget) and Alamo and Enterprise (which are owned by Enterprise Holdings). Advantage operates in the deep-value, value-oriented tier of the market. This market tier is competitive and comprises numerous smaller local and regional competitors. Advantage's main competitors in this market segment include Payless Car Rental, Fox Rent A Car, E-Z Rent-A-Car, and ACE Rent a Car. Like Advantage, these competitors may not have a large base of corporate customers providing a steady flow of business clients at contracted rates and thus, like Advantage, they may seek to compete aggressively on the basis of price, particularly in times of low rental car demand. Advantage is focused on the leisure retail segment of the vehicle rental market, which is especially price sensitive. In addition, some local or regional competitors may engage in fierce price competition in order to build market share. Moreover, low barriers to entry in this market may mean Advantage could face additional local or regional competitors at any time.

Operations

Car Rental

Advantage's strategy is to seek to acquire and maintain airport concessions to operate rental car locations on-airport at the top 150 airports in the U.S. for car rentals, particularly at airports which derive a substantial portion of their passenger flow from leisure-oriented travelers. In the event that Advantage is unsuccessful in its efforts to secure the right to operate on-airport, Advantage considers the opportunity to establish rental car operations in close proximity to the airport. Two main location strategies exist for the Advantage brand:

- On-Airport: These locations have concession agreements with the airport and are granted counter space within the vicinity of the terminals. In return for the convenient location and heavy flow of guest traffic, a percentage of revenues is paid to the airport.
- Near-Airport: These locations are not directly on the airport site and only require a permit to operate. Although the locations are not on-site, they often run shuttles to and from the airport and advertise on airport phone boards in order to attract customers.

Advantage targets predominately value-oriented leisure customers who are price sensitive and typically have more moderate customer service expectations.

The majority of Advantage locations operate under concession agreements with airport authorities, pursuant to which it makes airport concession and / or lease payments. In general, concession fees for on-airport locations are based on a percentage of total commissionable revenue (as defined by each airport authority), subject to minimum annual guaranteed amounts. Concessions are typically awarded by airport authorities every five years based upon competitive bids. The concession agreement with the various airport authorities generally (a) impose certain minimum operating requirements, (b) provide for relocation in the event of future construction and (c) provide for abatement of the minimum annual guarantee in the event of extended low passenger volume.

Ancillary Products

Advantage offers customers a variety of optional products available upon rental to both facilitate leisure travel and protect against liability if the driver has not breached terms of the rental agreement. These products include collision and loss damage waivers and insurance products related to the vehicle rental – subject to availability and applicable local law – as well as the rental of global positioning system (GPS equipment), ski racks, infant and child seats. In addition, Advantage offers electronic toll payment systems, sells pre-paid gasoline and offers roadside emergency assistance programs.

The combined sale of these products generates roughly 15-20% of total revenue and produce attractive margins. Advantage management has developed an ongoing training program which teaches customer service associates how to enhance revenue opportunities on the day of rental.

Seasonality

Advantage's business is subject to seasonal variations in customer demand, with the summer vacation period representing the peak season for vehicle rentals. This general seasonal variation in demand, along with more localized changes in demand, may cause Advantage to vary its fleet size over the course of the year. Many of Advantage's operating expenses, such as minimum concession fees, rent, insurance and personnel are fixed and cannot be reduced during periods of decreased rental demand.

Reservations

(a) Advantage relies heavily on the Internet to generate its bookings, which is the primary source of reservations for Advantage. Reservations can be made:

(b) directly at the company's website, www.Advantage.com;

(c) via all major online travel agencies such as Expedia, Travelocity, Orbitz and Priceline;

(d) through global distribution system networks such as Travelport (including Galileo and Worldspan), Sabre and Amadeus; and

(e) through traditional travel agents and selected partners.

Advantage promotes its brand via Internet banner advertising and key search words to encourage prospective customers to book reservations directly on www.Advantage.com. Advantage's strategy is to seek to increase direct distribution through www.Advantage.com via pay-per-click, search engine optimization, and other methods.

Pricing

Pricing is highly dynamic, changing frequently over a short period of time and in different markets. The target demographic for Advantage consists of younger, price or brand elastic leisure travelers who employ online search optimization and third party online travel booking agencies to find competitively priced rental cars. Thus, Advantage's success depends not only on actual pricing but on how well pricing is adjusted in response to competitive pressures.

Advantage, often working with third parties, has developed pricing and fleet management systems which continuously monitor its competitors' rates both by automated price monitoring systems and regional pricing managers in order to adjust pricing in response to the market. To optimize yield management, this data is then compared to fleet availability and adjusted daily on a market-by-market basis for the purpose of seeking to maximize customer bookings and enhance profits. In some markets, pricing may change several times over the course of a day. Pricing and fleet management technology is subject to constant refinement and development by Advantage and its competitors.

In addition, the Internet has increased pricing transparency among car rental companies by enabling cost-conscious customers to more easily obtain the lowest rates for any given trip. Any increased transparency may increase the prevalence and intensity of price competition in the auto rental industry going forward.

Fleet Acquisition and Management

Advantage operates a fleet of approximately 23,000 vehicles under a sublease and lease from Hertz for twenty-four months because Advantage could not, prior to its acquisition by Adreca from Hertz in December 2012, obtain fleet on attractive terms from another person. Over the next twenty-

four months, Advantage must progressively replace the subleased vehicles through the establishment of relationships with leading auto manufacturers and stand-alone financing. Advantage has commenced discussions with numerous financing sources about potential terms.

Vehicle depreciation is the largest single cost element in Advantage's operations and is dependent upon the ultimate residual values of the vehicles in the fleet, in addition to the overall mix of program vehicles and risk vehicles. The current Advantage fleet is composed of 100% risk vehicles. Pursuant to the terms of the Sublease and Hawaii Lease between Hertz and Advantage, Advantage largely bears the residual risk with Hertz providing a value floor if a vehicle is disposed for less than 17% of net book value as of the date of sale.

Information Systems

Advantage depends upon a number of core information systems to operate its business, primarily its reservation and rate management systems. The reservation system processes rental transactions, facilitates the sale of additional products and services and facilitates monitoring of the fleet.

Insurance

Advantage's business operations expose it to claims for personal injury, third-party bodily injury, death and property damage relating to (a) the use of, or accidents involving, Advantage vehicles, (b) customers and/or visitors on Advantage's premises, and (c) the use and storage of hazardous materials (including fuel and oil) at its various locations. In addition, Advantage is exposed to possible claims from employees due to workplace injuries or other employment related issues.

Vehicle rental companies have insurance for liability exposure in amounts up to each state's minimum financial responsibility for the actions of persons renting their vehicles. In certain circumstances, a rental car operation may be held liable beyond those limits, for example, due to an employee driving a vehicle not under a rental agreement. Advantage retains the risk of loss of up to $25,000 per claim (inclusive of indemnity & claim expenses) for general and automobile liability exposures. Advantage maintains insurance coverage for these liabilities in excess of its retained risk up to $10,000,000.

Advantage currently retains full risk of comprehensive and collision damage or loss to its own vehicles that occur individually but has insurance to cover damage or loss to such vehicles that occurs from certain catastrophic events. Coverage for such catastrophic events is for the actual cash value of the total loss sustained by Advantage with no maximum limit on any individual catastrophe and a deductible of $1,000,000. Currently, Advantage maintains workers' compensation coverage with no retention of risk and environmental liability protection up to a limit of $2,000,000 with a deductible of $10,000 as well as directors' and officers' liability insurance. Advantage may become exposed to uninsured liability resulting from an unusually high volume of loss payments, general economic events or other unforeseen events.

Advantage maintains various letters of credit and surety bonds to secure performance under airport concession, maintenance and lease agreements which totaled approximately $500,000 and $590,000, respectively, as of February 28, 2013. These amounts are expected to progressively increase over the course of 2013 as Advantage both replaces Hertz as the responsible party on existing Advantage locations and accepts the right to operate concessions previously held by DTAG.

Regulation

Range of Laws and Regulations

Advantage is subject to laws and regulation in the jurisdictions in which it operates, including federal, state and local laws and regulations relating to consumer protection (including

those relating to advertising and disclosure of charges to customers), competition, data privacy and security, fraud, anti-bribery, health and safety, taxation and licensing of vehicles, vehicle liability, used vehicle sales, insurance, claims management, telecommunications, vehicle rental transactions, environmental protection, labor matters, taxation (including sales and use taxes) and other trade-related laws and regulations in various jurisdictions. Advantage also has relationships with third parties whose actions could potentially create liabilities for Advantage under such laws. Compliance with such laws and regulation can require significant expenditures or result in operational restrictions. Breaches of such regulatory requirements may result in suspension or revocation of necessary licenses and authorizations, potential civil liability and the imposition of fines and penalties, all of which might have a significant negative impact on Advantage. Advantage maintains a policy of operating its business in compliance with all applicable regulations.

Loss Damage Waiver

Advantage offers loss damage waivers that relieve Advantage customers from financial responsibility for vehicle damage. Legislation affecting the sale of loss damage waivers has been adopted in 25 states. These laws typically require notice to customers that the loss damage waiver may duplicate their own coverage or may not be necessary, limit customer responsibility for damage to the vehicle or cap the price charged for loss damage waivers. Adoption of national or additional state legislation affecting or limiting the sale, or capping the rates, of loss damage waivers could result in the loss of this revenue for Advantage.

Environmental Matters

The principal environmental regulatory requirements applicable to the operations of Advantage relate to the ownership, storage or use of petroleum products such as gasoline, diesel fuel and new and used motor oil; the treatment of discharge of waste waters; and the generation, storage, transportation and off-site treatment or disposal of waste materials. For leased properties, Advantage has programs designed to maintain compliance with applicable technical and operational requirements, including leak detection testing of underground storage tanks.

Employees

As of February 28, 2013, Advantage employed 681 full-time and part-time employees. No Advantage employees are currently subject to collective bargaining agreements.

Advantage also uses contractors at certain locations for positions such as vehicle service attendants, bus drivers and exit gate attendants.

RISK FACTORS

Risk factors relating to Adreca and Advantage, the rental car industry, and the business and operations of Advantage are included in the Circular under "Risk Factors". Those risk factors are incorporated by reference in this Schedule "D" in their entirety.

DIVIDENDS

Adreca has not paid any dividends and does not intend to pay any dividends in the foreseeable future.

FINANCIAL INFORMATION

The Carve-out Financial Statements are attached as Appendix 1 to this Schedule "D" and are incorporated by reference in this Schedule "D" in their entirety.

MANAGEMENT'S DISCUSSION AND ANALYSIS

On December 12, 2012, Adreca acquired Advantage from Hertz and certain other assets as required by the FTC in order to facilitate Hertz's acquisition of DTAG. Advantage, up until the time of the divestiture, operated Advantage Rent A Car from 56 locations serving airports in the United

States and 5 satellite locations in hotels in Hawaii and Las Vegas. Included with the divestiture are certain other assets, including concession agreements operated at various airports throughout the United States under the Dollar and/or Thrifty rental brands. Certain of these concessions have already been transferred to Advantage on February 15, 2013 and March 15, 2013. It is anticipated that the remainder of these concessions will be transferred to Advantage in, April, 2013, May, 2013, July, 2013 and August, 2013. Upon completion of these transfers, Adreca will operate the Advantage Rent A Car System from up to 75 locations servicing airports and 5 additional locations in specific hotels.

Subsequent to December 12, 2012, Adreca has been focused on operating the Advantage brand from existing rental locations, preparing for new locations and concentrating its efforts on revenue management functions and cost containment programs.

Advantage currently operates over 23,000 vehicles pursuant to the Sublease with an anticipated additional 850 vehicles to be delivered under the terms of the Sublease in April, 2013. Advantage is also in the process of bidding additional airport concessions in targeted markets as the bids become due and in consideration of expanding the existing scope of Advantage.

DESCRIPTION OF SECURITIES

Adreca Shares

Each holder of Adreca Shares is entitled to one vote per share on all matters to be voted on in person or by proxy. Subject to the rights of the holders of any class of shares ranking senior to the Adreca Shares, the holders of Adreca Shares are entitled to receive, if, as and when declared by the directors of Adreca, dividends at such rate and payable on such date as may be determined from time to time by the directors of Adreca.

Warrant

Adreca issued the Warrant to FSNA on July 13, 2012. The Warrant provides that FSNA is automatically entitled to receive 54 Adreca Shares, representing approximately 35% of Adreca's total outstanding equity on a fully-diluted basis, for no consideration immediately prior to an "Exit Event".

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of Adreca as at the dates indicated:

Designation of Class	Authorized	As of December 31, 2012	As of March 28, 2013
Adreca Shares	1,000 Common Shares	100	100
Warrant	1	1	1
Total Debt	-	-	-

PRINCIPAL SECURITYHOLDERS

Boketo is the sole shareholder of Adreca with beneficial ownership of 100 Adreca Shares representing 100% of the voting rights attached to the Adreca Shares.

Following the Transaction Adreca will have merged with and into Advantage Holdings, and such merged entity will have merged with and into New FSNA. As a result, Advantage will be a wholly-owned subsidiary of New FSNA and the separate legal existence of Adreca will have ceased.

DIRECTORS AND OFFICERS OF ADRECA

The following table lists the names of the directors and executive officers of Adreca, their state and country of residence, their principal occupations during the past five years, and the number of Adreca Shares each director and executive officer beneficially owns, or exercises control or direction over, directly or indirectly.

Name, Province or State and Country of Residence	Position with Adreca(1)	Principal Occupation	Number and Percentage of Adreca Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
Daniel Boland	Director, President	Managing Director at Macquarie Capital	0%
Bruce Donaldson	Director, Vice President	Managing Director at Macquarie Capital	0%
Michael Silverton	Director, Vice President	Senior Managing Director at Macquarie Capital	0%
Amanda Michael	Secretary	Senior Vice President at Macquarie	0%
Ryan Seaholm	Assistant Secretary	Senior Associate at Macquarie	0%
Kathleen Hahn	Treasurer	Senior Managing Director at Macquarie	0%

Notes:

(1) Each director will continue to hold office until the next annual meeting of shareholders or until the director resigns or a successor is elected or appointed.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES, OR SANCTIONS

Cease Trade Orders

No director or executive officer of Adreca is, as at the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer, or chief financial officer of any company that was:

(a) subject 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 consecutive days, 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) subject 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 consecutive days, 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.

Bankruptcies

Other than as described below, no director or executive officer of Adreca:

(a) is, 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 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.

Penalties or Sanctions

No director or executive officer of Adreca, has been subject to:

(a) 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) 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.

STATEMENT OF EXECUTIVE COMPENSATION

General

To date, no compensation has been paid by Adreca to its directors and officers and none will be paid after the Transaction is completed. The directors and officers of Adreca are paid by an entity within the Macquarie Group.

Compensation of Directors

Adreca has no standard arrangement pursuant to which directors are compensated by Adreca for their services in their capacity as directors. There has been no other arrangement pursuant to which directors were compensated by Adreca in their capacity as directors since incorporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director or executive officer of Adreca, or any associate of any such director or executive officer is, or has been at any time since the incorporation of Adreca, indebted to Adreca nor is, or at any time since the incorporation of Adreca, has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Adreca.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

In connection with the acquisition of Advantage and pursuant to the Commitment Letter, Boketo, a wholly-owned indirect subsidiary of Macquarie Holdings (USA) Inc. and the sole shareholder of Adreca, capitalized Adreca with approximately US$15 million. As consideration for the Merger, Boketo shall receive 62,212,600 Preferred Shares, and certain rights to acquire additional Preferred Shares upon the exercise of outstanding options, convertible into common shares of New FSNA. After giving effect to the Transaction, Boketo will own approximately 49.76% of the New FSNA Shares on an as-converted basis.

If the loan is issued under the Credit Agreement, Boketo will be a lender under the Credit Agreement. See "*The Transaction – The Merger – Final Structure Documents – Credit Agreement*" in this Circular for more information.

The Merger Agreement provides that FSNA (or New FSNA, as the case may be) shall pay Macquarie Capital a US$2.5 million arrangement fee in cash on the date that is the later of (i) 90 days after the First Closing Date and (ii) the date on which the First Merger is consummated. After the Approval Deadline, if the First Merger has not occurred, Adreca shall pay Boketo such arrangement fee.

The Merger Agreement provides that Adreca shall also reimburse Boketo for certain expenses. See "*The Transaction – Merger Agreement – Expense Reimbursement*" in this Circular.

LEGAL PROCEEDINGS AND REGULATORY MATTERS

Adreca is not aware of any material:

(a) legal proceedings that it is or was a party to, or that any of its property is or was the subject of, since the beginning of its 2012 financial year;

(b) penalties or sanctions imposed against it by a court relating to applicable securities legislation or by a securities regulatory authority within the three years immediately preceding the date of this Circular;

(c) other penalties or sanctions imposed by a court or regulatory body against it necessary for this Circular to contain full, true and plain disclosure of all material facts relating to Adreca; or

(d) settlement agreements it entered into before a court relating to applicable securities legislation or with a securities regulatory authority within the three years immediately preceding the date of this Circular.

MATERIAL CONTRACTS

Other than the Merger Agreement, the Management Services Agreement, the Warrant, the Advantage Purchase Agreement, the Collateral Agency Agreement, Current Assets Note, Hawaii Lease, Hertz Credit Agreement, Purchase Price Note, the Sublease, the Guarantees, and contracts entered into in the ordinary course of business, Adreca did not enter into any material contract since its date of incorporation on June 14, 2012 until the date of this Circular.

APPENDIX 1

CARVE-OUT FINANCIAL STATEMENTS

Advantage Rent-A-Car

(A component of Hertz Global Holdings, Inc.)

Schedules of Assets to be Acquired and Liabilities to be Assumed,
and Schedules of Revenues and Operating Expenses

Years Ended December 31, 2011 and 2010, and
Nine Months Ended September 30, 2012 and 2011

(With Independent Auditors' Report for the Years Ended December 31, 2011 and 2010)

Advantage Rent-A-Car

(A component of Hertz Global Holdings, Inc.)

Schedules of Assets to be Acquired and Liabilities to be Assumed,
and Schedules of Revenues and Operating Expenses

Index

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Directors
Hertz Global Holdings, Inc.:

We have audited the accompanying Schedules of Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.), which comprise the Schedules of Assets to be Acquired and Liabilities to be Assumed as at December 31, 2011 and December 31, 2010 and the Schedules of Revenues and Operating Expenses for the years then ended, and notes, comprising a basis of presentation, summary of significant accounting policies and other explanatory information ("the Schedules").

Management's Responsibility for the Schedules

Management of Hertz Global Holdings, Inc. is responsible for the preparation of these Schedules in accordance with the basis of preparation described in Note 1 "Basis of Presentation" to the Schedules, and for such internal control as management determines is necessary to enable the preparation of Schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Schedules based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the Schedules, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the Schedules in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Schedules.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedules as at and for the years ended December 31, 2011 and December 31, 2010 are prepared, in all material respects, in accordance with the basis of preparation in Note 1 "Basis of Presentation."

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 "Basis of Presentation" to the Schedules which describes the basis of accounting used in preparing these Schedules. The Schedules were prepared to represent the assets to be acquired and liabilities to be assumed, and revenues and

operating expenses of Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.) in connection with the asset purchase agreement between Hertz Global Holdings, Inc. and Franchise Services of North America and Macquarie Capital and for inclusion in the information circular and in the business acquisition report as described in Note 1 to the Schedules. The presentation is not intended to be a complete presentation of Advantage Rent-A-Car's (a component of Hertz Global Holdings, Inc.) assets, liabilities, revenues and expenses.

Other matter

We issued a separate auditors' report dated December 13, 2012 to the Directors of Hertz Global Holdings, Inc on these Schedules in accordance with auditing standards generally accepted in the United States of America.

The Schedules as at and for the periods ended September 30, 2012 and September 30, 2011 are unaudited. Accordingly, we do not express an opinion on them.

KPMG LLP

New York, New York
December 13, 2012

Advantage Rent-A-Car

(A component of Hertz Global Holdings, Inc.)

Schedules of Assets to be Acquired and Liabilities to be Assumed

September 30, 2012, and December 31, 2011 and 2010

(in thousands of U.S. dollars)	*Note*	September 30, 2012 (Unaudited)	December 31, 2011	December 31, 2010
Cash		$ 44	$ 24	$ 22
Inventories	*3*	1,464	964	755
Prepaid expenses and other current assets	*4*	1,734	1,515	1,240
Property and equipment, net	*5*	6,736	7,118	6,095
Other intangible assets, net	*6*	21,758	23,651	26,198
Goodwill	*6*	7,372	7,372	7,372
Total assets to be acquired		**$ 39,108**	**$ 40,644**	**$ 41,682**
State and City Sales Taxes		3,709	2,673	2,548
Motor Vehicle, and other taxes		698	555	263
Real Estate Taxes		37	147	106
Tourism Fee		71	29	30
Airport Facility Use Fees		-	6	48
Total liabilities to be assumed	*7*	**$ 4,515**	**$ 3,410**	**$ 2,995**
Net assets to be acquired		**$ 34,593**	**$ 37,234**	**$ 38,687**

The accompanying notes are an integral part of these Schedules.

Advantage Rent-A-Car

(A component of Hertz Global Holdings, Inc.)

Schedules of Revenues and Operating Expenses

Nine Months Ended September 30, 2012 and 2011, and Years Ended December 31, 2011 and 2010

(in thousands of U.S. dollars)	*Note*	Nine Months Ended September 30,		Year Ended December 31,	
		2012 (Unaudited)	2011 (Unaudited)	2011	2010
Revenues:					
Rental revenues		$ 180,954	$ 135,044	$ 178,780	$ 140,140
Expenses:					
Direct operating	*1b*	112,287	90,121	119,235	91,188
Lease of revenue earning equipment	*1c*	56,706	45,313	60,843	51,610
Selling, general and administrative	*1d*	6,125	8,506	10,370	6,045
Total expenses		**$ 175,118**	**$ 143,940**	**$ 190,448**	**$ 148,843**
Revenues less expenses		**$ 5,836**	**$ (8,896)**	**$ (11,668)**	**$ (8,703)**

The accompanying notes are an integral part of these Schedules.

Note 1 –Basis of Presentation

The Hertz Corporation is a wholly owned subsidiary of Hertz Global Holdings, Inc. The Hertz Corporation and Hertz Global Holdings, Inc. will be referenced to as "Hertz" in these Schedules.

In April 2009, certain assets of Advantage Rent-a-Car were acquired by Hertz through Simply Wheelz, LLC, a wholly owned subsidiary of The Hertz Corporation, out of bankruptcy for $32.4 million. Advantage Rent-a-Car operations relate to the rental of cars for price-oriented customers at key leisure travel destinations across the United States. This purchase agreement provided Hertz with the rights to certain trademarks and copyrights to use the Advantage Rent-a-Car brand name, website and phone numbers. In addition, this purchase agreement provided Hertz with the option to have assigned to Advantage Rent-A-Car certain leases, property and equipment, airport concession agreements and other agreements associated with approximately 20 locations that Advantage Rent-A-Car was operating. Advantage Rent-A-Car and Simply Wheelz, LLC will be referred to as "Advantage Rent-a-Car (A component of Hertz Global Holdings, Inc.)" or "the Company" in these Schedules.

The Company's headquarters are located in Park Ridge, New Jersey, United States, and its principal operations relate to the rental of cars from Advantage brand car rental locations across the United States.

On July 13, 2012, Hertz entered into an agreement to sell Advantage Rent-a-Car (A component of Hertz Global Holdings, Inc.) to Franchise Services of North America and Macquarie Capital (collectively "the Buyer"). The sale is conditioned upon, among other things, Hertz completing an acquisition of Dollar Thrifty Automotive Group, Inc. ("Dollar Thrifty"). Assets included in the sales transaction relate to the Advantage Rent-a-Car (A component of Hertz Global Holdings, Inc.) brand name, certain airport concession agreements, property and equipment, gasoline inventory, and certain other current assets. Receivables, certain payables and other accrued expenses related to Advantage Rent-a-Car (A component of Hertz Global Holdings, Inc.) prior to closing will remain with Hertz.

The Schedules were prepared from the accounting records of Hertz using the historical cost basis of the assets and liabilities and revenues and expenses to present the assets to be acquired and liabilities to be assumed ("Schedules of Assets to be Acquired and Liabilities to be Assumed") and revenues and operating expenses ("Schedules of Revenues and Operating Expenses") of Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.) in connection with the asset purchase agreement referred to above between Hertz and the Buyer and for inclusion in the information circular, as required by item 14.2 of Form 51-102F5 Information Circular, and in the business acquisition report required, by section 8.4 of National Instrument 51-102 Continuous Disclosure Obligations .

The Schedules of Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.) have been prepared as if Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.) had existed as a stand-alone entity as of and during the nine-month periods ended September 30, 2012 and 2011, and the years ended December 31, 2011 and 2010, except as discussed below.

The Schedules have been prepared in accordance with the Exemptive Relief provided by the Alberta Securities Commission, Calgary, Canada. The Exemptive Relief requires that:

- the Schedules of Assets to be Acquired and Liabilities to be Assumed, and the Schedules of Revenues and Operating Expenses are prepared in accordance with the recognition and measurement requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS");

- the line items in the Schedules of Assets to be Acquired and Liabilities to be Assumed, and the Schedules of Revenues and Operating Expenses have been prepared using accounting policies that are permitted by IFRS and would apply to those line items if those line items were presented as part of a complete set of financial statements prepared in accordance with IFRS. Significant accounting policies can be found in Note 2, "Summary of Significant Accounting Policies"; and
- the Schedules of Revenues and Operating Expenses exclude allocations of Hertz's corporate expenses (such as accounting, treasury, legal, risk management and human resources), and income taxes.

The presentation of the Schedules of Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.) is not intended to be a complete presentation of the Company's assets, liabilities, revenues and expenses. Certain presentation and disclosure requirements of IFRS have been omitted in these Schedules, including, but not limited to, complete statements of financial position, statements of comprehensive income, statements of changes in equity, statements of cash flows, key management personnel compensation disclosures, and certain other information required by International Accounting Standard ("IAS") 1, "Presentation of Financial Statements", and IFRS 1, "First-time Adoption of IFRS", and other related disclosures.

Management has included allocations, where necessary (except where exclusion is required under the Exemptive Relief), that management believes are reasonable and appropriate in the circumstance, since certain shared costs were not historically included in Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.).

These allocations reflected in the Schedules may not be indicative of the actual costs that would have been incurred during the periods presented if Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.) historically operated as a separate, stand-alone entity.

Relationship with Hertz

The Schedules do not reflect any cash balances, except petty cash held at rental location sites. Under Hertz' cash management approach, generally all cash, investment, derivative and debt balances are handled centrally by Hertz's treasury function. Hertz' financial reporting systems are not designed to track financial results on a product-line basis.

The Company historically has been managed and operated in the normal course of business by Hertz along with other Hertz affiliates. While many of the customer-facing components of the Company are separate (lots, counters, employees, etc.), many of the back office functions and car fleet are shared between the Company and Hertz Rent-A-Car operations in the United States.

Accordingly, certain shared costs have been allocated to the Company and reflected as expenses in the Schedules. Management of Hertz believes the allocation methodologies used for the Schedules to be reasonable; however, the expenses reflected in the Schedules may not be indicative of the actual expenses that would have been incurred during the periods presented if Advantage Rent-A-Car (a component of Hertz Global Holdings, Inc.) historically operated as a separate, stand-alone entity.

Transactions with Hertz were made on terms equivalent to those discussed below, which provides a summary of each type of expense allocated and the related allocation methodology.

(a) Cash Management

The Company has participated in Hertz' centralized cash management programs. Disbursements are made by the Company and funded by Hertz at least daily. Cash receipts are transferred to centralized accounts, also maintained by Hertz. The cash receipts from the Company are not kept at specific accounts and are instead commingled with cash from other Hertz entities.

(b) Direct Operating Expenses

Direct Operating Expenses include the following:

	Nine Months Ended September 30,		Year Ended December 31,	
	2012 (Unaudited)	2011 (Unaudited)	2011	2010
Concession fees, Commissions, Credit card fees, Customer service, and Reservation expenses	$ 38,632	$ 28,865	$ 37,955	$ 29,528
Salaries and wages*	31,409	28,098	36,959	26,092
Fleet-related expenses*	16,427	10,331	15,781	13,982
Gasoline*	11,621	8,868	11,525	6,754
Facilities and service vehicles*	8,887	8,272	10,627	9,519
Information Technology, division, and regional management related expenses*	5,311	5,687	6,388	5,313
Direct operating expenses	$ 112,287	$ 90,121	$ 119,235	$ 91,188

** Includes an allocation of expenses from Hertz Rent-A-Car in the United States to Advantage*

Salaries and wages include an allocation of salaries and wages of mechanics, division and regional management, and other expenses based on proportionate revenues of the Company relative to Hertz Rent-A-Car in the United States in its entirety.

Fleet-related expenses include maintenance, vehicle damage, public liability and property damage, transportation costs, and other vehicle operating costs. Fleet-related expenses include allocations related to the proportional use of the Hertz fleet of automobiles by the Company. The allocation is based on the total number of days of fleet usage by the Company versus the total days of fleet use by Hertz Rent-A-Car in the United States in its entirety.

Gasoline expenses include direct expenses for refueling revenue-earning equipment and an allocation of the gain or loss on derivative instruments based on the relative gasoline expenses of the Company versus total gasoline expenses of Hertz Rent-A-Car in the United States in its entirety. As discussed in Note 2, "Summary of Significant Accounting Policies" Hertz enters into certain derivatives to manage exposure of the U.S. Rent-A-Car Company, including the Company, to changes in gasoline and diesel fuel prices. The underlying derivative contracts are maintained on the consolidated financial statements of Hertz.

Facilities costs include an allocation of expenses for locations that are shared with Hertz Rent-A-Car in the United States based on the agreed rent payable by the Buyer. Expenses related to Service Vehicles are specific to Advantage and are not an allocation.

Information technology ("IT"), division, and regional management related expenses include an allocation of division and regional management and IT expenses (other than salaries and wages) based on proportionate revenues of the Company relative to Hertz Rent-A-Car in the United States in its entirety.

Allocations to direct operating expenses totaled $7.6 million (unaudited) and $5.8 million (unaudited) for the nine-months ended September 30, 2012 and 2011, respectively, and $9.0 million and $9.6 million for the years ended December 31, 2011 and 2010, respectively. These allocations are considered to be most meaningful in the circumstances, but do not necessarily comprise costs, gains or losses directly incurred by the Company, or represent what such costs would be if the Company were operating on a stand-alone basis.

