

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q  
QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

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For the quarterly period ended December 30, 2016 Commission File Number: 001-36223



**Aramark**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**Aramark Tower**

**1101 Market Street**

**Philadelphia, Pennsylvania**

(Address of principal executive offices)

**20-8236097**

(I.R.S. Employer  
Identification Number)

**19107**

(Zip Code)

**(215) 238-3000**

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of January 27, 2017, the number of shares of the registrant's common stock outstanding is 246,304,708.

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## Special Note About Forward-Looking Statements

This report includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views as to future events and financial performance with respect to, without limitation, conditions in our industry, our operations, our economic performance and financial condition, including, in particular, statements relating to our business and growth strategy. These statements can be identified by the fact that they do not relate strictly to historical or current facts. They use words such as "outlook," "aim," "anticipate," "are confident," "have confidence," "estimate," "expect," "will be," "will continue," "will likely result," "project," "intend," "plan," "believe," "see," "look to" and other words and terms of similar meaning or the negative versions of such words.

Forward-looking statements speak only as of the date made. All statements we make relating to our estimated and projected earnings, costs, expenditures, cash flows, growth rates and financial results are forward-looking statements. In addition, we, through our senior management, from time to time make forward-looking public statements concerning our expected future operations and performance and other developments. These forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those that we expected. We derive many of our forward-looking statements from our operating budgets and forecasts, which are based upon many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and, of course, it is impossible for us to anticipate all factors that could affect our actual results. All subsequent written and oral forward-looking statements attributable to us, or persons acting on our behalf, are expressly qualified in their entirety by the cautionary statements. Some of the factors that we believe could affect our results include without limitation: unfavorable economic conditions; natural disasters, global calamities, sports strikes and other adverse incidents; the failure to retain current clients, renew existing client contracts and obtain new client contracts; a determination by clients to reduce their outsourcing or use of preferred vendors; competition in our industries; increased operating costs and obstacles to cost recovery due to the pricing and cancellation terms of our food and support services contracts; the inability to achieve cost savings through our cost reduction efforts; our expansion strategy; the failure to maintain food safety throughout our supply chain, food-borne illness concerns and claims of illness or injury; governmental regulations including those relating to food and beverages, the environment, wage and hour and government contracting; liability associated with noncompliance with applicable law or other governmental regulations; new interpretations of or changes in the enforcement of the government regulatory framework; currency risks and other risks associated with international operations, including Foreign Corrupt Practices Act, U.K. Bribery Act and other anti-corruption law compliance; continued or further unionization of our workforce; liability resulting from our participation in multiemployer defined benefit pension plans; risks associated with suppliers from whom our products are sourced; disruptions to our relationship with, or to the business of, our primary distributor; the inability to hire and retain sufficient qualified personnel or increases in labor costs; healthcare reform legislation; the contract intensive nature of our business, which may lead to client disputes; seasonality; disruptions in the availability of our computer systems or privacy breaches; failure to achieve and maintain effective internal controls; our leverage; the inability to generate sufficient cash to service all of our indebtedness; debt agreements that limit our flexibility in operating our business; and other factors set forth under the headings Item 1A "Risk Factors," Item 3 "Legal Proceedings" and Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other sections of our Annual Report on Form 10-K, filed with the SEC on November 23, 2016, as such factors may be updated from time to time in our other periodic filings with the SEC, which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and which may be obtained by contacting Aramark's investor relations department via its website [www.aramark.com](http://www.aramark.com). Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other filings with the SEC. As a result of these risks and uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements included herein or that may be made elsewhere from time to time by, or on behalf of, us. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, changes in our expectations, or otherwise, except as required by law.

PART I

Item 1. Financial Statements

ARAMARK AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

(in thousands, except share amounts)

	December 30, 2016	September 30, 2016
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 146,951	\$ 152,580
Receivables (less allowances: 2017 - \$45,780; 2016 - \$48,058)	1,492,291	1,476,349
Inventories	563,935	587,155
Prepayments and other current assets	170,418	276,487
Total current assets	<u>2,373,595</u>	<u>2,492,571</u>
Property and Equipment, net	997,562	1,023,083
Goodwill	4,608,287	4,628,881
Other Intangible Assets	1,084,279	1,111,883
Other Assets	1,320,201	1,325,654
	<u>\$ 10,383,924</u>	<u>\$ 10,582,072</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current maturities of long-term borrowings	\$ 47,603	\$ 46,522
Accounts payable	703,878	847,588
Accrued expenses and other current liabilities	1,027,768	1,290,635
Total current liabilities	<u>1,779,249</u>	<u>2,184,745</u>
Long-Term Borrowings	5,364,855	5,223,514
Deferred Income Taxes and Other Noncurrent Liabilities	991,453	1,003,013
Redeemable Noncontrolling Interest	9,825	9,794
Stockholders' Equity:		
Common stock, par value \$.01 (authorized: 600,000,000 shares; issued: 2017—274,528,737 shares and 2016—272,565,923 shares; and outstanding: 2017—246,064,656 shares and 2016—244,713,580 shares)	2,745	2,726
Capital surplus	2,937,191	2,921,725
Retained earnings/(Accumulated deficit)	74,707	(33,778)
Accumulated other comprehensive loss	(205,465)	(180,783)
Treasury stock (shares held in treasury: 2017—28,464,081 shares and 2016—27,852,343 shares)	(570,636)	(548,884)
Total stockholders' equity	<u>2,238,542</u>	<u>2,161,006</u>
	<u>\$ 10,383,924</u>	<u>\$ 10,582,072</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**ARAMARK AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(Unaudited)

(in thousands, except per share data)

	Three Months Ended	
	December 30, 2016	January 1, 2016
Sales	\$ 3,735,383	\$ 3,710,275
Costs and Expenses:		
Cost of services provided	3,299,329	3,294,523
Depreciation and amortization	126,527	127,518
Selling and general corporate expenses	65,472	74,141
	3,491,328	3,496,182
Operating income	244,055	214,093
Interest and Other Financing Costs, net	65,677	71,320
Income Before Income Taxes	178,378	142,773
Provision for Income Taxes	52,943	49,337
Net income	125,435	93,436
Less: Net income attributable to noncontrolling interest	96	93
Net income attributable to Aramark stockholders	\$ 125,339	\$ 93,343
Earnings per share attributable to Aramark stockholders:		
Basic	\$ 0.51	\$ 0.39
Diluted	\$ 0.50	\$ 0.38
Weighted Average Shares Outstanding:		
Basic	244,758	240,521
Diluted	252,593	247,613

The accompanying notes are an integral part of these condensed consolidated financial statements.

**ARAMARK AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(Unaudited)

(in thousands)

	Three Months Ended	
	December 30, 2016	January 1, 2016
Net income	\$ 125,435	\$ 93,436
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(34,880)	(10,572)
Fair value of cash flow hedges	10,198	15,574
Other comprehensive income (loss), net of tax	(24,682)	5,002
Comprehensive income	100,753	98,438
Less: Net income attributable to noncontrolling interest	96	93
Comprehensive income attributable to Aramark stockholders	\$ 100,657	\$ 98,345

The accompanying notes are an integral part of these condensed consolidated financial statements.

**ARAMARK AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)  
(in thousands)

	Three Months Ended	
	December 30, 2016	January 1, 2016
Cash flows from operating activities:		
Net income	\$ 125,435	\$ 93,436
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	126,527	127,518
Deferred income taxes	819	21,399
Share-based compensation expense	16,224	15,270
Changes in operating assets and liabilities	(296,738)	(429,795)
Other operating activities	1,707	3,179
Net cash used in operating activities	(26,026)	(168,993)
Cash flows from investing activities:		
Purchases of property and equipment, client contract investments and other	(106,600)	(91,499)
Disposals of property and equipment	1,349	2,017
Acquisition of certain businesses, net of cash acquired	(1,045)	(231)
Other investing activities	166	3,579
Net cash used in investing activities	(106,130)	(86,134)
Cash flows from financing activities:		
Proceeds from long-term borrowings	45,987	431,736
Payments of long-term borrowings	(13,609)	(172,522)
Net change in funding under the Receivables Facility	132,000	25,000
Payments of dividends	(25,246)	(22,853)
Proceeds from issuance of common stock	3,121	7,512
Other financing activities	(15,726)	(20,804)
Net cash provided by financing activities	126,527	248,069
Decrease in cash and cash equivalents	(5,629)	(7,058)
Cash and cash equivalents, beginning of period	152,580	122,416
Cash and cash equivalents, end of period	\$ 146,951	\$ 115,358

	Three Months Ended	
	December 30, 2016	January 1, 2016
(dollars in millions)		
Interest paid	\$ 27.5	\$ 51.7
Income taxes paid	17.8	10.8

The accompanying notes are an integral part of these condensed consolidated financial statements.

**ARAMARK AND SUBSIDIARIES****NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)****NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Aramark (the "Company") is a leading global provider of food, facilities and uniform services. The Company's core market is North America (composed of the United States and Canada), which is supplemented by an additional 17-country footprint serving many of the fastest growing global geographies. The Company operates its business in three reportable segments that share many of the same operating characteristics: Food and Support Services North America ("FSS North America"), Food and Support Services International ("FSS International") and Uniform and Career Apparel ("Uniform").

The condensed consolidated financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") and should be read in conjunction with the audited consolidated financial statements, and the notes to those statements, included in the Company's Form 10-K filed with the SEC on November 23, 2016. The Condensed Consolidated Balance Sheet as of September 30, 2016 was derived from audited financial statements which have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures made are adequate to make the information not misleading. In the opinion of the Company, the statements include all adjustments, which are of a normal, recurring nature, required for a fair presentation for the periods presented. The results of operations for interim periods are not necessarily indicative of the results for a full year, due to the seasonality of some of the Company's business activities and the possibility of changes in general economic conditions.

The condensed consolidated financial statements include the accounts of the Company and all of its subsidiaries in which a controlling financial interest is maintained. All significant intercompany transactions and accounts have been eliminated. The Company has an ownership interest in a subsidiary with a redeemable noncontrolling interest.

**New Accounting Standard Updates**

In January 2017, the Financial Accounting Standards Board ("FASB") issued an accounting standard update ("ASU") to simplify the subsequent measurement of goodwill as part of the impairment test. The guidance is effective for the Company in the first quarter of fiscal 2021 and early adoption is permitted. The Company is currently evaluating the impact of the pronouncement.

In January 2017, the FASB issued an ASU to clarify the definition of a business. The guidance is effective for the Company in the first quarter of fiscal 2019 and early adoption is permitted. The Company is currently evaluating the impact of the pronouncement.

In October 2016, the FASB issued an ASU to require entities to recognize the income tax consequences of certain intercompany assets transfers at the transaction date. The guidance is effective for the Company in the first quarter of fiscal 2019 and early adoption is permitted. The Company is currently evaluating the impact of the pronouncement.

In August 2016, the FASB issued an ASU to address the classification of certain cash receipts and cash payments in the Statement of Cash Flows. The guidance is effective for the Company in the first quarter of fiscal 2019 and early adoption is permitted. The Company is currently evaluating the impact of the pronouncement.

In March 2016, the FASB issued an ASU to update several aspects of the accounting for share-based payment transactions. Upon adoption, the ASU requires that excess tax benefits for share-based payments be recorded as a reduction to the provision for income taxes and reflected within cash flows from operating activities rather than being recorded within stockholders' equity and reflected within cash flow from financing activities. The standard also clarifies that all cash payments made on an employee's behalf for withheld shares should be presented as a financing activity on a cash flow statement, and provides an accounting policy election to account for forfeitures as they occur. The guidance is effective for the Company in the first quarter of fiscal 2018 and early adoption is permitted.

The Company elected to early adopt the guidance as of the beginning of its first quarter of fiscal 2017. The impact to the Condensed Consolidated Statements of Income for the three months ended December 30, 2016 was \$6.3 million of excess tax benefit recorded as a reduction to the provision for income taxes. The adoption impact to the Condensed Consolidated Balance Sheets was a cumulative-effect adjustment of approximately \$9.8 million to increase retained earnings for previously unrecognized excess tax benefits. The Company applied the guidance related to the presentation in the Condensed Consolidated Statements of Cash Flows on a retrospective basis. The excess tax benefit of \$6.3 million and \$6.4 million for share-based awards is included in operating activities, previously classified in financing activities, and approximately \$15.3 million and \$19.9 million of cash paid for employee taxes for withheld shares is included in financing activities, previously classified in operating activities, for the three months ended December 30, 2016 and January 1, 2016, respectively. As a result of the adoption, the excess tax benefit is no longer included in the calculation of diluted shares under the treasury stock method, which



**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

increased the diluted shares outstanding by approximately 2.0 million shares. The Company elected to continue to estimate forfeitures expected to occur to determine the amount of compensation cost to be recognized in each period.

In February 2016, the FASB issued an ASU requiring lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets and to disclose key information about lease arrangements. The guidance is effective for the Company in the first quarter of fiscal 2020 and early adoption is permitted. The Company is currently evaluating the impact of the pronouncement.

In January 2016, the FASB issued an ASU to address certain aspects of recognition, measurement, presentation and disclosure of financial instruments. The guidance is effective for the Company in the first quarter of fiscal 2019 and early adoption is permitted. The Company is currently evaluating the impact of the pronouncement.

In July 2015, the FASB issued an ASU which changes the measurement principle for inventory from the lower of cost or market to the lower of cost and net realizable value. The guidance is effective for the Company in the first quarter of fiscal 2018 and early adoption is permitted. The Company is currently evaluating the impact of the pronouncement.

In June 2014, the FASB issued an ASU on stock compensation which requires that a performance target affecting vesting and that could be achieved after the requisite service period be treated as a performance condition. The Company adopted the guidance in the first quarter of fiscal 2017 which did not have an impact on the condensed consolidated financial statements.

In May 2014, the FASB issued an ASU on revenue from contracts with customers which outlines a single comprehensive model to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. In July 2015, the FASB voted to defer the effective date of the new revenue standard by one year, but to permit entities to adopt one year earlier if they choose (i.e., the original effective date). The guidance is effective for the Company beginning in the first quarter of fiscal 2019. As the new standard will supersede most existing revenue guidance affecting the Company, it could impact revenue and cost recognition on contracts across all reportable segments. The Company has been closely monitoring the FASB activity related to the new standard and continues to work to conclude on specific interpretative issues. The Company also continues to make progress on a comprehensive contract review project in order to develop a full understanding of the adoption impact on the consolidated financial statements.

**Comprehensive Income**

Comprehensive income includes all changes to stockholders' equity during a period, except those resulting from investments by and distributions to stockholders. Components of comprehensive income include net income, changes in foreign currency translation adjustments (net of tax), pension plan adjustments (net of tax), changes in the fair value of cash flow hedges (net of tax) and changes to the share of any equity investees' comprehensive income (net of tax).

The summary of the components of comprehensive income (loss) is as follows (in thousands):

	<b>Three Months Ended</b>					
	<b>December 30, 2016</b>			<b>January 1, 2016</b>		
	Pre-Tax Amount	Tax Effect	After-Tax Amount	Pre-Tax Amount	Tax Effect	After-Tax Amount
Net income			\$ 125,435			\$ 93,436
Foreign currency translation adjustments	(43,648)	8,768	(34,880)	(10,563)	(9)	(10,572)
Fair value of cash flow hedges	16,718	(6,520)	10,198	16,079	(505)	15,574
Other comprehensive income (loss)	(26,930)	2,248	(24,682)	5,516	(514)	5,002
Comprehensive income			100,753			98,438
Less: Net income attributable to noncontrolling interest			96			93
Comprehensive income attributable to Aramark stockholders			<u>\$ 100,657</u>			<u>\$ 98,345</u>

**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

Accumulated other comprehensive loss consists of the following (in thousands):

	December 30, 2016	September 30, 2016
Pension plan adjustments	\$ (65,267)	\$ (65,267)
Foreign currency translation adjustments	(103,341)	(68,461)
Cash flow hedges	(26,175)	(36,373)
Share of equity investee's accumulated other comprehensive loss	(10,682)	(10,682)
	<u>\$ (205,465)</u>	<u>\$ (180,783)</u>

**Other Assets**

Other assets consist primarily of client contract investments, investments in 50% or less owned entities, computer software costs and long-term receivables. Client contract investments generally represent a cash payment provided by the Company to help finance improvement or renovation at the facility from which the Company operates. These amounts are amortized over the contract period. If a contract is terminated prior to its maturity date, the Company is generally reimbursed for the unamortized client contract investment amount. Client contract investments, net of accumulated amortization, were \$877.6 million and \$865.0 million as of December 30, 2016 and September 30, 2016, respectively.

**Income Taxes**

Effective for the first quarter of fiscal 2017, the earnings since the beginning of the fiscal year of certain of the Company's foreign subsidiaries are intended to be indefinitely reinvested in operations outside the U.S. and, therefore, U.S. taxes have not been recorded on those earnings.

**NOTE 2. SEVERANCE:**

The Company previously initiated a series of actions and developed plans for streamlining and improving the efficiencies and effectiveness of its selling, general and administrative functions.

As of December 30, 2016 and September 30, 2016, the Company had an accrual of approximately \$20.3 million and \$26.1 million, respectively, related to the unpaid obligations for these actions.

**NOTE 3. GOODWILL AND OTHER INTANGIBLE ASSETS:**

Goodwill represents the excess of the fair value of consideration paid for an acquired entity over the fair value of assets acquired and liabilities assumed in a business combination. Goodwill is not amortized and is subject to an impairment test that the Company conducts annually or more frequently if a change in circumstances or the occurrence of events indicates that potential impairment exists, using discounted cash flows.

Changes in total goodwill during the three months ended December 30, 2016 follow (in thousands):

Segment	September 30, 2016	Acquisition	Translation	December 30, 2016
FSS North America	\$ 3,635,614	\$ 220	\$ (42)	\$ 3,635,792
FSS International	418,488	—	(20,772)	397,716
Uniform	574,779	—	—	574,779
	<u>\$ 4,628,881</u>	<u>\$ 220</u>	<u>\$ (20,814)</u>	<u>\$ 4,608,287</u>

Other intangible assets consist of the following (in thousands):

	December 30, 2016			September 30, 2016		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Customer relationship assets	\$ 1,298,148	\$ (989,651)	\$ 308,497	\$ 1,793,739	\$ (1,462,058)	\$ 331,681
Trade names	777,415	(1,633)	775,782	781,835	(1,633)	780,202
	<u>\$ 2,075,563</u>	<u>\$ (991,284)</u>	<u>\$ 1,084,279</u>	<u>\$ 2,575,574</u>	<u>\$ (1,463,691)</u>	<u>\$ 1,111,883</u>

Acquisition-related intangible assets consist of customer relationship assets and the Aramark, Avoca, HPSI and other trade names. Customer relationship assets are being amortized principally on a straight-line basis over the expected period of benefit, 3 to 24 years, with a weighted average life of approximately 13 years. The Aramark, Avoca and HPSI trade names are indefinite lived intangible assets and are not amortizable but are evaluated for impairment at least annually.

## ARAMARK AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

Amortization of intangible assets for the three months ended December 30, 2016 and January 1, 2016 was approximately \$22.5 million and \$32.0 million, respectively.

**NOTE 4. BORROWINGS:**

During the first quarter of fiscal 2016, the Company repaid a U.S. dollar denominated term loan of a Canadian subsidiary that had been borrowed under the Company's senior secured credit agreement and was due in July 2016 in the amount of \$74.1 million.

On December 17, 2015, Aramark Services, Inc. ("the Issuer"), a subsidiary of the Company, issued \$400 million of 5.125% Senior Notes (the "Original 2024 Notes"), due January 15, 2024, pursuant to an indenture, dated as of December 17, 2015 (the "Base Indenture"), entered into by the Issuer, the Company and certain other Aramark entities, as guarantors of the Original 2024 Notes and the Bank of New York Mellon, as trustee. The Original 2024 Notes were issued at par and the net proceeds were used for general corporate purposes and to reduce the outstanding balance under the Company's revolving credit facility. The Company paid approximately \$6.0 million in financing fees related to the Original 2024 Notes during the first quarter of fiscal 2016.

