





MTY FOOD GROUP INC. on behalf and as acquirer of the issuer Imvescor Restaurant Group Inc.  
EIN: FOREIGNUS  
ATTACHMENT TO FORM 8937  
REPORT OF ORGANIZATIONAL ACTIONS AFFECTING BASIS OF SECURITIES

**PART II, LINE 14:** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

On March 1, 2018, Imvescor Restaurant Group Inc. ("Imvescor"), and 10613878 Canada Inc., a wholly-owned subsidiary of MTY Food Group Inc. ("MTY"), amalgamated under Canadian law. This transaction resulted in the creation of a new corporation named Imvescor Restaurant Group Inc. ("Imvescor Amalco"). Under the terms of the amalgamation, each non-dissenting shareholder of Imvescor received: (i) cash for 20.14% of the Imvescor shares held by such shareholder (the "Cash Consideration"), and (ii) a number of common shares of MTY equal to the remaining Imvescor shares held by such shareholder (79.86%), multiplied by 0.0785 subject to rounding (with the Cash Consideration and the common shares received in (ii), together constituting the "Amalgamation Consideration"). No fractional common shares of MTY were issued to the former shareholders of Imvescor in connection with the amalgamation. If a shareholder was entitled to receive fractional shares, such shareholder's fractional share was sold on the TSX by Computershare Trust Company of Canada (the "Depository") as agent of the shareholder, and the Depository paid to the shareholder the net proceeds from that sale.

**PART II, LINE 15:** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

Under Treas. Reg. section 1.368-2(b)(1)(iii), ex. 14, for U.S. federal income tax purposes, a triangular amalgamation under foreign law constitutes a reorganization under section 368(a)(1)(A) by reason of section 368(a)(2)(D), having the resulting combining entity and its controlling parent, and the two transferor-amalgamating entities as parties to the reorganization. In this instance, the aggregate cash consideration received by the former Imvescor shareholders was not in an amount that would cause the amalgamation to not qualify as a reorganization under section 368(a)(1)(A) by reason of section 368(a)(2)(D).

Assuming that the amalgamation qualifies for non-recognition treatment as a reorganization under section 368(a) for U.S. federal income tax purposes, under section 358, a shareholder's aggregate tax basis in the MTY shares received in the exchange will be the same as the aggregate tax basis of the Imvescor's shares surrendered in exchange therefor, (a) decreased by the amount of the Cash Consideration (excluding any cash received in lieu of a fractional share), and (b) increased by the amount of gain recognized in the amalgamation (excluding any gain recognized with respect to a fractional share).

A non-dissenting shareholder of Imvescor will generally recognize gain (but not loss) in an amount equal to the lesser of: (i) the amount by which the Amalgamation Consideration received by a the shareholder exceeds such shareholder's aggregate adjusted tax basis in the Imvescor's shares exchanged; and (ii) the Cash Consideration received by such shareholder in the amalgamation (excluding any cash received in lieu of a fractional share in each of (i) and (ii)).

For purposes of determining the amount of gain recognized and adjustments to basis, the Cash Consideration is allocated to all of the Imvescor's shares surrendered on a pro rata basis. In addition, if the Imvescor's shares were acquired at different times or at different prices, any gain or loss will be determined separately with respect to each block.

*Fractional Shares*

A shareholder that received cash in lieu of a fractional share of MTY's common shares in the Amalgamation as a result of the Depository's sale of that fraction share will recognize gain or loss equal to the difference between the amount of cash received and the portion of the aggregate tax basis allocated to such fractional MTY common share (with an adjusted basis in such fractional share as determined in the manner described above (and in accordance with Line 16 below)).

Former Imvescor shareholders are encouraged to consult their own tax advisors regarding the consequences of the amalgamation to them, including the effect of all applicable U.S. federal, state and

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local and foreign tax laws.

**PART II, LINE 16** : Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates:

Under generally applicable federal income tax rules, one reasonable approach to determine the fair market value of the MTY common shares for purposes of calculating any gain on the Imvescor's shares exchanged in the amalgamation is to use the average of highest and lowest quoted prices of the MTY common shares on March 1, 2018 which is \$50.69 CAD (or \$39.44 USD using a spot rate of .7781).

A shareholder of the Imvescor shares that received MTY common shares in exchange for Imvescor's shares that were acquired at different times or for different prices should allocate the aggregate adjusted tax basis in the Imvescor shares to the MTY common shares received in a manner that reflects, to the greatest extent possible, that MTY common shares received in exchange for blocks of Imvescor shares that were acquired on the same date and at the same price. To the extent this is not possible, the basis of the Imvescor shares surrendered must be allocated to the MTY common shares received (or allocable portions thereof) in a manner that minimizes the disparity in the holding periods of the surrendered Imvescor shares whose basis is allocated to any particular share of MTY common shares received. This may result in the MTY common shares having split basis and holding period segments.

Former Imvescor shareholders are encouraged to consult their own tax advisors regarding the consequences of the amalgamation to them, including the effect of all applicable U.S. federal, state and local and foreign tax laws.

**PART II, LINE 17**: List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based:

Sections 354, 356, 358, 367(a), 368 and 1001.

**PART II, LINE 18**: Can any resulting loss be recognized?

For U.S. federal income tax purposes, any resulting loss realized by a shareholder would not be recognized except for any loss realized by a shareholder with respect to a payment received in lieu of any fractional share.

**PART II, BOX 19**: Provide any other information necessary to implement the adjustment, such as the reportable tax year:

The U.S. federal income tax consequences of the amalgamation are taken into account in the year of each U.S. holder of Imvescor shares that includes March 1, 2018.