(c) Lease expense of revenue-earning equipment

The Company does not own its rental vehicles but established a lease of automobiles from Hertz Rent-A-Car in the United States. The lease charges include allocated depreciation and interest expense, and an allocation of the gain on sale of revenue-earning equipment.

Lease expense of revenue-earning equipment in the schedules is comprised of the following:

	Nine Months Ended September 30,		Year Ended December 31,	
	2012 (Unaudited)	2011 (Unaudited)	2011	2010
Depreciation*	$ 50,552	$ 39,259	$ 53,088	$ 40,168
Gain on sale of revenue earning equipment*	(6,310)	(4,985)	(6,051)	(137)
Interest expense*	12,464	11,039	13,806	11,579
Total lease expense	$ 56,706	$ 45,313	$ 60,843	$ 51,610

** Includes an allocation of expenses from Hertz Rent-A-Car in the United States to Advantage*

The allocation of depreciation expense for the years ended December 31, 2011 and 2010 are based on the total number of days of fleet usage and the actual depreciation costs of the fleet owned by Hertz and used by Advantage. In addition, the allocation assumes the same utilization rate for Advantage as applicable to Hertz Rent-A-Car in the United States in its entirety. The depreciation expense for the nine-months ended September 30, 2012 and 2011 is allocated based on Advantage's use of the Hertz fleet of automobiles as represented by the total number of days of fleet usage by the Company versus the total days of fleet use by Hertz Rent-A-Car in the United States in its entirety, assuming utilization and other factors remain constant with 2011.

The allocations of the gain on sale of revenue earning equipment and interest expense are allocated proportionally using factors consistent with depreciation expenses. The allocation of interest expense assumes that the whole fleet of revenue earning equipment is financed through debt, and is based upon actual interest expenses incurred by Hertz. These allocations are considered to be most meaningful in the circumstances, but do not necessarily comprise costs directly incurred by the Company or represent what such costs would be, if the Company was operating on a stand-alone basis.

(d) Selling, General, and Administrative Expenses

Selling, general, and administrative expenses include Hertz charges, including, but not limited to, Information Technology, Divisional, Regional and back office administrative costs. These allocated costs totaled $1.7 million (unaudited) and $1.0 million (unaudited) for the nine-months ended September 30, 2012 and 2011, respectively, and $1.7 million and $1.2 million for the years ended December 31, 2011 and 2010, respectively.

The allocation of the aforementioned expenses is based on the relative use of Information Technology, Divisional, Regional and back office staff and other administrative expenses by the Company based on proportionate revenues of the Company relative to Hertz in the United States in its entirety, which is considered to be most meaningful in the circumstances. Such allocation does not necessarily comprise costs directly incurred by the Company, or represent what such costs would be if the Company was operating on a stand-alone basis.

All amounts in the Schedules are expressed in thousands of U.S. dollars, unless otherwise stated.

On December 13, 2012, Hertz authorized the Schedules for issue.

Note 2 – Summary of Significant Accounting Policies

These Schedules have been prepared in accordance with the recognition and measurement requirements for recognized assets and liabilities in accordance with IFRS and based upon the Exemptive Relief described in Note 1 "Basis of Presentation."

The accounting principles set out below have been applied consistently in preparing the Schedules for the nine-months ended September 30, 2012 and 2011, and for the years ended December 31, 2011 and 2010.

A summary of the significant accounting policies used in the preparation of the Schedules is presented below.

Principles of measurement

The principles of measurement and determination of income used in these schedules are based on historical costs, unless stated otherwise.

Use of estimates

The preparation of the Schedules in accordance with the basis of presentation in Note 1 requires management to make estimates and assumptions that may affect the reported amounts of assets to be acquired, liabilities to be assumed, revenues, operating expenses, and related disclosures during the reporting periods. Management bases its estimates on historical experiences and various other assumptions they believe to be reasonable. Actual results may differ from those estimates.

Significant estimates inherent in the preparation of the Schedules include: the allocated portion of lease expense associated with revenue earning equipment, goodwill and other intangibles acquired, impairment of long-lived tangible and intangible assets, amortization lives of intangible assets, and other cost allocation assumptions as described in Note 1, "Basis of Presentation". The fair values of acquired identifiable intangibles are based on an assessment of future cash flows. Impairment analyses of goodwill and other intangible assets are performed annually and whenever a triggering event has occurred to determine whether the carrying value exceeds the recoverable amount. These analyses generally are based on estimates of future cash flows.

Business combinations

Business combinations are accounted for using the acquisition method. Under the acquisition method, the identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquiree are

recognized as at the acquisition date, which is the date on which control is transferred to the Company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Company takes into consideration potential voting rights that currently are exercisable.

For acquisitions, the Company measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognized immediately in the Schedules of revenues and operating expenses.

Costs related to the acquisition that the Company incurs in connection with a business combination are expensed as incurred. Operating results of acquired businesses are included in the Company's Schedules of revenues and operating expenses from the dates of acquisition.

Derivative Instruments

The Company is exposed to a variety of market risks, including the effects of changes in gasoline and diesel fuel prices. Hertz manages exposure to these market risks through regular operating and financing activities and, when deemed appropriate, through the use of derivative financial instruments. Derivative financial instruments are viewed as risk management tools and have not been used for speculative or trading purposes. In addition, derivative financial instruments are entered into with a diversified group of major financial institutions in order to manage Hertz's exposure to counterparty nonperformance on such instruments. The underlying derivative assets and liabilities are recorded on Hertz's books and measured based on fair values derived from market prices of the instruments or from option pricing models, as appropriate. Gains or losses arising from changes in fair value of derivatives are recognized in the Schedules of revenues and operating expenses.

Direct operating expenses in the Schedules reflect estimated allocations of gains/losses on derivative instruments applicable to the Company. The underlying derivative contracts are maintained on the consolidated financial statements of Hertz. See Note 1, "Basis of Presentation" for details.

Revenue Recognition

Rental and rental-related revenue (including cost reimbursements from customers where the Company considers itself to be the principal for the transaction, such as refueling services, concession fees and other pass-through revenue) are recognized over the period the revenue-earning equipment is rented based on the terms of the rental contract, net of sales tax, rebates, discounts and similar allowances. No revenue is recognized if there are significant uncertainties regarding the recovery of the consideration due.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. The initial cost of an asset comprises its purchase price or construction cost and any costs directly attributable to bringing the asset into operation.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets, which include the shorter of the lease term or the estimated useful life of the asset for leasehold improvements, 4 to 10 years for service vehicles, and 10 years for machinery and equipment.

The Company follows the practice of charging maintenance and repairs, including the cost of minor replacements, to maintenance expense accounts as incurred. Costs of major replacements of units of property are capitalized to property and equipment accounts and depreciated over the estimated useful lives.

Gains and losses on dispositions of property and equipment are included in the Schedules of revenues and operating expenses as realized.

Goodwill and other intangible assets

Measurement of goodwill at initial recognition is described under 'Business combinations". Goodwill after the initial recognition is measured at cost less accumulated impairment losses.

Indefinite-lived intangible assets are capitalized at their acquisition-date fair value less accumulated impairment losses. Acquired finite-lived intangible assets are capitalized at their acquisition-date fair value and amortized using the straight-line method over their estimated useful lives, including 3 to 5 years for concession rights, and 15 years for trademarks.

Leased assets

Leases in which substantially all risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognized in the Schedules of revenues and operating expenses on a straight-line basis over the term of the lease.

Inventories

Gasoline inventories are stated at the lower of cost or net realizable value. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition. Gasoline inventories are carried at average cost of fuel paid.

Environmental Liabilities

The use of automobiles and other vehicles is subject to various governmental controls designed to limit environmental damage, including that caused by emissions and noise. Generally, these controls are met by the manufacturer, except in the case of occasional equipment failure requiring repair by the Company. To comply with environmental regulations, measures are taken at certain locations to reduce the loss of vapor during the fueling process and to maintain, upgrade and replace underground fuel storage tanks. The Company also incurs and provides for expenses for the cleanup of petroleum discharges and other alleged violations of environmental laws arising from the disposition of waste products. The Company does not believe that it will be required to make any material capital expenditures for environmental control facilities or to make any other material expenditure to meet the requirements of governmental authorities in this area. The Schedules of assets to be acquired and liabilities to be assumed exclude the provisions for environmental liabilities carried on the consolidated balance sheet of Hertz as such liabilities are contractually excluded in the sale and purchase agreement.

Public Liability and Property Damage

The Schedules of assets to be acquired and liabilities to be assumed excludes an obligation for public liability and property damage on self-insured vehicles for both reported accident claims not yet paid, and claims incurred but not yet reported that is carried on the consolidated balance sheet of Hertz as such liabilities are contractually excluded in the sale and purchase agreement.

Impairment of Goodwill and other Long-Lived Assets

The Company assesses whether the carrying value of intangible assets and of property and equipment are recoverable. In the assessment, the Company makes significant judgments and estimates to determine if the fair value less costs to sell and the future cash flows expected to be generated by those assets are less than their carrying values. The data necessary for the impairment test are based on the strategic plans of the Company, and the estimates of future cash flows, which require estimating revenue growth rates and profit margins. The estimated cash flows are discounted using a net present value technique with a market participant discount rate.

Goodwill is not amortized but tested for impairment annually and whenever impairment indicators require such tests. As part of performing an impairment analysis, the Company applies judgment when determining the cash generating units ("CGUs"). A CGU represents the lowest level of identifiable assets or asset groupings that are largely independent of the cash inflows for other assets or groups of assets of the Company. Given the inter-related cash flows of the business, the manner in which the business is managed, the similarity of economic characteristics and types of customers, and the same overall nature of the business, the Company determined the business as a whole to represent a CGU for the purpose of its annual goodwill impairment test. A goodwill impairment loss is recognized in the Schedules of revenues and operating expenses whenever and to the extent that the carrying amount of the cash-generating unit exceeds the unit's recoverable amount, which is the greater of value in use and fair value less cost to sell.

Intangible assets considered to have indefinite useful lives are evaluated for impairment on an annual basis, or more frequently if certain circumstances indicate a possible impairment may exist.

Long-lived assets other than goodwill and indefinite-lived intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment charge is recognized for the amount, if any, by which the carrying amount of an asset exceeds the greater of its value in use and its fair value less cost to sell.

If any, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if and to the extent there has been a change in the estimates used to determine the recoverable amount. The loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. Reversals of impairment are recognized in the Schedules of revenues and operating expenses.

The Company conducted the impairment review during the year ended December 31, 2011 and concluded that there was no impairment related to goodwill and other finite and indefinite-lived intangible assets. See Note 6, "Goodwill and Other Intangible Assets".

Direct Operating Expenses

Direct operating expenses include fleet-related expenses, salaries and wages of Advantage employees and contractors, concession and commission expense, facilities, and other operating expenses.

Certain charges (including, but not limited to, vehicle damage and maintenance, other fleet costs, information technology, reservation and customer service costs) included in direct operating expenses are incurred by Hertz and allocated to the Company. See Note 1, "Basis of Presentation" for details.

Lease of revenue earning equipment

Lease of revenue earning equipment includes an allocation of depreciation and interest expense net of an allocation of the gain on sale of revenue-earning equipment. These charges are incurred by Hertz and allocated to the Company. See Note 1, "Basis of Presentation" for details.

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses include selling and marketing expenses, salaries, travel and office expenses of administrative employees and contractors, legal and professional fees, and bad debt expenses.

Advertising and sales promotion costs are expensed as incurred. The Company incurred advertising expense of $2.5 million (unaudited) and $5.4 million (unaudited) for the nine-month periods ended September 30, 2012 and 2011, respectively, and $6.0 million and $2.7 million for the years ended December 31, 2011 and 2010, respectively.

Certain charges (including, but not limited to information technology, divisional, regional and back office administrative costs) included in selling, general, and administrative expenses are incurred by Hertz and allocated to the Company. See Note 1, "Basis of Presentation" for details.

Note 3 – Inventories

Inventories consist of gasoline in bulk storage tanks at various locations as of the reporting dates, carried at average cost of fuel paid. Inventories also include inventory in the tanks of cars which are owned by Hertz and allocated to Advantage at period-end. The gasoline in the tanks of cars is based on the average tank size and average cost of fuel paid in the last month of the reporting period.

No allowance for obsolete inventory was considered necessary as of September 30, 2012, and December 31, 2011 and 2010. Inventories have a short-term nature.

Note 4– Prepaid expenses and other current assets

	September 30, 2012 (Unaudited)	December 31, 2011	December 31, 2010
Rents and prepaid minimum concession fees	$ 1,563	$ 1,318	$ 1,162
Sales taxes on service vehicles	86	109	-
Other current assets	85	88	78
Prepaid expenses and other current assets	$ 1,734	$ 1,515	$ 1,240

All prepaid expenses and other current assets have a short-term nature.

Note 5 – Property and equipment, net

The Property and equipment of the Company consist of the following:

	September 30, 2012 (Unaudited)	December 31, 2011	December 31, 2010
Leasehold improvements	$ 2,452	$ 1,565	$ 1,082
Machinery and equipment	2,718	2,001	1,333
Service vehicles	5,713	5,786	5,397
	$ 10,883	$ 9,352	$ 7,812
Accumulated depreciation and amortization	(4,335)	(2,891)	(1,745)
Construction-in-progress	188	657	28
Property and equipment, net	$ 6,736	$ 7,118	$ 6,095

Leasehold improvements for an amount of $0.2 million (unaudited) as of September 30, 2012, and $0.3 million and $0.4 million for the years ended December 31, 2011 and, 2010, respectively, will remain with Hertz and leased to the Buyer upon completion of the transaction.

Depreciation expense totaled $1.5 million (unaudited) and $0.9 million (unaudited) for the nine-month periods ending September 30, 2012 and 2011, respectively, and $1.3 million and $1.2 million for the years ended December 31, 2011 and, 2010 respectively. An amount of $0.2 million of total depreciation expense is included in selling, general and administrative expenses for each of the reporting periods (unaudited for the nine-month periods ending September 30, 2012 and 2011). The remainder is included as part of direct operating expenses.

Note 6 – Goodwill and Other Intangible Assets

The following summarizes goodwill for the periods presented:

	September 30, 2012 (Unaudited)	December 31, 2011	December 31, 2010
Goodwill	$ 7,372	$ 7,372	$ 7,372

Goodwill arose as a result of the 2009 acquisition of Advantage by Hertz. There were no changes in the goodwill account or acquisitions. Goodwill is allocated to the Company's cash-generating unit, which represents the lowest level at which goodwill is monitored internally for management purposes.

The basis of the recoverable amount used in the impairment test is the value in use. Key assumptions used in the impairment test were sales growth rates, revenues less operating expenses, and the rates used for discounting the projected cash flows. These forecasts were determined using management's internal forecasts that cover an initial period from 2011 to 2021 that matches the period used for management's strategic reviews. Projections were extrapolated with reducing growth rates for the period projected, after which a terminal value was calculated. For terminal value calculation, growth rates were capped at a long-term average growth rate that applies to Hertz Rent-A-Car in the United States in its entirety.

The following summarizes the changes in other intangible assets for the periods presented:

	September 30, 2012 (Unaudited)			December 31, 2011			December 31, 2010 (Unaudited)		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Non-Amortizable intangible assets:									
Reacquired Franchise Rights	$ 2,565	$ -	$ 2,565	$ 2,565	$ -	$ 2,565	$ 2,565	$ -	$ 2,565
Amortizable intangible assets:									
Advantage Trade Name	20,008	(4,651)	15,357	20,008	(3,667)	16,341	20,008	(2,333)	17,675
Concession Rights	8,159	(4,323)	3,836	8,159	(3,414)	4,745	8,159	(2,201)	5,958
	28,167	(8,974)	19,193	28,167	(7,081)	21,086	28,167	(4,534)	23,633
Total other intangible assets	$ 30,732	$ (8,974)	$ 21,758	$ 30,732	$ (7,081)	$ 23,651	$ 30,732	$ (4,534)	$ 26,198

Amortization of other intangible assets was $1.9 million (unaudited) for each of the nine-month periods ended September 30, 2012 and 2011, and $2.5 million and $2.2 million for the years ended December 31, 2011 and 2010, respectively. Based on the Company's amortizable intangible assets as of December 31, 2011, the Company expects amortization expense to be approximately $2.5 million in 2012, $2.4 million in 2013, $1.8 million in 2014, $1.8 million in 2015 and $1.5 million in 2016.

On June 4, 2010, the Company acquired certain assets of United States Rent-A-Car, Inc. (USRAC) located in Las Vegas, Nevada for $2.7 million. The primary asset acquired were franchise rights to operate at USRAC locations. The Company and USRAC had a franchise relationship that existed before the business combination was contemplated. As part of a business combination, an acquirer may reacquire a right that it had previously granted to the acquiree to use the acquirer's recognized or unrecognized intangible assets. Such a right is an identifiable intangible asset that shall be recognized separately from goodwill as part of the business combination accounting. The contractual period of the reacquired

franchise right was indefinite. $2.6 million of the purchase price has been allocated to non-amortizable intangible assets (re-acquired franchise rights).

On December 1, 2010, the Company acquired concession agreements with Miami-Dade Country, Florida and Broward County, Florida from Air and Sea Rent-A-Car, Inc, Fort Myers Property Management, Inc. and Walter Sonne for $2.6 million. Concession rights are amortized over their estimated useful life of 11 to 15 years starting in 2010.

Note 7 –Liabilities to be assumed

Liabilities to be assumed by the Buyer have a short-term nature.

Note 8 – Lease and Concession Agreements

The Company has various concession agreements, which provide for payment of rents and a percentage of revenue with a guaranteed minimum, and real estate leases under which the following amounts were expensed:

	Nine Months Ended September 30,		Year Ended December 31,	
	2012 (Unaudited)	2011 (Unaudited)	2011	2010
Rents	$ 2,246	$ 2,374	$ 2,973	$ 2,824
Concession fees:				
Minimum fixed obligations	8,715	5,730	8,004	6,531
Additional amounts, based on revenues	8,677	7,778	10,035	7,224
Total	$ 19,638	$ 15,882	$ 21,012	$ 16,579

As of December 31, 2011, future minimum obligations under existing agreements referred to above are approximately as follows:

	Rents	Concessions
2012	$ 3,542	$ 10,667
2013	2,827	9,611
2014	2,107	6,509
2015	1,467	5,216
2016	874	3,063
Thereafter	7,312	13,360

Many of the Company's concession agreements and real estate leases require it to pay or reimburse operating expenses, such as common area charges and real estate taxes, to pay concession fees above guaranteed minimums or additional rent based on a percentage of revenues or sales (as defined in those agreements) arising at the relevant premises, or both. Such amounts are not reflected in the minimum future obligation amounts appearing immediately above. The Company operates from various leased premises under operating leases with terms up to 22 years. A number of the Company's operating leases contain renewal options. These renewal options vary, but a majority includes clauses for renewal for various term lengths at various rates, both fixed and market.

Refer to Note 1, "Basis of Presentation" with regard to the lease of revenue-earning equipment from Hertz.

Note 9 – Contingencies

The Company establishes reserves for matters where losses are probable and can be reasonably estimated. No reserves have been recorded as of any of the reporting dates. For matters where the Company has not established a reserve, the ultimate outcome or resolution cannot be predicted at this time, or the amount of ultimate loss, if any, cannot be reasonably estimated. Litigation is subject to many uncertainties and the outcome of the individual litigated matters is not predictable with assurance. It is possible that certain of the actions, claims, inquiries or proceedings could be decided unfavorably to the Company. Accordingly, it is possible that an adverse outcome from such a proceeding could result in an amount that could be material to the Schedules in any particular reporting period. The purchase contract between Hertz and the Buyer provides for Hertz to remain liable if any of such matters occur prior to the sale.

Note 10 – Restructuring

As part of Hertz' ongoing effort to implement its strategy of reducing operating costs, Hertz initiated the closure of targeted car rental locations. The Company incurred $0.5 million (unaudited) and $0.3 million (unaudited) for the nine-months ended September 30, 2012 and 2011, respectively, and $0.3 million and $0.4 million in restructuring charges for the years ended December 31, 2011 and 2010, respectively. As of September 30, 2012 and December 31, 2011, there were no accrued restructuring amounts remaining.

Note 11 – Subsequent events

On August 26, 2012, Hertz entered into an Agreement and Plan of Merger to acquire Dollar Thrifty. The merger agreement provides that, with respect to obtaining antitrust approval of the acquisition, Hertz is required to, among other actions, divest of its Advantage business, together with certain additional assets and airport concessions. Hertz has reached a definitive agreement with Adreca Holdings Corp., a subsidiary of Macquarie Capital, which is expected to be operated by Franchise Services of North America Inc., an experienced operator of car rental brands, including U-Save Car & Truck Rental®, Rent-a-Wreck of Canada, Practicar and Xpress Rent-A-Car, providing for the divestiture of Advantage, selected Dollar Thrifty airport concessions and certain other assets, contingent on a successful acquisition of Dollar Thrifty. The Advantage divestiture agreement has a termination date of December 31, 2012.

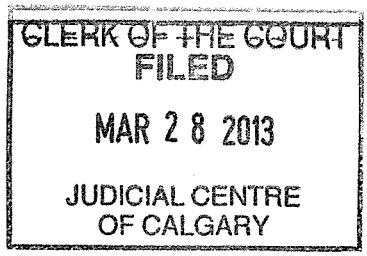
On December 12, 2012, Hertz confirmed the agreement to sell Advantage Rent-a-Car (A component of Hertz Global Holdings, Inc.) to Franchise Services of North America and Macquarie Capital (collectively "the Buyer"). Hertz is in process of implementing the contractual arrangements which includes that agreements are to be reached with certain airport authorities.

On December 12, 2012, Hertz and Adreca Holdings Corp. entered into a two-year sublease agreement for Advantage to lease a specified portion of the Hertz fleet for up to 22,495 vehicles. Based upon the maximum number of vehicles to be made available, the annual lease expense payable by Adreca Holdings Corp. to Hertz is $70.2 million, excluding interest. Adreca Holdings Corp. will also purchase the gasoline available in the tanks of the leased vehicles at the inception of the lease. The agreement is conditioned upon Hertz completing an acquisition of Dollar Thrifty.

The Company evaluated subsequent events from December 31, 2011, the date of the Schedules of Assets to be Acquired and Liabilities to be Assumed, through December 13, 2012, which represents the date these Schedules were available to be issued. There were no other events or transactions occurring during this subsequent event reporting period which require recognition or disclosure in the Schedules.

SCHEDULE "E"
INTERIM ORDER

Clerk's stamp:



COURT FILE NUMBER: 1301-03896

COURT: COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE OF: CALGARY

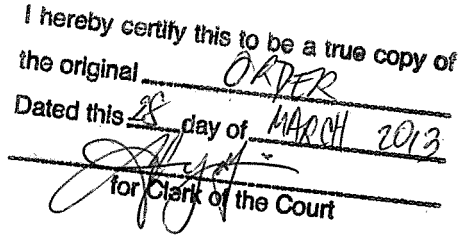
IN THE MATTER OF SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FRANCHISE SERVICES OF NORTH AMERICA INC. AND THE SHAREHOLDERS OF FRANCHISE SERVICES OF NORTH AMERICA INC.

DOCUMENT **INTERIM ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

STIKEMAN ELLIOT LLP
4300, 888 – 3RD Street S.W.
Calgary, AB T2P 5C5
Attn: Michael E. Mestinsek
Telephone: 403-266-9078
Facsimile: 403-266-9034
Email: mmestinsek@stikeman.com
File Ref.: 132779.1001



DATE ON WHICH ORDER WAS PRONOUNCED MARCH 28, 2013
NAME OF JUDGE WHO MADE THIS ORDER: MADAM JUSTICE K. EIDSVIK

UPON the Originating Application (the "**Application**") of Franchise Services of North America Inc. ("**FSNA**") pursuant to Section 192 of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended ("**CBCA**");

AND UPON reading the Application and the Affidavit of Thomas P. McDonnell, III sworn March 26, 2013 (the "**Affidavit**"), filed herein;

AND UPON hearing counsel for FSNA;

AND UPON noting that the director (the "**Director**") appointed under Section 260 of the CBCA has been served with notice of this application as required by subsection 192(5) of the CBCA and the Director having advised that he does not intend to appear in person or by counsel or make any representations.

FOR THE PURPOSES OF THIS INTERIM ORDER:

(a) the capitalized terms not defined in this Interim Order shall have the meanings attributed to them in the management information circular of FSNA (the "**Information Circular**"), a draft copy of which is attached as Exhibit "A" to the Affidavit; and

(b) all references to the "**Arrangement**" used herein mean the plan of arrangement in the form attached as Schedule C to the Information Circular and also attached as Schedule A to the merger agreement entered into by FSNA, Adreca Holdings Corp., Boketo LLC and Advantage Company Holdings, Inc. dated effective July 13, 2012, as amended (the "**Agreement**").

IT IS HEREBY ORDERED AND ADJUDGED THAT:

1. The proposed course of action is an "arrangement" within the definition of the CBCA and FSNA may proceed with the Arrangement, subject to the terms of this Interim Order.

IT IS HEREBY FURTHER ORDERED THAT:

General

2. FSNA shall seek approval of the Arrangement by the holders (the "**FSNA Shareholders**") of common shares of FSNA (the "**Common Shares**") in the manner set forth below.

Meeting

3. FSNA shall call and conduct a special meeting (the "**Meeting**") of FSNA Shareholders to be held on April 30, 2013. At the Meeting, FSNA Shareholders will consider and vote upon a special resolution (the "**Arrangement Resolution**") and such other business, including amendments to the foregoing, as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular. The Meeting shall be held and conducted in accordance with the applicable provisions of the CBCA, the articles and by-laws of FSNA in effect at the relevant time, the Information Circular, the rulings and directions of the chair of the Meeting, this Interim Order and any

further Order of this Court. To the extent that there is any inconsistency or discrepancy between this Interim Order and the CBCA or the articles or by-laws of FSNA, the terms of this Interim Order shall govern.

4. The quorum at the Meeting in respect of FSNA Shareholders shall be two persons present in person, each being an FSNA Shareholder entitled to vote thereat or a duly appointed proxy for an absent FSNA Shareholder so entitled and together holding or representing by proxy not less than 5% of the FSNA Shares entitled to vote at the Meeting. If a quorum is present at the opening of the Meeting, the FSNA Shareholders present or represented by proxy may proceed with the business of the Meeting even if a quorum is not present throughout the Meeting. If a quorum is not present within one-half hour of the time appointed for convening the Meeting, the FSNA Shareholders present or represented by proxy may adjourn the Meeting to a fixed time and place but may not transact any other business; provided, however, that if no provision for adjournment is made at the Meeting or adjourned meeting at which a quorum is not present, the meeting shall be dissolved. If the Meeting is adjourned for less than thirty days it is not necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If the Meeting is adjourned by one or more adjournments for an aggregate of thirty days or more, notice of the adjourned meeting shall be given as for an original meeting.

5. The board of directors of FSNA (the "**FSNA Board**") has fixed a record date for the Meeting of April 1, 2013 (the "**Record Date**"). Only FSNA Shareholders whose names have been entered on the applicable register of Common Shares at the close of business on the Record Date will be entitled to receive notice of the Meeting and to vote at the Meeting.

6. Each FSNA Shareholder will be entitled to one vote for each Common Share held.

7. The chair of the Meeting shall be any executive officer or director of FSNA.

8. The only persons entitled to attend and speak at the Meeting shall be FSNA Shareholders or their authorized representatives, FSNA's counsel, directors, officers

and auditors, the scrutineers for the Meeting and their representatives, the Director and other persons with the permission of the chair of the Meeting.

9. The requisite approval for the Arrangement Resolution is at least 66⅔% of the votes cast by FSNA Shareholders present either in person or by proxy, voting in respect of the Arrangement Resolution at the Meeting.

10. To be valid a proxy must be deposited with FSNA in the manner described in the Information Circular.

Adjournments and Postponements

11. FSNA, if it deems it to be advisable, may adjourn or postpone the Meeting on one or more occasions and for such period or periods of time as FSNA deems advisable in accordance with the Agreement, without the necessity of first convening such Meeting or first obtaining any vote of FSNA Shareholders respecting the adjournment or postponement. Notice of any such adjournment or postponement shall be given by press release, newspaper advertisement, or by notice to the FSNA Shareholders by one of the methods specified in this Interim Order, as determined to be the most appropriate method of communication by the FSNA Board. If the Meeting is adjourned or postponed in accordance with the Arrangement Agreement and this Interim Order, the references to the Meeting in this Interim Order shall be deemed to be the Meeting as adjourned or postponed.

Amendments to Arrangement

12. FSNA is authorized to make such amendments, revisions or supplements to the Arrangement as it may determine necessary or desirable, provided that such amendments are made in accordance with and in the manner contemplated by the Agreement. The Arrangement as so amended, revised or supplemented shall be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Interim Order.

Solicitation of Proxies

13. FSNA is authorized to use the proxies enclosed with the Information Circular, subject to its ability to insert dates and other relevant information in the final form of

such proxy. FSNA is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for that purpose, and such solicitation may be by mail or such other forms of personal and electronic communication as it may determine.

Dissent Rights

14. The FSNA Shareholders are, subject to the provisions of this Interim Order and the Arrangement, accorded the right of dissent under Section 190 of the CBCA with respect to the Arrangement Resolution.

15. In order for a registered FSNA Shareholder to exercise such right of dissent (a "**Dissenting Holder**") under Section 190 of the CBCA:

(a) the Dissenting Holder's written objection to the Arrangement Resolution must be received by FSNA c/o its counsel Stikeman Elliott LLP, Suite 4300, Bankers Hall West Tower, 888 - 3rd Street S.W., Calgary AB, T2P 5C5, Attention: Michael E. Mestinsek, by 5:00 p.m. (Calgary time) on April 26, 2013 (or such other date that is two business days immediately preceding the date of the Meeting as it may be adjourned or postponed from time to time),

(b) a Dissenting Holder shall not have voted at the Meeting any of his or her Common Shares, either by proxy or in person, in favour of the Arrangement Resolution;

(c) an FSNA Shareholder may not exercise the right of dissent in respect of only a portion of the Common Shares held by the FSNA Shareholder;

(d) the exercise of such right of dissent must otherwise comply with the requirements of Section 190 of the CBCA, as modified by this Interim Order; and

(e) a vote against the Arrangement Resolution or an abstention shall not constitute the written objection required under subparagraph (a) above.