**NOTE 5. DERIVATIVE INSTRUMENTS:**

The Company enters into contractual derivative arrangements to manage changes in market conditions related to interest on debt obligations, foreign currency exposures and exposure to fluctuating gasoline and diesel fuel prices. Derivative instruments utilized during the period include interest rate swap agreements, foreign currency forward exchange contracts and gasoline and diesel fuel agreements. All derivative instruments are recognized as either assets or liabilities on the balance sheet at fair value at the end of each quarter. The counterparties to the Company's contractual derivative agreements are all major international financial institutions. The Company is exposed to credit loss in the event of nonperformance by these counterparties. The Company continually monitors its positions and the credit ratings of its counterparties, and does not anticipate nonperformance by the counterparties. For designated hedging relationships, the Company formally documents the hedging relationship and its risk management objective and strategy for undertaking the hedge, the hedging instrument, the hedged item, the nature of the risk being hedged, how the hedging instrument's effectiveness in offsetting the hedged risk will be assessed prospectively and retrospectively, and a description of the method of measuring ineffectiveness. The Company also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting cash flows of hedged items.

**Cash Flow Hedges**

The Company has \$2.4 billion notional amount of outstanding interest rate swap agreements, fixing the rate on a like amount of variable rate borrowings.

Changes in the fair value of a derivative that is designated as and meets all the required criteria for a cash flow hedge are recorded in accumulated other comprehensive income (loss) and reclassified into earnings as the underlying hedged item affects earnings. Approximately (\$26.2) million and (\$36.4) million of unrealized net of tax losses related to the interest rate swaps were included in "Accumulated other comprehensive loss" as of December 30, 2016 and September 30, 2016, respectively. The hedge ineffectiveness for these cash flow hedging instruments during the three months ended December 30, 2016 and January 1, 2016 was not material.

During the first quarter of fiscal 2016, the Company repaid a U.S. dollar denominated term loan of a Canadian subsidiary in the amount of \$74.1 million. As a result of this repayment, the Company terminated its \$74.1 million of outstanding amortizing cross currency swap agreements, which resulted in a pre-tax charge of approximately \$1.1 million recorded to "Interest and Other Financing Costs, net" in the Condensed Consolidated Statements of Income for the three months ended January 1, 2016. The termination of these agreements resulted in the Company receiving \$5.7 million of proceeds.

The following table summarizes the effect of our derivatives designated as cash flow hedging instruments (effective portion) on Other comprehensive income (loss) (in thousands):

	Three Months Ended	
	December 30, 2016	January 1, 2016
Interest rate swap agreements	\$ 10,745	\$ 7,117
Cross currency swap agreements	—	(2,116)
	\$ 10,745	\$ 5,001

**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**
**Derivatives not Designated in Hedging Relationships**

The Company entered into a series of pay fixed/receive floating gasoline and diesel fuel agreements based on the Department of Energy weekly retail on-highway index in order to limit its exposure to price fluctuations for gasoline and diesel fuel. As of December 30, 2016, the Company has contracts for approximately 29.0 million gallons outstanding for fiscal 2017 and fiscal 2018. The Company does not record its gasoline and diesel fuel agreements as hedges for accounting purposes. The impact on earnings related to the change in fair value of these unsettled contracts was a gain of approximately \$4.4 million and a loss of approximately \$0.9 million for the three months ended December 30, 2016 and January 1, 2016, respectively.

As of December 30, 2016, the Company had foreign currency forward exchange contracts outstanding with notional amounts of €48.7 million, £67.4 million and CAD113.5 million to mitigate the risk of changes in foreign currency exchange rates on short-term intercompany loans to certain international subsidiaries. Gains and losses on these foreign currency exchange contracts are recognized in income as the contracts were not designated as hedging instruments, substantially offsetting currency transaction gains and losses on the short-term intercompany loans.

The following table summarizes the location and fair value, using Level 2 inputs, of the Company's derivatives designated and not designated as hedging instruments in the Condensed Consolidated Balance Sheets (in thousands):

	Balance Sheet Location	December 30, 2016	September 30, 2016
<b>ASSETS</b>			
<i>Not designated as hedging instruments:</i>			
Gasoline and diesel fuel agreements	Prepayments and other current assets	\$ 8,152	\$ 3,878
		<u>8,152</u>	<u>3,878</u>
<b>LIABILITIES</b>			
<i>Designated as hedging instruments:</i>			
Interest rate swap agreements	Accrued expenses and other current liabilities	\$ 4,489	\$ 5,929
Interest rate swap agreements	Other Noncurrent Liabilities	18,585	34,919
		<u>23,074</u>	<u>40,848</u>
<i>Not designated as hedging instruments:</i>			
Foreign currency forward exchange contracts	Accounts payable	1,066	447
		<u>\$ 24,140</u>	<u>\$ 41,295</u>

The following table summarizes the location of (gain) loss reclassified from "Accumulated other comprehensive loss" into earnings for derivatives designated as hedging instruments and the location of (gain) loss for the Company's derivatives not designated as hedging instruments in the Condensed Consolidated Statements of Income (in thousands):

	Income Statement Location	Three Months Ended	
		December 30, 2016	January 1, 2016
<i>Designated as hedging instruments:</i>			
Interest rate swap agreements	Interest expense	\$ 5,973	\$ 9,017
Cross currency swap agreements	Interest expense	—	2,061
		<u>5,973</u>	<u>11,078</u>
<i>Not designated as hedging instruments:</i>			
Gasoline and diesel fuel agreements	Costs of services provided	\$ (4,684)	\$ 2,505
Foreign currency forward exchange contracts	Interest expense	(7,404)	5,090
		<u>(12,088)</u>	<u>7,595</u>
		<u>\$ (6,115)</u>	<u>\$ 18,673</u>

At December 30, 2016, the net of tax loss expected to be reclassified from "Accumulated other comprehensive loss" into earnings over the next twelve months based on current market rates is approximately \$8.8 million.

ARAMARK AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

**NOTE 6. STOCKHOLDERS' EQUITY:**

During the three months ended December 30, 2016 and January 1, 2016, the Company paid dividends of approximately \$25.2 million and \$22.9 million to its stockholders, respectively. On February 1, 2017, the Company's Board declared a \$0.103 dividend per share of common stock, payable on March 1, 2017, to shareholders of record on the close of business on February 15, 2017.

**NOTE 7. SHARE-BASED COMPENSATION:**

The following table summarizes the share-based compensation expense and related information for Time-Based Options ("TBOs"), Time-Based Restricted Stock Units ("RSUs"), Performance Stock Units and Performance Restricted Stock ("PSUs"), and Deferred Stock and Other Units classified as "Selling and general corporate expenses" in the Condensed Consolidated Statements of Income (in millions).

	Three Months Ended	
	December 30, 2016	January 1, 2016
TBOs	\$ 5.3	\$ 4.9
RSUs	6.4	5.7
PSUs	3.6	4.0
Deferred Stock and Other Units	0.9	0.7
	<u>\$ 16.2</u>	<u>\$ 15.3</u>
Taxes related to share-based compensation	\$ 6.0	\$ 6.0

The below table summarizes the number of shares granted and the weighted-average grant-date fair value per unit during the three months ended December 30, 2016:

	Shares Granted (in millions)	Weighted-Average Grant-Date Fair Value (dollars per share)
TBOs	2.6	\$ 8.46
RSUs	1.4	\$ 34.08
PSUs	0.4	\$ 34.08
	<u>4.4</u>	

## ARAMARK AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

**NOTE 8. EARNINGS PER SHARE:**

Basic earnings per share is computed using the weighted average number of common shares outstanding during the periods presented. Diluted earnings per share is computed using the weighted average number of common shares outstanding adjusted to include the potentially dilutive effect of share-based awards.

The following table sets forth the computation of basic and diluted earnings per share attributable to the Company's stockholders (in thousands, except per share data):

	Three Months Ended	
	December 30, 2016	January 1, 2016
<b>Earnings:</b>		
Net income attributable to Aramark stockholders	\$ 125,339	\$ 93,343
<b>Shares:</b>		
Basic weighted-average shares outstanding	244,758	240,521
Effect of dilutive securities	7,835	7,092
Diluted weighted-average shares outstanding	252,593	247,613
<b>Basic Earnings Per Share:</b>		
Net income attributable to Aramark stockholders	\$ 0.51	\$ 0.39
<b>Diluted Earnings Per Share:</b>		
Net income attributable to Aramark stockholders	\$ 0.50	\$ 0.38

Share-based awards to purchase 3.3 million and 3.8 million shares were outstanding for the three months ended December 30, 2016 and January 1, 2016, respectively, but were not included in the computation of diluted earnings per common share, as their effect would have been antidilutive. In addition, PSUs related to 1.1 million shares and 0.7 million shares were outstanding for the three month periods of December 30, 2016 and January 1, 2016, respectively, but were not included in the computation of diluted earnings per common share, as the performance targets were not yet met.

**NOTE 9. COMMITMENTS AND CONTINGENCIES:**

Certain of the Company's lease arrangements, primarily vehicle leases, with terms of one to eight years, contain provisions related to residual value guarantees. The maximum potential liability to the Company under such arrangements was approximately \$110.6 million at December 30, 2016 if the terminal fair value of vehicles coming off lease was zero. Consistent with past experience, management does not expect any significant payments will be required pursuant to these arrangements. No amounts have been accrued for guarantee arrangements at December 30, 2016.

From time to time, the Company and its subsidiaries are a party to various legal actions, proceedings and investigations involving claims incidental to the conduct of their business, including actions by clients, consumers, employees, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, minority, women and disadvantaged business enterprise statutes, tax codes, antitrust and competition laws, consumer protection statutes, procurement regulations, intellectual property laws, food safety and sanitation laws, cost and accounting principles, the Foreign Corrupt Practices Act, the U.K. Bribery Act, other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws and alcohol licensing and service laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, the Company does not believe that any such actions are likely to be, individually or in the aggregate, material to its business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company's business, financial condition, results of operations or cash flows.

**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**
**NOTE 10. BUSINESS SEGMENTS:**

The Company reports its operating results in three reportable segments: FSS North America, FSS International and Uniform. Corporate includes general expenses not specifically allocated to an individual segment and share-based compensation expense (see note 7). In the Company's two food and support services segments, approximately 80% of the global sales is related to food services and 20% is related to facilities services. Financial information by segment follows (in millions):

	Sales	
	Three Months Ended	
	December 30, 2016	January 1, 2016
FSS North America	\$ 2,662.8	\$ 2,622.7
FSS International	677.1	694.9
Uniform	395.5	392.7
	<u>\$ 3,735.4</u>	<u>\$ 3,710.3</u>
	Operating Income	
	Three Months Ended	
	December 30, 2016	January 1, 2016
FSS North America	\$ 185.2	\$ 168.3
FSS International	31.7	30.1
Uniform	53.8	50.3
	<u>270.7</u>	<u>248.7</u>
Corporate	(26.6)	(34.6)
Operating Income	244.1	214.1
Interest and Other Financing Costs, net	(65.7)	(71.3)
Income Before Income Taxes	<u>\$ 178.4</u>	<u>\$ 142.8</u>

**NOTE 11. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES:**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets and liabilities recorded at fair value are classified based upon the level of judgment associated with the inputs used to measure their fair value. The hierarchical levels related to the subjectivity of the valuation inputs are defined as follows:

- Level 1—inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets
- Level 2—inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument
- Level 3—inputs to the valuation methodology are unobservable and significant to the fair value measurement

**Recurring Fair Value Measurements**

The Company's financial instruments consist primarily of cash and cash equivalents, accounts receivable, accounts payable, borrowings and derivatives. Management believes that the carrying value of cash and cash equivalents, accounts receivable and accounts payable are representative of their respective fair values. In conjunction with the fair value measurement of the derivative instruments, the Company made an accounting policy election to measure the credit risk of its derivative instruments that are subject to master netting agreements on a net basis by counterparty portfolio. The fair value of the Company's debt at December 30, 2016 and September 30, 2016 was \$5,486.9 million and \$5,365.6 million, respectively. The carrying value of the Company's debt at December 30, 2016 and September 30, 2016 was \$5,412.5 million and \$5,270.0 million, respectively. The fair values were computed using market quotes, if available, or based on discounted cash flows using market interest rates as of the end of the respective periods. The inputs utilized in estimating the fair value of the Company's debt has been classified as level 2 in the fair value hierarchy levels.

**ARAMARK AND SUBSIDIARIES**

**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**

**NOTE 12. CONDENSED CONSOLIDATING FINANCIAL STATEMENTS OF ARAMARK AND SUBSIDIARIES:**

The following condensed consolidating financial statements of the Company have been prepared pursuant to Rule 3-10 of Regulation S-X.

These condensed consolidating financial statements have been prepared from the Company's financial information on the same basis of accounting as the condensed consolidated financial statements. Interest expense and certain other costs are partially allocated to all of the subsidiaries of the Company. Goodwill and other intangible assets have been allocated to the subsidiaries based on management's estimates. The 5.75% Senior Notes due March 15, 2020 ("2020 Notes"), 5.125% Senior Notes due January 15, 2024 ("2024 Notes") and 4.75% Senior Notes due June 1, 2026 ("2026 Notes") are obligations of the Company's wholly-owned subsidiary, Aramark Services, Inc., and are each jointly and severally guaranteed on a senior unsecured basis by the Company and substantially all of the Company's existing and future domestic subsidiaries (excluding the Receivables Facility subsidiary) ("Guarantors"). Each of the Guarantors is wholly-owned, directly or indirectly, by the Company. All other subsidiaries of the Company, either direct or indirect, do not guarantee the 2020 Notes, 2024 Notes or 2026 Notes ("Non Guarantors"). The Guarantors also guarantee certain other debt.



**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**
**CONDENSED CONSOLIDATING BALANCE SHEETS**
**December 30, 2016**
**(in thousands)**

	Aramark (Parent)	Aramark Services, Inc. (Issuer)	Guarantors	Non Guarantors	Eliminations	Consolidated
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 5	\$ 27,484	\$ 28,984	\$ 90,478	\$ —	\$ 146,951
Receivables	—	150	321,995	1,170,146	—	1,492,291
Inventories	—	14,673	475,353	73,909	—	563,935
Prepayments and other current assets	—	3,848	66,505	100,065	—	170,418
Total current assets	<u>5</u>	<u>46,155</u>	<u>892,837</u>	<u>1,434,598</u>	<u>—</u>	<u>2,373,595</u>
Property and Equipment, net	—	29,688	762,707	205,167	—	997,562
Goodwill	—	173,104	3,982,737	452,446	—	4,608,287
Investment in and Advances to Subsidiaries	2,238,637	5,565,845	740,647	230,145	(8,775,274)	—
Other Intangible Assets	—	29,729	875,692	178,858	—	1,084,279
Other Assets	—	61,309	1,048,300	212,594	(2,002)	1,320,201
	<u>\$ 2,238,642</u>	<u>\$ 5,905,830</u>	<u>\$ 8,302,920</u>	<u>\$ 2,713,808</u>	<u>\$ (8,777,276)</u>	<u>\$ 10,383,924</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
Current Liabilities:						
Current maturities of long-term borrowings	\$ —	\$ 21,931	\$ 15,951	\$ 9,721	\$ —	\$ 47,603
Accounts payable	—	156,316	304,823	242,739	—	703,878
Accrued expenses and other current liabilities	100	148,265	599,976	297,805	(18,378)	1,027,768
Total current liabilities	<u>100</u>	<u>326,512</u>	<u>920,750</u>	<u>550,265</u>	<u>(18,378)</u>	<u>1,779,249</u>
Long-term Borrowings	—	4,601,287	58,223	705,345	—	5,364,855
Deferred Income Taxes and Other Noncurrent Liabilities	—	434,320	492,365	64,768	—	991,453
Intercompany Payable	—	—	5,251,307	869,183	(6,120,490)	—
Redeemable Noncontrolling Interest	—	—	9,825	—	—	9,825
Total Stockholders' Equity	2,238,542	543,711	1,570,450	524,247	(2,638,408)	2,238,542
	<u>\$ 2,238,642</u>	<u>\$ 5,905,830</u>	<u>\$ 8,302,920</u>	<u>\$ 2,713,808</u>	<u>\$ (8,777,276)</u>	<u>\$ 10,383,924</u>

**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**
**CONDENSED CONSOLIDATING BALANCE SHEETS**
**September 30, 2016**
**(in thousands)**

	Aramark (Parent)	Aramark Services, Inc. (Issuer)	Guarantors	Non Guarantors	Eliminations	Consolidated
<b>ASSETS</b>						
Current Assets:						
Cash and cash equivalents	\$ 5	\$ 47,850	\$ 31,344	\$ 73,381	\$ —	\$ 152,580
Receivables	—	167	265,124	1,211,058	—	1,476,349
Inventories	—	15,284	492,855	79,016	—	587,155
Prepayments and other current assets	—	69,033	98,779	108,675	—	276,487
Total current assets	5	132,334	888,102	1,472,130	—	2,492,571
Property and Equipment, net	—	30,201	782,347	210,535	—	1,023,083
Goodwill	—	173,104	3,982,737	473,040	—	4,628,881
Investment in and Advances to Subsidiaries	2,161,101	5,450,692	598,759	230,488	(8,441,040)	—
Other Intangible Assets	—	29,729	894,274	187,880	—	1,111,883
Other Assets	—	56,850	1,028,887	241,919	(2,002)	1,325,654
	<u>\$ 2,161,106</u>	<u>\$ 5,872,910</u>	<u>\$ 8,175,106</u>	<u>\$ 2,815,992</u>	<u>\$ (8,443,042)</u>	<u>\$ 10,582,072</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
Current Liabilities:						
Current maturities of long-term borrowings	\$ —	\$ 21,998	\$ 15,598	\$ 8,926	\$ —	\$ 46,522
Accounts payable	—	156,471	415,481	275,636	—	847,588
Accrued expenses and other current liabilities	100	145,314	827,213	319,447	(1,439)	1,290,635
Total current liabilities	100	323,783	1,258,292	604,009	(1,439)	2,184,745
Long-term Borrowings	—	4,570,931	62,892	589,691	—	5,223,514
Deferred Income Taxes and Other Noncurrent Liabilities	—	440,839	510,254	51,920	—	1,003,013
Intercompany Payable	—	—	4,619,489	1,400,741	(6,020,230)	—
Redeemable Noncontrolling Interest	—	—	9,794	—	—	9,794
Total Stockholders' Equity	2,161,006	537,357	1,714,385	169,631	(2,421,373)	2,161,006
	<u>\$ 2,161,106</u>	<u>\$ 5,872,910</u>	<u>\$ 8,175,106</u>	<u>\$ 2,815,992</u>	<u>\$ (8,443,042)</u>	<u>\$ 10,582,072</u>

**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**
**CONDENSED CONSOLIDATING STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**
**For the three months ended December 30, 2016**
**(in thousands)**

	Aramark (Parent)	Aramark Services, Inc. (Issuer)	Guarantors	Non Guarantors	Eliminations	Consolidated
Sales	\$ —	\$ 252,379	\$ 2,528,456	\$ 954,548	\$ —	\$ 3,735,383
Costs and Expenses:						
Cost of services provided	—	228,812	2,197,649	872,868	—	3,299,329
Depreciation and amortization	—	4,381	102,183	19,963	—	126,527
Selling and general corporate expenses	—	28,367	32,481	4,624	—	65,472
Interest and other financing costs, net	—	61,353	(632)	4,956	—	65,677
Expense allocations	—	(76,019)	73,872	2,147	—	—
	—	246,894	2,405,553	904,558	—	3,557,005
Income before Income Taxes	—	5,485	122,903	49,990	—	178,378
Provision for Income Taxes	—	1,477	36,316	15,150	—	52,943
Equity in Net Income of Subsidiaries	125,339	—	—	—	(125,339)	—
Net income	125,339	4,008	86,587	34,840	(125,339)	125,435
Less: Net income attributable to noncontrolling interest	—	—	96	—	—	96
Net income attributable to Aramark stockholders	125,339	4,008	86,491	34,840	(125,339)	125,339
Other comprehensive income (loss), net of tax	(24,682)	25,467	(1,927)	(68,348)	44,808	(24,682)
Comprehensive income (loss) attributable to Aramark stockholders	\$ 100,657	\$ 29,475	\$ 84,564	\$ (33,508)	\$ (80,531)	\$ 100,657

