A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the "United States"), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or solicitation of an offer to buy any of these securities in the United States. See "Plan of Distribution".

This prospectus has been filed under procedures in each of the provinces and territories of Canada that permit certain information about these securities to be determined after the prospectus has become final and that permit the omission of that information from this prospectus. The procedures require the delivery to purchasers of a supplemented PREP prospectus containing the omitted information within a specified period of time after agreeing to purchase any of the securities. All of the information contained in the supplemented PREP prospectus that is not contained in this base PREP prospectus will be incorporated by reference into this base PREP prospectus as of the date of the supplemented PREP prospectus.

AMENDED AND RESTATED PRELIMINARY BASE PREP PROSPECTUS
(amending and restating the preliminary base PREP prospectus dated June 16, 2015)

Initial Public Offering and Secondary Offering July 13, 2015

SHRED-IT INTERNATIONAL INC.

C$600,000,000

● Common Shares

This prospectus qualifies the distribution to the public (the "**Offering**") of ● common shares (the "**Common Shares**") of Shred-it International Inc. ("**we**", "**us**", "**our**", the "**Company**" or "**Shred-it**"), a company incorporated under the laws of the Province of Ontario, at a price of C$ ● per Common Share (the "**Offering Price**"). The Offering consists of an initial public offering of ● Common Shares by Shred-it. See "Plan of Distribution". It is anticipated that the Offering Price will be between C$20.00 and C$23.00 per Common Share and that between ● and ● Common Shares will be distributed under the Offering. Unless otherwise indicated, this prospectus assumes an Offering Price of C$21.50, being the midpoint of the anticipated range set forth above and that the Offering will consist of approximately 27,906,977 Common Shares. Shred-it will use the net proceeds from the Offering as described in this prospectus. See "Use of Proceeds".

The Offering is being underwritten by TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Scotia Capital Inc. (collectively, the "**Joint Bookrunners**") and National Bank Financial Inc., Barclays Capital Canada Inc., RBC Dominion Securities Inc., Credit Suisse Securities (Canada), Inc., Wells Fargo Securities Canada, Ltd., GMP Securities L.P. and Raymond James Ltd. (together with the Joint Bookrunners, the "**Underwriters**"). If the Over-Allotment Option is exercised in full, an additional ● Common Shares (in the aggregate) will be offered by the Company and the Birch Hill Group.