16. The fair value of the Common Shares (the "**Fair Value**") shall be determined as of the close of business on the day before the Arrangement Resolution is adopted, and shall be paid to the Dissenting Holders by FSNA.

17. Any registered Dissenting Holders who duly exercise the right of dissent, as set out in paragraphs 14 and 15 above, and who:

(a) are ultimately entitled to be paid the Fair Value of their Common Shares shall be deemed to have transferred such Common Shares to FSNA for cancellation at the Arrangement Effective Time, notwithstanding the provisions of Section 190 of the CBCA; or

(b) are ultimately not entitled, for any reason, to be paid the Fair Value for their Common Shares, shall be deemed to have participated in the Arrangement and shall be entitled to receive only the same consideration which an FSNA Shareholder is entitled to receive under the Arrangement as if such Dissenting Holders had not exercised their rights of dissent;

but in no case shall FSNA or any other person, be required to recognize a Dissenting Holder, who duly exercises the right of dissent, as FSNA Shareholders after the Arrangement Effective Time, and the names of such Dissenting Holders shall be deleted from the register of FSNA Shareholders as of the Arrangement Effective Time.

18. Subject to further order of this Court, the rights available to the FSNA Shareholders under the CBCA and the Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient rights of dissent for the FSNA Shareholders with respect to the Arrangement Resolution.

19. Notice to the FSNA Shareholders of their right of dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the CBCA and the Arrangement, the Fair Value of their Common Shares shall be given by including information with respect to this right in the Information Circular to be sent to the FSNA Shareholders in accordance with this Interim Order.

Notice

20. An Information Circular, substantially in the form attached as Exhibit "A" to the Affidavit, with amendments thereto as FSNA may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Interim Order), and including a Notice of Special Meeting of the FSNA Shareholders (the "**Notice of Meeting**"), a Notice of Originating Application and this Interim Order, together with any other communications or documents determined by FSNA to be necessary or advisable (collectively, the "**Finalized Meeting Materials**"), shall be sent to those FSNA Shareholders who hold Common Shares as of the Record Date, the directors of FSNA, the auditors of FSNA, and the Director by one or more of the following methods:

(a) in the case of registered FSNA Shareholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at his, her or its address, as shown on the books and records of FSNA as of the Record Date not later than 21 days prior to the Meeting;

(b) in the case of non-registered FSNA Shareholder, by providing sufficient copies of the Finalized Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 of the Canadian Securities Administrators;

(c) in the case of the directors and auditors of FSNA, by e-mail, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the individual directors or firm of auditors, as applicable, not later than 21 days prior to the date of the Meeting; and

(d) in the case of the Director, by email, facsimile, by courier or by delivery in person, addressed to the Director prior to the date of the Meeting.

21. Delivery of the Finalized Meeting Materials in the manner directed by this Interim Order shall be deemed to be good and sufficient service upon the FSNA Shareholders, the directors and auditors of FSNA and the Director of:

(a) the Originating Application;

(b) this Interim Order;

(c) the Notice of Application; and

(d) the Notice of the Meeting;

all in substantially the forms set forth in the Information Circular, together with instruments of proxy and such other material as FSNA may consider fit.

22. Any accidental omission to give notice of the Meeting to, or the non-receipt of the notice by one or more of the aforesaid persons, shall not invalidate any resolution passed or proceedings taken at the Meeting.

Final Application

23. Subject to further Order of this Court and provided that the FSNA Shareholders have approved the Arrangement in the manner directed by this Court and the directors of FSNA have not revoked their approval, FSNA may proceed with an application for approval of the Arrangement and the Final Order on May 1, 2013 at 2:00 p.m. (Calgary time) or so soon thereafter as counsel may be heard at the Calgary Courts Centre, Calgary, Alberta. Subject to the Final Order, and to the issuance of the Certificate, all FSNA Shareholders, FSNA and all other persons will be bound by the Arrangement in accordance with its terms.

24. Any FSNA Shareholder or any other interested party (other than the Director) (together, an "**Interested Party**") desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon FSNA by 12:00 Noon (Calgary time) on April 24, 2013, a Notice of Intention to Appear including the Interested Party's address for service in the Province of Alberta, indicating whether such Interested Party intends to support or oppose the application or make submissions thereat, together with a summary of the position such Interested Party intends to advocate before the Court and any evidence or materials which the Interested Party intends to present to the Court. Service of this notice on FSNA shall be effected by service upon the solicitors for FSNA, Stikeman

Elliott LLP, Suite 4300, Bankers Hall West Tower, 888 – 3rd Street S.W., Calgary AB, T2P 5C5, Attention: Michael E. Mestinsek.

25. In the event that the application for the Final Order is adjourned, only those persons appearing before this Court for the application for the Final Order, and those Interested Parties serving a Notice of Intention to Appear in accordance with paragraph 24 of this Interim Order shall have notice of the adjourned date.

Extra-Territorial Assistance

26. FSNA seeks and requests the aid and recognition of any court or judicial, regulatory or administrative body in Canada and any court or judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Leave to Vary Interim Order

27. FSNA is entitled at any time to seek leave to vary this Interim Order upon such terms and the giving of such notice as this Court may direct.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "F"
COMPARISON OF SHAREHOLDERS RIGHTS

On completion of the Transaction, FSNA Shareholders will receive shares of New FSNA, a corporation incorporated under the DGCL. Shareholders of corporations incorporated under the DGCL are afforded similar rights as are available to shareholders under the CBCA, including rights to bring derivative actions to enforce a corporate right and actions against the corporation and/or its directors and officers. Although the DGCL has no statutory equivalent to the oppression remedy under the CBCA, shareholders may bring actions against directors and officers for breach of fiduciary duty under Delaware common law. However, there are certain differences between the two statutes and the regulations made or law developed thereunder. The following is a summary of certain differences between the DGCL and the CBCA which management of FSNA considers material to FSNA Shareholders, including certain relevant provisions of the Amended FSNA Charter Documents. **This summary is not an exhaustive review of the two statutes or the relevant provisions of the Amended FSNA Charter Documents. Reference should be made to the full text of both statutes and the regulations made or laws developed thereunder for the particulars of any differences between them, as well as to the full text of the Amended FSNA Charter Documents attached to this Circular in Schedule "I", and FSNA Shareholders should consult their legal or other professional advisors with regard to the implications of the conversion of FSNA Shares into New FSNA Shares contemplated under the Transaction which may be of importance to them.**

- ***Calling Shareholders' Meetings.*** Under the CBCA, the holders of not less than five percent (5%) of the issued shares of a corporation that carry the right to vote at a meeting may requisition the directors to call a meeting of shareholders for the purposes stated in the requisition. Upon satisfying the technical requirements of the CBCA for making such a requisition, the directors must send notice of a meeting of shareholders to transact the business stated in the requisition.

  Under the DGCL, a special meeting of shareholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or the bylaws of the corporation. Subject to the rights of the holders of preferred stock to call special meetings of stockholders, New FSNA's certificate of incorporation and bylaws provide that special meetings of shareholders may be called only by the board of directors, who may call such a meeting at any time. The DGCL requires that a notice of meeting is given to all shareholders which states the date, time and place, if any, of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting has been called.

- ***Place of Shareholders' Meetings.*** Under the CBCA, a shareholders' meeting may be held at such place within Canada as provided for in the bylaws of the corporation or, in the absence of such provision, at a place within Canada that the directors determine. A meeting of shareholders may be held outside of Canada so long as it is specified in the articles or all the shareholders entitled to vote at the meeting agree to the location of the meeting.

  Under the DGCL, meetings of shareholders may be held at such place, either within or without the State of Delaware, as may be designated by or in the manner provided in the certificate of incorporation or bylaws, or if not so designated, as determined by the board of directors. If the board of directors is authorized to determine the place of a meeting of shareholders, the board of directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication.

- ***Solicitation of Proxies.*** Under the CBCA, solicitation by or on behalf of the management of a corporation must be in the form of a management proxy circular, accompanying the notice of the meeting. A person who solicits proxies, other than by or on behalf of management of the

corporation, must send a dissident's proxy circular in the prescribed form stating the purposes of the solicitation to each shareholder whose proxy is solicited as well as to certain other recipients. Pursuant to the CBCA, a person who solicits proxies, other than by or on behalf of the management of the corporation, to a total number of shareholders whose proxies solicited is fifteen (15) or fewer, two (2) or more joint holders being counted as one (1) shareholder, or who conveys the solicitation by way of public broadcast, speech or publication does not need to send a dissent's proxy circular.

The DGCL does not provide for rules and regulations for the solicitation of proxies; rather, the solicitation of proxies by Delaware corporations whose shares are registered with the Securities and Exchange Commission is generally governed by federal securities laws.

- ***Record Date for Shareholders' Meetings.*** Under the CBCA, shareholders are entitled to vote only the shares held by them on the record date or the deemed record date, as the case may be. Transferees of shares after the record date, or the deemed record date, are not entitled to vote the transferred shares at the meeting. The directors may fix in advance a date as the record date for the determination of shareholders entitled to receive notice of the meeting of shareholders, but the record date must not precede by more than 60 days or less than 21 days the date on which the meeting is to be held. Where a corporation fixes a record date for the determination of shareholders entitled to vote at a shareholders' meeting the corporation shall prepare, no later than ten (10) days after the record date, an alphabetical list of shareholders entitled to vote as of the record date at a meeting for shareholders that shows the number of shares held by each shareholder. If a record date for voting is not fixed, no later than ten (10) days after the close of business on the day notice is to be given or, if no notice is given, the day on which the meeting is held, the corporation shall prepare an alphabetical list of shareholders who are entitled to vote. A shareholder whose name is on the list is entitled to vote the shares shown opposite the shareholder's name at the meeting to which the list relates.

  Under the DGCL, in order that the corporation may determine the shareholders entitled to notice of any meeting of shareholders, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the board of directors so fixes a date, such date shall also be the record date for determining the shareholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the board of directors, the record date for determining shareholders entitled to notice of and to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. The DGCL further provides that the officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten (10) days before every meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting; provided, however, if the record date for determining the shareholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the shareholders entitled to vote as of the tenth (10^{th}) day before the meeting date, arranged in alphabetical order, and showing the address of each shareholder and the number of shares registered in the name of each shareholder.

- ***Notice of Shareholders' Meetings.*** Under the CBCA, a public company must give notice of a meeting of shareholders not less than twenty-one (21) days and not more than sixty (60) days before the meeting. However, public companies incorporated under the DGCL or CBCA are

currently subject to the requirements of National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer, of the Canadian Securities Administrators which provides for minimum notice periods of greater than the minimum twenty-one (21) day period in either statute. Under the CBCA, notice of a meeting of shareholders at which special business is to be transacted shall state the nature of the business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and the text of the special resolution to be submitted at the meeting.

Under the DGCL, except as otherwise provided thereunder, a corporation must give notice of a meeting of shareholders to all shareholders not less than ten (10) nor more than sixty (60) days before the date of the meeting to each shareholder entitled to vote at such meeting as of the record date for determining the shareholders entitled to notice of the meeting. Such notice shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which shareholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the shareholders entitled to vote at the meeting, if such date is different from the record date for determining shareholders entitled to notice of the meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called.

- ***Quorum for Meetings of the Shareholders.*** Pursuant to the CBCA, unless otherwise provided in the bylaws of the corporation, a quorum of shareholders is present at a meeting of shareholders, irrespective of the number of persons actually present at the meeting, if the holders of a majority of the shares entitled to vote at the meeting are present, either in person or by proxy. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may, unless the bylaws of the corporation provide otherwise, proceed with the business of the meeting even if a quorum is not present throughout the meeting. If quorum is not present at the opening of a meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

  Under the DGCL, subject to any vote required for specified actions thereunder, the certificate of incorporation or bylaws of a corporation may specify the number of shares and/or the amount of other securities having voting power the holders of which shall be present or represented by proxy at any meeting in order to constitute a quorum for the transaction of any business, but in no event shall a quorum consist of less than one-third (1/3) of the shares entitled to vote at the meeting except that, where a separate vote by a class or series or classes or series is required, a quorum shall consist of no less than one-third (1/3) of the shares of such class or series or classes or series. In the absence of such specification in the certificate of incorporation or the bylaws of the corporation, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum. New FSNA's bylaws provide that, unless otherwise required by applicable law or New FSNA's certificate of incorporation and subject to the rights of the holders of preferred stock with respect to quorum requirements at special meetings thereof, the holders of one-third (1/3) of the voting power of the capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at a meeting of shareholders. If a quorum is not present at the opening of a meeting of shareholders, either (a) any officer entitled to preside at or to act as secretary of such meeting or (b) the shareholders entitled to vote thereat, present in person or represented by proxy, may adjourn the meeting from time to time until a quorum shall be present or represented.

- ***Shareholder Proposals.*** Under the CBCA, shareholder proposals may be submitted by both registered and beneficial shareholders, provided that the shareholder owns and has owned for at least six (6) months prior to the submission of the proposal, directly or beneficially, voting shares equal to at least one percent (1%) of the total number of outstanding voting

shares of the corporation or have shares whose fair market value is at least $2,000, or the proposal has the support of persons who in the aggregate have owned, directly or beneficially, such number of voting shares for such period. Those registered or beneficial holder(s) must have held the shares for at least six months immediately prior to the submission of the proposal.

The DGCL does not contain shareholder ownership requirements in order for a shareholder to submit a proposal. New FSNA's bylaws do contain a provision for the advance notice of shareholder business and nominations, subject to the right of holders of preferred stock to nominate or appoint a specified number of directors in certain circumstances. That provision provides that nominations of persons for election to the board of directors and the proposal of other business to be considered by the shareholders may be made at an annual meeting of shareholders by a shareholder of the corporation who was a shareholder at the time the notice provided for in that provision is delivered to the secretary of the corporation and on the record date for the determination of shareholders entitled to notice of and to vote at such meeting, who is entitled to vote at the meeting and who complies with the notice procedures contained therein and any other applicable requirements set forth in the bylaws. The advance notice provision generally provides that shareholders seeking to bring business before an annual meeting of shareholders, or to nominate candidates for election as directors at an annual or a special meeting of shareholders, must provide timely notice thereof in proper written form. Other than with respect to nominations for the election of directors, to be timely, a shareholder's notice must be received by the secretary at the principal executive offices of the corporation not less than 90 days nor more than 120 days prior to the first anniversary of the prior year's annual meeting of shareholders, provided, however, that in the event that the annual meeting is convened more than 30 days before or more than 60 days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the shareholder to be timely must be so received no more than 120 days prior to such annual meeting nor less than the later of (i) 90 days prior to such annual meeting and (ii) ten days after the earlier of (A) the day on which notice of the date of the meeting was mailed or (B) the day on which public disclosure of the date of the meeting was made. With respect to nominations for the election of directors, to be timely, a shareholder's notice must be received by the secretary at the principal executive offices of the corporation (i) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the first anniversary of the prior year's annual meeting of shareholders, provided, however, that in the event that the annual meeting is convened more than 30 days before or more than 60 days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the shareholder to be timely must be so received no more than 120 days prior to such annual meeting nor less than the later of (A) 90 days prior to such annual meeting and (B) ten days after the earlier of (1) the day on which notice of the date of the meeting was mailed or (2) the day on which public disclosure of the date of the meeting was made; and (ii) in the case of a special meeting of shareholders, called for the purpose of electing directors, no more than ten days after the earlier of (A) the day on which notice of the date of the special meeting was mailed or (B) the day on which public disclosure of the date of the special meeting was made.

- ***Certain Voting Requirements.*** Under the CBCA, certain extraordinary corporate actions, such as certain amalgamations, continuances, reorganizations and other extraordinary corporate actions such as liquidations (winding-ups) and arrangements, require approval by special resolutions. The CBCA does not permit amalgamations with foreign corporations. Under the CBCA a special resolution is a resolution passed by a majority of not less than two-thirds ($66^{2/3}\%$) of the votes cast by the shareholders who voted in respect of that resolution or

signed by all the shareholders entitled to vote on that resolution. In specified cases, a special resolution to approve an extraordinary corporate action is also required to be approved separately by the holders of a class or series of shares, including certain cases a class or series of shares not otherwise carrying voting rights. In specified extraordinary corporate actions, all shares have a vote, whether or not they generally vote and, in certain cases, have separate class votes.

Under the DGCL, unless a greater percentage is required under the corporation's certificate of incorporation, mergers and consolidations require the approval of the holders of a majority of the outstanding shares entitled to vote thereon except (i) for a corporation which survives the merger where the merger provides for the issuance of common shares not exceeding 20% of such corporation's common shares outstanding immediately prior to the merger, the merger agreement does not amend in any respect the survivor's certificate of incorporation, each share of stock of the corporation outstanding or held in treasury prior to the merger is an identical outstanding or treasury share following the merger and shareholder approval is not specifically mandated in the survivor's certificate of incorporation; and (ii) where a corporation holds 90% or more of each class of stock of another corporation and merges with such corporation in a short form merger. Unless a greater percentage is required under the corporation's certificate of incorporation, (a) a sale, lease or exchange of all or substantially all the property or assets of a corporation requires the approval of the holders of a majority of the outstanding shares entitled to vote thereon and (b) an amendment to the certificate of incorporation of a corporation also requires the approval of the holders of a majority of the outstanding shares entitled to vote thereon and a majority of the outstanding shares of each class entitled to vote as a class thereon. New FSNA's certificate of incorporation requires the affirmative vote of (i) the holders of a majority of the Preferred Shares then outstanding, voting separately as a class and (ii) the holders of a majority of the New FSNA Shares then outstanding, voting separately as a class, in order to: (a) amend, alter or repeal any provision of such certificate of incorporation; (b) amend, alter or repeal New FSNA's by-laws (subject to the New FSNA Board's right to adopt, amend or repeal such by-laws); (c) redeem or repurchase equity securities of New FSNA or its subsidiaries; (d) effect a liquidation of New FSNA; or (e) change the number of members of the New FSNA Board.

- ***Registered Office***. Under the CBCA, a corporation's registered office may be at any place in Canada as specified and may be relocated within a province by resolution of the directors.

  Under the DGCL, every corporation shall have and maintain a registered office in the State of Delaware, which may, but need not be, the same as its place of business.

- ***Director Residency Requirements.*** Under the CBCA, at least twenty-five (25) percent of a corporation's directors must be resident Canadians, unless the corporation has less than four directors, in which case at least one director must be resident Canadian.

  The DGCL does not contain any residency requirements for directors of a Delaware corporation.

- ***Removal of Directors.*** The CBCA provides that the shareholders of a corporation may by ordinary resolution at a special meeting remove any director or directors from office. An ordinary resolution under the CBCA requires the resolution to be passed, with or without amendment, at the meeting by at least a majority of the votes cast. The CBCA further provides that where the holders of any class or series of shares of a corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

Under the DGCL, except where the certificate of incorporation of the corporation provides for a classified board or cumulative voting (which New FSNA's certificate of incorporation does not), any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors. The DGCL further provides that whenever the holders of any class or series are entitled to elect one or more directors by the certificate of incorporation, the vote of a majority of the shares of that class or series is required for the removal without cause of such director or directors.

Subject to the rights of the Preferred Shares regarding Preferred Directors, the holders of at least 25% of the outstanding Preferred Shares have rights in certain circumstances under New FSNA's certificate of incorporation to call special meetings of stockholders for the purpose of removing Preferred Directors or Common Directors.

In addition, New FSNA's certificate of incorporation provides that if, on more than three occasions, the Seventh Director is unwilling to vote affirmatively for or against a matter over which the remaining six directors are split equally, such Seventh Director shall be automatically removed from the New FSNA Board upon the fourth such occasion and the resulting vacancy shall be filled in accordance with the procedure for set forth in New FSNA's certificate of incorporation for the selection of the Seventh Director.

See "*The Transaction – The Merger – Terms of the Preferred Shares*" and "*The Transaction – The Merger – Stockholders Agreement*" for additional information concerning the removal of New FSNA's directors.

- ***Directorship Vacancies***. Under the CBCA, a vacancy created by the removal of a director may be filled at the meeting of the shareholders at which the director is removed or, if not so filled, a quorum of directors may fill a vacancy among the directors, unless the vacancy results from an increase in the number of the minimum or maximum number of directors or a failure to elect the number or minimum number of directors provided for in the articles.

  Under the DGCL, unless otherwise provided in the certificate of incorporation or bylaws, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the shareholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Whenever the holders of any class or classes or series of stock are entitled to elect one or more directors by the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. If a corporation has no directors in office, then any officer or any shareholder or an executor, administrator, trustee or guardian of a shareholder, or other fiduciary entrusted with like responsibility for the person or estate of a shareholder, may call a special meeting of shareholders in accordance with the certificate of incorporation or the bylaws, or may apply to the Court of Chancery for a decree summarily ordering an election.

  Subject to the rights of the stockholders of New FSNA with respect to the election of directors, New FSNA's certificate of incorporation provides that vacancies and newly created directorships on the board of directors shall be filled by a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.

  For so long as the holders of Preferred Shares are entitled to nominate or appoint any Preferred Directors, in the case of any vacancy in the office of a Preferred Director, New FSNA's certificate of incorporation provides that such vacancy shall be filled by a majority of the holders of Preferred Shares.

Subject to the rights of the Preferred Shares regarding Preferred Directors, the holders of at least 25% of the outstanding Preferred Shares have rights in certain circumstances under New FSNA's certificate of incorporation to call special meetings of stockholders for the purpose of removing Preferred Directors or Common Directors (as described above), filling Preferred Director vacancies or Common Director vacancies, and/or electing Common Directors or Preferred Directors, as the case may be.

For so long as the Preferred Shares represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis and the Principal Stockholder holds New FSNA Shares representing at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, New FSNA's certificate of incorporation provides that if the Seventh Director ceases to serve as a director for any reason during such person's term of office, the resulting vacancy shall be filled by a new director selected in accordance with the procedure for set forth in New FSNA's certificate of incorporation for the selection of the Seventh Director.

For so long as the Preferred Shares represent at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis and the Principal Stockholder holds shares of Common Stock representing at least 10% of the total outstanding equity capital of New FSNA on an as-converted basis, New FSNA's certificate of incorporation provides that if an Additional Unaffiliated Director ceases to serve as a director for any reason during such person's term of office, the resulting vacancy shall be filled by a new director selected in accordance with the procedure for set forth in New FSNA's certificate of incorporation for the selection of an Additional Unaffiliated Director.

See "*The Transaction – The Merger – Terms of the Preferred Shares*" and "*The Transaction – The Merger – Stockholders Agreement*" for additional information concerning the nomination and election of New FSNA's directors, including with respect to vacancies.

- ***Quorum of Directors' Meetings***. Under the CBCA, subject to the articles of the corporation, a majority of the number of directors or minimum number of directors required by the articles constitutes a quorum at any meeting of directors and, notwithstanding any vacancy among the directors, a quorum of directors may exercise all the powers of the directors. Further, the CBCA requires that twenty-five (25) percent of the directors present be resident Canadians, or where a corporation has less than four directors, at least one of the directors present be of Canadian residency.

  Under the DGCL, a majority of the total number of directors shall constitute a quorum for the transaction of business unless the certificate of incorporation or the bylaws require a greater number; provided, however, that in no case shall a quorum be set at less than one-third of the total number of directors, except that when a board of one director is authorized to act, then the one director shall constitute a quorum. New FSNA's certificate of incorporation and bylaws provide that the presence, in person or by proxy, of a majority of directors then in office shall constitute a quorum for the transaction of business at any meeting of the board of directors; provided that at least one Common Director and one Preferred Director is present at such meeting; provided further that (i) the presence of one Common Director shall not be required for a meeting that follows a meeting which no Common Director attended; and (ii) the presence of one Preferred Director shall not be required for a meeting that follows a meeting which no Preferred Director attended.

- ***Corporate Records.*** The CBCA permits corporate and accounting records to be kept outside of Canada, although there are still requirements to keep records and books of account within Canada under the Tax Act and other statues administered by the Minister of National Revenue (such as the *Excise Tax Act).* Companies are also required to provide access to their

records at a location in Canada, by computer terminal or other technology, during office hours at the registered office or any other place in Canada designated by the directors.

The DGCL does not require that corporate and accounting records be kept in the State of Delaware. The DGCL provides that any records maintained by a corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on or by means of, or be in the form of, any information storage device, or method provided that the records so kept can be converted into clearly legible paper form within a reasonable time. Shareholders of Delaware corporations, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose, and to make copies and extracts from, the corporation's stock ledger, a list of its shareholders, and its other books and records. A proper purpose means a purpose reasonably related to a person's interest as a shareholder.

- ***Oppression Remedy.*** The CBCA gives a complainant the right to bring a court action against a corporation where conduct has occurred which is oppressive, unfairly prejudicial or which unfairly disregards the interests of a security holder, creditor, director or officer.

  A complainant has the right under Delaware law to bring an action directly against the corporation and/or its directors and/or officers where such complainant alleges injury directly and independently of injury to the corporation as a whole.

- ***Derivative Action.*** Under the CBCA, a complainant may apply to a court for leave to bring an action in the name and on behalf of a corporation or any of its subsidiaries, or intervene in an action to which any such body corporate is a party, for the purpose of prosecuting, defending or discontinuing the action on behalf of the body corporate. The complainant must give notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court not less than fourteen (14) days before bringing the application, or as otherwise ordered by the court, if the directors of the corporation or its subsidiary do not bring, diligently prosecute or defend or discontinue the action; the complainant is acting in good faith; and it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended or discontinued.

  Derivative actions generally are available to shareholders under Delaware law where those in control of the corporation refuse to assert a claim belonging to it. In order to bring a derivative action, the following requirements must be met: (1) the plaintiff must be a shareholder of the defendant corporation at the time of the wrong complained of and remain so through the duration of the derivative suit, (2) the derivative plaintiff must make a demand on the directors of the corporation to assert the corporate claim unless such demand would futile, and (3) the derivative plaintiff must be an adequate representative of the corporation's other shareholders.

- ***Liability of Directors.*** Under the CBCA, directors of a corporation who vote for or consent to a resolution authorizing the issue of a share for consideration other than money are jointly and severally, or solidarily, liable to the corporation to make good any amount by which the consideration received is less than the fair value of the share on the date of the resolution. Directors are also liable to restore to the corporation any amounts so distributed or paid and not otherwise recovered by the corporation, if they vote for or consent to a resolution authorizing a purchase, redemption or other acquisition of shares, a commission, or a payment of a dividend, an indemnity, or a shareholder, if done so in contravention of the appropriate sections of the CBCA. Any action to enforce such liability may not be commenced after two (2) years from the date of the resolution authorizing the action complained of.

Under the DGCL, a corporation may include in its certificate of incorporation a provision that, subject to the limitations described below, eliminates or limits director liability to the corporation or its shareholders for monetary damages for breaches of their fiduciary duty. Under the DGCL, a director's liability cannot be eliminated or limited for (1) breaches of the duty of loyalty, (2) acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (3) the payment of unlawful dividends or expenditure of funds for unlawful stock purchases or redemptions, or (4) transactions from which such director derived an improper personal benefit. New FSNA's certificate of incorporation eliminates a director's liability to New FSNA and its shareholders to the fullest extent permitted by the DGCL.

The DGCL provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation and certain other persons serving at the request of the corporation in similar capacities against amounts paid and expenses (including attorneys' fees) incurred in connection with an action or proceeding (other than an action or proceeding brought by or in the right of the corporation) to which such person is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the corporation, and, in any criminal proceeding, if such person had no reasonable cause to believe his conduct was unlawful. The DGCL further provides that, in the case of actions brought by or in the right of the corporation, such corporation has the power to indemnify such person only against expenses (including attorneys' fees) incurred in connection with the defense or settlement of such an action or proceeding to which such person is or is threatened to be made a party by reason of such position, if such person shall have acted in good faith and in a manner the person reasonably believes to be in or not opposed to the best interests of the corporation, and no indemnification shall be made with respect to any matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the adjudicating court determines that such indemnification is proper under the circumstances. The DGCL further provides that, to the extent a present or former director of the corporation has been successful on the merits or otherwise in any such action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith. It also provides that the expenses (including attorneys' fees) incurred by an officer or director of the corporation in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as provided by the DGCL. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents of the corporation or by persons serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

New FSNA's certificate of incorporation provides that New FSNA will indemnify its current and former directors and officers against all liability and loss suffered to the fullest extent permitted by the DGCL. In addition, New FSNA's certificate of incorporation provides that New FSNA will pay the expenses incurred by any such person in defending any proceeding in advance of its final disposition, provided that such payment will be made only upon the receipt of an undertaking by such person to repay all amounts if it is ultimately determined that such person is not entitled to indemnification. New FSNA's certificate of incorporation permits it to purchase and maintain insurance on behalf of any current or former director or officer of New FSNA against any liability asserted against such person, whether or not New

FSNA would have the power to indemnify such person against such liability. New FSNA may also enter into indemnification agreements with its directors, subject to the approval of the disinterested members of the board of directors. New FSNA's certificate of incorporation does not limit its right, to the extent and in the manner permitted by law, to indemnify and to advance expenses to, or to purchase and maintain insurance on behalf of, persons other than its current and former directors and officers or to advance expenses to persons other than directors and officers of New FSNA.

SCHEDULE "G"
DISSENT PROVISIONS OF CBCA

SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT

(1) **Right to dissent —** 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.

(2) **Further right —** 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.

(2.1) **If one class of shares —** The right to dissent described in subsection (2) applies even if there is only one class of shares.

(3) **Payment for shares —** 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.

(4) **No partial dissent —** A dissenting shareholder 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 shareholder.

(5) **Objection —** A dissenting shareholder 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.

(6) **Notice of resolution —** 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.

(7) **Demand for payment —** A dissenting shareholder 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.

(8) **Share certificate** — A dissenting shareholder 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.

(9) **Forfeiture** — A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

(10) **Endorsing certificate** — A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

(11) **Suspension of Rights** — On sending a notice under subsection (7), a dissenting shareholder 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.

(12) **Offer to pay** — 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 shareholder 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 shareholders for their shares.

(13) **Same terms** — Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.

(14) **Payment** — Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder 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.

(15) **Corporation may apply to court** — Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder 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 shareholder.

(16) **Shareholder application to court** — If a corporation fails to apply to a court under subsection (15), a dissenting shareholder 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.

(17) **Venue —** 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 shareholder resides if the corporation carries on business in that province.