**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**
**CONDENSED CONSOLIDATING STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**
**For the three months ended January 1, 2016**
**(in thousands)**

	Aramark (Parent)	Aramark Services, Inc. (Issuer)	Guarantors	Non Guarantors	Eliminations	Consolidated
Sales	\$ —	\$ 256,743	\$ 2,517,067	\$ 936,465	\$ —	\$ 3,710,275
Costs and Expenses:						
Cost of services provided	—	234,974	2,199,744	859,805	—	3,294,523
Depreciation and amortization	—	3,463	106,277	17,778	—	127,518
Selling and general corporate expenses	—	36,846	32,493	4,802	—	74,141
Interest and other financing costs	—	63,583	(449)	8,186	—	71,320
Expense allocations	—	(94,050)	97,551	(3,501)	—	—
	—	244,816	2,435,616	887,070	—	3,567,502
Income before Income Taxes	—	11,927	81,451	49,395	—	142,773
Provision for Income Taxes	—	4,829	26,774	17,734	—	49,337
Equity in Net Income of Subsidiaries	93,343	—	—	—	(93,343)	—
Net income	93,343	7,098	54,677	31,661	(93,343)	93,436
Less: Net income attributable to noncontrolling interest	—	—	93	—	—	93
Net income attributable to Aramark stockholders	93,343	7,098	54,584	31,661	(93,343)	93,343
Other comprehensive income (loss), net of tax	5,002	9,885	(1,562)	(13,965)	5,642	5,002
Comprehensive income attributable to Aramark stockholders	\$ 98,345	\$ 16,983	\$ 53,022	\$ 17,696	\$ (87,701)	\$ 98,345

**ARAMARK AND SUBSIDIARIES**
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**
**CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS**
**For the three months ended December 30, 2016**
**(in thousands)**

	Aramark (Parent)	Aramark Services, Inc. (Issuer)	Guarantors	Non Guarantors	Eliminations	Consolidated
Net cash provided by (used in) operating activities	\$ —	\$ 102,805	\$ (168,396)	\$ 40,175	\$ (610)	\$ (26,026)
Cash flows from investing activities:						
Purchases of property and equipment, client contract investments and other	—	(4,921)	(88,327)	(13,352)	—	(106,600)
Disposals of property and equipment	—	49	546	754	—	1,349
Acquisitions of businesses, net of cash acquired	—	—	—	(1,045)	—	(1,045)
Other investing activities	—	(1,836)	(3,083)	5,085	—	166
Net cash used in investing activities	—	(6,708)	(90,864)	(8,558)	—	(106,130)
Cash flows from financing activities:						
Proceeds from long-term borrowings	—	40,900	—	5,087	—	45,987
Payments of long-term borrowings	—	(5,484)	(4,591)	(3,534)	—	(13,609)
Net change in funding under the Receivables Facility	—	—	—	132,000	—	132,000
Payments of dividends	—	(25,246)	—	—	—	(25,246)
Proceeds from issuance of common stock	—	3,121	—	—	—	3,121
Other financing activities	—	(15,300)	(361)	(65)	—	(15,726)
Change in intercompany, net	—	(114,454)	261,852	(148,008)	610	—
Net cash provided by (used in) financing activities	—	(116,463)	256,900	(14,520)	610	126,527
Increase (decrease) in cash and cash equivalents	—	(20,366)	(2,360)	17,097	—	(5,629)
Cash and cash equivalents, beginning of period	5	47,850	31,344	73,381	—	152,580
Cash and cash equivalents, end of period	\$ 5	\$ 27,484	\$ 28,984	\$ 90,478	\$ —	\$ 146,951

## ARAMARK AND SUBSIDIARIES

## NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

## CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

For the three months ended January 1, 2016

(in thousands)

	Aramark (Parent)	Aramark Services, Inc. (Issuer)	Guarantors	Non Guarantors	Eliminations	Consolidated
Net cash provided by (used in) operating activities	\$ 64	\$ 3,763	\$ (162,469)	\$ (67,731)	\$ 57,380	\$ (168,993)
Cash flows from investing activities:						
Purchases of property and equipment, client contract investments and other	—	(4,038)	(72,101)	(15,360)	—	(91,499)
Disposals of property and equipment	—	—	2,017	—	—	2,017
Acquisitions of businesses, net of cash acquired	—	—	(231)	—	—	(231)
Other investing activities	—	493	4,824	(1,738)	—	3,579
Net cash used in investing activities	—	(3,545)	(65,491)	(17,098)	—	(86,134)
Cash flows from financing activities:						
Proceeds from long-term borrowings	—	393,969	—	37,767	—	431,736
Payments of long-term borrowings	—	(67,480)	(2,818)	(102,224)	—	(172,522)
Net change in funding under the Receivables Facility	—	—	—	25,000	—	25,000
Payments of dividends	—	(22,853)	—	—	—	(22,853)
Proceeds from issuance of common stock	—	7,512	—	—	—	7,512
Other financing activities	—	(20,000)	(589)	(215)	—	(20,804)
Change in intercompany, net	(64)	(298,081)	221,711	133,814	(57,380)	—
Net cash provided by (used in) financing activities	(64)	(6,933)	218,304	94,142	(57,380)	248,069
Increase (decrease) in cash and cash equivalents	—	(6,715)	(9,656)	9,313	—	(7,058)
Cash and cash equivalents, beginning of period	5	31,792	42,811	47,808	—	122,416
Cash and cash equivalents, end of period	\$ 5	\$ 25,077	\$ 33,155	\$ 57,121	\$ —	\$ 115,358

**Item 2.**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*The following discussion and analysis of our financial condition and results of operations for the three months ended December 30, 2016 and January 1, 2016 should be read in conjunction with Aramark's (the "Company", "we", "our" and "us") audited consolidated financial statements, and the notes to those statements for the fiscal year ended September 30, 2016 included in the Company's Form 10-K, filed with the Securities and Exchange Commission ("SEC") on November 23, 2016.*

*Our discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties, such as our plans, objectives, opinions, expectations, anticipations, intentions and beliefs. Actual results and the timing of events could differ materially from those anticipated in those forward-looking statements as a result of a number of factors, including those set forth under the heading "Special Note About Forward-Looking Statements" and elsewhere in this Quarterly Report on Form 10-Q. In the following discussion and analysis of financial condition and results of operations, certain financial measures may be considered "non-GAAP financial measures" under SEC rules. These rules require supplemental explanation and reconciliation, which is provided elsewhere in this Quarterly Report on Form 10-Q.*

**Overview**

We are a leading global provider of food, facilities and uniform services. Our core market is North America, which is supplemented by an additional 17-country footprint. Through our established brand, broad geographic presence and employees, we anchor our business in our partnerships with thousands of education, healthcare, business and sports, leisure & corrections clients. Through these partnerships we serve millions of consumers including students, patients, employees, sports fans and guests worldwide. We operate our business in three reportable segments, Food and Support Services North America ("FSS North America"), Food and Support Services International ("FSS International") and Uniform and Career Apparel ("Uniform").

Our Food and Support Services operations focus on serving clients in five principal sectors: Business & Industry, Education, Healthcare, Sports, Leisure & Corrections and Facilities & Other. Our FSS International reportable segment provides a similar range of services as those provided to our FSS North America clients and operates in the same sectors although it is more heavily weighted towards Business & Industry.

**Seasonality**

Our sales and operating results have varied from quarter to quarter as a result of different factors. Historically, within our FSS North America segment, there has been a lower level of activity during our first and second fiscal quarters in operations that provide services to sports and leisure clients. This lower level of activity, historically, has been partially offset during our first and second fiscal quarters by the increased activity levels in our educational operations. Conversely, historically there has been a significant increase in the provision of services to sports and leisure clients during our third and fourth fiscal quarters, which is partially offset by the effect of summer recess at colleges, universities and schools in our educational operations.

**Foreign Currency Fluctuations**

The impact from foreign currency translation assumes constant foreign currency exchange rates based on the rates in effect for the prior year period being used in translation for the comparable current year period. We believe that providing the impact of fluctuations in foreign currency rates on certain financial results can facilitate analysis of period-to-period comparisons of our business performance.

**Fiscal Year**

Our fiscal year is the fifty-two or fifty-three week period which ends on the Friday nearest September 30th. The fiscal years ending September 29, 2017 and September 30, 2016 are each fifty-two week periods.

## Results of Operations

The following tables present an overview of our results on a consolidated and segment basis with the amount of and percentage change between periods for the three months ended December 30, 2016 and January 1, 2016 (dollars in millions).

	Three Months Ended		Change	
	December 30, 2016	January 1, 2016	\$	%
Sales	\$ 3,735.4	\$ 3,710.3	\$ 25.1	1 %
Costs and Expenses:				
Cost of services provided	3,299.3	3,294.5	4.8	— %
Other operating expenses	192.0	201.7	(9.7)	(5)%
	3,491.3	3,496.2	(4.9)	— %
Operating income	244.1	214.1	30.0	14 %
Interest and Other Financing Costs, net	65.7	71.3	(5.6)	(8)%
Income Before Income Taxes	178.4	142.8	35.6	25 %
Provision for Income Taxes	53.0	49.3	3.7	7 %
Net income	\$ 125.4	\$ 93.5	\$ 31.9	34 %

Sales by Segment <sup>(1)</sup>	Three Months Ended		Change	
	December 30, 2016	January 1, 2016	\$	%
FSS North America	\$ 2,662.8	\$ 2,622.7	\$ 40.1	2 %
FSS International	677.1	694.9	(17.8)	(3)%
Uniform	395.5	392.7	2.8	1 %
	\$ 3,735.4	\$ 3,710.3	\$ 25.1	1 %

Operating Income by Segment	Three Months Ended		Change	
	December 30, 2016	January 1, 2016	\$	%
FSS North America	\$ 185.2	\$ 168.3	16.9	10 %
FSS International	31.7	30.1	1.6	6 %
Uniform	53.8	50.3	3.5	7 %
Corporate	(26.6)	(34.6)	8.0	(23)%
	\$ 244.1	\$ 214.1	\$ 30.0	14 %

(1) As a percentage of total sales, FSS North America represented 71% and 71%, FSS International represented 18% and 19% and Uniform represented 11% and 10% for the three months ended December 30, 2016 and January 1, 2016, respectively.

## Consolidated Overview

Sales were \$3.7 billion for the first quarter of fiscal 2017, an increase of approximately 1% compared to the prior year period. Sales for the first quarter of fiscal 2017 were impacted by:

- growth in the Education and Sports, Leisure & Corrections sectors in the FSS North America segment; and
- growth in our Uniform segment; partially offset by
- a decrease in our Healthcare, Business & Industry and Facilities & Other sectors in the FSS North America segment; and
- the negative impact of foreign currency translation (approximately \$42 million or -1% to the consolidated results).



Cost of services provided as a percentage of sales was 88% and 89% for the first quarters of fiscal 2017 and fiscal 2016, respectively. The following table presents the percentages attributable to the components in cost of services provided for the three months ended December 30, 2016 and January 1, 2016.

Cost of services provided components	Three Months Ended	
	December 30, 2016	January 1, 2016
Food and support service costs	27%	28%
Personnel costs	46%	46%
Other direct costs	27%	26%
	100%	100%

Operating income of \$244.1 million for the first quarter of fiscal 2017 represented an increase of approximately 14% over the prior year period. The increase in operating income for the first quarter of fiscal 2017 was impacted by:

- profit growth in our Uniform segment;
- a decrease in acquisition-related amortization expense in the FSS North America segment (approximately \$10.3 million);
- an increase in the gain related to the change in the fair value of certain gasoline and diesel agreements (approximately \$5.5 million); and
- income from prior years' loss experience that was favorable under our casualty insurance program (approximately \$6.5 million).

Interest and Other Financing Costs, net, for the first quarter of fiscal 2017 decreased 8% when compared to the prior year period, primarily due to lower average debt levels and the maturing of interest rate swaps during fiscal 2016.

The effective income tax rate for the first quarter of fiscal 2017 was 29.7% compared to 34.6% for the prior year period. The decrease is primarily due to a \$6.3 million tax benefit recognized in the first quarter of fiscal 2017 as a result of the adoption of the accounting standard update related to share-based payment transactions (see note 1 to the condensed consolidated financial statements) and from the impact of certain permanently reinvested foreign earnings in the first quarter of fiscal 2017.

## Segment Results

### FSS North America Segment

The five sectors of the FSS North America reportable segment are Business & Industry, Education, Healthcare, Sports, Leisure & Corrections and Facilities & Other.

Sales for each of these sectors are summarized as follows (in millions):

	Three Months Ended	
	December 30, 2016	January 1, 2016*
Business & Industry	\$ 374.0	\$ 380.9
Education	922.0	901.9
Healthcare	321.3	341.2
Sports, Leisure & Corrections	530.6	473.6
Facilities & Other	514.9	525.1
	\$ 2,662.8	\$ 2,622.7

\*Prior year amounts have been restated to reflect current period classification due to an internal reorganization related to Facilities & Other beginning in fiscal 2017.

On an annual basis, the Healthcare and Education sectors generally have high-single digit operating income margins and the Business & Industry, Sports, Leisure & Corrections and Facilities & Other sectors generally have mid-single digit operating income margins.

FSS North America segment sales for the three month period of fiscal 2017 increased approximately 2% compared to the prior year period.

Business & Industry sector sales declined approximately 2% for the three month period of fiscal 2017 due to net lost business. Education sector sales increased approximately 2% for the three month period of fiscal 2017 due to an increase in base business, partially offset by net lost business. Healthcare sector sales declined approximately 6% for the three month period of

fiscal 2017 due to net lost business. Sports, Leisure & Corrections sector sales increased approximately 12% for the three month period of fiscal 2017 due to net new business. Facilities & Other sector sales declined approximately 2% for the three month period of fiscal 2017 due to continued energy headwinds.

Cost of services provided was \$2.4 billion for the three month period of fiscal 2017, compared to \$2.3 billion for the prior year period. Cost of services provided as a percentage of sales was 89% for the first quarter of both fiscal 2017 and fiscal 2016.

Operating income for the three month period of fiscal 2017 increased 10% as compared to the prior year period. The increase in operating income was impacted by:

- a decrease in acquisition-related amortization expense (approximately \$10.3 million); and
- income from prior years' loss experience that was favorable under our casualty insurance program (approximately \$4.0 million).

### ***FSS International Segment***

Sales in the FSS International segment for the three month period of fiscal 2017 decreased 3% compared to the prior year period. The decrease in sales was impacted by:

- the negative impact of foreign currency translation (approximately \$42 million or -6%); and
- a sales decline in the U.K. and South America; which more than offset
- sales growth in Ireland and China; and
- the positive impact of the Avoca Handweavers Limited ("Avoca") acquisition (approximately \$19 million or 3%).

Cost of services provided was \$0.6 billion for the three month periods of both fiscal 2017 and fiscal 2016. Cost of services provided as a percentage of sales was 93% for the first quarter of both fiscal 2017 and fiscal 2016.

Operating income for the three month period of fiscal 2017 increased 6% compared to the prior year period. The increase in operating income was primarily due to profit growth in China and productivity gains in base business.

### ***Uniform Segment***

Uniform segment sales increased 1% for the three month period of fiscal 2017 compared to the prior year period. This increase is primarily the result of growth in base business within our uniform rental business.

Cost of services provided was \$0.3 billion for the three month periods of both fiscal 2017 and fiscal 2016. Cost of services provided as a percentage of sales was 78% for the first quarter of both fiscal 2017 and fiscal 2016.

Operating income for the three month period of fiscal 2017 increased 7% compared to the prior year period from effective cost controls and from capacity expansion projects that adversely impacted the prior year period.

### ***Corporate***

Corporate expenses, those administrative expenses not allocated to the business segments, were \$26.6 million in the first quarter of fiscal 2017 compared to \$34.6 million for the prior year period. The decrease is primarily due to the impact of:

- a year-over-year increase in the gain related to the change in the fair value of certain gasoline and diesel agreements (approximately \$5.5 million); and
- the prior year expense related to consulting costs (approximately \$3.4 million).

## **Liquidity and Capital Resources**

### ***Overview***

Our principal sources of liquidity are cash generated from operating activities, funds from borrowings and existing cash on hand. As of December 30, 2016, we had \$147.0 million of cash and cash equivalents and approximately \$671.1 million of availability under our senior secured revolving credit facility. A significant portion of our cash and cash equivalents is held in mature, liquid markets where we have operations, primarily in the U.S. As of December 30, 2016, there was approximately \$355.3 million of outstanding foreign currency borrowings.

We believe that our cash and cash equivalents and the unused portion of our committed credit availability under the senior secured revolving credit facility will be adequate to meet anticipated cash requirements to fund working capital, capital spending, debt service obligations, refinancings, dividends and other cash needs. We will continue to seek to invest strategically but prudently in certain sectors and geographies. Repatriation of certain overseas funds can result in additional U.S. federal income tax payments. Undistributed earnings of certain foreign subsidiaries for which no deferred tax liability was recorded amounted to approximately \$30 million at December 30, 2016. Those earnings are considered to be indefinitely reinvested and, accordingly, no deferred income taxes have been provided thereon. As part of our ongoing liquidity assessments, we routinely

monitor our cash flow (including the mix of domestic and international inflows and outflows) and the condition of the capital markets in order to be prepared to respond to changing conditions.

The table below summarizes our cash activity (in millions):

	Three Months Ended	
	December 30, 2016	January 1, 2016
Net cash used in operating activities	\$ (26.0)	\$ (169.0)
Net cash used in investing activities	(106.1)	(86.1)
Net cash provided by financing activities	126.5	248.1

Reference to the Condensed Consolidated Statements of Cash Flows will facilitate understanding of the discussion that follows.

#### ***Cash Flows Used in Operating Activities***

During the three month period of fiscal 2017, the increase in net income resulted from the higher operating results discussed above. The change in operating assets and liabilities of approximately \$133.1 million compared to the prior year period relates primarily to the following:

- Prepayments were a larger source of cash in the current period due to the timing of prepayments made at the end of fiscal 2016 related to interest on the U.S. dollar denominated term loan, insurance premiums and taxes;
- Accounts payable were less of a use of cash compared to the prior year period due to the timing of disbursements; and
- Accounts receivable were less of a use of cash compared to the prior year period due to timing of collections; partially offset by
- Accrued expenses being a greater use of cash compared to the prior year period due to the timing of payments for interest and client advances.

During the first quarter of fiscal 2017, the Company received proceeds of approximately \$9.7 million related to our casualty insurance program from our loss experience being favorable related to a prior year. During the first quarter of fiscal 2016, we received proceeds of \$5.7 million related to the termination of outstanding amortizing cross currency swap agreements.

#### ***Cash Flows Used in Investing Activities***

The increase in net cash flows used in investing activities between periods relates primarily to the timing of client contract investments.

#### ***Cash Flows Provided by Financing Activities***

During the first quarter of fiscal 2016, we issued \$400 million of 5.125% Senior Notes due January 2024 and repaid a U.S. dollar denominated term loan of a Canadian subsidiary in the amount of \$74.1 million.

The "Other financing activities" reflects a use of cash during the three month period of fiscal 2017 and fiscal 2016 and is primarily related to taxes paid by the Company when an employee withholds shares upon exercise or vesting to cover income taxes (see note 1 to the condensed consolidated financial statements).

During the second quarter of fiscal 2017, our Board of Directors authorized a new share repurchase program of up to \$250 million worth of Aramark common stock over the next two years. We may utilize various methods to effect repurchases of its common stock under the repurchase program, which could include open market repurchases, privately negotiated transactions, block transactions, accelerated share repurchase or open market solicitations for shares, some of which may be effected through Rule 10b5-1 plans. Repurchases will be made at our discretion, based on ongoing assessments of the capital needs of the business, the market price of our common stock and general market conditions. The program may be suspended or discontinued at any time.