(18) **No security for costs —** A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).

(19) **Parties —** On an application to a court under subsection (15) or (16),

(a) all dissenting shareholders 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 shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.

(20) **Powers of court —** On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.

(21) **Appraisers —** 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 shareholders.

(22) **Final order —** The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.

(23) **Interest —** A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

(24) **Note that subsection (26) applies —** If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(25) **Effect where subsection (26) applies —** If subsection (26) applies, a dissenting shareholder, 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.

(26) **Limitation —** A corporation shall not make a payment to a dissenting shareholder 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.

SCHEDULE "H"
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS OF NEW FSNA

FRANCHISE SERVICES OF NORTH AMERICA INC.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at September 30, 2012
(thousands of US dollars)

	Franchise Services of North America Inc.	Advantage Rent-A-Car	Pro Forma Adjustments (Notes 3 and 4)		Pro Forma Consolidated Franchise Services of North America Inc.
	$	$	$		$
ASSETS					
Current					
Cash and cash equivalents	1,838	44	424	(a)(b)(c)(d)	2,306
Restricted cash	2,596	-	-		2,596
Accounts receivable, net of allowance for doubtful accounts	1,287	-	-		1,287
Related party accounts receivable	16	-	-		16
Related party notes receivable	160	-	-		160
Support payments receivable, net	-	-	5,158	(e)	5,158
Inventories	-	1,464	-		1,464
Prepaid expenses	130	1,734	-		1,864
Total current assets	6,027	3,242	5,582		14,851
Property, plant and equipment, net	211	6,736	(4,187)	(f)	2,760
Revenue generating equipment under finance lease	-	-	357,174	(o)	357,174
Related party notes receivable, net of allowance for doubtful notes	1,416	-	-		1,416
Support payments receivable, net	-	-	5,012	(e)	5,012
Deferred tax assets	-	-	2,174	(r)	2,174
Other assets	160	-	-		160
Goodwill	3,959	7,372	(7,372)	(g)	3,959
Other intangible assets, net	2,438	17,922	(672)	(h)	19,688
Airport concession rights	-	3,836	36,481	(i)	40,317
Total assets	14,211	39,108	394,192		447,511
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current					
Accounts payable and accrued liabilities	4,996	4,515	-	(c)	9,511
Deposits received from franchisees	215	-	-		215
Insurance loss reserves	1,294	-	-		1,294
Current portion of finance lease	-	-	63,940	(o)	63,940
Current portion of note payable	2,500	-	1,074	(d)(j)	3,574
Total current liabilities	9,005	4,515	65,014		78,534
Deferred tax liability	835	-	14,961	(u)	15,796
Finance lease, net of current portion	-	-	293,234	(o)	293,234
Airport concession liabilities	-	-	21,655	(i)	21,655
Total liabilities	9,840	4,515	394,864		409,219
Shareholders' equity					
Share capital - Preferred	-	-	33,513	(k)	33,513
Share capital - Common	15,000	-	-		15,000
Net assets	-	34,593	(34,593)	(k)	-
Contributed surplus	1,620	-	-		1,620
Accumulated earnings (deficit)	(12,627)	-	408	(b)(l)(r)	(12,219)
Accumulated other comprehensive income	378	-	-		378
Total shareholders' equity	4,371	34,593	(672)		38,292
Total liabilities and shareholders' equity	14,211	39,108	394,192		447,511

See accompanying notes to pro forma consolidated financial statements

FRANCHISE SERVICES OF NORTH AMERICA INC.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF REVENUES AND OPERATING EXPENSES
Year ended September 30, 2012
(thousands of US dollars)

	Franchise Services of North America Inc.	Advantage Rent-A-Car (Note 5)	Pro Forma Adjustments (Notes 3 and 4)		Pro Forma Consolidated Franchise Services of North America Inc.
	$	$	$		$
Revenues					
Rental revenue	-	224,690	-		224,690
Continuing franchisee and related fees	3,853	-	-		3,853
Initial franchise fees	174	-	-		174
Insurance premiums and related fees	6,579	-	-		6,579
Total revenues	10,606	224,690	-		235,296
Expenses					
Direct operating					
Car rental	-	141,401	9,350	(o)	150,751
Franchise operating	4,778	-	-		4,778
Insurance operating	1,204	-	-		1,204
Claims expense	1,824	-	-		1,824
Insurance underwriting expenses	152	-	-		152
Lease of revenue earning equipment	-	72,236	(72,236)	(o)	-
General and administration	4,306	7,989	-		12,295
Provision for losses on other notes receivable	24	-	-		24
Stock-based compensation expense	24	-	-		24
Interest expense	219	-	21,088	(n)(o)(q)(t)	21,307
Amortization and depreciation	213	-	63,248	(m)(o)(p)	63,461
Total expenses	12,744	221,626	21,450		255,820
Revenues less expenses	(2,138)	3,064	(21,450)		(20,524)
Income tax expense (benefit)	(48)		(7,152)	(s)	(7,200)
Net income (loss)	(2,090)		(14,298)		(13,324)
Loss per share					
Basic and diluted	(0.03)				(0.11)

See accompanying notes to pro forma consolidated financial statements

FRANCHISE SERVICES OF NORTH AMERICA INC.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(In US Dollars)

As at and for the year ended September 30, 2012

1. BASIS OF PRESENTATION

These unaudited pro forma condensed consolidated financial statements have been prepared in connection with the proposed acquisition by Franchise Services of North America Inc. ("FSNA") of all of the outstanding shares of Adreca Holdings Corp. ("Adreca"). On December 12, 2012, Adreca, an affiliate of Macquarie Capital ("Macquarie"), acquired certain assets and assumed certain liabilities of Advantage Rent-A-Car ("Advantage") from The Hertz Corporation ("Hertz"). All amounts are expressed in US dollars, unless otherwise indicated.

The unaudited pro forma consolidated statement of financial position as at September 30, 2012 and the pro forma consolidated statement of revenues and expenses for the year ended September 30, 2012 (the "Pro Forma Financial Statements") have been prepared by the management of FSNA, based on financial statements which were in accordance with International Financial Reporting Standards, to give effect to:

a) The capitalization of Adreca with $15 million of cash by Macquarie
b) The acquisition of Advantage by Adreca in exchange for a long term note payable to Hertz of $16.0 million; a short term note payable of $3.574 million; less support payments receivable from Hertz of $26.17 million, with $16.0 million of support payments related to the Advantage assets acquired and the balance related to additional assets to be acquired from Hertz
c) The acquisition by FSNA of all of the outstanding common shares of Adreca in exchange for 62,212,600 million shares of FSNA preferred stock with an estimated fair value of $33.513 million as at September 30, 2012
d) The payment of certain transaction and professional fees
e) The repayment of a $2.5 million note payable by FSNA that will become due on the closing of the transaction

The unaudited pro forma consolidated statement of financial position of FSNA as at September 30, 2012 has been prepared as if the transaction described in Notes 3 and 4 had occurred on September 30, 2012. The pro forma consolidated statement of revenues and expenses of FSNA for the year ended September 30, 2012 has been prepared as if the transaction described in notes 3 and 4 had occurred on October 1, 2011.

The Pro Forma Financial Statements have been compiled from the following historical information:

a) A pro forma consolidated statement of financial position, combining:
   i. The audited consolidated statement of financial position of FSNA as at September 30, 2012; and
   ii. The unaudited interim schedule of assets to be acquired and liabilities to be assumed of Advantage Rent-A-Car as at September 30, 2012

b) A pro forma consolidated statement of revenues and operating expenses for the year ended September 30, 2012, combining:
   i. The audited consolidated statement of operations of FSNA for the year ended September 30, 2012; and
   ii. The unaudited interim schedule of revenues and operating expenses of Advantage Rent-A-Car for the nine months ended September 30, 2012 and 2011 and the audited schedule of revenues and operating expenses for the year ended December 31, 2011

The pro forma adjustments are based on available financial information and certain estimates and assumptions. The actual adjustments to the consolidated financial statements of FSNA will depend on a number of factors. Therefore, the actual adjustments will differ from the pro forma adjustments and these differences may be material. Similarly, the calculation and allocation of the purchase price has been prepared on a preliminary basis and is subject to change between the time such preliminary estimates were made and the closing as a result of several factors which could include, among other things, changes in fair value of the assets acquired and liabilities assumed. Management believes that such assumptions provide a reasonable basis for presenting all of the significant effects of the transactions contemplated and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the pro forma consolidated financial information. In preparing the Pro Forma Financial Statements, no adjustments have been made to reflect the possible operating synergies and administrative cost savings that could result from combining the operations of FSNA and Advantage Rent-A-Car. The Pro Forma Financial Statements are not intended to reflect the results of operations which would have actually resulted had the acquisition and other pro forma adjustments have been effected on the dates indicated. Further, the Pro Forma Financial Statements are not necessarily indicative of the financial condition or the results of operations of FSNA in the future.

The Pro Forma Financial Statements should be read in conjunction with the audited consolidated financial statements of FSNA for the years ended September 30, 2012 and 2011, and notes thereto, as well as the Advantage Rent-A-Car schedules of assets to be acquired and liabilities to be assumed and schedules of revenues and operating expense for the years ended December 31, 2011 and 2011 (audited) and the nine months ended September 30, 2012 and 2011 (unaudited), and notes thereto.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the Pro Forma Financial Statements are based on those recognition and measurement policies set out in FSNA's audited consolidated financial statements as at and for the year ended September 30, 2012. In preparing the Pro Forma Financial Statements, a review was undertaken to identify accounting policy differences between FSNA and Adreca where the impact was potentially material. The significant accounting policies of Adreca conform in all material respects with those of FSNA.

3. PRO FORMA PURCHASE PRICE ALLOCATION

On August 28, 2012, FSNA and Macquarie jointly announced that they had entered into a definitive agreement pursuant to which FSNA and Macquarie agreed to acquire Advantage and certain other divested assets from Hertz, subject to certain conditions. Under the terms of the agreement, Adreca agreed to acquire Advantage from Hertz, with FSNA then acquiring Adreca subject to the satisfaction of certain closing conditions, including shareholder approval and Canadian regulatory approval. Further to the agreement, FSNA agreed to acquire all of the issued and outstanding common shares of Adreca in exchange for newly issued preferred shares of FSNA which would be convertible into an approximately 49.76% stake in FSNA.

The consideration for the acquisition and preliminary purchase price allocation in accordance with IFRS 3, *Business Combinations*, are estimated as follows (in thousands of dollars):

Purchase price	
FSNA preferred shares	$33,513
Allocation of purchase price (at estimated fair values)	
Cash	$15,024
Support payments receivable - short-term, net	5,158
Support payments receivable - long-term, net	5,012
Other net working capital	(1,273)
Property, plant and equipment	2,549
Revenue generating equipment under finance lease	357,174
Trade name intangibles	17,250
Airport concession rights assets	40,317
Airport concession rights liabilities	(21,655)
Assumed note payable, short-term	(3,574)
Assumed finance lease, short-term	(63,940)
Assumed finance lease, long-term	(293,234)
Assumed liability for transaction fee	(2,500)
Deferred tax liabilities	(14,961)
Gain on bargain purchase	(7,834)
	$33,513

The transaction will be accounted for as a business combination. FSNA has made a preliminary estimate that the fair value of the other net working capital (including inventories, prepaid expenses and accounts payable and accrued liabilities) approximate their carrying value.

The fair value of the FSNA preferred shares to be issued in connection with transaction was determined based on the closing price for FSNA's publicly traded common shares on September 30, 2012 (CDN$ 0.53).

FSNA has obtained a preliminary third party valuation of the assets and liabilities of Advantage to support the preliminary purchase price allocation. This third party valuation included the assessment of the estimated fair value of property, plant and equipment; trade name intangibles; airport concession rights and liabilities; and notes payable to and support payments receivable from Hertz. The deferred tax liabilities of $14.961 million were estimated using the difference between the book and tax basis of the net assets acquired and the Company's estimated combined tax rate of 38.9%. The purchase price allocation results in an estimated bargain purchase gain of $7.834 million.

Under the terms of the purchase agreement with Hertz, Adreca issued a long-term note payable of $16 million, and Adreca is entitled to future support payments (cash payments from Hertz) with a net present value of $26.17 million. As the payments due to Hertz under the note payable may be offset by support payments receivable by Adreca, these amounts have been reflected on a net basis in the accompanying Pro Forma Financial Statements, resulting in net short-term receivable of $5.158 million and a net long-term receivable of $5.012 million.

Adreca also entered into a vehicle sublease with Hertz covering approximately 23,000 vehicles. The Company has determined this lease to be a financing lease, and accordingly, has recorded the fair value of the vehicles and related lease obligations in the accompanying Pro Forma Financial Statements.

FSNA will complete a full and detailed valuation of the fair value of the net assets of Adreca acquired with the assistance of an independent third party valuator. Therefore, it is likely that the fair values of assets and liabilities acquired will vary from those shown in these Pro Forma Financial Statements and the differences could be material. The allocation of the purchase price is based upon management's preliminary estimates a certain assumptions with respect to the fair value increment associated with the assets to be acquired and the liabilities to be assumed. The actual fair values of the assets and liabilities may differ materially from the amounts disclosed above in the assumed pro forma purchase price allocation as further analysis is completed.

4. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position reflects the following adjustments as if the business combination had occurred on September 30, 2012. The unaudited pro forma consolidated statement of income for the year ended September 30, 2012 reflects the following adjustments as if the combination had occurred on October 1, 2011.

a) Capitalization of Adreca with $15.0 million cash by Macquarie prior to its acquisition of Advantage from Hertz and receipt of $24,000 in cash from Hertz at closing for certain accrued expenses
b) Payment of transaction costs of $7.6 million incurred by Adreca and $2.0 million incurred by FSNA
c) Payment of $2.5 million transaction fee from Adreca to Macquarie
d) Repayment of existing $2.5 million FSNA note payable to a third party which is required to be repaid at closing of a merger or other significant transaction
e) To recognize net support payments receivable from Hertz
f) To adjust acquired property, plant and equipment to estimated fair value
g) To eliminate existing Advantage goodwill
h) To adjust Advantage other intangible assets to record the estimated fair value of the Advantage trade name at $17.25 million
i) To recognize the estimated fair value of assets and liabilities for existing airport concession rights
j) To recognize assumed short-term note payable to Hertz for $3.574 million
k) To record the issuance of FSNA preferred shares in exchange for the outstanding equity of Adreca and the elimination of the net assets of Advantage
l) Recognition of gain on bargain purchase of $7.834 million which represents the remainder of the purchase price above the estimated fair value of assets acquired and liabilities assumed
m) To record depreciation on Advantage property, plant and equipment
n) To eliminate interest expense on FSNA note payable to be repaid at closing
o) To record the finance lease asset and obligation and adjust expense to reflect estimated cost of rental vehicles under a sublease agreement with Hertz, which the Company has determined to be a finance lease and at market rates
p) To record net amortization of airport concession rights assets and liabilities recognized in connection with acquisition of Advantage
q) To recognize interest expense under the notes payable to Hertz
r) To recognize previously unrecognized FSNA deferred tax asset due to removal of deferred tax valuation allowance
s) Tax effect of pro forma adjustments and net income from Advantage Rent-A-Car
t) To accrete interest on support payments receivable recorded at net present value
u) To recognize deferred tax liability for estimated difference between book and tax basis of net assets acquired

The Company has the ability to borrow under credit facilities with both Macquarie (for general purposes) and well as Hertz (for vehicle financing), but does not anticipate any amounts to be outstanding under either facility on or before closing. Accordingly, these facilities are not reflected in the accompanying Pro Forma Financial Statements.

5. REVENUES AND OPERATING EXPENSES FOR ADVANTAGE RENT-A-CAR

Revenues and operating expenses for Advantage Rent-A-Car for the year ended September 30, 2012 were calculated from the historical statements of revenues and operating expenses as follows:

	A 9 Months Ended 9/30/12	**B** 9 Months Ended 9/30/11	**C** Year Ended 12/31/11	**A + (C-B)** Year Ended 9/30/12
Revenue:				
Rental Revenue	180,954	135,044	178,780	224,690
	180,954	135,044	178,780	224,690
Expenses				
Direct Operating	112,287	90,121	119,235	141,401
Lease of Revenue Earning Equipment	56,706	45,313	60,843	72,236
SG&A	6,125	8,506	10,370	7,989
	175,118	143,940	190,448	221,626
Revenues Less Expenses	5,836	(8,896)	(11,668)	3,064

SCHEDULE "I"
AMENDED FSNA CHARTER DOCUMENTS

CERTIFICATE OF INCORPORATION

OF

FRANCHISE SERVICES OF NORTH AMERICA INC.

Certain capitalized terms used in this Certificate of Incorporation have the meanings ascribed to them in Section 9.1.

ARTICLE I
NAME

The name of the corporation (which is hereinafter referred to as the "Corporation") is Franchise Services of North America Inc.

ARTICLE II
REGISTERED OFFICE

The address of the Corporation's registered office in the State of Delaware is The Corporation Trust Company, 1209 Orange Street, in the City of Wilmington, County of New Castle (zip code 19801); and the name of the registered agent of the Corporation at such address in the State of Delaware is The Corporation Trust Company. The registered agent is a corporation located in the State of Delaware.

ARTICLE III
PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law as now or hereafter in force (the "DGCL"). The Corporation is being incorporated in connection with the domestication of Franchise Services of North America Inc., a corporation organized under the Canada Business Corporations Act ("FSNA Canada"), as a Delaware corporation (the "Domestication"), and this Certificate of Incorporation (as defined below) is being filed simultaneously with the certificate of corporate domestication of the Corporation.

ARTICLE IV
CAPITAL STOCK

4.1 Authorized Capital Stock. The Corporation is authorized to issue two classes of shares of stock, to be designated, respectively, "Common Stock" and "Preferred Stock." The total number of shares of all classes of capital stock that the Corporation is authorized to issue is 376,000,000 shares, consisting of 300,000,000 shares of Common Stock, par value $0.001 per share, and 76,000,000 shares of Preferred Stock, par value $0.001 per share. Upon the effectiveness of the Domestication (the "Effective Time"), any stock certificate that, immediately prior to the Effective Time, represented common shares of FSNA Canada will, from and after the

Effective Time, automatically and without the necessity of presenting the same for exchange, represent an identical number of Common Shares.

4.2 Common Stock.

(a) All shares of Common Stock will be identical and will entitle the holders thereof to the same rights, powers and privileges. The rights, powers and privileges of the holders of Common Stock are subject to and qualified by the rights, powers and privileges of holders of the Preferred Stock to the extent specifically set forth in this Certificate of Incorporation (as defined below).

(b) The holders of shares of Common Stock shall be entitled to one vote for each such share on each matter properly submitted to the stockholders of the Corporation on which the holders of shares of Common Stock are entitled to vote. The holders of shares of Common Stock shall not have cumulative voting rights. Except as otherwise required by law or this certificate of incorporation of the Corporation (as amended from time to time in accordance with the provisions hereof and including, without limitation, the terms of any certificate of designation with respect to any series of Preferred Stock, this "Certificate of Incorporation"), and subject to the rights of the holders of shares of Preferred Stock, if any, at any annual or special meeting of the stockholders of the Corporation, the holders of Common Stock shall have the right to vote for the election of directors and on all other matters properly submitted to a vote of the stockholders.

(c) Subject to the rights of the holders of Preferred Stock, the holders of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property or capital stock of the Corporation) when, as and if declared thereon by the board of directors of the Corporation (the "Board") from time to time out of any assets or funds of the Corporation legally available therefor and shall share equally on a per share basis in such dividends and distributions.

(d) Upon the occurrence of a Liquidation Event, after payment or provision for payment of the debts and other liabilities of the Corporation, and subject to the rights of the holders of Preferred Stock in respect thereof, the holders of Common Stock shall be entitled to receive all of the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

4.3 Preferred Stock.

(a) Subject to the rights of the holders of any outstanding shares of Preferred Stock, the Board is expressly authorized to issue from time to time shares of Preferred Stock in one or more series pursuant to a resolution or resolutions providing for such issue duly adopted by the Board. Subject to the rights of the holders of any outstanding shares of Preferred Stock, the Board is further authorized, subject to limitations prescribed by law, to fix by resolution or resolutions and to set forth in a certificate of designation filed pursuant to the DGCL the powers, designations, preferences and relative, participating, optional or other special rights, if any, and the qualifications, limitations or restrictions thereof, if any, of any wholly unissued series of Preferred Stock, including, without limitation, dividend rights, dividend rate, conversion rights,

voting rights, rights and terms of redemption (including, without limitation, sinking fund provisions), redemption price or prices and liquidation preferences of any such series, and the number of shares constituting any such series and the designation thereof, or any of the foregoing.

(b) The Board is further authorized to increase (but not above the total number of authorized shares of the class) or decrease (but not below the number of shares of any such series then outstanding) the number of shares of any series of Preferred Stock, the number of which was fixed by it, subsequent to the issuance of shares of such series then outstanding, and subject to the powers, preferences and rights, and the qualifications, limitations and restrictions thereof, stated in this Certificate of Incorporation or the resolution of the Board originally fixing the number of shares of such series. If the number of shares of any series of Preferred Stock is so decreased, then the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series.

4.4 Series A Preferred Stock. There shall be a series of Preferred Stock designated as "Series A Preferred Stock". Such series is referred to herein as the "Series A Preferred Stock." The rights, preferences, privileges and restrictions hereby granted to and imposed on the Series A Preferred Stock are set forth below in this Section 4.4 and, with respect to certain related definitions, in Section 9.1.

(a) Number of Shares. The number of authorized shares of Series A Preferred Stock shall be 75,000,000. That number from time to time may be increased (but not in excess of the total number of authorized shares of Series A Preferred Stock) or decreased (but not below the number of shares of Series A Preferred Stock then outstanding) by resolution duly adopted by the Board or any duly authorized committee thereof stating that such increase or reduction, as the case may be, has been so authorized. Each share of Series A Preferred Stock shall have a par value of $0.001 per share.

(b) Rank. The Series A Preferred Stock shall rank at least equally with any other series of Preferred Stock that may be issued, and shall rank senior to the shares of Common Stock (but only with respect to the payment described in Section 4.4(f)(1)) and any other stock that ranks junior to the Series A Preferred Stock either or both with respect to the distributions of assets upon liquidation, dissolution or winding up of the Corporation.

(c) Board of Directors.

(1) Preferred Directors. For so long as any shares of Series A Preferred Stock are outstanding and represent at least 15% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), the Preferred Majority shall be entitled to nominate three directors for election at each stockholder meeting to elect directors and, in accordance with Section 4.4(c)(1)(A), to fill any vacancy caused by the resignation, death or removal of any of such directors. For so long as any shares of Series A Preferred Stock are outstanding and represent at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), the Preferred Majority shall be entitled to nominate two directors for election at each stockholder meeting to elect directors and, in accordance with Section 4.4(c)(1)(A), to fill any vacancy caused by the resignation, death or removal of any of such directors. The directors

nominated or appointed under each of the preceding sentences are collectively referred to as the "Preferred Directors." If the outstanding shares of Series A Preferred Stock represent less than 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), the holders of Series A Preferred Stock will not be entitled to nominate or appoint any Preferred Directors; it being understood, for the avoidance of doubt, that the holders of Series A Preferred Stock may nominate director candidates for election as non-Preferred Directors in accordance with the procedures set forth in the By-laws.

(A) Vacancies. For so long as the holders of Series A Preferred Stock are entitled to nominate or appoint Preferred Directors, in the case of any vacancy in the office of a Preferred Director, a successor shall be appointed to hold office for the unexpired term of such director by the Preferred Majority at a special meeting of the holders of Series A Preferred Stock duly called or by an action by written consent pursuant to Section 4.4(d) for that purpose.

(B) Immediate Effect. Immediately upon the appointment or election of a Preferred Director as provided in this Section 4.4(c)(1), whether at a meeting of stockholders for the election of directors or by an action by written consent, without any further action required on the part of any Person (including the Board or the Corporation), such Preferred Director shall be deemed to be a Board director for all purposes.

(C) Special Meetings. Special meetings of the holders of the Series A Preferred Stock shall be called by the Secretary of the Corporation as promptly as possible in compliance with applicable law and regulations, and in any event within ten days, after receipt of a written request signed by the holders of record of at least 25% of the outstanding shares of Series A Preferred Stock, subject to any applicable notice requirements imposed by law or by any securities exchange on which the Series A Preferred Stock is listed. Such meeting shall be held at the earliest practicable date thereafter. Unless otherwise required by applicable law or the Certificate of Incorporation, the holders of a majority of the voting power of the Series A Preferred Stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at a special meeting of the holders of the Series A Preferred Stock.

(D) Special Stockholders Meeting Regarding Directors. Subject to the rights of the holders of the Series A Preferred Stock with respect to Preferred Directors, the holders of the Series A Preferred Stock may, upon receipt by the Secretary of the Corporation of a written request signed by the holders of record of at least 25% of the outstanding shares of Series A Preferred Stock, call a special meeting of stockholders of the Company for the purpose of (i) removing Common Directors, filling any Common Director vacancies and/or electing Common Directors or (ii) removing Preferred Directors, filling any Preferred Director vacancies and/or electing Preferred Directors, in each case subject to any applicable notice requirements imposed by law or by any securities exchange (a "Special Stockholders Meeting Regarding Directors"). A Special Stockholders Meeting Regarding Directors may only be cancelled, postponed or rescheduled by the holders of record of at least 25% of the outstanding shares of Series A Preferred Stock.

(2) Seventh Director.

(A) Seventh Director Selection Procedure. For so long as the Series A Preferred Stock represents at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis) and the Principal Stockholder holds shares of Common Stock representing at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), a director (the "Seventh Director") shall be nominated by the Board as set forth in this Section 4.4(c)(2)(A) (the "Seventh Director Selection Procedure"). First, the Preferred Directors and the Common Directors shall consult in good faith with respect to choosing the Seventh Director, using commercially reasonable efforts to unanimously agree on the identity of such person. Second, if the Preferred Directors and the Common Directors are not able to so agree within 7 days, the Preferred Directors and the Common Directors shall jointly select and engage one of the search consultants specified in Schedule A (the "Search Consultant"). The Search Consultant shall present to the Preferred Directors and the Common Directors a proposal for three candidates who have agreed to serve as the Seventh Director. Each candidate shall qualify as Independent and Unaffiliated, be qualified to serve on the Audit Committee, and possess the experience and qualifications specified in Schedule B; provided, however, that the Board may, by unanimous vote of all directors then in office, elect to waive any or all of the terms specified in Schedule B. Within two Business Days after the Search Consultant presents its proposal, the Preferred Directors and the Common Directors shall meet and first, the Common Directors will eliminate a candidate from the proposed list, followed by the Preferred Directors eliminating a candidate from the list, and the remaining candidate shall be appointed to the Board to fill any vacancy and nominated by the Board for election thereto at the next annual meeting of stockholders, as applicable; provided, however, that if either the Preferred Directors, on the one hand, or the Common Directors, on the other hand, do not act within such two Business Day period, such group shall forfeit such right to eliminate a candidate and the other group shall be entitled to eliminate two candidates from the proposed list and the remaining candidate shall be appointed to the Board to fill any vacancy and nominated by the Board for election thereto at the next annual meeting of stockholders, as applicable.

(B) Vacancies. For so long as the Series A Preferred Stock represents at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis) and the Principal Stockholder holds shares of Common Stock representing at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), if the Seventh Director ceases to serve as a director for any reason during such person's term of office, the resulting vacancy on the Board shall be filled by a new director selected as soon as practicable, and in any event no later than 45 days after such event, in accordance with the Seventh Director Selection Procedure. Thereafter, for so long as the Series A Preferred Stock represents at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis) and the Principal Stockholder holds shares of Common Stock representing at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), such director (or another person selected in accordance with the Seventh Director Selection Procedure) shall be nominated by the Board for election thereto as the Seventh Director at the next annual meeting of stockholders.

(C) Removal. If, on more than three occasions, the Seventh Director is unwilling to vote affirmatively for or against a matter over which the remaining six directors are split equally, such Seventh Director shall be automatically removed from the Board upon the

fourth such occasion and the resulting vacancy shall be filled in accordance with Section 4.4(c)(2)(B).

(3) Additional Unaffiliated Directors.

(A) Additional Unaffiliated Director Selection Procedure. For so long as the Series A Preferred Stock represents at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis) and the Principal Stockholder holds shares of Common Stock representing at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), if the outstanding Series A Preferred Stock ceases to represent at least 15% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis) or if the Principal Stockholder ceases to hold shares of Common Stock representing at least 15% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), the Preferred Directors and the Common Directors shall, in each event, nominate as a candidate for election as a director at the next annual meeting of stockholders a person (an "Additional Unaffiliated Director") who has been selected as set forth in this Section 4.4(c)(3)(A) (the "Additional Unaffiliated Director Selection Procedure"). First, the Preferred Directors and the Common Directors shall consult in good faith with respect to choosing an Additional Unaffiliated Director using commercially reasonable efforts to unanimously agree on the identity of such person. Second, if the Preferred Directors and the Common Directors are not able to so agree within 7 days, the Preferred Directors and the Common Directors shall jointly select and engage one of the Search Consultants. The Search Consultant shall present to the Preferred Directors and the Common Directors a proposal for three candidates who have agreed to serve as an Additional Unaffiliated Director. Each candidate shall qualify as Independent and Unaffiliated, be qualified to serve on the Audit Committee, and possess the experience and qualifications specified in Schedule B; provided, however, that the Board may, by unanimous vote of all directors then in office, elect to waive any or all of the terms specified in Schedule B. Within two Business Days after the Search Consultant presents its proposal, the Preferred Directors and the Common Directors shall meet and first, the Common Directors will eliminate a candidate from the proposed list, followed by the Preferred Directors eliminating a candidate from the list, and the remaining candidate shall be appointed to the Board and/or nominated by the Board for election thereto at the next annual meeting of stockholders, as applicable; provided, however, that if either the Preferred Directors, on the one hand, or the Common Directors, on the other hand, do not act within such two Business Day period, such group shall forfeit such right to eliminate a candidate and the other group shall be entitled to eliminate two candidates from the proposed list and the remaining candidate shall be appointed to the Board and/or nominated by the Board for election thereto at the next annual meeting of stockholders, as applicable.

(B) For so long as the Series A Preferred Stock represents at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis) and the Principal Stockholder holds shares of Common Stock representing at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), if an Additional Unaffiliated Director ceases to serve as a director for any reason during such person's term of office, the resulting vacancy on the Board shall be filled by a new director selected as soon as practicable, and in any event no later than 45 days after such event, in accordance with the Additional Unaffiliated Director Selection Procedure. Thereafter, for so long as the Series A Preferred Stock represents at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis) and the Principal

Stockholder holds shares of Common Stock representing at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), such director (or another person selected in accordance with the Additional Unaffiliated Director Selection Procedure) shall be appointed to the Board or nominated by the Board for election thereto at the next annual meeting of stockholders, as applicable.

(4) Directors. The holders of Common Stock and Series A Preferred Stock, voting together as a class, shall have the right to vote for the election of directors at any annual or special meeting of the stockholders of the Corporation. Effective as of the date that no shares of Series A Preferred Stock remain outstanding, any requirements with respect to the nomination or election of Preferred Directors, Common Directors, the Seventh Director and Additional Unaffiliated Directors shall terminate and all directors shall be nominated and elected by the holders of Common Stock.

(5) Quorum. The presence of a majority of directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board; provided that at least one Common Director and one Preferred Director is present at such meeting; provided further that (i) the presence of one Common Director shall not be required for a meeting that follows a meeting which no Common Director attended; and (ii) the presence of one Preferred Director shall not be required for a meeting that follows a meeting which no Preferred Director attended.

(6) Super Majority Matters. For so long as any shares of Series A Preferred Stock are outstanding and represent at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), none of the following actions (the "Super Majority Matters") shall be authorized or taken by the Corporation without an affirmative vote of a majority of the directors, including at least one Preferred Director, at a meeting of the Board at which a quorum is present in accordance with Section 4.4(c)(5):

(A) declaring, setting aside or paying any dividend or making any other distribution in respect of any class of capital stock or other equity security of the Corporation or any of its subsidiaries that is not wholly-owned by the Corporation;

(B) any sale, lease, transfer, conveyance or other disposition (in a single transaction or series of related transactions) (for purposes of this clause (B) and clause (D) below, "dispositions") by the Corporation or any of its subsidiaries of any portion of their respective assets (or any interest therein) having an aggregate fair market value in excess of $1,000,000, other than (i) dispositions during the course of a fiscal year that are specified, as to amount as well as nature, in the annual Budget for such fiscal year or (ii) dispositions pursuant to the Sublease or the Hawaii Lease;

(C) the purchase or acquisition (regardless of the form of transaction) (for purposes of this clause (C) and clause (D) below, "acquisitions") by the Corporation or any of its subsidiaries of an interest in one or more companies, assets, businesses or similar transactions in an aggregate amount that exceeds $1,000,000, other than (i) acquisitions during the course of a fiscal year that are specified, as to amount as well as nature, in the annual Budget for such fiscal year or (ii) acquisitions pursuant to the Sublease or the Hawaii Lease;

(D) approving an annual budget, including a Vehicle acquisition and disposition plan and other appropriate operational information (the "Budget"), including any material modifications thereto or any material deviation therefrom;

(E) hiring or terminating the Chief Executive Officer, the Chief Financial Officer or the Chief Operating Officer;

(F) adopting, entering into, amending or enforcing any employee, service provider, consulting or other personal services contracts, terms or incentive plans (including any stock options, warrants or other equity-based incentive plans for employees, service providers or consultants) (i) in connection with which the Corporation or any of its subsidiaries would reasonably be expected to incur an obligation in excess of $250,000 per annum, other than the base pay of Thomas P. McDonnell, III or (ii) which includes any non-compete or non-solicitation term or provision;

(G) creating, incurring, assuming or suffering to exist any Indebtedness by the Corporation or any of its subsidiaries or guaranteeing any such Indebtedness, (i) outside of the ordinary course of business or (ii) in excess of $250,000 individually or $3,000,000 in the aggregate in the case of performance bonds and letters of credit in connection with airport concessions, and in excess of $100,000 individually or $250,000 in the aggregate in all other cases;

(H) entering into, amending, waiving or terminating any agreement, contract, license, lease or commitment (for purposes of this clause (H), "agreements") that is reasonably likely to involve aggregate consideration in excess of $1,000,000 over the life of such agreement, other than agreements during the course of a fiscal year that are specified, as to amount as well as nature, in the annual Budget for such fiscal year;

(I) entering into, modifying or terminating any joint venture, strategic alliance, partnership or other similar enterprise with any Person;

(J) listing any security of the Corporation or any of its subsidiaries on any stock exchange other than the TSXV;

(K) forming any subsidiary of the Corporation or issuing any equity securities of any subsidiary of the Corporation;

(L) any appointment, change to or removal of the Corporation's or any of its subsidiaries' independent auditors;

(M) any material modification of the material methods, practices, procedures and policies regarding accounting or taxation to be applicable to the Corporation or any of its subsidiaries (including the determination of tax elections by the Corporation or any of its subsidiaries);

(N) initiating, abandoning or settling any litigation, arbitration, regulatory proceeding or similar action involving a dispute with respect to the Corporation or any

of its subsidiaries, in each case that involves or would reasonably be expected to involve liability to the Corporation or any of its subsidiaries in excess of $250,000;

(O) any entry into or involvement in any transaction or arrangement, or any modification or termination of any existing transaction or arrangement, between the Corporation or any of its Affiliates, on the one hand, and any greater-than-5% stockholder of the Corporation, Board director, or executive or officer of the Corporation, or any individual related by blood, marriage or adoption to any such Person or any Affiliate of any such Person, on the other hand;

(P) forming or designating any committee of the Board except as expressly provided for in this Certificate of Incorporation;

(Q) entry into a new line of business by the Corporation or any of its subsidiaries as compared to the business lines of the Corporation or any such subsidiary as exist as of the date hereof; or

(R) entering into, or amending, any contract, agreement, commitment or arrangement to effect any of the foregoing.

For all matters other than the Super Majority Matters, the majority vote of the directors, at a meeting of the Board at which a quorum is present, is required.

(7) Board Committees.

(A) Audit Committee. The Board shall establish and maintain an audit committee (the "Audit Committee"), which shall be composed of three directors qualified to serve thereon:

(i) one of which shall be a Common Director (as defined in Section 9.1) who is Independent, or, if there is no such Common Director, an Additional Unaffiliated Director, in each case for so long as there are any Common Directors;

(ii) one of which shall be the Seventh Director for so long as there is any Seventh Director; and

(iii) one of which shall be a Preferred Director for so long as any shares of Series A Preferred Stock are outstanding and represent at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis).

The Audit Committee shall have the mandate and authority to appoint, compensate, retain and oversee the Corporation's auditor, establish procedures for addressing complaints related to accounting or audit matters and engage necessary advisors.

(B) Compensation Committee. The Board shall establish and maintain a compensation committee (the "Compensation Committee"), which shall be composed of three directors:

(i) one of which shall be a Common Director for so long as there are any Common Directors;

(ii) one of which shall be the Seventh Director for so long as there is any Seventh Director; and

(iii) one of which shall be a Preferred Director for so long as any shares of Series A Preferred Stock are outstanding and represent at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis).

The Compensation Committee shall have the mandate and authority to review and recommend to the full Board matters related to (i) the compensation of the Corporation's directors, officers and employees, the Corporation's employee benefit plans and equity compensation plans and any agreement relating to the Corporation's directors, officers and employees, their respective family members or Affiliates and (ii) when necessary, candidates for Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. Notwithstanding anything else to the contrary herein, in addition to any other requirement of applicable law, if any officer of the Corporation serves on the Compensation Committee, he or she shall recuse himself or herself from all discussions and decisions of the Compensation Committee with respect to his or her own compensation and if the two remaining members of the Compensation Committee are deadlocked with respect to the compensation of such officer, the decision of the Seventh Director shall be the decision of the Compensation Committee with respect to its recommendation regarding such officer.

(d) Action by Holders of Series A Preferred Stock. Whenever holders of Series A Preferred Stock, as a separate class, are required or permitted to take any action, such action may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares of Series A Preferred Stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

(e) Dividends; Redemptions and Repurchases.

(1) Right to Dividends. For so long as any shares of Series A Preferred Stock are outstanding, the holders of the Series A Preferred Stock shall be entitled to receive dividends, out of any assets legally available therefor, when, as and if any dividend is paid by the Corporation or any distribution (including, without limitation, any evidences of indebtedness, shares of capital stock, securities, cash or other assets) is made by the Corporation with respect to the Common Stock (other than resulting from a stock split or sub-division) in an amount equal to the amount such holders would receive if they were the holders of the number of shares of Common Stock into which their shares of Series A Preferred Stock are convertible as

of the record date fixed for the determination of the holders of Common Stock entitled to receive such dividend or distribution (or, if there is no record date, the date of the dividend or distribution), which dividend or distribution shall be payable in the same form as is payable to the holders of shares of Common Stock.

(2) Timing. Each dividend or distribution with respect to Series A Preferred Stock shall be paid or made on the day that the corresponding dividend or distribution with respect to the outstanding Common Stock is paid or made. The record date for a dividend or distribution with respect to the Series A Preferred Stock shall be the record date for the corresponding dividend or distribution with respect to the outstanding Common Stock as fixed by the Board or any duly authorized committee thereof.

(3) Right to Participate in Redemptions and Repurchases. If the Corporation redeems or repurchases (whether by tender offer or otherwise) any shares of Common Stock, the holders of the Series A Preferred Stock shall be entitled to require the Corporation to redeem or repurchase a proportional amount of Series A Preferred Stock. The ratable share of each holder of Series A Preferred Stock, for purposes of this participation right, shall be determined by dividing (x) the total number of shares of Common Stock then issuable upon conversion of the Series A Preferred Stock held by such holder *plus* the total number of shares of Common Stock then issuable to such holder upon conversion or exchange pursuant to the terms of any convertible or exchangeable debt owed by the Corporation or its subsidiaries to the Investor *plus* the total number of shares of Common Stock then held by such holder, by (y) the total number of outstanding shares of Common Stock then issued or issuable, including upon conversion of any Preferred Stock (including any Series A Preferred Stock) or upon any conversion or exchange of any other securities or outstanding debt (calculated on a Fully Diluted Basis).

(4) Redemption and Repurchase Procedure. In the event the Corporation shall determine to redeem or repurchase any shares of Common Stock, it shall give each holder of Series A Preferred Stock then outstanding written notice of such intention, describing the price and the general terms of such redemption or repurchase. Each such holder shall have 30 days from the date of any such notice to agree to ratably participate in such redemption or repurchase, for the price and upon the general terms and conditions specified in the Corporation's notice, by giving written notice to the Corporation. Each such holder shall have a right of over-allotment such that if any holder of Series A Preferred Stock fails to exercise its right hereunder to ratably participate in such redemption or repurchase, the other holders of Series A Preferred Stock may participate in such forfeited portion on a ratable basis, by giving written notice to the Corporation within ten days from the date that the Corporation provides written notice to the other holders of Series A Preferred Stock of the extent to which such non-participating holder has failed to exercise its rights hereunder. The closing of a redemption or repurchase by such holder shall take place at the principal executive offices of the Corporation on the date specified in such holder's notice of participation. At such closing, the Corporation shall pay for such redeemed or repurchases securities by wire transfer of immediately available funds to such holder. In the event the Corporation has not consummated the triggering redemption or repurchase of the shares of Common Stock within the 45 days of the notice to holders of Series A Preferred Stock of the right to participate in such redemption or repurchase, the Corporation shall not thereafter redeem or repurchase any shares of Common Stock without

first offering such right to participate to the holders of Series A Preferred Stock in the manner provided above.

(f) Liquidation Rights.

(1) Priority Payment. For so long as any shares of Series A Preferred Stock are outstanding, upon the occurrence of a Liquidation Event, each holder of Series A Preferred Stock shall be entitled to receive, following the payment of or provision for all the creditors of the Corporation, an amount of the assets of the Corporation legally available for distribution to the holders of Series A Preferred Stock equal to $0.00001 per share of Series A Preferred Stock, with respect to each outstanding share of Series A Preferred Stock held by such holders of Series A Preferred Stock before any payment or distribution is made to the holders of Common Stock or any other class or series of stock ranking junior to the Series A Preferred Stock. If the assets of the Corporation legally available for distribution to the holders of Series A Preferred Stock shall be insufficient to permit payment in full to such holders of Series A Preferred Stock of the sums that the holders of Series A Preferred Stock are entitled to receive, then all the assets available for distribution to the holders of Series A Preferred Stock shall be distributed among and paid to the holders of Series A Preferred Stock ratably in proportion to the amounts that would be payable to such holders if such assets were sufficient to permit payment in full.

(2) Notice. Written notice of a Liquidation Event stating a payment or payments and the place where such payment or payments shall be payable, shall be delivered in accordance with Section 9.2 not less than 30 Business Days prior to the earliest payment date stated therein, to each holder of Series A Preferred Stock.

(g) Conversion.

(1) Automatic Conversion. For so long as the Principal Stockholder holds shares of Common Stock representing at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), each share of Series A Preferred Stock will automatically convert into shares of Common Stock at the then-applicable Conversion Rate, immediately prior to Transfer to any Person outside of the Macquarie Group.

(2) Optional Conversion.

(A) After any time at which the Principal Stockholder holds shares of Common Stock representing less than 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis);

(B) after any time at which the Series A Preferred Stock represents less than 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis);

(C) immediately prior to the occurrence of a Fundamental Change;

(D) within 30 days prior to a Liquidation Event; and/or

(E) at any time after an annual meeting of stockholders of the Corporation or a special meeting of the stockholders of the Corporation at which the Preferred Majority nominates a director for election to the Board in accordance with this Certificate of Incorporation, and the holders of Series A Preferred Stock vote in favor of such nominee, but such nominee is not elected to the Board;

each holder of Series A Preferred Stock shall have the right, at such holder's option, at any time and from time to time, to convert any or all of such holder's shares of Series A Preferred Stock into shares of Common Stock at the then-applicable Conversion Rate and, in the case of a Fundamental Change, each holder of Series A Preferred Stock shall be entitled to participate in such Fundamental Change together with the holders of Common Stock.

(3) Conversion Procedures.

(A) Dividends. Immediately prior to the applicable effective time of any conversion of Series A Preferred Stock on any applicable Conversion Date, dividends shall no longer be authorized and declared on any converted shares of Series A Preferred Stock and such shares of Series A Preferred Stock shall cease to be outstanding, in each case, subject to the right of holders of Series A Preferred Stock to receive any authorized, declared and unpaid dividends on such shares and any other payments to which they are otherwise entitled pursuant to this Section 4.4(g), as applicable.

(B) Effective Time. The Person(s) entitled to receive Common Stock and/or cash issuable upon conversion of Series A Preferred Stock shall be treated for all purposes as the record holder(s) of such shares of Common Stock,

(x) in the case of the automatic conversion of Series A Preferred Stock in accordance with Section 4.4(g)(1), immediately prior to Transfer to such Person outside of the Macquarie Group on any applicable Conversion Date;

(y) in the case of the optional conversion of Series A Preferred Stock in accordance with Section 4.4(g)(2)(C), immediately prior to a Fundamental Change on any applicable Conversion Date; and

(z) in the case of the optional conversion of Series A Preferred Stock in accordance with Sections 4.4(g)(2)(A), 4.4(g)(2)(B) or 4.4(g)(2)(D), as of the close of business on any applicable Conversion Date;

in each case notwithstanding that certificates representing such shares of Series A Preferred Stock shall not have been surrendered at the office of the Corporation, that notice from the Corporation shall not have been received by any holder of record of shares of Series A Preferred Stock, or that certificates evidencing such shares of Common Stock shall not then be actually delivered to such holder. Prior to the applicable effective time set forth in the immediately proceeding sentence on any applicable Conversion Date, shares of Common Stock issuable upon conversion of any shares of Series A Preferred Stock shall not be deemed outstanding for any purpose, and the holders of Series A Preferred Stock shall have no rights with respect to the shares of Common Stock issuable upon conversion (including voting rights, rights to respond to

tender offers for the shares of Common Stock issuable upon conversion and rights to receive any dividends or other distributions on the shares of Common Stock issuable upon conversion) by virtue of holding shares of Series A Preferred Stock.

(C) Notice. To effect the automatic conversion of Series A Preferred Stock in accordance with Section 4.4(g)(1) or the optional conversion of Series A Preferred Stock in accordance with Section 4.4(g)(2), any holder of record of Series A Preferred Stock shall make a written demand for such conversion (for purposes of this Section 4.4, a "Conversion Notice") upon the Corporation at its principal executive offices setting forth therein (i) the number of shares of Series A Preferred Stock to be converted, (ii) the certificate or certificates, if any, representing such shares, (iii) the date on which such conversion is to be effected, which date may not be prior to the date such holder delivers such Conversion Notice to the Corporation (such date, the "Conversion Date" and with respect to the conversion of shares of Series A Preferred Stock in accordance with Section 4.4(g)(2)(C), the "Conversion Date" means the date on which such Fundamental Change occurs) and (iv) in the case of automatic conversion pursuant to Section 4.4(g)(1), the name(s) of any Person(s) to whom the Common Stock and/or cash are to be issued in connection with such conversion. If no Conversion Date is specified in a Conversion Notice, the Conversion Date shall be the date that such Conversion Notice to the Corporation is deemed delivered in accordance with Section 9.2. The calculations and entries set forth in the Conversion Notice shall control in the absence of manifest or mathematical error. Shares of Series A Preferred Stock converted into Common Stock in accordance with the terms hereof shall be canceled and shall not be reissued.

(D) Mechanics of Conversion. Conversion into shares of Common Stock will occur on any applicable Conversion Date as follows:

(i) Automatic Conversion in Connection with Transfer. On the date of any automatic conversion of Series A Preferred Stock pursuant to Section 4.4(g)(1), effective immediately prior to Transfer to any Person outside of the Macquarie Group, (x) the shares of Series A Preferred Stock designated in the Conversion Notice shall be converted automatically without any further action by the holder of such shares or any other Person and (y) if shares of Common Stock are held in certificated form, certificates representing shares of Common Stock shall be issued as soon as practicable to the holders thereof named in the Conversion Notice and shares, if any, of Series A Preferred Stock remaining after such conversion shall be issued by the Corporation as soon as practicable to the holders thereof upon presentation and surrender of the certificate evidencing the converted Series A Preferred Stock to the Transfer Agent, if shares of the Series A Preferred Stock are held in certificated form, and, if required, the furnishing of appropriate endorsements and transfer documents.

(ii) Optional Conversion in Connection with Fundamental Change. On the date of any optional conversion of Series A Preferred Stock pursuant to Section 4.4(g)(2)(C), effective immediately prior to a Fundamental Change, (x) each share of Series A Preferred Stock shall be converted without any further action by the holder of such shares or any

other Person and (y) if shares of Common Stock will be held in certificated form following the Fundamental Change, certificates representing shares of Common Stock shall be issued as soon as practicable to the holders thereof upon presentation and surrender of the certificate evidencing the converted Series A Preferred Stock to the Transfer Agent, if shares of the Series A Preferred Stock are held in certificated form, and, if required, the furnishing of appropriate endorsements and transfer documents.

(iii) Other Optional Conversions. On the date of any conversion of Series A Preferred Stock at the option of a holder thereof pursuant to Sections 4.4(g)(2)(A), 4.4(g)(2)(B) or 4.4(g)(2)(D), effective immediately upon such conversion, (x) each share of Series A Preferred Stock shall be converted without any further action by the holder of such shares or any other Person, (y) if the interest of a holder of Common Stock is in certificated form, certificates representing shares of Common Stock shall be issued as soon as practicable to the holders thereof named in the Conversion Notice upon presentation and surrender of the certificate evidencing the converted Series A Preferred Stock to the Transfer Agent, if shares of the Series A Preferred Stock are held in certificated form, and, if required, the furnishing of appropriate endorsements and transfer documents and (z) shares, if any, of Series A Preferred Stock remaining after such conversion shall be issued by the Corporation as soon as practicable to the holders thereof.

(iv) The Transfer Agent shall, on behalf of a holder of Series A Preferred Stock, convert the shares of Series A Preferred Stock into shares of Common Stock, in accordance with the terms of the Conversion Notice, if any, and this Section 4.4(g).

(E) No Fractional Shares.

(i) No fractional shares of Common Stock will be issued as a result of any conversion of shares of Series A Preferred Stock.

(ii) In lieu of any fractional share of Common Stock otherwise issuable in respect of any automatic conversion pursuant to Section 4.4(g)(1) or any conversion at the option of a holder of Series A Preferred Stock pursuant to Section 4.4(g)(2), such holder of Common Stock or its designee shall be entitled to receive an amount in cash (computed to the nearest cent) equal to the same fraction of the Closing Price of the Common Stock determined as of the second Trading Day immediately preceding the effective date of conversion.

(iii) If more than one share of Series A Preferred Stock is surrendered for conversion at one time by or for the same holder of Series A Preferred Stock, the number of full shares of Common Stock issuable

upon conversion thereof shall be computed on the basis of the aggregate number of shares of Series A Preferred Stock so surrendered.

(4) Anti-Dilution Adjustments.

(A) The Conversion Rate shall be subject to the following adjustments:

Subdivisions, Splits and Combination of the Common Stock. If the Corporation subdivides, splits or combines the shares of Common Stock, then the Conversion Rate in effect immediately prior to the effective date of such share subdivision, split or combination will be multiplied by the following fraction:

$$\frac{OS^1}{OS_0}$$

Where,

OS_0 = the number of shares of Common Stock outstanding immediately prior to the effective date of such share subdivision, split or combination.

OS^1 = the number of shares of Common Stock outstanding immediately after the opening of business on the effective date of such share subdivision, split or combination.

If any subdivision, split or combination described in this clause (i) is announced but the outstanding shares of Common Stock are not subdivided, split or combined, the Conversion Rate shall be readjusted, effective as of the date the Board publicly announces its decision not to subdivide, split or combine the outstanding shares of Common Stock, to such Conversion Rate that would be in effect if such subdivision, split or combination had not been announced.

(B) All adjustments to the Conversion Rate shall be calculated to the nearest 1/10,000th of a share of Common Stock.

(C) Whenever the Conversion Rate is to be adjusted in accordance with Section 4.4(g)(4)(A), the Corporation shall:

(i) as soon as practicable following the occurrence of an event that requires an adjustment to the Conversion Rate pursuant to Section 4.4(g)(4)(A) (or if the Corporation is not aware of such occurrence, as soon as practicable after becoming so aware), provide, or cause to be provided, a written notice to the holders of Series A Preferred Stock of the occurrence of such event; and

(ii) as soon as practicable following the determination of the revised Conversion Rate in accordance with Section 4.4(g)(4)(A), provide,

or cause to be provided, a written notice to the holders of Series A Preferred Stock setting forth in reasonable detail the method by which the adjustment to the Conversion Rate was determined and setting forth the revised Conversion Rate.

(h) Preemptive Rights.

(1) Right to Purchase. For so long as any shares of Series A Preferred Stock are outstanding and represent at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), the holders of Series A Preferred Stock shall have the right to purchase, ratably, all or any part of any New Securities which the Corporation may, from time to time, propose to issue, grant or sell, other than any issuance, grant or sale of New Securities subject to Section 4.4(h)(4), which shall be governed by the terms of such section. The ratable share of each holder of Series A Preferred Stock, for purposes of this preemptive right, shall be determined by dividing (x) the total number of shares of Common Stock then issuable upon conversion of the Series A Preferred Stock held by such holder *plus* the total number of shares of Common Stock then issuable to such holder upon conversion or exchange pursuant to the terms of any convertible or exchangeable debt owed by the Corporation or its subsidiaries to the Investor *plus* the total number of shares of Common Stock then held by such holder, by (y) the total number of outstanding shares of Common Stock then issued or issuable, including upon conversion of any Preferred Stock (including any Series A Preferred Stock) or upon any conversion or exchange of any other securities or outstanding debt (calculated on a Fully Diluted Basis).

(2) Procedure. In the event the Corporation shall determine to issue, grant or sell New Securities, it shall give each holder of Series A Preferred Stock then outstanding written notice of such intention, describing the price of such New Securities and the general terms upon which the Corporation proposes to effect such issuance, grant or sale. Each such holder shall have 30 days from the date of any such notice to agree to purchase or receive all or part of its ratable share of such New Securities, for the purchase price and upon the general terms and conditions specified in the Corporation's notice, by giving written notice to the Corporation stating the quantity of New Securities to be so purchased. Each such holder shall have a right of over-allotment such that if any holder of Series A Preferred Stock fails to exercise its right hereunder to purchase its total ratable portion of New Securities, the other holders of Series A Preferred Stock may purchase such portion on a ratable basis, by giving written notice to the Corporation within ten days from the date that the Corporation provides written notice to the other holders of Series A Preferred Stock of the amount of New Securities with respect to which such non-purchasing holder has failed to exercise its rights hereunder. The closing of a purchase of New Securities by such holder shall take place at the principal executive offices of the Corporation on the date specified in such holder's notice of participation. At such closing, such holder shall pay for such New Securities by wire transfer of immediately available funds to the Corporation in the amount of the purchase price applicable to the New Securities being purchased by such holder.

(3) Right of the Corporation. In the event any holder or holders of Series A Preferred Stock fail to exercise the foregoing preemptive right with respect to any New Securities within such 30-day period (or the additional ten-day period provided for

overallotment), the Corporation may, within 90 Business Days thereafter, sell any or all of such New Securities not agreed to be purchased by such holders of Series A Preferred Stock, at a price and upon general terms no more favorable to the purchasers thereof than specified in the notice given to each holder pursuant to Section 4.4(h)(2). In the event the Corporation has not issued, granted or sold such New Securities within such 90-Business Day period, the Corporation shall not thereafter issue, grant or sell any New Securities without first offering such New Securities to the holders of Series A Preferred Stock in the manner provided above.

(4) Exercise of Options, Warrants, Etc. Upon the exercise of any options, warrants, rights or other securities exercisable to acquire shares of Common Stock, Preferred Stock or other equity securities of the Corporation, in each case that were outstanding on December 12, 2012, the holders of Series A Preferred Stock shall acquire for no (or nominal) consideration additional shares of Series A Preferred Stock such that immediately after any such exercise, the Non-Diluted Interest of the Macquarie Group shall be the same as it was immediately prior to any such exercise.

(5) Assignment. Each holder of Series A Preferred Stock shall have the right to sell, transfer or convey its pre-emptive rights set forth in this Section 4.4(h) at any time without the consent of the Corporation; provided, however, that to the extent any such preemptive rights are sold, transferred or conveyed to a third party unaffiliated with such holder, any such transferee thereof shall be entitled to acquire only shares of Common Shares, not shares of Series A Preferred Stock, upon the exercise thereof.

(i) Voting. The holders of Series A Preferred Stock shall be entitled to that number of votes on all matters presented to holders of Common Stock equal to the number of shares of Common Stock then issuable upon conversion of the outstanding shares of Series A Preferred Stock (each holder of Series A Preferred Stock being entitled to that number of votes equal to the number of shares of Common Stock then issuable upon conversion of the outstanding shares of Series A Preferred Stock held by such holder), and will vote together with the Common Stock as a single class, except as required by applicable law or as otherwise provided in this Certificate of Incorporation or the Stockholders Agreement. Except as required by applicable law or as otherwise provided in this Certificate of Incorporation or the Stockholders Agreement, the holders of Series A Preferred Stock and the Common Stock will have no separate class voting rights; where applicable law, this Certificate of Incorporation or the Stockholders Agreement provides for such separate class voting rights, each share of Series A Preferred Stock shall entitle the holder thereof to one vote.

(j) Certain Approval Rights of the Series A Preferred Stock and Common Stock. For so long as any shares of Series A Preferred Stock are outstanding and represent at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis) and subject to Article VII with respect to the Board's right to adopt, alter, amend or repeal the By-laws, the Corporation shall not and, in the case of clause (2) below, shall not permit any subsidiary to, directly or indirectly (whether through merger, consolidation, amendment to this Certificate of Incorporation or otherwise), do any of the following without first obtaining the written consent or affirmative vote of (i) the holders of a majority of the shares of Series A Preferred Stock then outstanding, voting separately as a class (a "Preferred Majority"), and (ii) the holders of a majority of the shares of Common Stock then outstanding, voting separately as a class:

(1) amend, alter (including through the adoption or execution of any certificate of designation adopted pursuant to Section 4.3(a)) or repeal any provision of this Certificate of Incorporation or the by-laws of the Corporation (as amended from time to time in accordance with the provisions hereof and thereof, the "By-laws");

(2) redeem, repurchase or otherwise acquire any shares of any class of capital stock or other equity securities of the Corporation or any of its subsidiaries;

(3) effect any Liquidation Event; or

(4) change the number of members of the Board.

(k) No Sinking Fund. The shares of Series A Preferred Stock are not subject to the operation of a sinking fund.

(l) Reservation of Common Stock.

(1) Sufficient Shares. The Corporation shall at all times reserve and keep available out of its authorized and unissued shares of Common Stock, solely for issuance upon the conversion of the shares of Series A Preferred Stock as provided in this Certificate of Incorporation, free from any preemptive or other similar rights, such number of shares of Common Stock as shall from time to time be issuable upon the conversion of all of the shares of Series A Preferred Stock then issued and outstanding. For purposes of this Section 4.4(l), the number of shares of Common Stock that shall be deliverable upon the conversion of all issued and outstanding shares of Series A Preferred Stock shall be computed as if at the time of computation all such outstanding shares were held by a single holder.

(2) Use of Acquired Shares. Notwithstanding the foregoing, the Corporation shall be entitled to deliver upon conversion of any shares of Series A Preferred Stock, as herein provided, shares of Common Stock acquired by the Corporation (in lieu of the issuance of authorized and unissued shares of Common Stock).

(3) Compliance with Law. Prior to the delivery of any shares of Common Stock that the Corporation shall be obligated to deliver upon conversion of any shares of Series A Preferred Stock, each of the Corporation and the holder thereof shall use its reasonable best efforts to comply with all laws and regulations thereunder requiring the approval of such delivery by any governmental authority.

(m) Transfer Agent, Conversion Agent, Registrar and Paying Agent. The duly appointed transfer agent, conversion agent, registrar and paying agent for the Series A Preferred Stock shall be Computershare Trust Company of Canada (the "Transfer Agent"). The Corporation may, in its sole discretion, remove the Transfer Agent in accordance with the agreement between the Corporation and the Transfer Agent; provided that the Corporation shall appoint a successor transfer agent who shall accept such appointment prior to the effectiveness of such removal. Upon any such removal or appointment, the Corporation shall send notice thereof to the holders of shares of Preferred Stock.