#### ***Covenant Compliance***

The Credit Agreement contains a number of covenants that, among other things, restrict our ability to: incur additional indebtedness; issue preferred stock or provide guarantees; create liens on assets; engage in mergers or consolidations; sell assets; pay dividends, make distributions or repurchase our capital stock; make investments, loans or advances; repay or repurchase any notes, except as scheduled or at maturity; create restrictions on the payment of dividends or other amounts to us from our restricted subsidiaries; make certain acquisitions; engage in certain transactions with affiliates; amend material agreements governing the notes (or any indebtedness that refinances the notes); and fundamentally change our business. The indentures governing our senior notes contain similar provisions. As of December 30, 2016, we were in compliance with these covenants.

As stated above, the Credit Agreement and the indentures governing our senior notes contain provisions that restrict our ability to pay dividends and repurchase stock (collectively, "Restricted Payments"). In addition to customary exceptions, the Credit Agreement and indentures permit Restricted Payments in the aggregate up to an amount (the "Applicable Amount") that increases quarterly by 50% of our Consolidated Net Income, as such term is defined in these debt agreements. We are required to be in compliance with the interest coverage ratio described below to make any Restricted Payments from the Applicable Amount.

Under the Credit Agreement and the indentures governing our senior notes, we are required to satisfy and maintain specified financial ratios and other financial condition tests and covenants. Our continued ability to meet those financial ratios, tests and covenants can be affected by events beyond our control, and there can be no assurance that we will meet those ratios, tests and covenants.

These financial ratios, tests and covenants involve the calculation of certain measures that we refer to in this discussion as "Covenant Adjusted EBITDA." Covenant Adjusted EBITDA is not a measurement of financial performance under U.S. GAAP. Covenant Adjusted EBITDA is defined as net income (loss) of Aramark Services, Inc. and its restricted subsidiaries plus interest and other financing costs, net, provision (benefit) for income taxes, and depreciation and amortization, further adjusted to give effect to adjustments required in calculating covenant ratios and compliance under our Credit Agreement and the indentures governing our senior notes.

Our presentation of these measures has limitations as an analytical tool, and should not be considered in isolation or as a substitute for analysis of our results as reported under U.S. GAAP. You should not consider these measures as alternatives to net income or operating income determined in accordance with U.S. GAAP. Covenant Adjusted EBITDA, as presented by us, may not be comparable to other similarly titled measures of other companies because not all companies use identical calculations.

The following is a reconciliation of net income attributable to Aramark Services, Inc. stockholder, which is a U.S. GAAP measure of Aramark Services, Inc.'s operating results, to Covenant Adjusted EBITDA as defined in our debt agreements. The terms and related calculations are defined in the Credit Agreement and the indentures governing our senior notes. Covenant Adjusted EBITDA is a measure of Aramark Services, Inc. and its restricted subsidiaries only and does not include the results of Aramark.

(in millions)	Three Months Ended	Three Months Ended	Three Months Ended	Three Months Ended	Twelve Months Ended
	December 30, 2016	September 30, 2016	July 1, 2016	April 1, 2016	December 30, 2016
Net income attributable to Aramark Services, Inc. stockholder	\$ 125.3	\$ 83.3	\$ 44.8	\$ 66.4	\$ 319.8
Interest and other financing costs, net	65.7	68.4	103.8	71.8	309.7
Provision for income taxes	52.9	38.8	20.7	33.9	146.3
Depreciation and amortization	126.5	125.6	122.4	120.3	494.8
Share-based compensation expense <sup>(1)</sup>	16.2	13.4	14.2	14.1	57.9
Pro forma EBITDA for equity method investees <sup>(2)</sup>	5.6	3.1	2.3	4.3	15.3
Pro forma EBITDA for certain transactions <sup>(3)</sup>	—	—	1.6	1.1	2.7
Other <sup>(4)</sup>	(3.5)	24.9	(3.7)	10.6	28.3
Covenant Adjusted EBITDA	\$ 388.7	\$ 357.5	\$ 306.1	\$ 322.5	\$ 1,374.8

- (1) Represents share-based compensation expense resulting from the application of accounting for stock options, restricted stock units, performance stock, performance stock units, and deferred stock unit awards (see note 7 to the condensed consolidated financial statements).
- (2) Represents our estimated share of EBITDA, primarily from our AIM Services Co., Ltd. equity method investment, not already reflected in our Covenant Adjusted EBITDA. EBITDA for this equity method investee is calculated in a manner consistent with consolidated Covenant Adjusted EBITDA but does not represent cash distributions received from this investee.
- (3) Represents the annualizing of net EBITDA from acquisitions made during the period.
- (4) Other for the twelve months ended December 30, 2016 includes organizational streamlining initiatives (\$26.8 million costs), the impact of the change in fair value related to certain gasoline and diesel agreements (\$13.8 million gain), expenses related to acquisition costs (\$4.0 million), property and other asset write-downs associated with the sale of a building (\$5.1 million) and asset write-offs (\$5.0 million).

Our covenant requirements and actual ratios for the twelve months ended December 30, 2016 are as follows:

	Covenant Requirements	Actual Ratios
Maximum Consolidated Secured Debt Ratio <sup>(1)</sup>	5.125x	2.70x
Interest Coverage Ratio (Fixed Charge Coverage Ratio) <sup>(2)</sup>	2.000x	4.67x

- (1) Our Credit Agreement requires us to maintain a maximum Consolidated Secured Debt Ratio, defined as consolidated total indebtedness secured by a lien to Covenant Adjusted EBITDA, of 5.125x. Consolidated total indebtedness secured by a lien is defined in the Credit Agreement as total indebtedness outstanding under the Credit Agreement, capital leases, advances under the Receivables Facility and any other indebtedness secured by a lien reduced by the lesser of the amount of cash and cash equivalents on our balance sheet that is free and clear of any lien and \$75 million. Non-compliance with the maximum Consolidated Secured Debt Ratio could result in the requirement to immediately repay all amounts outstanding under our Credit Agreement, which, if our revolving credit facility lenders failed to waive any such default, would also constitute a default under the indentures governing our senior notes.
- (2) Our Credit Agreement establishes an incurrence-based minimum Interest Coverage Ratio, defined as Covenant Adjusted EBITDA to consolidated interest expense, the achievement of which is a condition for us to incur additional indebtedness and to make certain restricted payments. If we do not maintain this minimum Interest Coverage Ratio calculated on a pro forma basis for any such additional indebtedness or restricted payments, we could be prohibited from being able to incur additional indebtedness, other than the additional funding provided for under the Credit Agreement and pursuant to specified exceptions, and make certain restricted payments, other than pursuant to certain exceptions. The minimum Interest Coverage Ratio is 2.00x for the term of the Credit Agreement. Consolidated interest expense is defined in the Credit Agreement as consolidated interest expense excluding interest income, adjusted for acquisitions and dispositions, further adjusted for certain non-cash or nonrecurring interest expense and our estimated share of interest expense from one equity method investee. The indentures governing our senior notes includes a similar requirement which is referred to as a Fixed Charge Coverage Ratio.

The Company and its subsidiaries and affiliates may from time to time, in their sole discretion, purchase, repay, redeem or retire any of our outstanding debt securities (including any publicly issued debt securities), in privately negotiated or open market transactions, by tender offer or otherwise, or extend or refinance any of our outstanding indebtedness.

Our business activities do not include the use of unconsolidated special purpose entities, and there are no significant business transactions that have not been reflected in the accompanying financial statements. We are self-insured for a limited portion of the risk retained under our general liability and workers' compensation arrangements. Self-insurance reserves are recorded based on actuarial analyses.

### Critical Accounting Policies and Estimates

Our significant accounting policies are described in the notes to the consolidated financial statements included in our Form 10-K filed with the SEC on November 23, 2016. As described in such notes, the Company recognizes sales in the period in which services are provided pursuant to the terms of our contractual relationships with our clients. Sales from direct marketing activities are recognized upon shipment. For a more complete discussion of the critical accounting policies and estimates that we have identified in the preparation of our condensed consolidated financial statements, please refer to our Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Form 10-K filed with the SEC on November 23, 2016.

Effective for the first quarter of fiscal 2017, the earnings since the beginning of the fiscal year of certain of the Company's foreign subsidiaries are intended to be indefinitely reinvested in operations outside the U.S. and, therefore, U.S. taxes have not been recorded on those earnings.

In preparing our financial statements, management is required to make estimates and assumptions that, among other things, affect the reported amounts of assets, liabilities, sales and expenses. These estimates and assumptions are most significant where they involve levels of subjectivity and judgment necessary to account for highly uncertain matters or matters susceptible to change, and where they can have a material impact on our financial condition and operating performance. If actual results were to differ materially from the estimates made, the reported results could be materially affected.

Critical accounting estimates and the related assumptions are evaluated periodically as conditions warrant, and changes to such estimates are recorded as new information or changed conditions require.

### New Accounting Standard Updates

See note 1 to the condensed consolidated financial statements for a full description of recent accounting standard updates, including the expected dates of adoption.

### **Item 3. Quantitative and Qualitative Disclosure About Market Risk**

We are exposed to the impact of interest rate changes and manage this exposure through the use of variable-rate and fixed-rate debt and by utilizing interest rate swaps. We do not enter into contracts for trading purposes and do not use leveraged instruments. The market risk associated with debt obligations as of December 30, 2016 has not materially changed from September 30, 2016 (see Item 7A "Quantitative and Qualitative Disclosure About Market Risk" in our Form 10-K for the fiscal year ended September 30, 2016 filed with the SEC on November 23, 2016). See note 5 to the condensed consolidated financial statements for a discussion of the Company's derivative instruments and note 11 for the disclosure of the fair value and related carrying value of the Company's debt obligations as of December 30, 2016.

### **Item 4. Controls and Procedures**

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as that term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report. Based on that evaluation, management, with the participation of the Chief Executive Officer and Chief Financial Officer, concluded that the Company's disclosure controls and procedures, as of the end of the period covered by this report, are functioning effectively to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosures. A controls system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. No change in the Company's internal control over financial reporting occurred during the Company's first quarter of fiscal 2017 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**PART II**

**Item 1. Legal Proceedings**

Our business is subject to various federal, state and local laws and regulations governing, among other things, the generation, handling, storage, transportation, treatment and disposal of water wastes and other substances. We engage in informal settlement discussions with federal, state, local and foreign authorities regarding allegations of violations of environmental laws in connection with our operations or businesses conducted by our predecessors or companies that we have acquired, the aggregate amount of which and related remediation costs we do not believe should have a material adverse effect on our financial condition or results of operations.

From time to time, the Company and its subsidiaries are a party to various legal actions, proceedings and investigations involving claims incidental to the conduct of their business, including actions by clients, consumers, employees, government entities and third parties, including under federal, state, international, national, provincial and local employment laws, wage and hour laws, discrimination laws, immigration laws, human health and safety laws, import and export controls and customs laws, environmental laws, false claims or whistleblower statutes, minority, women and disadvantaged business enterprise statutes, tax codes, antitrust and competition laws, consumer protection statutes, procurement regulations, intellectual property laws, food safety and sanitation laws, cost and accounting principles, the Foreign Corrupt Practices Act, the U.K. Bribery Act, other anti-corruption laws, lobbying laws, motor carrier safety laws, data privacy and security laws and alcohol licensing and service laws, or alleging negligence and/or breaches of contractual and other obligations. Based on information currently available, advice of counsel, available insurance coverage, established reserves and other resources, the Company does not believe that any such actions, proceedings or investigations are likely to be, individually or in the aggregate, material to its business, financial condition, results of operations or cash flows. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to the Company's business, financial condition, results of operations or cash flows.

**Item 1A. Risk Factors**

There have been no material changes to the risk factors disclosed in Part I, Item 1A of the Form 10-K for the fiscal year ended September 30, 2016 and filed with the SEC on November 23, 2016.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

c) Issuer Purchases of Equity Securities

The following table provides information about the Company's share repurchase activity during the Company's first fiscal quarter:

Period	(a) Total Number of Shares (or Units) Purchased <sup>1</sup>	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
Month 1 October 1, 2016 - October 28, 2016	N/A	N/A	N/A	N/A
Month 2 October 29, 2016 - November 25, 2016	N/A	N/A	N/A	N/A
Month 3 November 26, 2016 - December 30, 2016	8,780	\$ 36.29	N/A	N/A
Total	8,780	\$ 36.29	N/A	N/A

(1) Consists of shares tendered by employees as payment of taxes withheld on the vesting of restricted stock granted under the Fifth Amended and Restated Aramark 2007 Management Stock Incentive Plan

**Item 6. Exhibits**

<b>Exhibit No.</b>	<b>Description</b>
3.1	Amended and Restated Certificate of Incorporation of Aramark (incorporated by reference to Exhibit 3.1 to Aramark's Current Report on Form 8-K filed with the SEC on December 16, 2013, pursuant to the Exchange Act (file number 001-36223)).
3.2	Certificate of Ownership and Merger (incorporated by reference to Exhibit 3.1 to Aramark's Current Report on Form 8-K filed with the SEC on May 15, 2014, pursuant to the Exchange Act (file number 001-36223)).
3.3	Amended and Restated By-laws of Aramark (incorporated by reference to Exhibit 3.2 to Aramark's Current Report on Form 8-K filed with the SEC on May 15, 2014, pursuant to the Exchange Act (file number 001-36223)).
4.1	Indenture, dated as of December 17, 2015, among Aramark Services, Inc., as issuer, Aramark, as parent guarantor, the subsidiary guarantors named therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 of Aramark's Current Report on Form 8-K filed with the SEC on December 17, 2015, pursuant to the Exchange Act (file number 001-36223)).
4.2	Supplemental Indenture, dated as of May 31, 2016, among Aramark Services, Inc., as issuer, Aramark, as parent guarantor, the subsidiary guarantors named therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.2 of Aramark's Current Report on Form 8-K filed with the SEC on June 6, 2016, pursuant to the Exchange Act (file number 001-36223)).
4.3	Indenture, dated as of May 31, 2016, among Aramark Services, Inc., as issuer, Aramark, as parent guarantor, the subsidiary guarantors named therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.3 of Aramark's Current Report on Form 8-K filed with the SEC on June 6, 2016, pursuant to the Exchange Act (file number 001-36223)).
4.4	Registration Rights Agreement, dated as of May 31, 2016, among Aramark Services, Inc., Aramark, the subsidiary guarantors named therein, and Wells Fargo Securities, LLC, as representative of the several initial purchasers (incorporated by reference to Exhibit 4.4 of Aramark's Current Report on Form 8-K filed with the SEC on June 6, 2016, pursuant to the Exchange Act (file number 001-36223)).
4.5	Registration Rights Agreement, dated as of May 31, 2016, among Aramark Services, Inc., Aramark, the subsidiary guarantors named therein, and Wells Fargo Securities, LLC, as representative of the several initial purchasers (incorporated by reference to Exhibit 4.5 of Aramark's Current Report on Form 8-K filed with the SEC on June 6, 2016, pursuant to the Exchange Act (file number 001-36223)).
10.1	Aramark Amended and Restated 2013 Stock Incentive Plan.
10.2	Amended and Restated Aramark Senior Executive Performance Bonus Plan.
12.1	Ratio of Earnings to Fixed Charges.
31.1	Certification of Eric Foss, Chief Executive Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
31.2	Certification of Stephen P. Bramlage Jr., Chief Financial Officer, pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.
32.1	Certification of Eric Foss, Chief Executive Officer, and Stephen P. Bramlage Jr., Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	The following financial information from Aramark's Quarterly Report on Form 10-Q for the period ended December 30, 2016 formatted in XBRL: (i) Condensed Consolidated Balance Sheets as of December 30, 2016 and September 30, 2016; (ii) Condensed Consolidated Statements of Income for the three months ended December 30, 2016 and January 1, 2016; (iii) Condensed Consolidated Statements of Comprehensive Income for the three months ended December 30, 2016 and January 1, 2016; (iv) Condensed Consolidated Statements of Cash Flows for the three months ended December 30, 2016 and January 1, 2016; and (v) Notes to Condensed Consolidated Financial Statements.



**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 7, 2017.

Aramark

By:

/s/ BRIAN PRESSLER

Name:

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Brian Pressler

Title:

Senior Vice President and Chief Accounting Officer

## Exhibit Index

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Aramark (incorporated by reference to Exhibit 3.1 to Aramark's Current Report on Form 8-K filed with the SEC on December 16, 2013, pursuant to the Exchange Act (file number 001-36223)).
3.2	Certificate of Ownership and Merger (incorporated by reference to Exhibit 3.1 to Aramark's Current Report on Form 8-K filed with the SEC on May 15, 2014, pursuant to the Exchange Act (file number 001-36223)).
3.3	Amended and Restated By-laws of Aramark (incorporated by reference to Exhibit 3.2 to Aramark's Current Report on Form 8-K filed with the SEC on May 15, 2014, pursuant to the Exchange Act (file number 001-36223)).
4.1	Indenture, dated as of December 17, 2015, among Aramark Services, Inc., as issuer, Aramark, as parent guarantor, the subsidiary guarantors named therein and The Bank of New York Mellon, as trustee (incorporated by reference to Exhibit 4.1 of Aramark's Current Report on Form 8-K filed with the SEC on December 17, 2015, pursuant to the Exchange Act (file number 001-36223)).
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**Aramark Amended and Restated  
2013 Stock Incentive Plan**

1. Purpose. The purpose of the Aramark Amended and Restated 2013 Stock Incentive Plan is to provide a means through which the Company and its Affiliates may attract and retain key personnel and to provide a means whereby current and prospective directors, officers, employees, consultants and advisors of the Company and its Affiliates can acquire and maintain an equity interest in the Company, or be paid incentive compensation, which may (but need not) be measured by reference to the value of Common Stock, thereby strengthening their commitment to the welfare of the Company and its Affiliates and aligning their interests with those of the Company's stockholders.

2. Definitions. The following definitions shall be applicable throughout the Plan:

(a) "Affiliate" means with respect to any Person, any other Person that controls, is controlled by, or is under common control with such Person. The term "control," as used in this Plan, means the power to direct or cause the direction of the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. "Controlled" and "controlling" have meanings correlative to the foregoing.

(b) "Amendment and Restatement Effective Date" means February 1, 2017.

(c) "Award" means, individually or collectively, any Incentive Stock Option, Nonqualified Stock Option, Stock Appreciation Right, Restricted Stock, Restricted Stock Unit, Deferred Stock Unit, Dividend Equivalent award, Stock Bonus Award, and Performance Compensation Award granted under the Plan.

(d) "Award Agreement" means any agreement or other instrument (whether in paper or electronic medium (including email or the posting on a web site maintained by the Company or a third party under contract with the Company)) setting forth the terms of an Award that has been duly authorized and approved by the Committee.

(e) "Board" means the Board of Directors of the Company.

(f) "Cause" means, in the case of a particular Award with respect to a Participant, (i) if such Participant is at the time of termination a party to any employment, consulting or other similar agreement (any such agreement, an "Individual Agreement") that defines such term, the meaning given in such Individual Agreement; (ii) otherwise if such Participant is at the time of termination a party to an Award Agreement which was entered into under this Plan and defines such term, the meaning given in the Award Agreement; and (iii) in all other cases, such Participant's (A) commission of a felony or a crime of moral turpitude; (B) commission of a willful and material act of dishonesty involving the Company; (C) material breach of the Company's Business Conduct Policy that causes harm to the Company or its business reputation; or (D) willful misconduct that causes material harm to the Company or its business reputation.

(g) "Change of Control" means, unless otherwise provided in an Award Agreement, the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) the sale or disposition, in one or a series of related transactions, of

all or substantially all of the assets of the Company to any "person" or "group" (as such terms are used for purposes of Sections 13(d)(3) and 14(d)(2) of the Exchange Act);

(ii) any person or group is or becomes the "beneficial owner" (as such term is used for purposes of Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than fifty percent (50%) of the total voting power of the outstanding voting stock of the Company, including by way of merger, consolidation or otherwise;

(iii) during any period of twenty-four (24) months, individuals who, at the beginning of such period, constitute the Board (the "Incumbent Directors") cease for any reason to constitute at least a majority of the Board, *provided*, that any person becoming a director subsequent to the date hereof, whose election or nomination for election was approved by a vote of at least two-thirds (2/3) of the Incumbent Directors then on the Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without written objection to such nomination) shall be an Incumbent Director; *provided, however*, that no individual initially elected or nominated as a director of the Company as a result of an actual or threatened election contest, as such terms are used in Rule 14a-12 of Regulation 14A promulgated under the Exchange Act, with respect to directors or as a result of any other actual or threatened solicitation of proxies or consents by or on behalf of any person other than the Board shall be deemed to be an Incumbent Director; or

(iv) a complete liquidation or dissolution of the Company.

In addition, if a Change of Control constitutes a payment event with respect to any Award which provides for the deferral of compensation and is subject to Section 409A of the Code, the transaction or event described in subsection (i), (ii), or (iii) with respect to such Award must also constitute a "change in control event," as defined in Treasury Regulation § 1.409A-3(i)(5) to the extent required by Section 409A of the Code.

(h) "Code" means the Internal Revenue Code of 1986, as amended, and any successor thereto. Any reference to any section of the Code shall also be a reference to any successor provision and any Treasury Regulation promulgated thereunder.

(i) "Committee" means the Compensation and Human Resources Committee of the Board, a Sub-Committee as may be appointed pursuant to Section 4(a) or the Board.

(j) "Common Stock" means the common stock, par value \$0.01 per share, of the Company (and any stock or other securities into which such common stock may be converted or into which it may be exchanged).

(k) "Company" means Aramark, a Delaware corporation, and any successor thereto.

(l) "Date of Grant" means the date on which the granting of an Award is authorized, or such other date as may be specified in such authorization.

(m) "Deferred Stock Unit" or "DSU" means the right to receive cash or one whole share of Common Stock for each whole Deferred Stock Unit awarded under Section 10(b) of the Plan.

(n) "Disability" means, unless the Award granted to the applicable Participant is subject to Section 409A of the Code, with respect to each Participant, the Participant is (i) unable to perform the material and substantial duties of the Participant's Regular Occupation (as defined herein below) due to the Participant's sickness or injury; and (ii) the Participant is under

the regular care of a qualified doctor; and (iii) the Participant has incurred a twenty percent (20%) or more loss in the Participant's monthly earnings due to that sickness or injury (or such other definition of disability that results in a termination of employment and commencement of receipt of benefits under the Company or its Affiliate's long term disability plan, as in effect at the applicable time (the "LTD Plan")). In the event that the Award granted to the applicable Participant is subject to Section 409A of the Code, the term Disability, shall instead have the meaning of "Disability" as defined under Section 409A of the Code or any successor provision of the Code at the applicable time. For purposes of this definition, the term "Regular Occupation" means the occupation the Participant is routinely performing when the Participant's Disability begins, which shall be determined by the LTD Plan Claims Administrator as provided in the LTD Plan.

(o) "Dividend Equivalent" shall mean a right to receive the equivalent value (in cash or Common Stock) of dividends paid on Common Stock, awarded under Section 10(c) of the Plan.

(p) "Effective Date" means the date on which the Plan (prior to the amended and restatement thereof) was initially approved by the stockholders of the Company (i.e., December 1, 2013).

(q) "Eligible Director" means a person who is (i) with respect to actions intended to obtain an exemption from Section 16(b) of the Exchange Act pursuant to Rule 16b-3 under the Exchange Act, a "Non-Employee Director" within the meaning of Rule 16b-3 under the Exchange Act, and (ii) with respect to actions intended to obtain the exception for performance-based compensation under Section 162(m) of the Code, including pursuant to Section 11 of the Plan, an "outside director" within the meaning of Section 162(m) of the Code.

(r) "Eligible Person" means any (i) individual employed by the Company or any of its Affiliates; (ii) director of the Company or an Affiliate; or (iii) consultant or advisor to the Company or any of its Affiliates who may be offered securities registrable on Form S-8 under the Securities Act or pursuant to Rule 701 of the Securities Act, or any other available exemption, as applicable.

(s) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and any successor thereto. Any reference in the Plan to any section of (or rule promulgated under) the Exchange Act shall be deemed to include any rules, regulations or other interpretative guidance under such section or rule, and any amendments or successor provisions to such section, rules, regulations or guidance.

(t) "Exercise Price" has the meaning given such term in Section 7(b) of the Plan.

(u) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows: (i) if the Common Stock is listed on one or more established U.S. national or regional securities exchanges, its Fair Market Value shall be the closing sale price for such Common Stock (or if no closing sale price is reported, the closing price on the last preceding date on which such prices of the Common Stock are so reported) on such date as reported in composite transactions for the principal exchange on which the Common Stock is listed (as determined by the Committee); (ii) if the Common Stock is not listed on a U.S. national or regional securities exchange but is traded over the counter at the time determination of its Fair Market Value is required to be made, its Fair Market Value shall be equal to the average between the high and low sales prices of the Common Stock on the most recent date on which

the Common Stock was traded, as reported by Pink OTC Markets Inc. or a similar organization (as selected by the Committee); or (iii) if the Common Stock is not so traded, the Fair Market Value thereof shall be determined by the Committee in good faith.

(v) "Good Reason", to the extent a Participant is party to an agreement relating to employment and post-employment competition, or other similar agreement, with the Company or any of its Affiliates (including any exhibits and schedules thereto) (an "ELC Agreement") that contains a definition of "Good Reason", has the meaning given to such term in a Participant's ELC Agreement. For the avoidance of doubt, if a Participant is not party to an ELC Agreement or if a Participant's ELC Agreement does not contain a definition of Good Reason, then such Participant shall not have grounds to effect a Termination of Relationship for Good Reason.

(w) "Immediate Family Members" shall have the meaning set forth in Section 15(b) of the Plan.

(x) "Incentive Stock Option" means an Option that is designated by the Committee as an incentive stock option as described in Section 422 of the Code and otherwise meets the requirements set forth in the Plan.

(y) "Indemnifiable Person" shall have the meaning set forth in Section 4(d) of the Plan.

(z) "Negative Discretion" shall mean the discretion authorized by the Plan to be applied by the Committee to eliminate or reduce the size of a Performance Compensation Award consistent with Section 162(m) of the Code.

(aa) "Net Exercise" means a Participant's ability to exercise an Option by directing the Company to deduct from the shares of Common Stock issuable upon exercise of such Option, a number of shares of Common Stock having an aggregate Fair Market Value equal to the sum of the aggregate Exercise Price therefor plus the amount of the Participant's Tax Withholding, and the Company shall thereupon issue to the Participant the net remaining number of shares of Common Stock after such deductions.

(bb) "Nonqualified Stock Option" means an Option that is not designated by the Committee as an Incentive Stock Option.

(cc) "Option" means an Award granted under Section 7 of the Plan.

(dd) "Option Period" has the meaning given such term in Section 7(c) of the Plan.

(ee) "Participant" means an Eligible Person who has been selected by the Committee to participate in the Plan and to receive an Award pursuant to Section 6 of the Plan.

(ff) "Performance Compensation Award" shall mean any Award designated by the Committee as a Performance Compensation Award pursuant to Section 11 of the Plan.

(gg) "Performance Criteria" shall mean the criterion or criteria that the Committee shall select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any Performance Compensation Award under the Plan.

(hh) "Performance Formula" shall mean, for a Performance Period, the one or more objective formulae applied against the relevant Performance Goal to determine, with regard to the Performance Compensation Award of a particular Participant, whether all, some portion but less than all, or none of the Performance Compensation Award has been earned for

the Performance Period.

(ii) "Performance Goals" shall mean, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria.

(jj) "Performance Period" shall mean the one or more periods of time, as the Committee may select, over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to, and the payment of, a Performance Compensation Award.

(kk) "Permitted Transferee" shall have the meaning set forth in Section 15(b) of the Plan.

(ll) "Person" means a "person" as such term is used for purposes of 13(d) or 14(d) of the Exchange Act, or any successor section thereto.

(mm) "Plan" means this Amended and Restated Aramark 2013 Stock Incentive Plan.

(nn) "Restricted Period" means the period of time determined by the Committee during which an Award is subject to restrictions or, as applicable, the period of time within which performance is measured for purposes of determining whether an Award has been earned.

(oo) "Restricted Stock" means Common Stock, subject to certain specified restrictions (including, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 9 of the Plan.

(pp) "Restricted Stock Unit" means an unfunded and unsecured promise to deliver shares of Common Stock, cash, other securities or other property, subject to certain restrictions (including, without limitation, a requirement that the Participant remain continuously employed or provide continuous services for a specified period of time), granted under Section 9 of the Plan.

(qq) "Retirement" means, with respect to a Participant, unless otherwise provided in an Award Agreement, the retirement of such Participant upon or after achieving age 60 and five (5) years of employment with the Company, any of its Affiliates, and/or any of their respective predecessors.

(rr) "SAR Period" has the meaning given such term in Section 8(b) of the Plan.

(ss) "Securities Act" means the Securities Act of 1933, as amended, and any successor thereto. Reference in the Plan to any section of the Securities Act shall be deemed to include any rules, regulations or other interpretative guidance under such section, and any amendments or successor provisions to such section, rules, regulations or guidance.

(tt) "SEC" means the Securities and Exchange Commission.

(uu) "Stock Appreciation Right" or "SAR" means an Award granted under Section 8 of the Plan.

(vv) "Stock Bonus Award" means an Award granted under Section 10(a) of the Plan.

(yy) "Strike Price" means, except as otherwise provided by the Committee in the case of Substitute Awards, (i) in the case of a SAR granted in tandem with an Option, the

Exercise Price of the related Option, or (ii) in the case of a SAR granted independent of an Option, the Fair Market Value on the Date of Grant.

(zz) "Sub-Committee" has the meaning given to such term in Section 4(a) of the Plan.

(aaa) "Substitute Award" has the meaning given to such term in Section 5(e) of the Plan.

(bbb) "Tax Withholding" means a Participant's tax withholding for any federal, state, local and non-U.S. income and employment taxes that are withheld with respect to any Award granted hereunder pursuant to Section 15(c) of the Plan.

(ccc) "Termination of Relationship" means (i) if the Participant is an employee of the Company or any Affiliate, the termination of the Participant's employment with the Company and its Affiliates for any reason; (ii) if the Participant is a consultant to the Company or any Affiliate, the termination of the Participant's consulting relationship with the Company and its Affiliates for any reason; and (iii) if the Participant is a director of the Company or any Affiliate, the termination of the Participant's service as a director of the Company or such Affiliate for any reason; including, in the case of clauses (i), (ii) or (iii), as a result of such Affiliate no longer being an Affiliate of the Company because of a sale, divestiture or other disposition of such Affiliate by the Company (whether such disposition is effected by the Company or another Affiliate thereof).

3. Effective Date; Duration. The Plan shall be effective as of the Effective Date. The expiration date of the Plan, on and after which date no Awards may be granted hereunder, shall be the tenth anniversary of the Effective Date; provided, however, that such expiration shall not affect Awards then outstanding, and the terms and conditions of the Plan shall continue to apply to such Awards.

4. Administration.

(a) The Committee shall administer the Plan; provided, however, that the Compensation and Human Resources Committee may also delegate, at any time and from time to time, to any sub-committee of the Compensation and Human Resources Committee and the Board may also delegate, at any time and from time to time, to any other committee of the Board (in either case which shall consist of one or more members of the Compensation and Human Resources Committee or Board, respectively, and may consist solely of the Chief Executive Officer of the Corporation so long as he or she is a member of the Board) (a "Sub-Committee"), subject to such guidelines as the Board or the Compensation and Human Resources Committee may establish from time to time, the authority to act on behalf of the Compensation and Human Resources Committee or the Board with respect to any matter, right, obligation, or election that is the responsibility of or that is allocated to the Committee herein, except that to the extent required to obtain exemption from Section 16(b) of the Exchange Act under Rule 16b-3 promulgated thereunder or necessary to obtain the exception for performance-based compensation under Section 162(m) of the Code, as applicable, (i) the Compensation and Human Resources Committee or such Sub-Committee must consist of two or more members of Board and (ii) each member of the Compensation and Human Resources Committee or Sub-Committee shall, at the time he takes any action with respect to an Award under the Plan, be an Eligible Director. However, the fact that a Compensation and Human Resources Committee or Sub-Committee member shall fail to qualify as an Eligible Director shall not invalidate any Award granted by the Compensation and Human Resources Committee or Sub-Committee that is



otherwise validly granted under the Plan. The majority of the members of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present or acts approved in writing by the Committee shall be deemed the acts of the Committee. The Committee may also delegate to an executive officer or other employee of the Company the authority to grant Awards to non-executive officers or persons who are not "officers" (as defined in Section 16 of the Exchange Act) of the Company, to the extent permitted by applicable law.

(b) Subject to the provisions of the Plan and applicable law, the Committee shall have the sole and plenary authority, in addition to other express powers and authorizations conferred on the Committee by the Plan, to: (i) designate Participants; (ii) determine the type or types of Awards to be granted to a Participant; (iii) determine the number of shares of Common Stock to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with Awards; (iv) determine the terms and conditions of any Award and any amendments thereto; (v) determine whether, to what extent, and under what circumstances Awards may be settled or exercised in cash, shares of Common Stock, other securities, other Awards or other property, or canceled, forfeited, or suspended and the method or methods by which Awards may be settled, exercised, canceled, forfeited, or suspended; (vi) determine whether, to what extent, and under what circumstances the delivery of cash, Common Stock, other securities, other Awards or other property and other amounts payable with respect to an Award shall be deferred either automatically or at the election of the Participant or of the Committee; (vii) interpret, administer, reconcile any inconsistency in, correct any defect in and/or supply any omission in the Plan and any instrument or agreement relating to, or Award granted under, the Plan; (viii) establish, amend, suspend, or waive any rules and regulations and appoint such agents as the Committee shall deem appropriate for the proper administration of the Plan; (ix) accelerate the vesting or exercisability of, payment for or lapse of restrictions on, Awards; and (x) make any other determination and take any other action that the Committee deems necessary or desirable for the administration of the Plan.

(c) Unless otherwise expressly provided in the Plan, all designations, determinations, interpretations, and other decisions under or with respect to the Plan or any Award or any documents evidencing Awards granted pursuant to the Plan shall be within the sole discretion of the Committee, may be made at any time and shall be final, conclusive and binding upon all persons or entities, including, without limitation, the Company, any of its Affiliates, any Participant, any holder or beneficiary of any Award, and any stockholder of the Company.

(d) No member of the Board, the Committee, delegate of the Committee or any officer, employee or agent of the Company (each such person, an "Indemnifiable Person") shall be liable for any action taken or omitted to be taken or any determination made in good faith with respect to the Plan or any Award hereunder. Each Indemnifiable Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense (including attorneys' fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be a party or in which such Indemnifiable Person may be involved by reason of any action taken or omitted to be taken under the Plan or any Award Agreement and against and from any and all amounts paid by such Indemnifiable Person with the Company's approval, in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, *provided*, that the Company shall have the right, at its own expense, to assume and defend any such action, suit or

proceeding and once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's fraud, gross negligence or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's Certificate of Incorporation or Bylaws. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Company's Certificate of Incorporation or Bylaws or as a matter of law or otherwise, or any other power that the Company may have to indemnify such Indemnifiable Persons or hold them harmless.

(e) Notwithstanding anything to the contrary contained in the Plan, the Board may, in its sole discretion, at any time and from time to time, grant Awards and administer the Plan with respect to such Awards. In any such case, the Board shall have all the authority granted to the Committee under the Plan.

5. Grant of Awards; Shares Subject to the Plan Limitations.

(a) The Committee may, from time to time, grant Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Deferred Stock Units, Dividend Equivalent awards, Stock Bonus Awards and/or Performance Compensation Awards to one or more Eligible Persons.

(b) Awards granted under the Plan shall be subject to the following limitations: (i) subject to Section 12 of the Plan, the Committee is authorized to deliver under the Plan 25,500,000 shares of Common Stock; (ii) subject to Section 12 of the Plan, no more than 2,000,000 shares of Common Stock may be issued upon the exercise of Incentive Stock Options; (iii) subject to Section 12 of the Plan, grants of Options or SARs under the Plan in respect of no more than 2,000,000 shares of Common Stock may be made to any single Participant during any calendar year; (iv) subject to Section 12 of the Plan, Performance Compensation Awards covering no more than 1,000,000 shares of Common Stock may be granted pursuant to Section 11 of the Plan to any single Participant during a single calendar year, and in the event such Performance Compensation Award is paid in cash, other securities, other Awards or other property, no more than the Fair Market Value of 1,000,000 shares of Common Stock on the last day of the Performance Period to which such Award relates may be paid in respect of such Award; and (v) the maximum amount that can be paid to any single Participant in any one calendar year pursuant to a cash bonus Award described in Section 11(a) of the Plan shall be \$10,000,000. Additionally, the maximum number of shares of Common Stock subject to Awards granted during a single calendar year to any Non-Employee Director, taken together with any cash fees earned by such Non-Employee Director during such calendar year, shall not exceed \$750,000 in total value (calculating the value of any such Awards based on the grant date fair value of such Awards for financial reporting purposes).

(c) Shares of Common Stock that are subject to or underlie Options, SARs, Restricted Stock, Restricted Stock Units or other Awards granted under the Plan that are forfeited, cancelled, expire unexercised, or for any reason are canceled or terminated without having been exercised or delivered (including Shares of Common Stock that are subject to or underlie the unexercised, unvested or undelivered portion of any such Awards, in the case of Awards that were partially exercised, vested or delivered at the time of their expiration,

cancellation or termination) shall, notwithstanding anything herein to the contrary, be available again for other Awards under the Plan. Shares of Common Stock that are settled in cash, redeemed as part of a Net Exercise settlement or as part of the payment of the required Exercise Price or Tax Withholding obligations, or that are purchased by the Company using proceeds received from Option exercises shall not be available again for other Awards under the Plan.

(d) Shares of Common Stock delivered by the Company in settlement of Awards may be authorized and unissued shares, shares held in the treasury of the Company, shares purchased on the open market or by private purchase, or a combination of the foregoing.

(e) Awards may, in the sole discretion of the Committee, be granted under the Plan in assumption of, or in substitution for, outstanding awards previously granted by an entity acquired by the Company or with which the Company combines ("Substitute Awards"). The number of shares of Common Stock underlying any Substitute Awards shall not be counted against the aggregate number of shares of Common Stock available for Awards under the Plan. The number of shares of Common Stock reserved pursuant to Section 5(b) may be increased by the corresponding number of Awards assumed and, in the case of a substitution, by the net increase in the number of shares of Common Stock subject to Awards before and after the substitution.

(f) Awards granted to employees of the Company under the Plan shall be subject to a minimum one-year vesting period, subject to potential acceleration of vesting in the event of a Participant's death, disability or Retirement (to the extent provided in the applicable award agreement), or as otherwise provided under the Plan or in any agreement in effect on the Amendment and Restatement Effective Date.

6. Eligibility. Participation shall be limited to Eligible Persons who have entered into an Award Agreement or who have received written notification from the Committee, or from a person designated by the Committee, that they have been selected to participate in the Plan.

7. Options.

(a) Generally. Each Option granted under the Plan shall be evidenced by an Award Agreement. Each Option so granted shall be subject to the conditions set forth in this Section 7, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. All Options granted under the Plan shall be Nonqualified Stock Options unless the applicable Award Agreement expressly states that the Option is intended to be an Incentive Stock Option. Incentive Stock Options shall be granted only to Eligible Persons who are employees of the Company and its Affiliates, and no Incentive Stock Option shall be granted to any Eligible Person who is ineligible to receive an Incentive Stock Option under the Code. No Option shall be treated as an Incentive Stock Option unless the Plan has been approved by the stockholders of the Company in a manner intended to comply with the stockholder approval requirements of Section 422(b)(1) of the Code, *provided*, that any Option intended to be an Incentive Stock Option shall not fail to be effective solely on account of a failure to obtain such approval, but rather such Option shall be treated as a Nonqualified Stock Option unless and until such approval is obtained. In the case of an Incentive Stock Option, the terms and conditions of such grant shall be subject to and comply with such rules as may be prescribed by Section 422 of the Code. If for any reason an Option intended to be an Incentive Stock Option (or any portion thereof) shall not qualify as an Incentive Stock Option, then, to the extent of such non-qualification, such Option or portion thereof shall be regarded as a Nonqualified Stock Option appropriately granted under the Plan.