(n) Restrictions in Connection with Transfers. In addition to any other restrictions set forth in this Section 4.4, the right of the holders of shares of Series A Preferred Stock to Transfer any shares of Series A Preferred Stock is subject to the restrictions set forth in the Stockholders Agreement and the Registration Rights Agreement.

(o) Transfer Taxes. The Corporation shall pay any and all share transfer, documentary, stamp and similar taxes that may be payable in respect of any issuance or delivery of shares of Series A Preferred Stock or shares of Common Stock or other securities issued on account of the shares of Series A Preferred Stock pursuant hereto or certificates representing such shares or securities. The Corporation shall not, however, be required to pay any such tax that may be payable in respect of any transfer involved in the issuance or delivery of shares of Series A Preferred Stock, shares of Common Stock or other securities in a name other than that in which the shares of Series A Preferred Stock with respect to which such shares or other securities are issued or delivered were registered, or in respect of any payment to any Person other than a payment to the registered holder thereof, and shall not be required to make any such issuance, delivery or payment unless and until the Person otherwise entitled to such issuance, delivery or payment has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid or is not payable.

(p) Insurance. For so long as any shares of Series A Preferred Stock are outstanding, any indemnity insurance purchased or maintained by the Corporation pursuant to Section 8.4 shall be in an amount reasonably acceptable to the Investor.

(q) Other Rights. The shares of Series A Preferred Stock shall have no voting powers, preferences or special rights, and no qualifications, limitations or restrictions thereon, other than as set forth in this Certificate of Incorporation or as required by Delaware law.

(r) No Impairment. The Corporation shall not, by amendment of this Certificate of Incorporation, the By-laws or any other organizational document of the Corporation or through any reorganization, recapitalization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed under this Section 4.4 by the Corporation, but shall at all times in good faith assist in the carrying out of all the provisions of this Section 4.4 and in the taking of all such action as may be necessary or appropriate in order to protect the rights, preferences and privileges of the holders of Series A Preferred Stock against impairment.

(s) Coattail. Any offer that is:

(1) made to a holder of Series A Preferred Stock that would, if the Series A Preferred Stock and Common Stock were at the time of the offer a single class of voting securities trading at the market price of the Common Stock, by reason of applicable securities legislation or the rules and requirements of the TSXV, be required to be made to all or substantially all the holders of Common Stock located in the province of Canada to which the requirement applies; and

(2) not made concurrently with an identical offer, in terms of price per share and percentage of outstanding shares to be taken up, exclusive of securities owned by the offeror or Associates or Affiliates of the offeror immediately before the offer is made, and in all other material respects, and that has no condition attached thereto other than the right not to take up and pay for shares tendered if no shares are purchased pursuant to the offer for shares of Series A Preferred Stock;

shall not and may not be accepted by such holder of Series A Preferred Stock.

4.5 Registration of Transfer. The Corporation shall keep at its principal executive office a register for the registration of each outstanding class of Capital Stock. Upon the surrender of any certificate representing shares of any class at such place, the Corporation shall, at the request of the record holder of such certificate, execute and deliver (at the Corporation's expense) a new certificate or certificates in exchange therefor representing in the aggregate the number of shares represented by the surrendered certificate. Each such new certificate shall be registered in such name and shall represent such number of shares as is requested by the holder of the surrendered certificate and shall be substantially identical in form to the surrendered certificate.

4.6 Replacement. Upon receipt of evidence reasonably satisfactory to the Corporation (an affidavit of the registered holder shall be satisfactory) of the ownership and the loss, theft, destruction or mutilation of any certificate evidencing shares of any class, and in the case of any such loss, theft or destruction, upon receipt of indemnity reasonably satisfactory to the Corporation, or, in the case of any such mutilation upon surrender of such certificate, the Corporation shall (at its expense) execute and deliver in lieu of such certificate a new certificate of like kind representing the number of shares of such class represented by such lost, stolen, destroyed or mutilated certificate and dated the date of such lost, stolen, destroyed or mutilated certificate.

4.7 Withholding. All payments and distributions (or deemed distributions) on the shares of Capital Stock shall be subject to withholding and backup withholding of tax to the extent required by law, subject to applicable exemptions, and amounts withheld, if any, shall be treated as received by holders thereof.

ARTICLE V
BOARD OF DIRECTORS

5.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board.

5.2 Board Size. The number of directors that shall comprise the whole Board shall be fixed at seven.

5.3 Initial Directors. The initial Board shall comprise (i) three Common Directors, one of which must be an Independent director qualified to serve on the Audit Committee, (ii) three Preferred Directors and (iii) the Seventh Director. The initial Common Directors shall be Thomas P. McDonnell, III, David I. Forseth and Thomas H. McNeely, each with an address of 1052 Highland Colony Parkway, Suite 204, Ridgeland, MS 39157, and who shall hold office

until the next annual meeting of the stockholders or until their successors shall have been elected and qualified. The initial Preferred Directors shall be Daniel Boland, Bruce Donaldson and Michael Silverton, each with an address of c/o Macquarie Holdings (USA), Inc., 125 West 55th Street, New York, NY 10019, and who shall hold office until the next annual meeting of the stockholders or until their successors shall have been elected and qualified. The initial Seventh Director shall be William Plamondon, III, with an address of 4240 Galt Ocean Drive, Suite 404, Fort Lauderdale, FL 33308, and who shall hold office until the next annual meeting of the stockholders or until his successor shall have been elected and qualified.

5.4 Common Directors. Subject to Section 4.4(c)(3), Common Directors will be nominated in accordance with the By-laws.

5.5 Preferred Directors; Seventh Director; Additional Unaffiliated Directors. Preferred Directors, if any, will be nominated or appointed in accordance with Section 4.4(c)(1). The Seventh Director, if any, will be selected in accordance with Section 4.4(c)(2). Additional Unaffiliated Directors, if any, will be selected in accordance with Section 4.4(c)(3).

5.6 Term; Elections; Removal; Vacancies.

(a) Term. Subject to the rights of holders of any series of Preferred Stock with respect to directors and Sections 4.4(c)(2), 4.4(c)(3), 5.4 and 5.5, each director shall serve until such director's successor is duly elected and qualified or until such director's earlier death, resignation or removal.

(b) Elections. Elections of directors need not be by written ballot unless the By-laws shall so provide.

(c) Removal. Subject to the rights of stockholders set forth in this Certificate of Incorporation with respect to the removal of directors, a director may be removed from office by the stockholders of the Corporation at the annual meeting of stockholders or any duly called special meeting of the stockholders.

(d) Vacancies and Newly Created Directorships. Subject to the rights of holders of any series of Preferred Stock with respect to directors and Section 5.4, vacancies occurring on the Board for any reason and newly created directorships resulting from an increase in the number of directors may be filled only by vote of a majority of the remaining members of the Board, although less than a quorum, or by a sole remaining director, at any meeting of the Board. A person so elected by the Board to fill a vacancy or newly created directorship shall hold office until the next annual meeting of stockholders or until such person's successor shall be duly elected and qualified.

5.7 Meetings of the Board.

(a) Actions by the Board. Each director shall have one vote on all matters submitted to the Board or any committee thereof. Subject to the rights of holders of any series of Preferred Stock with respect to actions of the Board, with respect to any matter before the Board, the act of the directors constituting a quorum and entitled to vote on such matter shall be the act of the Board. Subject to the rights of holders of any series of Preferred Stock with respect to actions of

the Board, the majority vote of the directors, at a meeting of the Board at which a quorum is present, is required for all matters. A director who is present at a meeting of the Board at which action on any matter is taken shall be presumed to have assented to the action unless his or her dissent shall be entered in the minutes of the meeting or unless such director shall file his or her written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall deliver such dissent to the Corporation promptly after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

(b) Notice. Meetings of the Board may be convened by any director and all directors must receive written notice of any meeting of the Board at least three days prior to such meeting, unless the notice requirement is waived by (i) by all directors in writing that did not receive such notice or (ii) attendance by those directors.

(c) Board Action by Written Consent or Telephone Conference. Any action permitted or required by the DGCL or this Certificate of Incorporation to be taken at a meeting of the Board (or any committee of the Board) may be taken without a meeting if a consent in writing, setting forth the action to be taken, is signed by all the members of the Board (or all members of such committee). Such consent shall have the same force and effect as a vote at a meeting where a quorum was present and may be stated as such in any document or instrument filed with the Secretary of State of the State of Delaware. Subject to the requirements of the DGCL or this Certificate of Incorporation for notice of meetings, the directors or members of any committee of the Board may participate in and hold a meeting of the Board or any committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such meeting shall constitute attendance and presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE VI
STOCKHOLDERS

6.1 No Action by Written Consent of Stockholders. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to act by written consent, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of the stockholders of the Corporation and may not be effected by written consent in lieu of a meeting.

6.2 pecial Meetings. Except as otherwise expressly provided by the terms of any series of Preferred Stock permitting the holders of such series of Preferred Stock to call a special meeting of the holders of such series or of the stockholders of the Corporation, special meetings of stockholders of the Corporation may be called only by the Board and the ability of the stockholders to call a special meeting is hereby specifically denied. Subject to the rights of the holders of Preferred Stock, the Board may cancel, postpone or reschedule any previously scheduled special meeting at any time, before or after the notice for such meeting has been sent to the stockholders. Business transacted at special meetings of stockholders shall be confined to the purpose or purposes stated in the notice of meeting.

6.3 Advance Notice. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the By-laws.

6.4 Stockholder Meetings; Books. Meetings of stockholders may be held within or without the State of Delaware, as the By-laws may provide. The books of the Corporation may be kept (subject to any provision of the DGCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board or in the By-laws.

ARTICLE VII
AMENDMENT OF BY-LAWS

In furtherance and not in limitation of the powers conferred by statute, the Board and the stockholders of the Corporation are each expressly authorized to adopt, alter, amend or repeal the By-laws; provided that, with respect to the right of the stockholders of the Corporation to adopt, alter, amend or repeal the By-laws, (a) for so long as the Series A Preferred Stock represents at least 10% of the total outstanding Capital Stock (calculated on a Fully Diluted Basis), the written consent or affirmative vote of (i) a Preferred Majority and (ii) the holders of a majority of the shares of Common Stock then outstanding, voting separately as a class, shall be required for any such adoption, alteration, amendment or repeal, and (b) thereafter the affirmative vote of the holders of at least a majority of the voting power of all then outstanding shares of Capital Stock (calculated on a Fully Diluted Basis) entitled to vote generally in the election of directors, voting together as a single class, shall be required for any such adoption, alteration, amendment or repeal.

ARTICLE VIII
LIMITATION OF LIABILITY AND INDEMNIFICATION

8.1 Limitation of Personal Liability. A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the DGCL or (iv) for any transaction from which the director derived an improper personal benefit. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. Any repeal or modification of this Section 8.1 by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification.

8.2 Indemnification and Advancement of Expenses. The Corporation shall indemnify its directors and officers to the fullest extent authorized or permitted by the DGCL, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of such person's heirs, executors and personal and legal representatives. A director's or officer's right to indemnification conferred by this Section 8.2 shall include the right to be paid by the Corporation the expenses incurred in defending or otherwise participating in any proceeding in

advance of its final disposition, provided that such director or officer presents to the Corporation a written undertaking to repay such amount if it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Corporation under this Article VIII or otherwise. Notwithstanding the foregoing, except for proceedings to enforce any director's or officer's rights to indemnification or to advancement of expenses, the Corporation shall not be obligated to indemnify any director or officer, or advance expenses of any director or officer, (or such director's or officer's heirs, executors or personal or legal representatives) in connection with any proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized by the Board.

8.3 Non-Exclusivity of Rights. The rights to indemnification and advancement of expenses conferred in Section 8.2 of this Certificate of Incorporation shall neither be exclusive of, nor be deemed in limitation of, any rights to which any person may otherwise be or become entitled or permitted under this Certificate of Incorporation, the By-laws, any statute, agreement, vote of stockholders or disinterested directors or otherwise. The Corporation may enter into indemnification agreements with directors of the Corporation, subject to the approval of the disinterested members of the Board.

8.4 Insurance. Subject to Section 4.4(p), to the fullest extent authorized or permitted by the DGCL, the Corporation may purchase and maintain insurance on behalf of any current or former director or officer of the Corporation against any liability asserted against such person, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of this Article VIII or otherwise.

8.5 Persons Other Than Directors and Officers. This Article VIII shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to, or to purchase and maintain insurance on behalf of, persons other than those persons described in the first sentence of Section 8.2 of this Certificate of Incorporation or to advance expenses to persons other than directors and officers of the Corporation.

8.6 Effect of Modifications. Any amendment, repeal or modification of any provision contained in this Article VIII shall, unless otherwise required by law, be prospective only (except to the extent such amendment or change in law permits the Corporation to further limit or eliminate the liability of directors or officers) and shall not adversely affect any right or protection of any current or former director or officer of the Corporation existing at the time of such amendment, repeal or modification with respect to any acts or omissions occurring prior to such amendment, repeal or modification.

ARTICLE IX
MISCELLANEOUS

9.1 Definitions. References to a "Schedule" are, unless otherwise specified, to a Schedule attached to this Certificate of Incorporation and references to an "Article" or a "Section" are, unless otherwise specified, to an Article or a Section of this Certificate of Incorporation. As used in this Certificate of Incorporation, the following terms shall have the meanings set forth respectively after each:

"Additional Unaffiliated Directors" has the meaning set forth in Section 4.4(c)(3)(A).

"Additional Unaffiliated Director Selection Procedure" has the meaning set forth in Section 4.4(c)(3)(A).

"Advantage" means Simply Wheelz LLC, a Delaware limited liability company, d/b/a Advantage Rent A Car.

"Affiliate" means, as to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person. The term "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as applied to any Person, means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other ownership interest, by contract or otherwise.

"Associate" has the meaning ascribed to such term under the rules and the policies of the TSXV.

"Audit Committee" has the meaning set forth in Section 4.4(c)(7)(A).

"Board" has the meaning set forth in Section 4.2(c).

"Budget" has the meaning set forth in Section 4.4(c)(6)(F).

"Business Day" means any day, other than a Saturday, a Sunday or a day on which banks in Toronto, Ontario, Canada; Calgary, Alberta, Canada; New York, New York, United States of America; or Dover, Delaware, United States of America are authorized or obligated by law or executive order to close.

"Capital Stock" means any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of the Corporation, including the Common Stock and the Preferred Stock.

"Certificate of Incorporation" has the meaning set forth in Section 4.2(b).

"Chief Executive Officer" means the chief executive officer of the Corporation.

"Chief Financial Officer" means the chief financial officer of the Corporation.

"Chief Operating Officer" means the chief operating officer of the Corporation.

"Closing Price" of the Common Stock on any determination date means the closing sale price or, if no closing sale price is reported, the last reported sale price of the shares of the Common Stock on the TSXV on such date. If the Common Stock is not traded on the TSXV on any determination date, the Closing Price of the Common Stock on such determination date means the closing sale price as reported in the composite transactions for the principal national or regional securities exchange on which the Common Stock is so listed or quoted, or, if no closing sale price is reported, the last reported sale price on the principal national or regional

securities exchange on which the Common Stock is so listed or quoted, or if the Common Stock is not so listed or quoted on a national or regional securities exchange, the last quoted bid price for the Common Stock in the over-the-counter market as reported by Pink Sheets LLC or a similar organization, or, if that bid price is not available, the market price of the Common Stock on that date as determined by a nationally recognized independent investment banking firm retained by the Corporation for this purpose.

"Common Directors" means the initial Common Directors and any successor(s) thereto in accordance with Sections 5.3 and 5.4, subject to Section 4.4(c)(3).

"Common Stock" has the meaning set forth in Section 4.1.

"Compensation Committee" has the meaning set forth in Section 4.4(c)(7)(B).

"Conversion Date" has the meaning set forth in Section 4.4(g)(3)(C).

"Conversion Notice" has the meaning set forth in Section 4.4(g)(3)(C).

"Conversion Rate" means for each share of Series A Preferred Stock, one share of Common Stock, subject to adjustment in accordance with Section 4.4(g)(4).

"Corporation" has the meaning set forth in Article I.

"DGCL" has the meaning set forth in Article III.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Fully Diluted Basis" means assuming (i) the exercise of all options, warrants and other rights of any kind to acquire shares of Common Stock, and (ii) the conversion or exchange of all securities (including the Series A Preferred Stock) or debt convertible into or exchangeable for shares of Common Stock outstanding or deemed to be outstanding at the time of determination, in each case whether or not then vested, convertible or exercisable; for the avoidance of doubt, the number of shares of Common Stock then reserved for any employee stock option plan should be deemed to be outstanding at the time of determination.

"Fundamental Change" means the occurrence of any of the following:

> (i) a "person" or "group" (other than the Investor and/or any member of the Macquarie Group) within the meaning of Section 13(d) of the Exchange Act files a Schedule TO or any schedule, form or report under the Exchange Act disclosing that such person or group has become the direct or indirect ultimate "beneficial owner," as defined in Rule 13d-3 under the Exchange Act, of common equity of the Corporation representing more than 50% of the total voting power of all shares of capital stock of the Corporation entitled to vote generally in the election of the Corporation's directors;

(ii) consummation of any consolidation or merger of the Corporation or similar transaction or any sale, lease, conveyance or other transfer in one transaction or a series of transactions of all or substantially all of the consolidated assets of the Corporation and its subsidiaries, taken as a whole, to any Person other than one of the Corporation's subsidiaries, in each case pursuant to which the Common Stock will be converted into, or receive a distribution of the proceeds in, cash, securities or other property, other than pursuant to a transaction in which the Persons that "beneficially owned" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, voting shares of the Corporation immediately prior to such transaction beneficially own, directly or indirectly, voting shares representing a majority of the total voting power of all outstanding classes of voting shares of the continuing or surviving Person immediately after the transaction;

(iii) shares of the Common Stock or shares of any other stock into which the Series A Preferred Stock is convertible are not listed for trading on the TSXV or cease to be traded in contemplation of a delisting (other than as a result of a transaction described in clause (ii) above);

(iv) any reclassification of the Common Stock (other than a subdivision, split or combination of the Common Stock for which an anti-dilution adjustment is made pursuant to Section 4.4(g)(4)) into securities, including securities of the Corporation other than the Common Stock; or

(v) any statutory exchange of the Corporation's securities with another Person (other than in connection with a merger or acquisition).

"GAAP" means United States generally accepted accounting principles.

"Hawaii Lease" means the Master Motor Vehicle Operating Hawaii Lease Agreement, dated as of December 12, 2012 between Hertz and Advantage.

"Hertz" means The Hertz Corporation, a Delaware corporation.

"Indebtedness" means, with respect to a Person, without duplication, (a) all indebtedness for borrowed money, (b) all indebtedness for the deferred purchase price of property or services (other than personal property, including inventory and services purchased, trade payables, other expense accruals and deferred compensation items arising in the ordinary course of business), (c) all obligations evidenced by notes, bonds, debentures or other similar instruments (other than performance, surety and appeal bonds arising in the ordinary course of business in respect of which such Person's liability remains contingent), (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all reimbursement, payment or similar obligations, contingent or otherwise, under acceptance, letter of credit or similar facilities, (f) all obligations under leases that have been or should be, in accordance with GAAP, recorded as capital leases and (g) any liability of others described in clauses (a) through (e)

above that the Person has guaranteed or that is otherwise its legal liability, and including in clauses (a) through (f) above any accrued and unpaid interest or penalties thereon.

"Independent" has the meaning given such term under National Instrument 52-110 – *Audit Committees of the Canadian Securities Administrators*. With respect to independent director requirements under applicable law, securities regulatory authority rules and stock exchange rules, any Independent director nominated hereunder shall be required to meet such requirements to the extent required to satisfy such requirements.

"Initial Non-Diluted Interest of the Macquarie Group" means the initial 49.76% non-diluted interest of the Macquarie Group in the Common Stock (on an as-if-converted-to-Common-Stock basis) as of [●][1], 2013, as such percentage interest may be proportionately increased to account for any reduction in the total number of outstanding shares of Common Stock as a result of the exercise of any dissenters' rights in connection with the Domestication.

"Investor" means Boketo LLC.

"Liquidation Event" means any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation or the Corporation taking any preparatory steps towards or filing a petition for bankruptcy, insolvency, receivership or similar relief.

"Macquarie Group" means Macquarie Group Limited, each of its subsidiaries and any fund or similar vehicle managed or advised by any such subsidiary.

"New Securities" means any proposed issuance of equity securities by the Corporation other than (i) in connection with the conversion of the Series A Preferred Stock, (ii) in connection with convertible or exchangeable debt owed by the Corporation or its subsidiaries to the Investor, (iii) pursuant to a subdivision, split or combination of the outstanding Common Stock or any other transaction in connection with which a Conversion Rate adjustment would be made with respect to the Series A Preferred Stock, (iv) equity securities to be issued in any registered public offering, (v) equity securities to be issued in accordance with Section 4.4(h)(4), and (vi) equity securities to be issued pursuant to any stock dividend or other reclassification by the Corporation of any of its stock in which the holders of Series A Preferred Stock participate in accordance with the terms of this Certificate of Incorporation. For the purposes of this definition, the term "equity securities" shall include any warrants, options, or other rights to acquire equity securities and debt securities convertible into equity securities.

"Non-Diluted Interest of the Macquarie Group" means the Initial Non-Diluted Interest of the Macquarie Group, as such interest shall be adjusted (on an as-if-converted-to-Common-Stock basis) to reflect any Transfers of such interest outside the Macquarie Group.

"Person" means a legal person, including any individual, company, corporation, estate, body corporate, partnership, limited liability company, trust, joint venture, association or other legal entity.

[1] Insert date the Merger is consummated (will be the same date this Certificate of Incorporation is filed).

"Preferred Directors" has the meaning set forth in Section 4.4(c)(1).

"Preferred Majority" has the meaning set forth in Section 4.4(j).

"Preferred Stock" has the meaning set forth in Section 4.1.

"Principal Stockholder" means Thomas P. McDonnell, III.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of March 25, 2013, among the Corporation and the Holders of Registrable Securities (as such terms are defined therein) party thereto.

"Search Consultant" has the meaning set forth in Section 4.4(c)(2)(A).

"SEC" means the U.S. Securities and Exchange Commission.

"Securities Act" means the U.S. Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"Series A Preferred Stock" has the meaning set forth in the introductory paragraph.

"Seventh Director" has the meaning set forth in Section 4.4(c)(2)(A).

"Seventh Director Selection Procedure" has the meaning set forth in Section 4.4(c)(2)(A).

"Special Stockholders Meeting Regarding Directors" has the meaning set forth in Section 4.4(c)(1)(D).

"Stockholders Agreement" means the Stockholders Agreement, dated as of March 25, 2013, among the Corporation, the Investor and Thomas P. McDonnell, III.

"Sublease" means the Master Motor Vehicle Operating Sublease Agreement, dated as of December 12, 2012, between Hertz and Advantage.

"Super Majority Matters" has the meaning set forth in Section 4.4(c)(6).

"Trading Day" means a day on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market at the close of business and (ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the Common Stock.

"Transfer" means, as a noun, any voluntary or involuntary assignment, transfer, pledge, syndication, sale, hypothecation, contribution, encumbrance or other direct or indirect disposition or purported disposition, and, as a verb, voluntarily or involuntarily to assign, transfer, pledge, syndicate, sell, hypothecate, contribute, encumber or otherwise dispose of, directly or indirectly.

"Transfer Agent" means the Person designated as Transfer Agent in Section 4.4(m), and its successors or assigns.

"TSXV" means the TSX Venture Exchange.

"Unaffiliated" means an individual who is not an Affiliate of an entity within the Macquarie Group or the Principal Stockholder and who (a) is not and, within five years of any reference date, has not been an employee, officer, director, consultant, agent or greater-than-5% stockholder of any such person or any Affiliate of any such person, (b) is not a relative or family member of any employee, officer, director, consultant, agent or greater-than-5% stockholder of any such person or any Affiliate of any such person, and (c) is otherwise Independent of each such person as if each such person was an issuer and the individual was a member of the board of directors of each such issuer.

"Vehicle" means any vehicle in the respective rental car fleets of the Corporation or any of its subsidiaries.

9.2 Notices. Unless expressly provided otherwise herein, any notice, designation or other communication required or permitted under this Certificate of Incorporation shall be sufficiently given to a Person if in writing and shall become effective when

(i) delivered by hand, by an overnight courier service which requires a delivery receipt therefor (such as FedEx), or by registered or certified mail, return receipt requested, postage prepaid, in each case on a Business Day (otherwise it shall be deemed given the next Business Day) or

(ii) received in legible form by telefacsimile transmission;

(x) if to the Corporation, to its office at Suite 204, 7710 – 5th Street S.E., Calgary, Alberta T2H 2L9 Canada, or to any other agent of the Corporation designated to receive such notice as permitted by this Certificate of Incorporation, or (y) if to any holder of Common Stock or Preferred Stock, to such holder at the address of such holder as listed in the share record books of the Corporation (which may include the records of the Transfer Agent) or (z) to such other address as the Corporation or any such holder, as the case may be, shall have designated by notice similarly given.

9.3 Payments. Any payment due by the Corporation with respect to dividends, redemptions, fractional shares or other amounts on a day that is not a Business Day may be made on the next succeeding Business Day with the same force and effect as if made on the original due date.

9.4 Fiduciary Duty. The Board and each director of the Corporation shall owe fiduciary duties to the holders of Common Stock and Preferred Stock equally.

9.5 Forum for Certain Actions. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any state derivative action or proceeding brought or purporting to be brought on behalf of the Corporation, (ii) any state action asserting a claim of breach of a fiduciary duty owed by any current or former director or officer of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL, this Certificate of Incorporation or

the By-laws or (iv) any action asserting a claim against the Corporation or any of its current or former directors or officers that relates to the internal affairs or governance of the Corporation and arises under or by virtue of the laws of the State of Delaware, in each such case subject to such Court of Chancery having personal jurisdiction over the indispensible parties named as defendants therein.

9.6 Specific Performance. It being understood that irreparable damage would occur to the stockholders of the Corporation, for which money damages would be an insufficient remedy, for any actual or threatened breach of this Certificate of Incorporation by the Corporation, each stockholder of the Corporation shall be entitled, in addition to (and without limitation of) any other rights or remedies, at law or in equity (including any rights or remedies set forth herein), to an injunction or injunctions to prevent breaches or non-performance by the Corporation of its obligations under this Certificate of Incorporation and to enforce specifically the terms and provisions of this Certificate of Incorporation, and shall not be required to post a bond or other security in connection therewith. If a holder of Preferred Stock becomes a holder of Common Stock, nothing in this Section 9.6 shall affect such Person's right, in its capacity as such a holder, to seek or obtain any remedies under this Certificate of Incorporation generally available to holders of Common Stock.

9.7 Amendment. The Corporation reserves the right to amend, alter or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by this Certificate of Incorporation and the DGCL, subject to Section 4.4(j) and the rights of the holders of shares of Preferred Stock with respect to amendments hereof; and all rights, preferences and privileges herein conferred upon stockholders of the Corporation by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Section 9.7.

9.8 Construction. The Corporation, the Investor and the Principal Stockholder have participated jointly in the negotiation and drafting of this Certificate of Incorporation. In the event an ambiguity or question of intent or interpretation arises, this Certificate of Incorporation shall be construed as if drafted jointly by each of the foregoing Persons, and no presumption or burden of proof shall arise favoring or disfavoring any of the foregoing Persons or any class or series of Capital Stock (including, without limitation, the Common Stock or the Preferred Stock) by virtue of the authorship of any provisions of this Certificate of Incorporation or otherwise.

9.9 Conflict. To the extent the terms provided in this Certificate of Incorporation, conflict with the terms contained in the By-laws, the terms provided in this Certificate of Incorporation shall prevail.

9.10 Severability. If any provision or provisions of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever the validity, legality and enforceability of such provision in any other circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Incorporation to be signed by a duly authorized officer of the Corporation on this [●] day of [●], 2013.

_____

By: [●]
Title: [●]

Schedule A

List of Search Consultants

- Russell Reynolds
- Spencer Stuart
- Heidrick & Struggles
- Egon Zehnder

Schedule B

Experience and Qualifications Criteria for Seventh Director Candidates

The seventh director candidate's qualifications should be assessed using the following criteria in the context of the needs of the Board.

A. Specific Industry Experience

1. Should not be in the rental car business but could have connections or prior experience with the automotive industry and specifically with the OEMs, or Travel Industry.
2. No industry focus required but broad industry expertise and having run a business or division is important
3. Experience sitting on other boards and being an active participant on those boards

B. Personal characteristics to be sought in candidates for the Board:

1. Well regarded in the community, with a long-term, good reputation for highest ethical standards.
2. Good common sense and judgment.
3. An inquiring mind, good communication skills, and an independent, objective, candid, yet constructive approach.
5. Considerate of diverse opinion and does not dominate to the exclusion of others, yet, not concerned about voicing a dissenting opinion.
6. A strategic perspective, an awareness of the dynamics of change and the need to anticipate and capitalize on opportunities.
7. A positive record of accomplishment in present and prior positions.
8. Any other relevant experience, qualifications, attributes and skills.
9. If on another board or boards, has an excellent record for preparation, attendance, participation, interest, and initiative.
10. Business and/or professional knowledge and experience applicable to Corporation goals and other management issues.
11. The time, energy, interest, and willingness to become involved in the Corporation and its future.

C. Added specific considerations for candidates:

1. Consideration shall be given to candidates without regard to race, age, color, religion, gender, or national origin. The Board will seek qualified candidates for board membership from a variety of backgrounds, including candidates of gender and racial diversity.
2. Not recommended for board membership is an employee or partner of:
    a. a commercial bank.
    b. an investment banking firm.
    b. a law firm.
    c. public accounting firm.

3. A candidate's occupation, business and/or relationships shall not impair independence and:
    a. Shall not compete with the Corporation.
    b. Shall not conflict with Corporation current operations and future goals.
    c. Shall not be competitive with that of an incumbent director.
    d. Shall have no significant existing or potential supplier or customer relationship with the Corporation or with the employer of an incumbent director, or Corporation Officer's and immediate family
    e. Shall not be linked to practices, or offer products or services, inappropriate for association with the Corporation.
    f. Shall have no relation to any other Board Member, Officer, or any Employee of the Corporation. Or any other Board member or their respective organizations
4. If a candidate is a director of another company, the following questions are germane, and should be resolved by Corporation legal counsel before contact is made with the candidate:
    a. Complies with the interlocking directorate provisions of the Clayton Act, and other applicable antitrust laws?
    b. Competes with the Corporation?
    c. Conflicts with Corporation current operations and future goals?
    d. Has a significant supplier or customer relationship with the Corporation?
    e. Linked to practices, or offers products or services, inappropriate for association with the Corporation?