(b) Exercise Price. Except as otherwise provided by the Committee in the case of Substitute Awards, the exercise price ("Exercise Price") per share of Common Stock for each Option shall not be less than 100% of the Fair Market Value of such share (determined as of the Date of Grant); *provided, however*, that in the case of an Incentive Stock Option granted to an employee who, at the time of the grant of such Option, owns stock representing more than 10% of the voting power of all classes of stock of the Company or any of its Affiliates, the Exercise Price per share shall not be less than 110% of the Fair Market Value per share on the Date of Grant; and *provided, further*, that a Nonqualified Stock Option may be granted with an Exercise Price lower than that set forth herein if such Option is granted pursuant to an assumption or substitution for another option in a manner satisfying the provisions of Section 424(a) and Section 409A of the Code.

(c) Vesting and Expiration. Options shall vest and become exercisable in such manner and on such date or dates determined by the Committee and shall expire after such period, not to exceed ten years, as may be determined by the Committee (the "Option Period"); *provided, however*, that the Option Period shall not exceed five years from the Date of Grant in the case of an Incentive Stock Option granted to a Participant who on the Date of Grant owns stock representing more than 10% of the voting power of all classes of stock of the Company or any of its Affiliates; *provided, further*, that notwithstanding any vesting dates set by the Committee, the Committee may, in its sole discretion, accelerate the exercisability of any Option.

(d) Method of Exercise and Form of Payment. No shares of Common Stock shall be delivered pursuant to any exercise of an Option until payment in full of the Exercise Price therefor is received by the Company and the Participant has paid to the Company an amount equal to any Tax Withholding obligations of the Participant. Options that have become exercisable may be exercised by delivery of written or electronic notice of exercise to the Company in accordance with the terms of the Option accompanied by payment of the Exercise Price. Unless otherwise expressly provided by the Committee in any Award Agreement, the aggregate Exercise Price (and any Tax Withholding due) shall, to the extent permitted by applicable law, be payable:

(i) in cash (by wire transfer of immediately available funds to a bank account of the Company, by delivery of a certified check payable to the Company);

(ii) by surrender of shares of Common Stock valued at the Fair Market Value at the time the Option is exercised (including, pursuant to procedures approved by the Committee, by means of attestation of ownership of a sufficient number of shares of Common Stock in lieu of actual delivery of such shares to the Company);

(iii) pursuant to a Net Exercise arrangement; provided, however, that in such event, the Committee may exercise its discretion to limit or prohibit the use of a Net Exercise solely with respect to Tax Withholding if the Committee determines in good faith that to allow for a Net Exercise with respect to Tax Withholding would result in a material negative impact on the Company's and its subsidiaries, near-term liquidity needs;

(iv) in other property having a fair market value on the date of exercise equal to the Exercise Price,

(v) by means of a broker-assisted "cashless exercise" pursuant to which the Company is delivered a copy of irrevocable instructions to a stockbroker to sell the shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the Exercise Price; or

(vi) a combination of the methods set forth in this Section 7(d).

Notwithstanding the foregoing, if on the last day of the Option Period, the Fair Market Value exceeds the Exercise Price, the Participant has not exercised the Option, and the Option has not otherwise expired, such Option shall be deemed to have been Net Exercised by the Participant on such last day prior to the expiration of the Option Period and the Company shall make the appropriate payment therefor.

(e) Notice of Exercise. A Participant (or other person, as provided in Section 15(b)) may exercise an Option (for the shares of Common Stock represented thereby) granted under the Plan in whole or in part (but for the purchase of whole shares only), as provided in the Award Agreement evidencing his Option, by delivering a notice (the "Notice") to the Company in accordance with the Option exercise notice practices and procedures in effect at the Company from time to time. In accordance therewith, the Notice may include the following:

- (i) that the Participant elects to exercise the Option;
- (ii) the number of shares of Common Stock with respect to which the Option is being exercised (the "Option Shares");
- (iii) the method of payment for the Option Shares (which method must be available to the Participant under the terms of his or her Award Agreement);
- (iv) the date upon which the Participant desires to consummate the purchase of the Option Shares (which date must be prior to the termination of such Option); and
- (v) any additional provisions with respect to Notice consistent with the Plan as the Committee may from time to time require.

The exercise date of an Option shall be the date on which the Company receives the Notice and any payment due from the Participant.

(f) Notification upon Disqualifying Disposition of an Incentive Stock Option. Each Participant awarded an Incentive Stock Option under the Plan shall notify the Company in writing immediately after the date he makes a disqualifying disposition of any Common Stock acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including, without limitation, any sale) of such Common Stock before the later of (A) two years after the Date of Grant of the Incentive Stock Option or (B) one year after the date of exercise of the Incentive Stock Option.

(g) Compliance With Laws, etc. Notwithstanding the foregoing, in no event shall a Participant be permitted to exercise an Option in a manner that the Committee determines would violate the Sarbanes-Oxley Act of 2002, or any other applicable law or the applicable rules and regulations of the SEC or the applicable rules and regulations of any securities exchange or inter-dealer quotation system on which the securities of the Company are listed or traded.

## 8. Stock Appreciation Rights.

(a) Generally. Each SAR granted under the Plan shall be evidenced by an Award Agreement. Each SAR so granted shall be subject to the conditions set forth in this Section 8, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Any Option granted under the Plan may include tandem SARs. The Committee also may award SARs to Eligible Persons independent of any Option.

(b) Vesting and Expiration. A SAR granted in connection with an Option shall become exercisable and shall expire according to the same vesting schedule and expiration provisions as the corresponding Option. A SAR granted independent of an Option shall vest and become exercisable and shall expire in such manner and on such date or dates determined by the Committee and shall expire after such period, not to exceed ten years, as may be determined by the Committee (the "SAR Period"); *provided, however*, that notwithstanding any vesting dates set by the Committee, the Committee may, in its sole discretion, accelerate the exercisability of any SAR.

(c) Method of Exercise. SARs that have become exercisable may be exercised by delivery of written or electronic notice of exercise to the Company in accordance with the terms of the Award, specifying the number of SARs to be exercised and the date on which such SARs were awarded. Notwithstanding the foregoing, if on the last day of the Option Period (or in the case of a SAR independent of an option, the SAR Period), the Fair Market Value exceeds the Strike Price, the Participant has not exercised the SAR or the corresponding Option (if applicable), and neither the SAR nor the corresponding Option (if applicable) has expired, such SAR shall be deemed to have been exercised by the Participant on such last day and the Company shall make the appropriate payment therefor.

(d) Payment. Upon the exercise of a SAR, the Company shall pay to the Participant an amount equal to the number of shares subject to the SAR that are being exercised multiplied by the excess, if any, of the Fair Market Value of one share of Common Stock on the exercise date over the Strike Price, less an amount equal to any Tax Withholding obligations of the Participant. The Company shall pay such amount in cash, in shares of Common Stock valued at Fair Market Value, or any combination thereof, as determined by the Committee.

9. Restricted Stock and Restricted Stock Units.

(a) Generally. Each grant of Restricted Stock and Restricted Stock Units shall be evidenced by an Award Agreement. Each such grant shall be subject to the conditions set forth in this Section 9, and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) Book Entry and Stock Certificates; Escrow or Similar Arrangement. Upon the grant of Restricted Stock, the Committee shall cause a Participant's ownership to be recognized through uncertificated book entry. If the Company elects to issue stock certificates, then stock certificates registered in the name of the Participant shall be issued and, if the Committee determines that the Restricted Stock shall be held by the Company or in escrow rather than delivered to the Participant pending the release of the applicable restrictions, the Committee may require the Participant to additionally execute and deliver to the Company (i) an escrow agreement satisfactory to the Committee, if applicable, and (ii) the appropriate stock power (endorsed in blank) with respect to the Restricted Stock covered by such agreement. If a Participant shall fail to execute an agreement evidencing an Award of Restricted Stock and, if applicable, an escrow agreement and blank stock power within the amount of time specified by the Committee, the Award shall be null and void. Subject to the restrictions set forth in this Section 9 and the applicable Award Agreement, the Participant generally shall have the rights and privileges of a stockholder as to such Restricted Stock, including without limitation the right to vote such Restricted Stock. To the extent shares of Restricted Stock are forfeited, any stock certificates issued to the Participant evidencing such shares shall be returned to the Company, and all rights of the Participant to such shares and as a stockholder with respect thereto shall

terminate without further obligation on the part of the Company.

(c) Vesting. The Restricted Stock Period with respect to any shares of Restricted Stock shall lapse and the Restricted Stock Units shall vest in such manner and on such date or dates as determined by the Committee.

(d) Delivery of Restricted Stock and Settlement of Restricted Stock Units.

(i) Upon the expiration of the Restricted Period with respect to any shares of Restricted Stock, the restrictions set forth in the applicable Award Agreement shall be of no further force or effect with respect to such shares, except as set forth in the applicable Award Agreement. If an escrow arrangement is used, upon such expiration, the Company shall deliver to the Participant, or his beneficiary, without charge, the stock certificate evidencing the shares of Restricted Stock that have not then been forfeited and with respect to which the Restricted Period has expired (rounded down to the nearest full share). Dividends, if any, that may have been withheld by the Committee and attributable to any particular share of Restricted Stock shall be distributed to the Participant in cash or, at the sole discretion of the Committee, in shares of Common Stock having a Fair Market Value equal to the amount of such dividends, upon the release of restrictions on such share and, if such share is forfeited, the Participant shall have no right to such dividends (except as otherwise set forth by the Committee in the applicable Award Agreement).

(ii) Unless otherwise provided by the Committee in an Award Agreement, upon the expiration of the Restricted Period with respect to any outstanding Restricted Stock Units, the Company shall deliver to the Participant, or his beneficiary, without charge, one share of Common Stock for each such outstanding Restricted Stock Unit; *provided, however*, that the Committee may, in its sole discretion, provide in an Award Agreement the Company's ability to elect to (A) pay cash or part cash and part Common Stock in lieu of delivering only shares of Common Stock in respect of such Restricted Stock Units or (B) defer the delivery of Common Stock (or cash or part Common Stock and part cash, as the case may be) beyond the expiration of the Restricted Period. If a cash payment is made in lieu of delivering shares of Common Stock, the amount of such payment shall be equal to the Fair Market Value of the Common Stock as of the date on which the Restricted Period lapsed with respect to such Restricted Stock Units, less an amount equal to any Tax Withholding obligations of the Participant.

(e) Legends on Restricted Stock. To the extent applicable, all book entries (or stock certificates, if any) representing Restricted Stock awarded under the Plan shall bear a book entry notation or legend substantially in the form of the following in addition to any other information the Company deems appropriate until the lapse of all restrictions with respect to such Common Stock:

TRANSFER OF THIS CERTIFICATE AND THE SHARES REPRESENTED HEREBY IS RESTRICTED PURSUANT TO THE TERMS OF THE ARAMARK AMENDED AND RESTATED 2013 STOCK INCENTIVE PLAN AND A RESTRICTED STOCK AWARD AGREEMENT, BETWEEN ARAMARK AND PARTICIPANT. A COPY OF SUCH PLAN AND AWARD AGREEMENT IS ON FILE AT THE PRINCIPAL EXECUTIVE OFFICES OF ARAMARK.

10. Stock Bonus Awards; Deferred Stock Units; Dividend Equivalents.

(a) Stock Bonus Awards. The Committee may issue unrestricted Common Stock, or other Awards denominated in Common Stock under the Plan to Eligible Persons, either alone or in tandem with other awards, in such amounts as the Committee shall from time

to time in its sole discretion determine. Each Stock Bonus Award granted under the Plan shall be evidenced by an Award Agreement. Each Stock Bonus Award so granted shall be subject to such conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement.

(b) Deferred Stock Units. Each grant of Deferred Stock Units shall be evidenced by an Award Agreement. Each such grant shall be subject to the conditions set forth in this Section 10(b), and to such other conditions not inconsistent with the Plan as may be reflected in the applicable Award Agreement. Each Deferred Stock Unit shall entitle the holder thereof to receive one share of Common Stock on the date the Deferred Stock Unit becomes vested or upon a specified settlement date thereafter (which settlement date may (but is not required to) be the date of the Participant's Termination of Relationship). Shares of Common Stock underlying a Deferred Stock Unit award which is subject to a vesting schedule or other conditions or criteria set by the Committee shall not be issued until on or following the date that those conditions and criteria have been satisfied. Unless otherwise provided by the Committee, a holder of Deferred Stock Units shall have no rights as a Company stockholder with respect to such Deferred Stock Units until such time as the Award has vested and any other applicable conditions and/or criteria have been satisfied and the shares of Common Stock underlying the Award have been issued to the Holder.

(c) Dividend Equivalents. Dividend Equivalents may be granted by the Committee based on dividends declared on the Common Stock, to be credited as of dividend payment dates during the period between the date an Award is granted to a Participant and the date such Award vests, is exercised, is distributed or expires, as determined by the Committee. Such Dividend Equivalents shall be converted to cash, additional Awards or additional shares of Common Stock by such formula and at such time and subject to such limitations as may be determined by the Committee. No Dividend Equivalent shall be payable with respect to any Award unless specified by the Committee in the Award Agreement. Notwithstanding the above, no Dividend Equivalents shall be payable with respect to outstanding (i) Options or SARs or (ii) unearned Performance Compensation Awards or other Awards subject to performance conditions unless and until the corresponding performance-based Award has been earned in accordance with its terms.

#### 11. Performance Compensation Awards.

(a) Generally. The Committee shall have the authority, at the time of grant of any Award described in Sections 7 through 10 of the Plan, to grant a performance-based Award as a Performance Compensation Award that is intended to cause the Award to be deductible by the Company under Section 162(m) of the Code. The Committee shall have the authority to make an award of a cash bonus to any Participant and designate such Award as a Performance Compensation Award intended to qualify as "performance- based compensation" under Section 162(m) of the Code.

(b) Discretion of Committee with Respect to Performance Compensation Awards. With regard to a particular Performance Period, the Committee shall have sole discretion to select the length of such Performance Period, the type(s) of Performance Compensation Awards to be issued, the Performance Criteria that will be used to establish the Performance Goal(s), the kind(s) and/or level(s) of the Performance Goals(s) that is (are) to apply and the Performance Formula. Within the first ninety (90) days of a Performance Period (or, if less, the number of days which is equal to 25% of such performance period), the Committee shall, with regard to the Performance Compensation Awards to be issued for such



Performance Period, exercise its discretion with respect to each of the matters enumerated in the immediately preceding sentence and record the same in writing.

(c) Performance Criteria. The Performance Criteria that will be used to establish the Performance Goal(s) shall be based on the attainment of target levels of, a targeted percentage increase in, or, to the extent permitted under Section 162(m) of the Code, solely the achievement of, one or more of the following Company or business group measures (all capitalized terms not defined herein shall have the meanings contained in the Company's audited financial statements for the relevant performance period as such terms and definitions may be expressly modified and established by the Committee with respect to the relevant performance period): (i) Earnings Before Interest and Taxes ("EBIT"), (ii) Return on Net Assets ("RONA"), (iii) Net Income, (iv) After Tax Return on Investment ("ATROI"), (v) Sales, (vi) Revenues, (vii) Earnings Per Share, (viii) Total Shareholder Return, (ix) Return on Equity ("ROE"), (x) Return on Investment ("ROI"), (xi) Total Business Return, (xii) Return on Gross Investment ("ROGI"), (xiii) Operating Cash Flow, (xiv) Free Cash Flow, (xv) Operating Income, (xvi) Pretax Income, (xvii) stock price appreciation, (xviii) Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") or (xix) Margin based upon any of EBIT, Operating Income, Pretax Income, EBITDA or any other profit measure. The measures may be based on absolute Company performance or Company performance relative to a peer group or other external measure of selected performance. Performance Criteria that are financial metrics may be determined in accordance with United States Generally Accepted Accounting Principles ("GAAP") or financial metrics that are based on, or able to be derived from GAAP, and may be adjusted when established (or to the extent permitted under Section 162(m) of the Code, at any time thereafter) to include or exclude any items otherwise includable or excludable under GAAP. The Committee also has the authority to provide for accelerated vesting of any Award based on the achievement of Performance Goals pursuant to the Performance Criteria specified in this paragraph. To the extent required under Section 162(m) of the Code, the Committee shall, within the first ninety (90) days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the Performance Criteria it selects to use for such Performance Period and thereafter promptly communicate such Performance Criteria to the Participant.

(d) Modification of Performance Goal(s). In the event that applicable tax and/or securities laws permit Committee discretion to alter the governing Performance Criteria without obtaining stockholder approval of such alterations, the Committee shall have sole discretion to make such alterations without obtaining stockholder approval. The Committee is authorized at any time during the first ninety (90) days of a Performance Period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), or at any time thereafter to the extent the exercise of such authority at such time would not cause the Performance Compensation Awards granted to any Participant for such Performance Period to fail to qualify as "performance-based compensation" under Section 162(m) of the Code, in its sole discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period, based on and in order to appropriately reflect the following events:

(i) a change in accounting standards or principles, (ii) a significant acquisition or divestiture, (iii) a significant capital transaction, or (iv) any other unusual, infrequently occurring, nonrecurring items, to the extent such adjustments are stated at the time that the performance goals are determined. The Committee may also adjust, upward or downward, as applicable, the Performance Goals to reflect any other item or event, so long as any such item or event is separately identified as an item or event requiring adjustment of such Performance Goals at the

time the Performance Goals are determined. In all events, any adjustments to be made to the Performance Goals shall be disclosed in a manner intended to satisfy the requirements of Section 162(m) of the Code.

(e) Payment of Performance Compensation Awards.

(i) Condition to Receipt of Payment. Unless otherwise provided in the applicable Award Agreement, a Participant must be employed by the Company on the last day of a Performance Period to be eligible for payment in respect of a Performance Compensation Award for such Performance Period.

(ii) Limitation. A Participant shall be eligible to receive payment in respect of a Performance Compensation Award only to the extent that: (A) the Performance Goals for such period are achieved; and (B) all or some of the portion of such Participant's Performance Compensation Award has been earned for the Performance Period based on the application of the Performance Formula to such achieved Performance Goals.

(iii) Certification. Following the completion of a Performance Period, the Committee shall review and certify in writing whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, calculate and certify in writing that amount of the Performance Compensation Awards earned for the period based upon the Performance Formula. The Committee shall then determine the amount of each Participant's Performance Compensation Award actually payable for the Performance Period and, in so doing, may apply Negative Discretion. Prior to the payment of any Award that is intended to qualify as a Performance Compensation Award for purposes of Section 162(m) of the Code, the Committee will certify that the applicable performance goals have been met. In connection with such certification, the Committee may decide to pay amounts, which are less than the Award otherwise payable for achievement of the applicable performance goals at the sole discretion of the Committee. Payment of such an Award to a Participant shall occur only after such certification and shall be made as determined by the Committee in its sole discretion after the end of such performance period.

(iv) Use of Negative Discretion. In determining the actual amount of an individual Participant's Performance Compensation Award for a Performance Period, the Committee may reduce or eliminate the amount of the Performance Compensation Award earned under the Performance Formula in the Performance Period through the use of Negative Discretion if, in its sole judgment, such reduction or elimination is appropriate. The Committee shall not have the discretion, except as is otherwise provided in the Plan, to (A) grant or provide payment in respect of Performance Compensation Awards for a Performance Period if the Performance Goals for such Performance Period have not been attained; or (B) increase a Performance Compensation Award above the applicable limitations set forth in Section 5 of the Plan.

(f) Timing of Award Payments. Performance Compensation Awards granted for a Performance Period shall be paid to Participants as soon as administratively practicable following completion of the certifications required by this Section 11, but in no event later than two-and-one-half months following the end of the fiscal year during which the Performance Period is completed.

12. Changes in Capital Structure and Similar Events. In the event of (a) any stock dividend, extraordinary cash dividend or other distribution (whether in the form of securities or other property), recapitalization, stock split, reverse stock split, reorganization, merger,

consolidation, split-up, split-off, combination, repurchase or exchange of shares of Common Stock or other securities of the Company, issuance of warrants or other rights to acquire shares of Common Stock or other securities of the Company, or other similar corporate transaction or event (including, without limitation, a Change of Control) that affects the shares of Common Stock, or (b) unusual or nonrecurring events (including, without limitation, a Change of Control) affecting the Company, any of its Affiliates, or the financial statements of the Company or any of its Affiliates, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, such that in either case an adjustment is determined by the Committee in its sole discretion to be necessary or appropriate, then the Committee shall make any such adjustments in such manner as it may deem equitable, including without limitation any or all of the following:

(i) adjusting any or all of (A) the number of shares of Common Stock or other securities of the Company (or number and kind of other securities or other property) that may be delivered in respect of Awards or with respect to which Awards may be granted under the Plan (including, without limitation, adjusting any or all of the limitations under Section 5 of the Plan) and (B) the terms of any outstanding Award, including, without limitation, (1) the number of shares of Common Stock or other securities of the Company (or number and kind of other securities or other property) subject to outstanding Awards or to which outstanding Awards relate, (2) the Exercise Price or Strike Price with respect to any Award or (3) any applicable performance measures (including, without limitation, Performance Criteria and Performance Goals);

(ii) providing for a substitution or assumption of Awards, accelerating the exercisability of, lapse of restrictions on, or termination of, Awards or providing for a period of time for exercise prior to the occurrence of such event; and

(iii) cancelling any one or more outstanding Awards and causing to be paid to the holders thereof, in cash, shares of Common Stock, other securities or other property, or any combination thereof, the value of such Awards, if any, as determined by the Committee (which if applicable may be based upon the price per share of Common Stock received or to be received by other stockholders of the Company in such event), including without limitation, in the case of an outstanding Option or SAR, a cash payment in an amount equal to the excess, if any, of the Fair Market Value (as of a date specified by the Committee) of the shares of Common Stock subject to such Option or SAR over the aggregate Exercise Price or Strike Price of such Option or SAR, respectively (it being understood that, in such event, any Option or SAR having a per share Exercise Price or Strike Price equal to, or in excess of, the Fair Market Value of a share of Common Stock subject thereto may be canceled and terminated without any payment or consideration therefor).

For the avoidance of doubt, in the case of any "equity restructuring" (within the meaning of the Financial Accounting Standards Board (FASB) Statement of Financial Accounting Standards Codification Topic 718, Stock Compensation), the Committee shall make an equitable or proportionate adjustment to outstanding Awards to reflect such equity restructuring. Any adjustment in Incentive Stock Options under this Section 12 (other than any cancellation of Incentive Stock Options) shall be made only to the extent not constituting a "modification" within the meaning of Section 424(h) (3) of the Code, and any adjustments under this Section 12 shall be made in a manner that does not adversely affect the exemption provided pursuant to Rule 16b-3 under the Exchange Act, to the extent applicable. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be

conclusive and binding for all purposes.

13. Effect of Change of Control. Except to the extent otherwise provided in an Award Agreement, in the event of (i) the occurrence of a Change of Control, and (ii) thereafter, a Termination of Relationship of any given Participant by the Company or any of its Affiliates (or successors in interest) without Cause or by the Participant for Good Reason that occurs prior to the second anniversary of the date of such Change of Control, then notwithstanding any other provision of the Plan to the contrary, with respect to all or any portion of the Participant's then outstanding Award or Awards:

(a) the then outstanding Options and SARs shall become immediately exercisable on the date of the Termination of Relationship;

(b) the Restricted Period shall expire on the date of the Termination of Relationship (which includes, without limitation the waiver of any applicable Performance Goals);

(c) Performance Periods in effect on of the date of the Termination of Relationship occurs shall end on such date, and with respect to each such Performance Period, all applicable Performance Goals shall be deemed to have been achieved at the applicable "target" levels of performance have been attained; and

(d) All Awards that have been previously deferred shall be settled in full as soon as practicable, but if any only if, with respect to any Award which provides for the deferral of compensation and is subject to Section 409A of the Code, (I) such Termination of Relationship occurs prior to the second anniversary of the Change of Control and (II) such settlement does not contradict any pre-existing deferral election under any other plan, program or arrangement of the Company or any of its Affiliates then in effect.

To the extent practicable, any actions taken by the Committee under the immediately preceding clauses (a) through (d) shall occur in a manner and at a time which allows affected Participants the ability to participate in the Change of Control transactions with respect to the Common Stock subject to their Awards.

14. Amendments and Termination.

(a) Amendment and Termination of the Plan. The Board may amend, alter, suspend, discontinue, or terminate the Plan or any portion thereof at any time; *provided*, that (i) no amendment to Section 11(c) or Section 14(b) (to the extent required by the proviso in such Section 14(b)) shall be made without stockholder approval and (ii) no such amendment, alteration, suspension, discontinuation or termination shall be made without stockholder approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the Plan (including, without limitation, as necessary to comply with any rules or requirements of any securities exchange or inter-dealer quotation system on which the shares of Common Stock may be listed or quoted or to prevent the Company from being denied a tax deduction under Section 162(m) of the Code); *provided, further*, that any such amendment, alteration, suspension, discontinuance or termination that would materially and adversely affect the rights of any Participant or any holder or beneficiary of any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

(b) Amendment of Award Agreements. The Committee may, to the extent consistent with the terms of any applicable Award Agreement, waive any conditions or rights

under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, any Award theretofore granted or the associated Award Agreement, prospectively or retroactively; *provided*, that any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely affect the rights of any Participant with respect to any Award theretofore granted shall not to that extent be effective without the consent of the affected Participant; *provided, further*, that without stockholder approval, except as otherwise permitted under Section 12 of the Plan, (i) no amendment or modification may reduce the Exercise Price of any Option or the Strike Price of any SAR, and (ii) the Committee may not cancel any outstanding Option or SAR when the per share Exercise Price or Strike Price exceeds the Fair Market Value in exchange for cash or another Award, and the Committee may not take any other action that is considered a "repricing" for purposes of the stockholder approval rules of the applicable securities exchange or inter-dealer quotation system on which the Common Stock is listed or quoted.

(c) Extension of Termination Date. A Participant's Award Agreement may provide that if the exercise of the Option or SAR, as applicable, following the Participant's Termination of Relationship (other than upon the Participant's death or Disability) would be prohibited at any time solely because the issuance of shares of Common Stock would violate the registration requirements under the Securities Act, or any other requirements of applicable law, then the Option shall terminate on the earlier of (i) the expiration of the term of the Option set forth in Section 7(c) and (ii) the expiration of a period of 30 days after the Participant's Termination of Relationship during which the exercise of the Option would not be in violation of such registration requirements or other applicable requirements.

(d) Restriction on Grant of Awards. No Awards may be granted during any period of suspension or after termination of the Plan, and in no event may any Award be granted under the Plan after the tenth anniversary of the Effective Date.

#### 15. General.

(a) Award Agreements. Each Award under the Plan shall be evidenced by an Award Agreement, which shall specify the terms and conditions of the Award and any rules applicable thereto, including without limitation, the effect on such Award of the death, Disability or Termination of Relationship of a Participant, or of such other events as may be determined by the Committee. The terms of any Award issued hereunder shall be binding upon the executors, administrators, beneficiaries, successors and assigns of the Participant.

(b) Nontransferability.

(i) Each Award shall be exercisable only by a Participant during the Participant's lifetime, or, if permissible under applicable law, by the Participant's legal guardian or representative. No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant other than by will or by the laws of descent and distribution and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any of its Affiliates; *provided*, that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

(ii) Notwithstanding the foregoing, the Committee may, in its sole discretion, permit Awards (other than Incentive Stock Options) to be transferred by a Participant, without consideration, subject to such rules as the Committee may adopt consistent with any applicable Award Agreement to preserve the purposes of the Plan, to: (A) any person who is a

"family member" of the Participant, as such term is used in the instructions to Form S-8 under the Securities Act (collectively, the "Immediate Family Members"); (B) a trust solely for the benefit of the Participant and his or her Immediate Family Members; or (C) a partnership or limited liability company whose only partners or stockholders are the Participant and his or her Immediate Family Members; or (D) any other transferee as may be approved either (I) by the Board or the Committee in its sole discretion, or (II) as provided in the applicable Award Agreement (each transferee described in clauses (A), (B) (C) and (D) above is hereinafter referred to as a "Permitted Transferee"); provided, that the Participant gives the Committee advance written notice describing the terms and conditions of the proposed transfer and the Committee notifies the Participant in writing that such a transfer would comply with the requirements of the Plan.

(iii) The terms of any Award transferred in accordance with the immediately preceding sentence shall apply to the Permitted Transferee and any reference in the Plan, or in any applicable Award Agreement, to a Participant shall be deemed to refer to the Permitted Transferee, except that (A) Permitted Transferees shall not be entitled to transfer any Award, other than by will or the laws of descent and distribution; (B) Permitted Transferees shall not be entitled to exercise any transferred Option unless there shall be in effect a registration statement on an appropriate form covering the shares of Common Stock to be acquired pursuant to the exercise of such Option if the Committee determines, consistent with any applicable Award Agreement, that such a registration statement is necessary or appropriate; (C) the Committee or the Company shall not be required to provide any notice to a Permitted Transferee, whether or not such notice is or would otherwise have been required to be given to the Participant under the Plan or otherwise; and (D) the satisfaction of any applicable vesting conditions and consequences of the Participant's Termination of Relationship under the terms of the Plan and the applicable Award Agreement shall continue to be applied with respect to the Participant, including, without limitation, that an Option or SAR shall be exercisable by the Permitted Transferee only if such Option or SAR has vested due to the Participant's satisfaction of the applicable vesting criteria and only to the extent, and for the periods, specified in the Plan and the applicable Award Agreement.

(c) Tax Withholding.

(i) A Participant shall be required to pay to the Company or any of its Affiliates, and the Company or any of its Affiliates shall have the right and is hereby authorized to withhold, from any cash, shares of Common Stock, other securities or other property deliverable under any Award or from any compensation or other amounts owing to a Participant, the amount (in cash, Common Stock, other securities or other property) of any required withholding taxes in respect of an Award, its exercise, or any payment or transfer under an Award or under the Plan and to take such other action as may be necessary in the opinion of the Committee or the Company to satisfy all obligations for the payment of such withholding and taxes.

(ii) Without limiting the generality of clause (i) above, the Committee shall, in its sole discretion, permit a Participant to satisfy, in whole or in part, the foregoing withholding liability by (i) the deduction from any amount payable to the Participant in cash or the delivery of shares of Common Stock owned by the Participant having a Fair Market Value equal to such withholding liability, or (ii) having the Company withhold from the number of shares of Common Stock otherwise issuable or deliverable pursuant to the exercise or settlement of the Award, including, for the avoidance of doubt, shares redeemed as part of a Net Exercise settlement, a number of shares with a Fair Market Value equal to such withholding liability (but no more than the minimum required statutory withholding liability or, if permitted by the Committee, such other

rate as will not cause adverse accounting consequences and is permitted under applicable IRS withholding rules); *provided, however*, that in such event, the Committee may exercise its discretion to limit or prohibit the use of shares of Common Stock for such Tax Withholding if the Committee determines in good faith that to allow for the use of such shares with respect to Tax Withholding would result in a material negative impact on the Company's and its Affiliates' near-term liquidity needs.

(d) *No Claim to Awards; No Rights to Continued Employment; Waiver.* No employee of the Company or any of its Affiliates, or other person, shall have any claim or right to be granted an Award under the Plan or, having been selected for the grant of an Award, to be selected for a grant of any other Award. There is no obligation for uniformity of treatment of Participants or holders or beneficiaries of Awards. The terms and conditions of Awards and the Committee's determinations and interpretations with respect thereto need not be the same with respect to each Participant and may be made selectively among Participants, whether or not such Participants are similarly situated. Neither the Plan nor any action taken hereunder shall be construed as giving any Participant any right to be retained in the employ or service of the Company or any of its Affiliates, nor shall it be construed as giving any Participant any rights to continued service on the Board. The Company or any of its Affiliates may at any time dismiss a Participant from employment or discontinue any consulting relationship, free from any liability or any claim under the Plan, unless otherwise expressly provided in the Plan or any Award Agreement. By accepting an Award under the Plan, a Participant shall thereby be deemed to have waived any claim to continued exercise or vesting of an Award or to damages or severance entitlement related to non-continuation of the Award beyond the period provided under the Plan or any Award Agreement, notwithstanding any provision to the contrary in any written employment contract or other agreement between the Company and its Affiliates and the Participant, whether any such agreement is executed before, on or after the Date of Grant.

(e) *International Participants.* With respect to Participants who reside or work outside of the United States of America and who are not (and who are not expect to be) "covered employees" within the meaning of Section 162(m) of the Code, the Committee may in its sole discretion amend the terms of the Plan or outstanding Awards with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant, the Company or its Affiliates.

(f) *Designation and Change of Beneficiary.* Each Participant may file with the Committee a written designation of one or more persons as the beneficiary(ies) who shall be entitled to receive the amounts payable with respect to an Award, if any, due under the Plan upon his death. A Participant may, from time to time, revoke or change his beneficiary designation without the consent of any prior beneficiary by filing a new designation with the Committee. The last such designation received by the Committee shall be controlling; *provided, however*, that no designation, or change or revocation thereof, shall be effective unless received by the Committee prior to the Participant's death, and in no event shall it be effective as of a date prior to such receipt. If no beneficiary designation is filed by a Participant, the beneficiary shall be deemed to be his or her spouse or, if the Participant is unmarried at the time of death, his or her estate.

(g) *Termination of Relationship.*

(i) Unless determined otherwise by the Committee, neither a temporary absence from employment or service due to illness, vacation or leave of absence nor a transfer from employment or service with the Company to employment or service with any of its Affiliates

(or vice-versa) shall be considered a Termination of Relationship with the Company or such Affiliate.

(ii) Notwithstanding anything in this Plan to the contrary, with respect to any Award, a Termination of Relationship shall not be deemed to have occurred if a Participant remains an employee or a member of the Board of the Company or any Affiliate, but a Termination of Relationship shall be deemed to have occurred if a Participant terminates employment but remains a consultant of the Company or any Affiliate; *provided* that this paragraph shall not be effective if its existence or its application would result in imposition of taxes under Section 409A of the Code.

(h) No Rights as a Stockholder. Except as otherwise specifically provided in the Plan or any Award Agreement, no person shall be entitled to the privileges of ownership in respect of shares of Common Stock that are subject to Awards hereunder until such shares have been issued or delivered to that person.

(i) Government and Other Regulations.

(i) The obligation of the Company to settle Awards in Common Stock or other consideration shall be subject to all applicable laws, rules, and regulations, and to such approvals by governmental agencies as may be required.

Notwithstanding any terms or conditions of any Award to the contrary, the Company shall be under no obligation to offer to sell or to sell, and shall be prohibited from offering to sell or selling, any shares of Common Stock pursuant to an Award unless such shares have been properly registered for sale pursuant to the Securities Act with the SEC or unless the Company has received an opinion of counsel, satisfactory to the Company, that such shares may be offered or sold without such registration pursuant to an available exemption therefrom and the terms and conditions of such exemption have been fully complied with. The Company shall be under no obligation to register for sale under the Securities Act any of the shares of Common Stock to be offered or sold under the Plan. The Committee shall have the authority to provide that all certificates for shares of Common Stock or other securities of the Company or any of its Affiliates delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, the applicable Award Agreement, the federal securities laws, or the rules, regulations and other requirements of the SEC, any securities exchange or inter-dealer quotation system upon which such shares or other securities are then listed or quoted and any other applicable federal, state, local or non-U.S. laws, and, without limiting the generality of Section 9 of the Plan, the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. Notwithstanding any provision in the Plan to the contrary, the Committee reserves the right to add any additional terms or provisions to any Award granted under the Plan that it in its sole discretion deems necessary or advisable in order that such Award complies with the legal requirements of any governmental entity to whose jurisdiction the Award is subject.

(ii) The Committee may cancel an Award or any portion thereof if it determines, in its sole discretion, that legal or contractual restrictions and/or blockage and/or other market considerations would make the Company's acquisition of shares of Common Stock from the public markets, the Company's issuance of Common Stock to the Participant, the Participant's acquisition of Common Stock from the Company and/or the Participant's sale of Common Stock to the public markets, illegal, impracticable or inadvisable. If the Committee determines to cancel all or any portion of an Award in accordance with the foregoing, the Company shall pay to the Participant an amount equal to the excess of (A) the aggregate Fair



Market Value of the shares of Common Stock subject to such Award or portion thereof canceled (determined as of the applicable exercise date, or the date that the shares would have been vested or delivered, as applicable), over (B) the aggregate Exercise Price or Strike Price (in the case of an Option or SAR, respectively) or any amount payable as a condition of delivery of shares of Common Stock (in the case of any other Award). Such amount shall be delivered to the Participant as soon as practicable following the cancellation of such Award or portion thereof.

(j) Payments to Persons Other Than Participants. If the Committee shall find that any person to whom any amount is payable under the Plan is unable to care for his affairs because of illness or accident, or is a minor, or has died, then any payment due to such person or his estate (unless a prior claim therefor has been made by a duly appointed legal representative) may, if the Committee so directs the Company, be paid to his spouse, child, relative, an institution maintaining or having custody of such person, or any other person deemed by the Committee to be a proper recipient on behalf of such person otherwise entitled to payment. Any such payment shall be a complete discharge of the liability of the Committee and the Company therefor.

(k) Nonexclusivity of the Plan. Neither the adoption of this Plan by the Board nor the submission of this Plan to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other incentive arrangements as it may deem desirable, including, without limitation, the granting of stock options or other awards otherwise than under this Plan, and such arrangements may be either applicable generally or only in specific cases.

(l) No Trust or Fund Created. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates, on the one hand, and a Participant or other person or entity, on the other hand. No provision of the Plan or any Award shall require the Company, for the purpose of satisfying any obligations under the Plan, to purchase assets or place any assets in a trust or other entity to which contributions are made or otherwise to segregate any assets, nor shall the Company maintain separate bank accounts, books, records or other evidence of the existence of a segregated or separately maintained or administered fund for such purposes. Participants shall have no rights under the Plan other than as unsecured general creditors of the Company, except that insofar as they may have become entitled to payment of additional compensation by performance of services, they shall have the same rights as other employees under general law.

(m) Reliance on Reports. Each member of the Committee and each member of the Board shall be fully justified in acting or failing to act, as the case may be, and shall not be liable for having so acted or failed to act in good faith, in reliance upon any report made by the independent public accountant of the Company and its Affiliates and/or any other information furnished in connection with the Plan by any agent of the Company or the Committee or the Board, other than himself.

(n) Relationship to Other Benefits. No payment under the Plan shall be taken into account in determining any benefits under any pension, retirement, profit sharing, group insurance or other benefit plan of the Company except as otherwise specifically provided in such other plan.

(o) Governing Law. All questions concerning the construction, interpretation and validity of the Plan and the instruments evidencing the Awards granted hereunder shall be

governed by and construed and enforced in accordance with the domestic laws of the Delaware, without giving effect to any choice or conflict of law provision or rule (whether of the Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware. In furtherance of the foregoing, the internal law of the State of Delaware will control the interpretation and construction of this Plan, even if under such jurisdiction's choice of law or conflict of law analysis, the substantive law of some other jurisdiction would ordinarily apply.

(p) Severability. If any provision of the Plan or any Award or Award Agreement is or becomes or is deemed to be invalid, illegal, or unenforceable in any jurisdiction or as to any person or entity or Award, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Award, such provision shall be construed or deemed stricken as to such jurisdiction, person or entity or Award and the remainder of the Plan and any such Award shall remain in full force and effect.

(q) Obligations Binding on Successors. The obligations of the Company under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of the Company, or upon any successor corporation or organization succeeding to substantially all of the assets and business of the Company.