D. Added considerations for directors in general:

1. A director shall represent all stockholders, not a specific constituency.
2. Proposed reciprocal board memberships are subject to review by the Board Affairs and Nominating Committee.
3. Persons who are former employees of the Corporation generally shall not be nominated. This may be waived by a vote of the Board for one year in the case of an officer who retires from active employment.

TABLE OF CONTENTS

BY-LAWS

OF

FRANCHISE SERVICES OF NORTH AMERICA INC.

(hereinafter called the "Corporation")

ARTICLE I

MEETINGS OF STOCKHOLDERS

Section 1.1. Place of Meetings. Subject to the rights of the holders of preferred stock with respect to meetings thereof, meetings of the stockholders of the Corporation for the election of directors or for any other purpose shall be held at such time and place, either within or outside the State of Delaware, as shall be designated from time to time by the board of directors of the Corporation (the "Board").

Section 1.2. Annual Meetings. The annual meeting of stockholders of the Corporation for the election of directors and for the transaction of such other business as may properly be brought before the meeting in accordance with these by-laws of the Corporation (as amended from time to time in accordance with the provisions hereof, these "By-laws") shall be held on such date and at such time as shall be designated from time to time by the Board. The Board may postpone, reschedule or cancel any annual meeting of stockholders previously scheduled by the Board.

Section 1.3. Special Meetings. Unless otherwise required by law or by the certificate of incorporation of the Corporation, as amended and restated from time to time (the "Certificate of Incorporation"), and subject to the rights of the holders of preferred stock with respect to special meetings thereof and special meetings of the stockholders of the Corporation, special meetings of the stockholders of the Corporation, for any purpose or purposes, may be called only by the Board. For all purposes of these By-laws, the "Certificate of Incorporation" shall be deemed to include the terms of any series of preferred stock, whether such terms appear in the Certificate of Incorporation or a certificate of designation. Subject to the rights of the holders of preferred stock with respect to special meetings thereof and special meetings of the stockholders of the Corporation, the ability of the stockholders of the Corporation to call a special meeting of stockholders is hereby specifically denied. At a special meeting of stockholders, only such business shall be conducted as shall be specified in the notice of meeting. The Board may postpone, reschedule or cancel any special meeting of stockholders previously scheduled by the Board.

Section 1.4. Notice. Whenever stockholders of the Corporation are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and time of the meeting, the record date for determining the stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called and the means of remote communications, if any, by which stockholders and proxy holders may be deemed present in person and vote at such meeting. Unless otherwise required by law or the Certificate of Incorporation, written notice of

any meeting shall be given either personally, by mail or by electronic transmission (if permitted under the circumstances by the General Corporation Law of the State of Delaware, as amended (the "DGCL")) not less than ten nor more than 60 days before the date of the meeting, by or at the direction of the Board, to each stockholder entitled to vote at such meeting as of the record date for determining stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at the stockholder's address as it appears on the stock transfer books of the Corporation. If notice is given by means of electronic transmission, such notice shall be deemed to be given at the times provided in the DGCL. Any stockholder may waive notice of any meeting before or after the meeting. The attendance of a stockholder at any meeting shall constitute a waiver of notice at such meeting, except where the stockholder attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any annual or special meeting of stockholders need be specified in any waiver of notice unless so required by law.

Section 1.5. Adjournments. Any meeting of stockholders of the Corporation may be adjourned from time to time to reconvene at the same or some other place by holders of a majority of the voting power of the Corporation's capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, whether or not such majority constitutes a quorum, or, only if no quorum is present, by any officer entitled to preside at or to act as secretary of such meeting, and notice need not be given of any such adjourned meeting if the time and place thereof, and the means of remote communication, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, notice of the adjourned meeting in accordance with the requirements of Section 1.4 of these By-laws shall be given to each stockholder of record entitled to vote at the meeting. If, after the adjournment, a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 1.6. Quorum. Unless otherwise required by applicable law or the Certificate of Incorporation and subject to the rights of the holders of preferred stock with respect to quorum requirements at special meetings of holders of preferred stock, the holders of one-third of the voting power of the Corporation's capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders. Subject to the rights of the holders of preferred stock with respect to quorum requirements at special meetings of holders of preferred stock, where a separate vote by a class or classes or series is required, one-third of the voting power of the shares of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to such vote. If a quorum shall not be present or represented at any meeting of stockholders or class thereof, either (a) any officer entitled to preside at or to act as secretary of such meeting or (b) the stockholders entitled to vote thereat, present in person or

represented by proxy, shall have power to adjourn the meeting from time to time, in the manner provided in Section 1.5 of these By-laws, until a quorum shall be present or represented. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum.

Section 1.7. Voting. Except as otherwise provided in the Certificate of Incorporation and subject to the rights of the holders of preferred stock, the following provisions shall apply:

(a) Matters Other Than Election of Directors. Any matter brought before any meeting of stockholders of the Corporation, other than the election of directors, shall be decided by the affirmative vote of the holders of a majority of the voting power of the Corporation's capital stock present in person or represented by proxy at the meeting and entitled to vote on such matter, voting as a single class, unless the matter is one upon which, by express provision of law, the Certificate of Incorporation or these By-laws, a different vote is required, in which case such express provision shall govern and control the decision of such matter. Any matter brought before a class of stockholders of the Corporation, other than the election of directors, shall be decided by the affirmative vote of the holders of a majority of the voting power of such class of the Corporation's capital stock present in person or represented by proxy at the meeting and entitled to vote on such matter, unless the matter is one upon which, by express provision of law, the Certificate of Incorporation or these By-laws, a different vote is required, in which case such express provision shall govern and control the decision of such matter. Except as provided in the Certificate of Incorporation, every stockholder having the right to vote shall have one vote for each share of stock having voting power registered in such stockholder's name on the books of the Corporation. Such votes may be cast in person or by proxy as provided in Section 1.10 of these By-laws. The Board, in its discretion, or the officer of the Corporation presiding at a meeting of stockholders, in such officer's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

(b) Election of Directors. Directors shall be elected by the vote of the majority of the votes cast (meaning the number of shares voted "for" a nominee must exceed the number of shares voted "against" such nominee) with "abstentions" and "broker non-votes" not counted as a vote cast either "for" or "against" that nominee's election at any meeting for the election of directors at which a quorum is present; provided, however, that in a Contested Election of Directors (as defined below) at such a meeting, directors shall be elected by a plurality of the votes cast on the election of directors (instead of by votes cast "for" or "against" a nominee). The term "Contested Election of Directors" shall mean an annual or special meeting of the Corporation with respect to which (i) the secretary of the Corporation (the "Secretary") receives a notice that a stockholder has nominated or intends to nominate a person for election to the Board who is not an incumbent director in compliance with the requirements for stockholder nominees for director set forth in Section 1.17 of these By-laws and (ii) such nomination has not been withdrawn by such stockholder on or prior to the tenth day before the Corporation first mails its notice of meeting for such meeting to the stockholders. Stockholders shall be entitled to cast votes "against" nominees for director unless plurality voting applies in the election of directors.

Section 1.8. Voting of Stock of Certain Holders. Shares of stock of the Corporation standing in the name of another corporation or entity, domestic or foreign, and entitled to vote may be voted by such officer, agent or proxy as the by-laws or other internal regulations of such

corporation or entity may prescribe or, in the absence of such provision, as the board of directors or comparable body of such corporation or entity may determine. Shares of stock of the Corporation standing in the name of a deceased person, a minor, an incompetent or a debtor in a case under Title 11, United States Code, and entitled to vote may be voted by an administrator, executor, guardian, conservator, debtor-in-possession or trustee, as the case may be, either in person or by proxy, without transfer of such shares into the name of the official or other person so voting. A stockholder whose shares of stock of the Corporation are pledged shall be entitled to vote such shares, unless on the transfer records of the Corporation such stockholder has expressly empowered the pledgee to vote such shares, in which case only the pledgee, or the pledgee's proxy, may vote such shares.

Section 1.9. Treasury Stock. Shares of stock of the Corporation belonging to the Corporation, or to another corporation a majority of the shares entitled to vote in the election of directors of which are held by the Corporation, shall not be voted at any meeting of stockholders of the Corporation and shall not be counted in the total number of outstanding shares for the purpose of determining whether a quorum is present. Nothing in this Section 1.9 shall limit the right of the Corporation to vote shares of stock of the Corporation held by it in a fiduciary capacity.

Section 1.10. Proxies. Each stockholder entitled to vote at a meeting of stockholders of the Corporation may authorize another person or persons to act for such stockholder by proxy filed with the Secretary before or at the time of the meeting. No such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period.

Section 1.11. No Consent of Stockholders in Lieu of Meeting. Except as otherwise expressly provided by the terms of any series of preferred stock permitting the holders of such series of preferred stock to act by written consent, any action required or permitted to be taken by the stockholders of the Corporation must be effected at a duly called annual or special meeting of stockholders of the Corporation, and, as specified by the Certificate of Incorporation, the ability of the stockholders to consent in writing to the taking of any action is specifically denied.

Section 1.12. List of Stockholders Entitled to Vote. The officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make or have prepared and made, at least ten days before every meeting of stockholders of the Corporation, a complete list of the stockholders entitled to vote at the meeting, provided, however, that if the record date for determining the stockholders entitled to vote is less than ten days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten days prior to the meeting during ordinary business hours, at the principal place of business of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 1.13. Record Date. In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders of the Corporation or any adjournment thereof, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board, and which record date shall not be more than 60 nor less than ten days before the date of such meeting. If the Board so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting, but the Board may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this Section 1.13 at the adjourned meeting.

Section 1.14. Organization and Conduct of Meetings. The Chairperson of the Board shall act as chairperson of meetings of stockholders of the Corporation. The Board may designate any other director or officer of the Corporation to act as chairperson of any meeting in the absence of the Chairperson of the Board, and the Board may further provide for determining who shall act as chairperson of any meeting of stockholders in the absence of the Chairperson of the Board and such designee. Subject to the rights of the holders of preferred stock with respect to meetings thereof, the Board may adopt by resolution such rules and regulations for the conduct of any meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board, the chairperson of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess or adjourn the meeting to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board or prescribed by the chairperson of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairperson of the meeting shall determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (vi) limitations on the time allotted to questions or comments by participants. Except to the extent determined by the Board or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.15. Inspectors of Election. In advance of any meeting of stockholders of the Corporation, the Board, by resolution, shall appoint one or more inspectors to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate

inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by applicable law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by applicable law.

Section 1.16. Nature of Business at Meetings of Stockholders.

(a) General. No business may be transacted at an annual meeting of stockholders, other than business that is either (i) specified in the Corporation's proxy materials with respect to such meeting given by or at the direction of the Board (or any duly authorized committee thereof), (ii) otherwise properly brought before the annual meeting by or at the direction of the Board (or any duly authorized committee thereof) or (iii) otherwise properly brought before the annual meeting by any stockholder of the Corporation (A) who is a stockholder of record on the date of the giving of the notice provided for in this Section 1.16 and on the record date for the determination of stockholders entitled to notice of and to vote at such annual meeting, (B) who is entitled to vote at such annual meeting and (C) who complies with the notice procedures set forth in this Section 1.16. In addition to the other requirements set forth in this Section 1.16, a stockholder may not transact any business at an annual meeting unless (1) such stockholder and any beneficial owner on whose behalf such business is proposed (each, a "Proposing Party") acted in a manner consistent with the representation made in the Business Solicitation Representation (as defined below) and (2) such business is a proper matter for stockholder action under the DGCL. For the avoidance of doubt, except as provided by applicable law, the foregoing clause (iii) shall be the exclusive means for a stockholder to propose business at an annual meeting of stockholders.

(b) Timing of Notice. In addition to any other applicable requirements, for business to be properly brought before an annual meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the annual meeting is convened more than 30 days before or more than 60 days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so received no more than 120 days prior to such annual meeting nor less than the later of (i) 90 days prior to such annual meeting and (ii) ten days after the earlier of (A) the day on which notice of the date of the meeting was mailed or (B) the day on which public disclosure of the date of the meeting was made. In no event shall an adjournment of an annual meeting, or a postponement of an annual meeting for which notice has been given, or the public disclosure thereof, commence a new time period for the giving of a stockholder's notice as described above.

(c) Form of Notice. To be in proper written form, a stockholder's notice to the Secretary must set forth:

(i) as to each matter each Proposing Party proposes to bring before the annual meeting, a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting;

(ii) the name and address of each Proposing Party;

(iii)(A) the class or series and number of shares of capital stock of the Corporation that are owned, directly or indirectly, beneficially or of record by each Proposing Party or any Stockholder Associated Person (as defined below) and (B) any derivative positions held or beneficially held by each Proposing Party and Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including, without limitation, any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, any such Proposing Party or any Stockholder Associated Person with respect to shares of the Corporation (which information described in this clause (iii) shall be supplemented by such Proposing Party not later than ten days after the record date for the meeting to disclose such ownership as of the record date);

(iv) a description of all arrangements or understandings between each Proposing Party or any Stockholder Associated Person and any other person or persons (including their names) in connection with the proposal of such business by such Proposing Party and any material interest of each Proposing Party and any Stockholder Associated Person in such business;

(v) a representation that such Proposing Party intends to appear in person or by proxy at the annual meeting to bring such business before the meeting;

(vi) a Business Solicitation Representation (as defined below); and

(vii) any other information relating to each Proposing Party that would be required by applicable law to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies (the "Proxy Rules").

(d) Definitions. For purposes of these By-laws, (i) "Business Solicitation Representation" shall mean, with respect to any Proposing Party, a representation as to whether or not such Proposing Party or any Stockholder Associated Person will deliver a proxy statement and form of proxy to the holders of at least the percentage of the Corporation's voting shares required under applicable law to adopt such proposed business or otherwise to solicit proxies from stockholders in support of such proposal; (ii) "public disclosure" shall mean disclosure in a press release reported by a Canadian national news service or in a document publicly filed by the Corporation with the Canadian Securities Administrators; and (iii) "Stockholder Associated Person" shall mean, with respect to any Proposing Party or any Nominating Party (as defined below), (A) any person directly or indirectly controlling, controlled by, under common control with or acting in concert with such Proposing Party or (B) any member of such Proposing Party's immediate family sharing the same household.

(e) Improper Business. No business shall be conducted at the annual meeting of stockholders of the Corporation except business brought before the annual meeting in accordance with the procedures set forth in this Section 1.16. If the chairperson of an annual meeting

determines that business was not properly brought before the annual meeting in accordance with the foregoing procedures, the chairperson shall declare to the meeting that the business was not properly brought before the meeting, and such business shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.16, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to propose business, such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.16, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

Section 1.17. Nomination of Directors.

(a) General. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided in the Certificate of Incorporation, including with respect to the right of holders of preferred stock of the Corporation to nominate or appoint a specified number of directors in certain circumstances, and except as may otherwise be provided in the Proxy Rules. Nominations of persons for election to the Board may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (i) by or at the direction of the Board (or any duly authorized committee thereof) or (ii) by any stockholder of the Corporation (A) who is a stockholder of record on the date of the giving of the notice provided for in this Section 1.17 and on the record date for the determination of stockholders entitled to notice of and to vote at such meeting, (B) who is entitled to vote at such meeting and (C) who complies with the notice procedures set forth in this Section 1.17. In addition to the other requirements set forth herein, a stockholder may not present a nominee for election at an annual or special meeting unless such stockholder, and any beneficial owner on whose behalf such nomination is made, acted in a manner consistent with the representations made in the Nominee Solicitation Representation (as defined below).

(b) Timing of Notice. In addition to any other applicable requirements, for a nomination to be made by a stockholder of the Corporation, such stockholder must have given timely notice thereof in proper written form to the Secretary. To be timely, a stockholder's notice must be received by the Secretary at the principal executive offices of the Corporation (i) in the case of an annual meeting, not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the annual meeting is convened more than 30 days before or more than 60 days after such anniversary date, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so received no more than 120 days prior to such annual meeting nor less than the later of (A) 90 days prior to such annual meeting and (B) ten days after the earlier of (1) the day on which notice of the date of the meeting was mailed or (2) the day on which public disclosure of the date of the meeting was made; and (ii) in the case of a special meeting of stockholders called for the purpose of electing directors, no more than ten days after the earlier of (A) the day on which notice of the date of the special meeting was mailed or (B) the

day on which public disclosure of the date of the special meeting was made. In no event shall an adjournment of an annual or special meeting, or a postponement of such a meeting for which notice has been given, or the public disclosure thereof, commence a new time period for the giving of a stockholder's notice as described above. Notwithstanding the foregoing, in the event that the number of directors to be elected to the Board at the annual meeting is increased effective after the time period for which nominations would otherwise be due under this Section 1.17 and there is no public announcement by the Corporation naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.17 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(c) Form of Notice. To be in proper written form, a stockholder's notice to the Secretary must set forth:

(i) as to each person whom the stockholder proposes to nominate for election as a director:

(A) the name, age, business address and residence address of such person;

(B) the principal occupation or employment of such person;

(C) the class or series and number of shares of capital stock (if any) of the Corporation that are owned, directly or indirectly, beneficially or of record by such person; and

(D) any other information relating to such person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors required pursuant to the Proxy Rules; and

(ii) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf such nomination is made (each, a "Nominating Party"):

(A) the name and address of each Nominating Party;

(B)(1) the class or series and number of shares of capital stock of the Corporation that are owned, directly or indirectly, beneficially or of record by each Nominating Party or any Stockholder Associated Person and (2) any derivative positions held or beneficially held by each Nominating Party and Stockholder Associated Person and whether and the extent to which any hedging or other transaction or series of transactions has been entered into by or on behalf of, or any other agreement, arrangement or understanding (including, without limitation, any short position or any borrowing or lending of shares) has been made, the effect or intent of which is to mitigate loss to or manage risk or benefit of share price changes for, or to increase or decrease the voting power of, any such Nominating Party or any Stockholder Associated Person with respect to shares of the Corporation (which information described in this clause (ii)(B) shall be supplemented by such Nominating Party not later than ten days after the record date for the meeting to disclose such ownership as of the record date);

(C) a description of all arrangements or understandings between each Nominating Party or any Stockholder Associated Person and each proposed nominee or any other person or persons (including their names) pursuant to which the nomination(s) are to be made;

(D) a representation that such Nominating Party intends to appear in person or by proxy at the meeting to nominate the persons named in its notice;

(E) a representation (a "Nominee Solicitation Representation") as to whether or not such Nominating Party or any Stockholder Associated Person will deliver a proxy statement and form of proxy to a number of holders of the Corporation's voting shares reasonably believed by such Nominating Party to be sufficient to elect its nominee or nominees or otherwise to solicit proxies from stockholders in support of such nominations; and

(F) any other information relating to each Nominating Party that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Proxy Rules.

Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(d) Defective Nominations. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 1.17. If the chairperson of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairperson shall declare to the meeting that the nomination was defective, and such defective nomination shall be disregarded. Notwithstanding the foregoing provisions of this Section 1.17, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.17, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders, and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

Section 1.18 Preferred Stock. Nothing in these By-laws shall be deemed to affect any rights of the holders of any series of preferred stock if and to the extent provided for under law, the Certificate of Incorporation or these By-laws.

Section 1.19 Compliance with Laws. Notwithstanding the provisions of Section 1.16 and Section 1.17 above, a stockholder shall also comply with all requirements of applicable securities law with respect to the matters set forth in such sections. Nothing in such sections

shall be deemed to affect any rights of the holders of any series of preferred stock to elect directors under specified circumstances.

ARTICLE II

DIRECTORS

Section 2.1. Number. The number of directors that shall constitute the entire Board shall be seven, subject to the terms of the Certificate of Incorporation, including the rights of the holders of preferred stock with respect to the nomination and appointment of directors.

Section 2.2. Duties and Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by law or by the Certificate of Incorporation required to be exercised or done by the stockholders.

Section 2.4. Meetings; Notice. Meetings of the Board may be convened by any director and all directors must receive written notice of any meeting of the Board at least three days prior to such meeting, unless the notice requirement is waived by (i) by all directors in writing that did not receive such notice or (ii) attendance by those directors. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where the director attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board need be specified in any notice or waiver of notice of such meeting unless so required by law.

Section 2.5. Organization. At each meeting of the Board, the Chairperson of the Board, or, in the Chairperson's absence, a director chosen by a majority of the directors present, shall act as chairperson. The Secretary shall act as secretary at each meeting of the Board. In case the Secretary shall be absent from any meeting of the Board, an assistant secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all assistant secretaries, the chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 2.6. Resignations and Removals of Directors. Any director of the Corporation may resign at any time, by giving notice in writing or by electronic transmission to the Chairperson of the Board, the Chief Executive Officer or the president (in the absence of a Chief Executive Officer) or the Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the occurrence of some other event, and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Subject to the rights of holders of any series of preferred stock with respect to directors, a director may be removed from office by the stockholders of the Corporation.

Section 2.7. Quorum. Subject to the terms of the Certificate of Incorporation and the rights of the holders of preferred stock with respect to quorum requirements, at all meetings of the Board, the presence, in person or by proxy, of a majority of directors then in office shall constitute a quorum for the transaction of business. Subject to the terms of the Certificate of

Incorporation and the rights of the holders of preferred stock, the act of a majority of the directors present at any meeting at which there is a quorum as provided in the immediately proceeding sentence shall be the act of the Board. Subject to the terms of the Certificate of Incorporation and the rights of the holders of preferred stock with respect to quorum requirements, if a quorum shall not be present at any meeting of the Board, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present, in accordance with this Section 2.7.

Section 2.8. Actions of the Board by Written Consent. Any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all the members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission are filed with the minutes of proceedings of the Board or committee.

Section 2.9. Telephonic Meetings. Subject to the requirements of the DGCL, these By-laws or the Certificate of Incorporation for notice of meetings, members of the Board, or any committee thereof, may participate in a meeting of the Board or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 2.9 shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 2.10. Committees. Subject to the rights of the holders of preferred stock with respect to committees, the Board may designate one or more committees, each committee to consist of two or more of the directors of the Corporation and, to the extent permitted by law, to have and exercise such authority as may be provided for in the resolutions creating such committee, as such resolutions may be amended from time to time. Subject to the rights of the holders of preferred stock with respect to committees, the Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. Subject to the rights of the holders of preferred stock with respect to committees, in the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of an alternate member to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any absent or disqualified member. Each committee shall keep regular minutes and report to the Board when required. A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. Subject to the rights of the holders of preferred stock with respect to committees, the Board shall have the power at any time to fill vacancies in, to change the membership of or to dissolve any such committee.

Section 2.11. Compensation. The Board shall have the authority to fix the compensation of directors. The directors shall be paid their reasonable expenses, if any, of attendance at each meeting of the Board or any committee thereof and may be paid a fixed sum for attendance at each such meeting and an annual retainer or salary for service as director or committee member, payable in cash or securities. No such payment shall preclude any director

from serving the Corporation in any other capacity and receiving compensation therefor. Directors who are full-time employees of the Corporation shall not receive any compensation for their service as director.

Section 2.12. Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of the Corporation's directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board or committee thereof that authorizes the contract or transaction, or solely because any such director's or officer's vote is counted for such purpose if: (i) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee and the Board or committee in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; (ii) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board, a committee thereof or the stockholders. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee that authorizes the contract or transaction.

ARTICLE III

OFFICERS

Section 3.1. General. Subject to the rights of the holders of preferred stock, the officers of the Corporation shall be chosen by the Board and shall be a Chief Executive Officer, a Chief Financial Officer, a Secretary and a Treasurer. The Board, in its discretion, may also choose a Chairperson of the Board (who must be a director), a Vice Chairperson of the Board (who must be a director), a President and one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Secretaries, Assistant Treasurers and such other officers as the Board from time to time may deem appropriate. Any two or more offices may be held by the same person. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairperson of the Board or the Vice Chairperson of the Board, need such officers be directors of the Corporation.

Section 3.2. Election; Term. Subject to the rights of the holders of preferred stock, the Board, at its first meeting held after each annual meeting of stockholders of the Corporation, as necessary, shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board, and each officer of the Corporation shall hold office until such officer's successor is elected and qualified, or until such officer's earlier death, resignation or removal. Subject to the rights of the holders of preferred stock, any officer may be removed at any time, with or without cause, by the Board. Any officer may resign upon notice given in writing or electronic transmission to the Chief Executive Officer or the Secretary; provided, however, that any officer at the level of Executive Vice President or above shall give such notice to the Chief Executive

Officer and the chairperson of the compensation committee established in accordance with the Certificate of Incorporation (the "Compensation Committee"); provided, further, that the Chief Executive Officer shall give such notice to the chairperson of the Compensation Committee. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the occurrence of some other event. Subject to the rights of the holders of preferred stock, any vacancy occurring in any office of the Corporation shall be filled in the manner prescribed in this Article III for the regular election to such office.

Section 3.3. Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the Chief Executive Officer or any other officer authorized to do so by the Board, and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board may, by resolution, from time to time confer like powers upon any other person or persons.

Section 3.4. Chairperson of the Board of Directors. Unless otherwise determined by the Board, the Chairperson of the Board shall be the Chief Executive Officer. The Chairperson of the Board, if there be one, shall preside at all meetings of stockholders and of the Board. The Chairperson of the Board shall perform such other duties and may exercise such other powers as may from time to time be assigned by these By-laws or by the Board.

Section 3.5. Chief Executive Officer. The Chief Executive Officer shall, subject to the control of the Board, have general supervision over the business of the Corporation and shall direct the affairs and policies of the Corporation. The Chief Executive Officer shall also perform such other duties and may exercise such other powers as may from time to time be assigned to such officer by these By-laws or by the Board.

Section 3.6. Vice Chairperson, President, Executive Vice Presidents, Senior Vice Presidents and Vice Presidents. The Vice Chairperson (if any), President (if any), Executive Vice Presidents (if any), Senior Vice Presidents (if any) and such other Vice Presidents as shall have been chosen by the Board shall have such powers and shall perform such duties as shall be assigned to them by the Board.

Section 3.7. Secretary. The Secretary shall give the requisite notice of meetings of stockholders and directors and shall record the proceedings of such meetings, shall have custody of the seal of the Corporation and shall affix it or cause it to be affixed to such instruments as require the seal and attest it and, besides the Secretary's powers and duties prescribed by law, shall have such other powers and perform such other duties as shall at any time be assigned to such officer by the Board.

Section 3.8. Treasurer. The Treasurer shall have charge of the funds and securities of the Corporation and shall have such other powers and perform such other duties as shall at any time be assigned to such officer by the Board.

Section 3.9. Assistant Secretaries. Assistant Secretaries, if there be any, shall assist the Secretary in the discharge of the Secretary's duties, shall have such powers and perform such other duties as shall at any time be assigned to them by the Board and, in the absence or disability of the Secretary, shall perform the duties of the Secretary's office, subject to the control of the Board.

Section 3.10. Assistant Treasurers. Assistant Treasurers, if there be any, shall assist the Treasurer in the discharge of the Treasurer's duties, shall have such powers and perform such other duties as shall at any time be assigned to them by the Board and, in the absence or disability of the Treasurer, shall perform the duties of the Treasurer's office, subject to the control of the Board.

Section 3.11. Other Officers. Such other officers as the Board may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board. The Board may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

ARTICLE IV

STOCK

Section 4.1. Uncertificated Shares. Subject to the rights of the holders of preferred stock with respect to certificated shares, unless otherwise provided by resolution of the Board, each class or series of shares of the Corporation's capital stock shall be issued in uncertificated form pursuant to the customary arrangements for issuing shares in such form. Shares shall be transferable only on the books of the Corporation by the holder thereof in person or by attorney upon presentment of proper evidence of succession, assignation or authority to transfer in accordance with the customary procedures for transferring shares in uncertificated form.

Section 4.2. Record Date. In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be the close of business on the day on which the Board adopts the resolution relating thereto.

Section 4.3. Record Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 4.4. Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board.

ARTICLE V

MISCELLANEOUS

Section 5.1. Contracts. The Board may authorize any officer or officers or any agent or agents to enter into any contract or execute and deliver any instrument or other document in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 5.2. Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board may from time to time designate.

Section 5.3. Fiscal Year. The fiscal year of the Corporation shall end on the 30th day of September in each year or on such other day as may be fixed from time to time by resolution of the Board.

Section 5.4. Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

Section 5.5. Offices. The Corporation shall maintain a registered office inside the State of Delaware and may also have other offices outside or inside the State of Delaware. The books of the Corporation may be kept (subject to any applicable law) outside the State of Delaware at the principal executive offices of the Corporation or at such other place or places as may be designated from time to time by the Board.

ARTICLE VI

AMENDMENTS

Unless otherwise required by the Certificate of Incorporation and subject to the rights of the holders of preferred stock, these By-laws may be adopted, amended, altered or repealed by the Board or by the stockholders of the Corporation by the affirmative vote of the holders of at least a majority of the voting power of all then outstanding shares of Capital Stock (calculated on a Fully Diluted Basis) entitled to vote generally in the election of directors, voting together as a single class.

* * *

Adopted as of: [●], 2013

SCHEDULE "J"
STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides information regarding all significant elements of compensation awarded to, earned by, paid to, and payable to, as applicable, FSNA's management, and more specifically, to Thomas P. McDonnell, III, Sanford Miller, Marion Gray, Robert M. Barton, Ashley Chambliss and O. Kendall Moore (collectively, the "**Named Executive Officers**" and each of them a "**Named Executive Officer**"), being the executive officers of FSNA for which disclosure is required under Form 51-102F6 – *Statement of Executive Compensation (in respect of financial years ending on or after December 31, 2008)* for FSNA's financial year ended September 30, 2012.

The entire FSNA Board is responsible for reviewing FSNA's overall compensation strategy, including the compensation of directors, and the Compensation Committee is responsible for reviewing and recommending for approval to the FSNA Board, the salaries and compensation of each of FSNA's executive officers and employees, including the Chief Executive Officer and other Named Executive Officers. FSNA's compensation program is aimed at supporting both current and longer term goals of FSNA. Management believes that FSNA's approach to compensation has allowed FSNA to attract and retain qualified personnel.

FSNA's compensation framework is based on the overarching principle that compensation should be aligned with the interests of FSNA's shareholders, while recognizing that overall corporate performance is dependent on acquiring and retaining skilled, experienced and dedicated executive officers and employees that possess the requisite skills, education and experience necessary to effect FSNA's business strategy. Indeed, FSNA's compensation strategy is designed with these overall objectives in mind, adopting a compensation framework that is designed to attract and retain qualified executives and employees, motivate team performance and align the interests of the FSNA's executive officers and other employees with those of its shareholders. FSNA's compensation strategy also builds in a measure of flexibility to allow its framework to adapt to unexpected developments in the industry and general market trends.

FSNA seeks to achieve the objectives of its compensation strategy through annual base salary, option grants and employment agreements containing, among other things, termination and change of control provisions. In determining compensation, the FSNA Board considers a number of factors, including, but not limited to, publicly available information of comparable companies and individual and corporate performance. With respect to individual performance, certain factors, such as experience, level of responsibility and salaries of other comparable companies, are considered.

Annual Base Salary

Annual base salary is intended to provide a competitive fixed level of pay to compensate executives and other employees for the time, effort, responsibility and contribution executives and other employees have made to FSNA. Annual base salary provides a basis for determining the degree to which the other elements of compensation comprise an individual's total compensation.

Annual base salary of executive officers is reviewed annually by the FSNA Board to ensure that it properly reflects a balance of market conditions and each individual's level of responsibility, accountability, experience, performance, skill and capability, with an overall consideration of the financial resources available to FSNA and the competitiveness of FSNA's annual base salary in relation to comparable companies.

FSNA Option Grants

An important part of FSNA's compensation program is to afford an opportunity and incentive for executives and other employees to own FSNA Shares, which is achieved through the granting of FSNA Options pursuant to the FSNA Option Plan (as defined herein). As with many TSXV listed companies, FSNA Options comprise an important aspect of total compensation received by FSNA's executive officers because of their ability to help offset lower base salaries relative to larger companies. FSNA Options are intended to align the interests of executives and employees with FSNA's shareholders by attempting to establish a connection between compensation and shareholder return, with participation in the FSNA Option Plan rewarding overall corporate performance, as determined by the trading price of FSNA Shares on the TSXV. Further, the FSNA Option Plan is used as a mechanism to promote retention of executive officers by enabling executive officers to develop and maintain ownership in FSNA.

Following review of data and discussion by management of FSNA, recommendations to grant FSNA Options under the FSNA Option Plan are made by management of FSNA to the FSNA Board for their consideration and approval. FSNA Options are not granted on a regular schedule, but rather, are discussed and granted as and when the FSNA Board and Compensation Committee consider appropriate. When reviewing grants of FSNA Options, consideration is given to the total compensation package of plan participants, including prior grants of FSNA Options and the value of existing FSNA Options held by a proposed grantee. Individual and relative contribution to the growth and success of FSNA during the preceding year is also a consideration when FSNA Options are granted. At the time of any FSNA Option grant, the number of FSNA Options remaining available for issuance under the FSNA Option Plan is always considered. The Compensation Committee may recommend amendments to the FSNA Option Plan to the FSNA Board from time to time.

Employment Agreements

FSNA has implemented employment agreements with Thomas P. McDonnell, III, Sanford Miller, Robert M. Barton, and O. Kendall Moore that include payments for termination of employment and on a change of control. See "*Termination and Change of Control Benefits*" below for a description of such agreements. The FSNA Board believes that these agreements and the termination and change of control benefits conferred thereby are an important aspect of FSNA's overall compensation scheme, as the FSNA Board is of the view that such agreements facilitate key executive retention.

Perquisites and Personal Benefits

FSNA provides a limited number of perquisites and other personal benefits to its Named Executive Officers; however, except for Sanford Miller and Robert M. Barton, the aggregate value of all such perquisites and other personal benefits received by any Named Executive Officer has never exceeded $50,000 in any financial year, nor have such perquisites and other personal benefits ever been worth 10% or more of a Named Executive Officer's total salary in any financial year, except for Sanford Miller and Robert M. Barton.

Option-Based Awards

For a discussion regarding the process FSNA uses to grant option-based awards to its executive officers and other employees, see the section entitled "*Compensation Discussion and Analysis*" above.

Summary Compensation Table

The following table sets forth information concerning compensation paid by FSNA to the Named Executive Officers over the periods indicated:

Name and principal position	Year	Salary (US$)	Share-based award (US$)	Option-based awards (US$)[1][2]	Non-equity incentive plan compensation (US$)		Pension value (US$)	All other compensation (US$)[3][4]	Total compensation (US$)
					Annual incentive plans	Long-term incentive plans			
Thomas P. McDonnell, III, *Chairman and Chief Executive Officer*	2012 2011 2010	154,500 154,500 154,500	Nil Nil Nil	2,543 5,785 5,785	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	515 507 507	157,558 160,792 160,792
Sanford Miller, [5] *Former Co-Chairman and former Co-Chief Executive Officer*	2012 2011 2010	154,500 154,500 165,875[6]	Nil Nil Nil	2,543 5,785 5,785	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	223,633[7][5] 230,847[7] 182,847[7]	380,676 391,132 354,507
M. Ashley Chambliss, *Interim Chief Financial Officer*[8]	2012	46,830[5]	Nil	371	Nil	Nil	Nil	2,551	49,752
Marion H. Gray Jr., *Former Chief Financial Officer* [9]	2012 2011 2010	37,500 90,000 115,000	Nil Nil Nil	1,525 5,785 5,785	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	28,000[10] Nil 2,796	67,025 95,785 123,581
Robert M. Barton, *President and Chief Operating Officer*	2012 2011 2010	182,050 182,050 182,050	Nil Nil Nil	2,543 5,785 5,785	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	24,455[11] 24,447[11] 24,447[11]	209,048 212,282 212,282
O. Kendall Moore, *General Counsel*	2012 2011 2010	127,308 127,308 127,308	Nil Nil Nil	1,272 2,893 2,893	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	472 465 465	129,052 130,666 130,666

Notes:

(1) Reflects FSNA Options granted pursuant to the FSNA Option Plan based on the grant date fair value of the applicable option grants. Fair value is determined using the Black-Scholes-Merton option pricing model and the assumptions of dividend yield = 0%, average expected volatility = 429% in 2012, risk free rate of return = 3.65% and expected option life = ten years, which reflects the same methodology and assumptions used in calculating stock-based compensation in FSNA's financial statements. FSNA uses the Black-Scholes-Merton valuation model because it is the most widely used valuation method for this type of compensation, and should thus be the most comparable and most understood model.

(2) For a description of the FSNA Options pertaining to these values refer to "*Incentive Plan Awards*" below.

(3) The aggregate of all perquisites and other personal benefits received by a Named Executive Officer do not exceed, in any financial year, $50,000, nor are they worth 10% or more of a Named Executive Officer's total salary in any financial year, except, in each case, for Mr. Miller and Mr. Barton.

(4) See "*Termination and Change of Control Benefits*" for a description of employment agreements pertaining to the Named Executive Officers.

(5) See the section entitled "*Termination and Change of Control Benefits – Executive Employment Agreements – Sanford Miller*" below for information relating to Mr. Miller's removal as Co-Chief Executive Officer.

(6) Includes US$11,375 of deferred compensation in 2010.

(7) Includes costs related to a vehicle lease between U-Save America and RAC Enterprises for two vehicles used by Mr. Miller and a monthly reimbursement of administrative expenses incurred by Mr. Miller in discharging his executive duties.

(8) Ms. Chambliss was appointed Interim Chief Financial Officer on March 1, 2012.

(9) Mr. Gray resigned from the position of Chief Financial Officer on February 29, 2012 but continues to be available to FSNA as a consultant.

(10) Represents consulting fees of US$28,000 paid to Mr. Gray subsequent to his resignation as Chief Financial Officer.

(11) Includes costs related to a vehicle lease between U-Save America and RAC Enterprises for a vehicle used by Mr. Barton and a monthly vehicle allowance of US$500 to Mr. Barton from U-Save America.

Incentive Plan Awards

Outstanding FSNA Option-Based Awards

The following table sets forth all FSNA option-based awards outstanding as at the year-ended September 30, 2012 for each Named Executive Officer:

	FSNA Option-based Awards				Share-based Awards		
Name	**Number of securities underlying unexercised FSNA Options (1)(2)(3)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options (4) ($)**	**Number of shares or units of shares that have not vested**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of share-based awards that have vested ($)**
Thomas P. McDonnell, III, *Chairman and Chief Executive Officer*	963,000 129,149 200,000	0.1016 0.50 0.14	11/30/2016 11/30/2016 6/23/2019	494,424	Nil	Nil	Nil
Sanford Miller, *Former Co-Chairman and former Co-Chief Executive Officer*(7)	963,000 129,149 200,000	0.1016 0.50 0.14	11/30/2016 11/30/2016 6/23/2019	494,424	Nil	Nil	Nil
M. Ashley Chambliss, *Interim Chief Financial Officer*(5)	231,524 31,050 50,000	0.1016 0.50 0.14	11/30/2016 11/30/2016 6/23/2019	119,616	Nil	Nil	Nil
Marion H. Gray, Jr., *Former Chief Financial Officer* (6)	200,000	0.14	6/23/2019	78,000	Nil	Nil	Nil
Robert M. Barton, *President and Chief Operating Officer*	963,000 129,149 200,000	0.1016 0.50 0.14	11/30/2016 11/30/2016 6/23/2019	494,424	Nil	Nil	Nil
O. Kendall Moore, *Vice President, General Counsel and Secretary*	1,753,334 235,141 100,000	0.1016 0.50 0.14	11/30/2016 11/30/2016 6/23/2019	797,183	Nil	Nil	Nil

Notes:

(1) On June 23, 2009, FSNA issued 1,300,000 FSNA Options to the directors and officers of FSNA at an exercise price of $0.14 and are exercisable for a period of ten years. These FSNA Options vest at 25% over a four year period. No FSNA Options were issued during 2010, 2011 and 2012.

(2) These represent options to acquire FSNA Shares granted pursuant to the FSNA Option Plan.

(3) This includes both vested and unvested FSNA Options.

(4) Calculated based on the positive difference, if any, between the closing price of the FSNA Shares on the TSXV as at December 31, 2012, being $0.53 per FSNA Share, and the exercise price of the FSNA Options, multiplied by the number of unexercised FSNA Options (including unvested FSNA Options).

(5) Ms. Chambliss was appointed Interim Chief Financial Officer on March 1, 2012.

(6) Mr. Gray resigned from the position of Chief Financial Officer on February 29, 2012.

(7) See the section entitled "*Termination and Change of Control Benefits – Executive Employment Agreements – Sanford Miller*" below for information relating to Mr. Miller's removal as Co-Chief Executive Officer.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of incentive plan awards, vested or earned, by Named Executive Officers during the year-ended September 30, 2012:

Name	Option-based awards – Value vested during the year [(1)] ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Thomas P. McDonnell, III, *Chairman and Chief Executive Officer*	2,543	Nil	Nil
Sanford Miller, *Former Co-Chairman and former Co-Chief Executive Officer*[(2)]	2,543	Nil	Nil
M. Ashley Chambliss, *Interim Chief Executive Officer*[(3)]	371	Nil	Nil
Marion H. Gray, Jr., *Former Chief Financial Officer*[(4)]	1,525	Nil	Nil
Robert M. Barton, *President and Chief Operating Officer*	2,543	Nil	Nil
O. Kendall Moore, *Vice President, General Counsel and Secretary*	1,272	Nil	Nil

Note:

(1) Reflects FSNA Options granted pursuant to the FSNA Option Plan based on the grant date fair value of the applicable option grants. Fair value is determined using the Black-Scholes-Merton option pricing model and the assumptions of dividend yield = 0%, average expected volatility = 429% in 2012, risk free rate of return = 3.65% and expected option life = ten years, which reflects the same methodology and assumptions used in calculating stock-based compensation in FSNA's financial statements. FSNA uses the Black-Scholes-Merton valuation model because it is the most widely used valuation method for this type of compensation, and should thus be the most comparable and most understood model.

(2) See the section entitled "*Termination and Change of Control Benefits – Executive Employment Agreements – Sanford Miller*" below for information relating to Mr. Miller's removal as Co-Chief Executive Officer.

(3) Ms. Chambliss was appointed Interim Chief Financial Officer on March 1, 2012.

(4) Mr. Gray resigned from the position of Chief Financial Officer on February 29, 2012.

Pension Plan Benefits

FSNA does not have a pension plan or similar benefit programs.

Termination and Change of Control Benefits

Executive Employment Agreements

As of the year-ended September 30, 2012, neither FSNA nor any of its subsidiaries was a party to employment agreements with any of its Named Executive Officers other than as set forth below.

U-Save America, a subsidiary of FSNA, has the following employment agreements with FSNA's Named Executive Officers.

Thomas P. McDonnell, III

U-Save America has entered into an employment agreement with Thomas P. McDonnell, III dated October 1, 2005 for a term of three years. The term automatically renews for additional three year terms unless 60 days advance written notice is provided by either party. No such termination notice has been delivered and as such, the agreement remains in full force and effect. The agreement provides for (i) a minimum base annual salary of US$150,000 which may be increased by the board of directors of U-Save America at any time, (ii) eligibility for any bonus associated with similarly situated officers, (iii) entitlement to receive health insurance benefits, (iv) reimbursement for expenses, (v) other benefit plans that may be available to all other executive employees of U-Save America, and (vi) an automobile or automobile allowance.

In the event of termination because of his death, Mr. McDonnell's estate is entitled to payment of the remainder of his base annual salary for the remainder of the three-year term, and any other benefits under insurance programs and other employee plans in accordance with the terms of such arrangements. In the event of termination by reason of disability, Mr. McDonnell is entitled to payment of 50% of his base annual salary for the remainder of the three-year term, and any other benefits under insurance programs and other employee plans in accordance with the terms of such arrangements.

If Mr. McDonnell is terminated without cause, he is entitled to (i) payment of the remainder of his base annual salary for the remainder of the three-year term, (ii) a lump sum cash amount representing all compensation and benefits earned by him and unpaid as of the date of termination, (iii) continued participation in all medical dental and prescription drug insurance plans, programs or arrangements that he participated in prior to termination until the earlier of the expiry of the three-year term or expiration of U-Save America's obligations to continue such coverage under applicable law, (iv) US$300 per month which is intended to allow continued participation in all life insurance programs, accident and disability plans, programs or arrangements to which he was entitled to participate prior to the date of termination until the expiry of the three-year term, and (v) his U-Save America owned automobile, an automobile of equivalent value, or a lump sum car allowance of US$20,000, and a lump sum payment equal to any income tax attributable to such items.

In the event of a Change in Control (as defined below) of U-Save America, Mr. McDonnell is entitled to three times his base annual salary at the highest rate earned by him during the three years preceding the Change in Control, as well as three times the last annual bonus paid to him before the Change in Control. In addition to foregoing, in the event Mr. McDonnell is terminated following a Change in Control, Mr. McDonnell is entitled to (i) along with Mr. McDonnell's spouse and dependents, medical, dental and prescription drug insurance coverage comparable to the coverage Mr. McDonnell was receiving immediately prior to the Change in Control, (ii) US$300 per month which is intended to allow Mr. McDonnell to continue to participate in all life insurance, accident and disability plans, programs or arrangements that he was entitled to prior to the date of termination,

and (iii) his U-Save America owned automobile, an automobile of equivalent value, or a lump sum car allowance of US$20,000, and a lump sum payment equal to any income tax attributable to such items.

A Change in Control shall not occur by reason of any transaction in which the executive (in this case, Mr. McDonnell), or a group of individuals or entities including the executive, participates as an Acquiring Person, or owns, directly or indirectly, a majority of a corporation described in this paragraph. For purposes of the employment agreement with Mr. McDonnell, "Change of Control" shall mean:

(a) any "person" (as such term is used in Sections 13(d) and 14(d) of the U.S. Exchange Act (an "**Acquiring Person**") becomes the "beneficial owner" (as such term is defined in Rule 13d-3 promulgated under the U.S. Exchange Act, a "**Beneficial Owner**"), directly or indirectly, of securities of FSNA representing 50% or more of the combined voting power of FSNA's then outstanding securities;

(b) FSNA's stockholders approve an agreement to merge or consolidate FSNA with another corporation (other than a corporation 50% or more of which is controlled by, or is under common control with, FSNA) in which FSNA is not the surviving entity.

(c) FSNA sells 80% or more of its assets to an Acquiring Person; or

(d) the persons who were members of the board of directors of FSNA immediately prior to a tender offer, exchange offer, contested election, or any combination of the foregoing, cease to constitute a majority of the board of directors of that entity.

Sanford Miller

U-Save America entered into an employment agreement with Sanford Miller dated December 5, 2003 in connection with his position as Co-Chief Executive Officer and Co-Chairman for an indefinite term. Mr. Miller's employment agreement provides for the payment of bonuses to be determined by the board of directors of U-Save America; medical insurance; reimbursement for travel expenses; the use of a motor vehicle to be determined by Mr. Miller; and the severance arrangements described below. Mr. Miller's employment agreement was amended on January 28, 2010 (a) to provide for a base annual salary of a minimum of US$153,000; and (b) by increasing his minimum monthly administrative overhead allowance to US$17,000 per month.

In the event Mr. Miller was terminated without cause, or there was a Change in Control of U-Save America and Mr. Miller voluntarily terminated his employment for good cause within one year of the event giving rise to the good cause, or his employment terminated due to death or disability during this one-year period, Mr. Miller would be entitled to the following compensation: (i) three times the sum of Mr. Miller's highest base annual salary since December 1, 2003 plus the greater of the annual average of incentive payments and bonuses paid to Mr. Miller during the three years preceding the date of termination and his annual target bonus or incentive opportunity established for the year the termination occurs, (ii) his base annual salary and a pro rata portion of his target bonus to the date of termination, (iii) unused vacation and holiday pay, (iv) continued participation in medical, dental, life and disability insurance benefit programs for a period of 36 months after termination and certain coverage after that 36 month period, (v) where applicable law or an insurance carrier prevents Mr. Miller from continued participation in the benefits described above, cash payments equal to 102% of the premium for such program for a period of 36 months, (vi) contributions under pension and savings plans if required, (vii) the use of two current model year luxury vehicles for a maximum of 36 months after termination along with insurance coverage, and (viii) professional outplacement

services. Mr. Miller's employment agreement also provided that in the event of his death, any cash payments related to the compensation described above will be made to his beneficiaries, if named, or his spouse or estate if no such beneficiary is designated.

For the purposes of the employment agreement with Sanford Miller, a "Change in Control" means:

(a) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the U.S. Exchange Act of beneficial ownership (within the meaning of the Rule 13d-3 promulgated under the U.S. Exchange Act) of 30% or more of either (1) the then outstanding shares of common stock of U-Save America (the "**Outstanding U-Save America Common Stock**") or (2) the combined voting power of the then outstanding voting securities of U-Save America entitled to vote generally in the election of directors (the "**Outstanding U-Save America Voting Securities**"); provided, however that the following acquisitions shall not constitute a Change in Control: (w) any acquisition directly from U-Save America or a corporation controlled by U-Save America (the "**U-Save America Group**"), except that an acquisition by virtue of the exercise of a conversion privilege shall not be considered to be a Change in Control within this paragraph unless the converted security was itself acquired directly from the U-Save America Group, (x) any acquisition by the U-Save America Group, (y) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the U-Save America Group or (z) any acquisition by any corporation pursuant to a reorganization, merger or consolidation, if, following such reorganization, merger or consolidation, the conditions described in paragraphs (1) and (2) of sub-paragraph (c) of this paragraph are satisfied; or

(b) individuals who, as of the date thereof, constitute the board of directors of U-Save America (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the board; provided, however, that any individual who becomes a director subsequent to the date of the employment agreement whose election, or nomination for election by U-Save America's shareholders, was approved by a vote of at least a majority of the directors of the Incumbent Board (including board members previously elected pursuant to this provision) shall be considered as though such individual were a member of the Incumbent Board; but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of either an actual or threatened election contest (as such terms are used in Rule 14a-11 of Regulation 14A promulgated under the U.S. Exchange Act) or other actual or threatened solicitation of proxies or consent by or on behalf of a Person other than the board; or

(c) approval by the shareholders of U-Save America of a reorganization, merger or consolidation (a "**Change of Control Transaction**"), unless, following such transaction in each case, (1) more than 80% of, respectively, the then outstanding FSNA Shares resulting from such transaction and the combined voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors is then beneficially owned, directly or indirectly, by all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding U-Save America Common Stock and Outstanding U-Save America Voting Securities immediately prior to such transaction and (2) no Person (excluding the U-Save America Group, any employee benefit plan (or related trust) of the U-Save America Group and any Person beneficially owning, immediately prior to such transaction, directly or indirectly, 20% or more of the Outstanding U-Save America Common Stock or Outstanding U-Save America Voting Securities, as the case may be) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of the common stock of FSNA resulting from such transaction or the combining voting power of the then outstanding voting securities of such corporation entitled to vote generally in the election of directors; or

(d) approval by the shareholders of U-Save America of (1) a complete liquidation or dissolution of U-Save America or (2) the sale or other disposition of all or substantially all of the assets of U-Save America, unless such assets are sold to a corporation and following such sale or other disposition, the conditions described in paragraphs (1) and (2) of sub-paragraph (c) hereto are satisfied.

Notwithstanding the above, Mr. Miller has executed and delivered to FSNA, U-Save America and Boketo an employment agreement waiver dated July 13, 2012 whereby Mr. Miller acknowledged and agreed that none of the transactions contemplated by the Merger Agreement constituted a "Change in Control" or "Change of Control" within the meaning of his employment agreement and whereby Mr. Miller voluntarily waived his rights, if any, under such employment agreement with respect to any such transactions contemplated by the Merger Agreement.

On December 6, 2012, the FSNA Board decided to streamline FSNA's executive management (as disclosed in FSNA's news release dated December 7, 2012 and its material change report dated December 13, 2012) and resolved to remove Sanford Miller from all of his executive positions with FSNA and its subsidiaries. On December 10, 2012, Mr. Miller resigned from the FSNA Board. As a result, Thomas P. McDonnell, III is the sole Chief Executive Officer and Chairman of FSNA. On February 28, 2013, the FSNA Board determined that "Cause", as that term is defined in Mr. Miller's employment agreement, existed as of the date of his removal from all his executive positions.

Robert M. Barton

U-Save America has entered into an employment agreement with Robert M. Barton dated October 1, 2005 in connection with his position as Executive Vice President and Chief Operating Officer for a term of three years. The term automatically renews for three additional years unless 60 days advance written notice is provided by either party. No such termination notice has been delivered and as such, the agreement remains in full force and effect. The agreement provides for (i) a minimum base annual salary of US$175,000 which may be increased by the board of directors of U-Save America at any time, (ii) eligibility for any bonus associated with similarly situated officers, (iii) entitlement to receive health insurance benefits, (iv) reimbursement for expenses, (v) other benefit plans that may be available to all other executive employees of U-Save America, and (vi) an automobile allowance. Mr. Barton's employment agreement also contains termination and change in control provisions identical to those contained in Mr. McDonnell's employment agreement discussed above.

O. Kendall Moore

U-Save America has entered into an employment agreement with O. Kendall Moore dated October 1, 2005 in connection with his position as Vice President, General Counsel and Secretary for a term of three years. The term automatically renews for three additional years unless 60 days advance written notice is provided by either party. No such termination notice has been delivered and as such, the agreement remains in full force and effect. The agreement provides for (i) a minimum base annual salary of US$120,000 which may be increased by the board of directors of U-Save America at any time, (ii) eligibility for any bonus associated with similarly situated officers, (iii) entitlement to receive health insurance benefits, (iv) reimbursement for expenses, (v) other benefit plans that may be available to all other executive employees of U-Save America, and (vi) an automobile or automobile allowance. Mr. Moore's employment agreement also contains termination and change in control provisions identical to those contained in Mr. McDonnell's employment agreement discussed above.

FSNA Option Plan

FSNA's amended and restated stock option plan (the "**FSNA Option Plan**") provides for the granting of options to purchase FSNA Shares by the FSNA Board to directors, officers and employees of FSNA or subsidiaries of FSNA and persons or corporations who provide services to FSNA or its subsidiaries on an on-going basis, or have provided or are expected to provide a service or services of considerable value to FSNA or its subsidiaries. The FSNA Option Plan provides that the number of FSNA Shares that may be reserved for issuance upon the exercise of FSNA Options granted cannot at any time exceed 20% of the aggregate number of FSNA Shares as at the date the plan was approved by shareholders.

In the event that an Unsolicited Offer (as such term is defined in the FSNA Option Plan) for the FSNA Shares is made, all unexercised and unvested outstanding FSNA Options granted under the FSNA Option Plan shall vest and become immediately exercisable in respect of any and all FSNA Shares for which the holder of such FSNA Options has not exercised.

Director Compensation

During the fiscal year ended September 30, 2009, FSNA adopted a cash compensation plan for members of the FSNA Board who are not executive officers of FSNA. These directors are paid a quarterly retainer of US$2,500 plus US$1,000 for each in-person board or committee meeting attended and US$750 for each telephonic meeting. FSNA also grants to directors, from time to time, FSNA Options in accordance with the FSNA Option Plan, and reimburses directors for reasonable expenses incurred while acting in such capacity. The FSNA Board, after consultation with management, determines the number of FSNA Options awarded to directors. When determining the number of FSNA Options to be granted to FSNA's directors, the fact that the directors do not receive any other form of compensation is considered. From review of publicly available information, the number of FSNA Options granted tends to fall within the low range of FSNA Options awarded to directors for other comparable companies that adopt a similar director compensation framework. Directors were granted, in the aggregate, 300,000 FSNA Options in 2009, none in 2010, 2011 and 2012 and, as at the date hereof, none in 2013.

Director Summary Compensation Table

The following table sets forth information concerning compensation paid to FSNA's directors during the year-ended September 30, 2012:

Name	Fees earned (US$)	Share-based awards (US$)	Option-based awards[1][2] (US$)	Non-equity incentive plan compensation (US$)	Pension value (US$)	All other compensation (US$)	Total (US$)
Thomas P. McDonnell, III[3]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sanford Miller[3]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
J. Michael Linn	17,750	Nil	1,272	Nil	Nil	Nil	19,022
David I. Forseth	17,750	Nil	1,272	Nil	Nil	Nil	19,022
Thomas H. McNeely	18,250	Nil	1,272	Nil	Nil	Nil	19,143

Notes:

(1) Reflects FSNA Options granted pursuant to the FSNA Option Plan based on the grant date fair value of the applicable FSNA Option grants. Fair value is determined using the Black-Scholes-Merton option pricing model and the assumptions of dividend yield = 0%, average expected volatility = 429% in 2012, risk free rate of return = 3.65% and expected option life = ten years, which reflects the same methodology and assumptions used in calculating stock-based compensation in FSNA's financial statements. FSNA uses the Black-Scholes-Merton valuation model because it is the most widely used valuation method for this type of compensation, and should thus be the most comparable and most understood model.

(2) For a description of the FSNA Options pertaining to these values, refer to "*Directors'* Outstanding Option-Based Awards", below.

(3) Mr. McDonnell and Mr. Miller were not paid any additional compensation for acting as directors of FSNA. See "*Summary Compensation Table*" for disclosure of Mr. McDonnell and Mr. Miller's compensation.

Directors' Outstanding Option-Based Awards

The following table sets forth all option-based awards outstanding at the end of the year ended September 30, 2012 for each of FSNA's directors:

	Option-based Awards				Share-based Awards		
Name	Number of securities underlying unexercised FSNA Options[1][2]	Option exercise price (US$)	Option expiration date	Value of unexercised in-the-money options[3] (US$)	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (US$)	Market or payout value of share-based awards that have vested (US$)
Thomas P. McDonnell, III[4]	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sanford Miller[4]	Nil	Nil	Nil	Nil	Nil	Nil	Nil

J. Michael Linn	15,000 100,000	0.85 0.14	3/28/2017 6/23/2019	39,000	Nil	Nil	Nil
David I. Forseth	15,000 100,000	0.85 0.14	3/28/2017 6/23/2019	39,000	Nil	Nil	Nil
Thomas H. McNeely	100,000	0.14	6/23/2019	39,000	Nil	Nil	Nil

Notes:

(1) The FSNA Options set out in the preceding table were granted pursuant to the FSNA Option Plan.

(2) Includes both vested and unvested FSNA Options.

(3) Calculated based on the positive difference, if any, between the closing price of the FSNA Shares on the TSXV as at December 31, 2012, being $0.53 per FSNA Share, and the exercise price of the FSNA Options, multiplied by the number of unexercised FSNA Options (including unvested FSNA Options).

(4) Mr. McDonnell and Mr. Miller were not paid any additional compensation for acting as directors of FSNA. See "*Summary Compensation Table*" for disclosure of Mr. McDonnell and Mr. Miller's compensation for serving as the executives of FSNA.

Directors' Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of incentive plan awards, vested or earned, by FSNA's directors during the year-ended September 30, 2012:

Name	**Option-based awards- Value vested during the year (US$)**	**Share-based awards – Value vested during the year (US$)**	**Non-equity incentive plan compensation – Value earned during the year (US$)**
Thomas P. McDonnell, III[(1)]	Nil	Nil	Nil
Sanford Miller[(1)]	Nil	Nil	Nil
J. Michael Linn	1,272	Nil	Nil
David I. Forseth	1,272	Nil	Nil
Thomas H. McNeely	1,272	Nil	Nil

Notes:

(1) Mr. McDonnell and Mr. Miller were not paid any additional compensation for acting as directors of FSNA. See "*Summary Compensation Table*" for disclosure of Mr. McDonnell and Mr. Miller's compensation for serving as executives of FSNA.

Equity Compensation Plan Information as at September 30, 2012

Plan Category	**Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)**	**Weighted-average exercise price of outstanding options, warrants and rights (b)**	**Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)**
Equity compensation plans approved by	9,305,994	US$0.15	4,550,240[(1)]

securityholders			
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	9,305,994	US$0.15	4,550,240

Note:

(1) The number of FSNA Shares that may be reserved for issuance upon the exercise of FSNA Options granted cannot at any time exceed 20% of the aggregate number of FSNA Shares as at the date the FSNA Option Plan was approved by shareholders. As at March 26, 2009, being the date that an amendment to the FSNA Option Plan was to establish, among other things, the maximum number of FSNA Options issuable under the plan approved by shareholders, there were 62,820,426 FSNA Shares issued and outstanding

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