(r) Code Section 162(m) Approval. If so determined by the Committee, the provisions of the Plan regarding the Performance Compensation Awards shall be disclosed and reapproved by stockholders no later than the first stockholders meeting that occurs in the fifth year following the year in which stockholders previously approved such provisions following the Company's Initial Public Offering, if any, in each case in order for certain Awards granted after such time to be exempt from the deduction limitations of Section 162(m) of the Code. Nothing in this clause, however, shall affect the validity of Awards granted after such time if such stockholder approval has not been obtained.

(s) Expenses; Gender; Titles and Headings. The expenses of administering the Plan shall be borne by the Company and its Affiliates. Masculine pronouns and other words of masculine gender shall refer to both men and women. The titles and headings of the sections in the Plan are for convenience of reference only, and in the event of any conflict, the text of the Plan, rather than such titles or headings shall control.

(t) Other Agreements. Notwithstanding the above, the Committee may require, as a condition to the grant of and/or the receipt of shares of Common Stock under an Award, that the Participant execute lock-up, stockholder or other agreements, as it may determine in its sole and absolute discretion.

(u) Payments. Participants shall be required to pay, to the extent required by applicable law, any amounts required to receive shares of Common Stock under any Award made under the Plan.

(v) Non-Qualified Deferred Compensation. To the extent applicable and notwithstanding any other provision of this Plan, this Plan and Awards hereunder shall be administered, operated and interpreted in accordance with Section 409A of the Code. Further, if any Award is subject to Section 409A of the Code, (a) references under the Plan or the applicable Award Agreement to the Participant's Termination of Relationship shall be deemed to

refer to the date upon which the Participant has experienced a "separation from service" within the meaning of Section 409A of the Code and (b) any installment of Shares or cash due under any such Award shall constitute a "separate payment" within the meaning of Section 409A of the Code. In addition, if at the time of the Participant's separation from service with the Company, the Participant is a "specified employee" as defined in Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable under any Award as a result of such separation from service is necessary in order to prevent the imposition of any accelerated or additional tax under Section 409A of the Code, then the Company will defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Participant) to the minimum extent necessary to satisfy Section 409A of the Code until the date that is six months and one day following the Participant's separation from service with the Company (or the earliest date as is permitted under Section 409A of the Code), if such payment or benefit is payable upon a Termination of Relationship. In addition, and notwithstanding any provision of the Plan to the contrary, in the event that the Committee determines that any amounts payable hereunder will be taxable to a Participant under Section 409A of the Code prior to the payment and/or delivery to such Participant of such amount, the Company may (i) adopt such amendments to the Plan and related Award Agreement, and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Committee determines necessary or appropriate to preserve the intended tax treatment of the benefits provided by the Plan and Awards hereunder and/or (ii) take such other actions as the Committee determines necessary or appropriate to comply with the requirements of Section 409A of the Code. No action shall be taken under this Plan which shall cause an Award to fail to comply with Section 409A of the Code, to the extent applicable to such Award. However, in no event shall any member of the Board, the Company or any of its Affiliates (including their respective employees, officers, directors or agents) have any liability to any Participant (or any other person) with respect to this Section 15(v).

(w) Claw-back Provisions. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by the Participant upon any receipt or exercise of any Award or upon the receipt or resale of any shares of Common Stock underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

(x) No Liability with Respect to Any Corporate Action. Subject to Section 15(v), nothing contained in the Plan or in any Award Agreement will be construed to prevent the Company or any Affiliate of the Company from taking any corporate action which is deemed by the Company or by its Affiliates to be appropriate or in its best interest and no Participant or beneficiary of a Participant will have any claim against the Company or any affiliate as a result of any such corporate action.

(y) Affiliate Employees. In the case of a grant of an Award to an employee or consultant of any Affiliate of the Company, the Company may, if the Committee so directs, issue or transfer the shares of Common Stock, if any, covered by the Award to the Affiliate, for such lawful consideration as the Committee may specify, upon the condition or understanding that the Affiliate will transfer the shares of Common Stock to the employee or consultant in accordance with the terms of the Award specified by the Committee pursuant to the provisions of the Plan.

All shares of Common Stock underlying Awards that are forfeited or canceled shall revert to the Company.

(z) Foreign Employees and Foreign Law Considerations. The Committee may grant Awards to individuals who are eligible to participate in the plan who are foreign nationals, who are located outside the United States or who are not compensated from a payroll maintained in the United States, or who are otherwise subject to (or could cause the Company to be subject to) legal or regulatory provisions of countries or jurisdictions outside the United States, on such terms and conditions different from those specified in the Plan as may, in the judgment of the Committee, be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, or subplans as may be necessary or advisable to comply with such legal or regulatory provisions.

(aa) No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Award, and the Committee shall determine whether cash, other securities or other property shall be paid or transferred in lieu of any fractional shares, or whether such fractional shares or any rights thereto shall be canceled, terminated or otherwise eliminated.

As adopted and approved by the Board of Directors of Aramark on November 9, 2016 and the stockholders of Aramark on February 1, 2017 to be effective as of February 1, 2017.

**AMENDED AND RESTATED ARAMARK  
SENIOR EXECUTIVE PERFORMANCE BONUS PLAN**

**1. General.** This Plan is intended to provide for an annual Bonus Award for the CEO and other designated Senior Executives upon the attainment of annual Performance Measures established by the Committee, which annual Bonus Award will be treated as performance based compensation for purposes of the federal income tax deductibility limitation on executive officer compensation.

**2. DEFINITIONS**

**"Aramark"** means Aramark, a Delaware corporation, and any successor.

**"Aramark Group"** means Aramark and its subsidiaries, divisions and units, collectively.

**"Board"** means the board of directors of Aramark.

**"Bonus Award"** means, with respect to any Participant, such Participant's opportunity awarded under this Plan, with respect to a given Performance Period, to earn a bonus amount, subject to achievement of the applicable Performance Measures specified for such Performance Period.

**"CEO"** means the Chief Executive Officer of Aramark or the individual or individuals acting in that capacity.

**"Code"** means the Internal Revenue Code of 1986, as amended, or any successor thereto. Any reference to any section of the Code shall also be a reference to any successor provision and any Treasury Regulation promulgated thereunder.

**"Committee"** means the Compensation and Human Resources Committee, a sub-committee thereof or another committee of two or more non-employee directors as may be appointed by the Board; provided, that to the extent necessary to obtain the exception for performance-based compensation under Section 162(m) of the Code, each member of the Committee shall, at the time he or she takes any action with respect to a Bonus Award under the Plan, be an outside director within the meaning of Section 162(m).

**"Participant"** means the CEO and the other Senior Executives designated to participate in this Plan.

**"Plan"** means this Amended and Restated Aramark Senior Executive Performance Bonus Plan.

**"Section 162(m)"** means Section 162(m) of the Code or any successor provision, and the regulations promulgated thereunder.

**"Section 409A"** means Section 409A of the Code, or any successor provision, and the regulations, rulings, notices or other guidance promulgated thereunder.

**"Senior Executive"** means the CEO and any other officer of Aramark or of any subsidiary of Aramark.

**3. Participation.** The CEO and the other Senior Executives shall be eligible to be designated as Participants in this Plan. This Plan shall apply only to the CEO and to those additional Senior Executives designated by the Committee, in writing, as Participants for each Performance Period.

**4. Performance Measures.** The **"Performance Measures"** for a given Performance Period shall be based on attainment of target levels of, a targeted percentage increase in, or, to the extent permitted under Section 162(m), solely the achievement of, one or more of the following measures (all capitalized terms not

defined herein shall have the meanings contained in Aramark's audited financial statements for the relevant Performance Period as such terms and definitions may be expressly modified and established by the Committee with respect to the relevant Performance Period): (1) Earnings Before Interest and Taxes ("**EBIT**"), (2) Return on Net Assets ("**RONA**"), (3) Net Income, (4) After Tax Return on Investment ("**ATROI**"), (5) Sales, (6) Revenues, (7) Earnings Per Share, (8) Total Shareholder Return, (9) Return on Equity ("**ROE**"), (10) Return on Investment ("**ROI**"), (11) Total Business Return, (12) Return on Gross Investment ("**ROGI**"), (13) Operating Cash Flow, (14) Free Cash Flow, (15) Operating Income, (16) Pretax Income, (17) stock price appreciation, (18) Earnings Before Interest, Taxes, Depreciation and Amortization ("**EBITDA**") or (19) Margin based upon any of EBIT, Operating Income, Pretax Income, EBITDA or any other profit measure. The Performance Measures may be based on absolute Aramark performance, absolute performance of any member of the Aramark Group, or any combination of the members of the Aramark Group, or any of the foregoing's performance relative to a peer group or other external measure of selected performance. Performance Measures that are financial metrics may be determined in accordance with United States Generally Accepted Accounting Principles ("GAAP") or financial metrics that are based on, or able to be derived from GAAP, and may be adjusted when established (or to the extent permitted under Section 162(m) of the Code, at any time thereafter) to include or exclude any items otherwise includable or excludable under GAAP. In all events, the Performance Measures shall be established in a manner intended to comply with the requirements of Section 162(m).

**5. Performance Period.** The "**Performance Period**" for any given Bonus Award shall be Aramark's fiscal year, or such shorter or longer period as may be established by the Committee.

**6. Individual Maximum Amounts; Discretionary Bonuses.** The maximum Bonus Award payable to any Participant in respect of any Performance Period that is established as the fiscal year of Aramark under this Plan is \$10,000,000 (disregarding any appreciation during any period of deferral under Section 7(e) below). For Performance Periods less than 12 months, the maximum Bonus Award will be adjusted in proportion to the duration of the Performance Period.

## **7. ADMINISTRATION**

**(a) Committee.** The Committee shall have the sole and exclusive authority to administer this Plan, including the interpretation of the terms hereof. The Committee shall be entitled to rely on information, opinions, reports and statements presented to the Committee by officers, employees and outside professionals and experts, including Aramark's financial statements. Any determination by the Committee hereunder shall be final and binding on all Participants, their beneficiaries and Aramark.

### **(b) Setting of Performance Goals and Bonus Amounts.**

(i) The Committee shall, for each Performance Period, establish in writing the amount of the Bonus Award and the Performance Measure or measures for each Participant based on one or more of the performance measures listed in Section 4 above, not later than 90 days after the beginning of such Performance Period (or prior to the expiration of 25% of the Performance Period, if the Performance Period is less than 12 months), so long as, at that time, the attainment of such Performance Measure or Measures is substantially uncertain (within the meaning of Section 162(m)). The Committee may establish different Performance Measures and different individual maximum Bonus Award amounts for each Participant.

(ii) Subject at all times to Section 6 above, in connection with the foregoing, a Participant's Bonus Award may be equal to a specified share of a pre-established bonus pool. Such bonus pool may be a pre-established aggregate dollar amount, or may, to the extent in compliance with Section 162(m), be based on the percentage of a specified performance measure (e.g., a percentage of Pretax Income). In no event will the total amount of all specified shares of any bonus pool for any given Performance Period exceed 100% of such bonus pool.

**(c) Adjustment for Extraordinary Items.** The Committee shall adjust, upward or downward, to the extent permitted by Section 162(m), the Performance Measures to reflect, as applicable: (i) a change in generally acceptable accounting standards or principles, (ii) a significant acquisition or divestiture, or a discontinuation of operations, (iii) a significant capital transaction, (iv) any charges and costs associated with restructurings of the Aramark Group and (v) any other unusual, nonrecurring items which are separately identified and quantified in Aramark's audited financial statements, Notes to Aramark's audited financial statements or management's discussion and analysis of financial condition and results of operations contained in Aramark's then most recent report filed with the U.S. Securities and Exchange Commission pursuant to applicable law, so long as such accounting change is required or such transaction or nonrecurring item occurs after the Performance Measures for the Performance Period are established, and such adjustments are stated at the time that the Performance Measures are determined. The Committee may also adjust, upward or downward, as applicable, the Performance Measures to reflect any other extraordinary item or event, so long as any such item or event is separately identified as an item or event requiring adjustment of such Performance Measures at the time the Performance Measures are established, and such item or event occurs after the Performance Measures for the Performance Period are established. In all events, any adjustments to be made to the Performance Measures shall be disclosed in a manner intended to satisfy the requirements of Section 162(m).

**(d) Negative Discretion.** At the time the extent of attainment of the Performance Measures for a given Performance Period is determined by the Committee, the Committee, in its sole discretion, may reduce, but may not increase, the amount of the Bonus Award that would be otherwise payable to a Participant in respect of such Performance Period under this Plan. The Committee may take into consideration any and all factors relating to Aramark's and the Participant's performance for such Performance Period.

**(e) Payment Only Upon Attainment of Performance Goals.**

(i) A Bonus Award shall be paid to a Participant under this Plan only in accordance with the terms of this Plan and only upon the attainment of the Performance Measures established, adjusted and applied by the Committee for such Participant. Except as explicitly provided in this Plan, no waiver or modification of any Performance Measure may be made. The Committee shall be the sole and exclusive arbiter of the extent, if any, to which the Performance Measures have been attained, and the amount of the Bonus Award payable hereunder. Prior to the payment of any Bonus Award to any Participant under this Plan, the Committee shall certify in writing the extent to which the Performance Measure(s) upon which the Bonus Award may be payable to such Participant have been attained.

(ii) After Committee certification of the attainment of the Performance Measures, Bonus Awards may be paid immediately (but in no event later than March 15 of the calendar year following the calendar year in which the Performance Period ends) or may be deferred; provided that (A) payment of any Bonus Award will only be made to Participants who were employed with Aramark or one of its subsidiaries on the last day of the applicable Performance Period, and (B) the deferral of any Bonus Award may only be made if (I) the Participant irrevocably elects to defer his or her Bonus Award on or before (x) the calendar year preceding the calendar year in which the Performance Period to which such Bonus Award relates, if the Performance Period is less than 12 full months or (y) the date that is six months prior to the end of the applicable Performance Period in respect of which the Bonus Award is payable, if the Performance Period is at least 12 full months; and (II) such Participant remains continuously employed by Aramark from the later of the beginning of the applicable Performance Period or the date the performance criteria are established in accordance with Section 7(b), through the date of such deferral election.

(iii) If earned pursuant to the terms of this Plan, a Bonus Award may be payable in the form of cash or settled in shares of common stock of Aramark, restricted stock units that are settled in common stock of Aramark stock or a combination thereof, any of which stock-based awards shall be settled under the Aramark 2013 Stock Incentive Plan as it may be amended or any successor plan.

**(f) Claw-back Provisions.** All Bonus Awards shall be subject to the provisions of any claw-back policy implemented by Aramark, including, without limitation, any claw-back policy adopted to comply with the requirements of applicable law, including without limitation the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy.

**8. Additional Terms.** Unless otherwise specifically provided by this Plan or by the Committee or unless not permitted by Section 162(m), the administrative terms of the Aramark Management Incentive Bonus Plan (as the same shall be in effect from time to time) ("**MIB**") shall apply to Bonus Awards payable under this Plan, including by way of example terms relating to such matters as the ability to defer receipt of payment of an annual Bonus Award; provided, however, that in the event of a conflict between this Plan and the MIB, this Plan shall govern.

**9. Stockholder Approval.** This Plan shall be effective upon its approval by the stockholders of Aramark.

**10. Amendment.** The Committee may, without further action by the stockholders, amend the Plan from time to time as it deems desirable; provided, that no such amendment may increase the group of employees who may receive compensation under the Plan identified in Section 3 above, change the permitted Performance Measures set forth in Section 4 above, increase the maximum Bonus Award payable under the Plan as set forth in Section 6 above or make any other change requiring further stockholder approval under Section 162(m). In addition, with respect to Participants who reside or work outside the United States, the Committee may, in its sole discretion, amend the terms of this Plan with respect to such Participants in order to conform such terms with the requirements of local law or to obtain more favorable tax or other treatment for a Participant.

**11. Duration and Termination.** This Plan, unless earlier terminated, shall be effective through the first meeting of the shareholders of Aramark occurring in 2022. The Board may, in its discretion, terminate this Plan at any time.

**12. Compliance with IRC Section 409A.** This Plan is intended to be exempt from Section 409A; provided, that with respect to any Bonus Award (or portion thereof) that is deferred pursuant to Section 7(e), such amounts shall constitute nonqualified deferred compensation under Section 409A and shall be compliant with the provisions applicable thereto, and, in the case of any ambiguity with respect to this Plan, this Plan will be interpreted in a manner intended to comply with Section 409A. In furtherance thereof, no payments may be accelerated under this Plan other than to the extent permitted under Section 409A. To the extent that any provision of this Plan violates Section 409A such that amounts would be taxable to a Participant prior to payment or would otherwise subject a Participant to a penalty tax under Section 409A, such provision shall be automatically reformed or stricken to preserve the intent hereof. Notwithstanding anything herein to the contrary, (i) if at the time of a Participant's termination of employment the Participant is a "specified employee" as defined in Section 409A and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A, then Aramark shall defer the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to the Participant) until the date that is six months following the Participant's termination of employment (or the earliest date as is permitted under Section 409A) and (ii) if any other payments due to a Participant hereunder could cause the application of an accelerated or additional tax under Section 409A, such payments or other benefits shall be deferred if deferral will make such payment compliant under Section 409A, or otherwise such payment shall be restructured, to the extent possible, in a manner, determined by the Committee, that does not cause such an accelerated or additional tax. For purposes of Section 409A, each payment made under this Plan shall be designated as a "separate payment" within the meaning of the Section 409A, and references herein to a Participant's "termination of employment" shall refer to Participant's separation from service with Aramark and its affiliates within the meaning of Section 409A. The Committee shall use commercially reasonable efforts to implement the provisions of this section in good faith; provided that neither Aramark, nor the Board, Committee nor any of



Aramark's or its subsidiaries' employees, directors or representatives shall have any liability to any Participants with respect to this section 12.

**13. Governing Law.** This Plan shall be governed by and construed in accordance with the laws of the State of New York without regard to conflicts of laws.

**Approved: By the Board of Directors on November 9, 2016 and by the stockholders of Aramark on February 1, 2017.**

**ARAMARK AND SUBSIDIARIES**  
**COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES<sup>(A)</sup>**  
**(Unaudited)**  
**(In thousands)**

	<b>Three Months            Ended            December 30, 2016</b>
Income before income taxes	\$ 178,378
Fixed charges, excluding capitalized interest	81,079
Undistributed earnings of less than 50% owned affiliates	(4,239)
Earnings, as adjusted	\$ 255,218
Interest expense	\$ 66,858
Portion of operating lease rentals representative of interest factor	14,012
Fixed charges	\$ 80,870
Ratio of earnings to fixed charges	3.2 x

- (A) For the purpose of determining the ratio of earnings to fixed charges, earnings include pretax income (loss) from continuing operations plus fixed charges (excluding capitalized interest). Fixed charges consist of interest on all indebtedness (including capitalized interest) plus that portion of operating lease rentals representative of the interest factor (deemed to be one-third of operating lease rentals).

## CERTIFICATIONS

I, Eric J. Foss, Chairman, President and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aramark for the quarter ended December 30, 2016;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2017

/s/ ERIC J. FOSS

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**Eric J. Foss**

**Chairman, President and Chief Executive Officer**

## CERTIFICATIONS

I, Stephen P. Bramlage, Jr., Executive Vice President and Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Aramark for the quarter ended December 30, 2016;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2017

/s/ STEPHEN P. BRAMLAGE, JR.

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**Stephen P. Bramlage, Jr.**  
**Executive Vice President and**  
**Chief Financial Officer**

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906 OF  
THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Aramark (the "Company") on Form 10-Q for the fiscal quarter ended December 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Eric J. Foss, Chairman, President and Chief Executive Officer of the Company, and Stephen P. Bramlage, Jr., Executive Vice President and Chief Financial Officer of the Company, each certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, based on each of our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 7, 2017

/s/ ERIC J. FOSS

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**Eric J. Foss**

**Chairman, President and Chief Executive Officer**

/s/ STEPHEN P. BRAMLAGE, JR.

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**Stephen P. Bramlage, Jr.**

**Executive Vice President and Chief Financial Officer**

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.