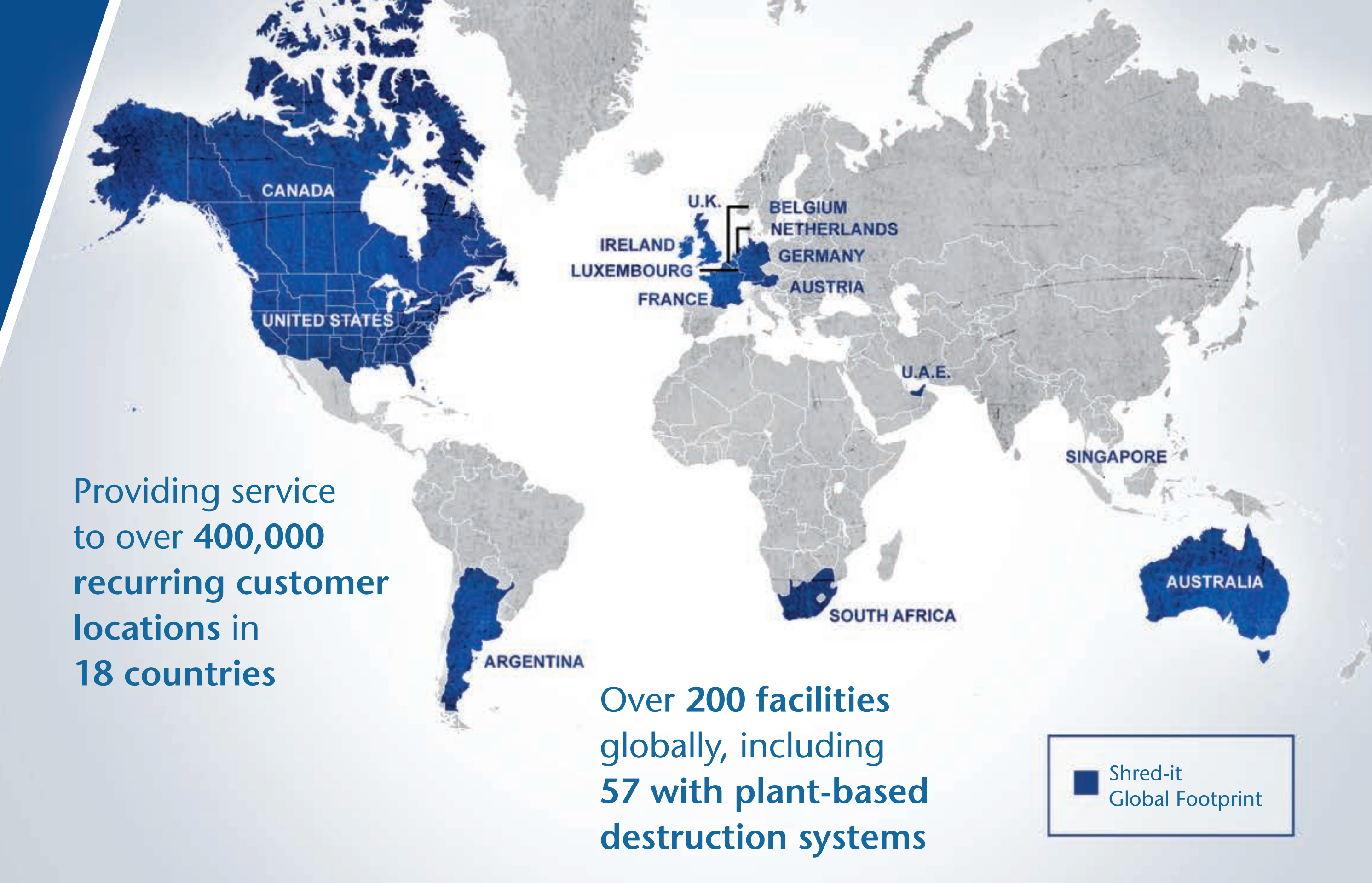
Shred-it is a global leader in providing secure information destruction services to over 400,000 recurring customer locations in 18 countries. Shred-it operates a fleet of over 2,400 trucks and has over 200 facilities globally, including 57 with plant-based destruction systems. Shred-it services predominantly small and medium sized businesses, and also services large national customers across a wide range of sectors including financial and professional services, healthcare, business services, retail, government and telecom. Shred-it has over 5,300 employees who are trained and certified as information security professionals, and are committed to protecting the security and integrity of customers' confidential information.

On Closing, it is expected that the Birch Hill Group will have an approximate 39.1% interest in the Company through ownership of or direction or control over ● Common Shares (or an approximate 37.1% interest in the Company if the Over-Allotment Option is exercised in full) and that the Cintas Group will have an approximate 29.8% effective interest in the Company (subject to the Cintas Group's 19.9% maximum voting entitlement) through ownership of ● Common Shares, ● redeemable LP Units of the Partnership for which the redemption price may be satisfied in Common Shares or cash, at the Company's election, and ● Special Voting Shares (or an approximate 28.2% effective interest in the Company if the Over-Allotment Option is exercised in full). See "Principal Shareholders" and "Risk Factors".

The Company has applied to have the Common Shares listed on the Toronto Stock Exchange ("**TSX**"). Listing of the Common Shares on the TSX is subject to approval by the TSX of the Company's listing application and fulfillment by the Company of all the initial requirements and conditions of the TSX. The TSX has not conditionally approved the listing of the Common Shares and there is no assurance that the TSX will approve the Company's listing application.

All of the Common Shares and/or redeemable LP Units held after the Offering by the Birch Hill Group, the Cintas Group and the Management Shareholders will be subject to contractual lock-up agreements with the Underwriters. See "Plan of Distribution — Lock-Up Arrangements".

There is currently no market through which the Common Shares may be sold and purchasers may not be able to resell the Common Shares purchased under this prospectus. This may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares, and the extent of issuer regulation. See "Risk Factors". Closing of the Offering is conditional on the Common Shares being approved for listing on the TSX.



Providing service to over **400,000 recurring customer locations** in **18 countries**

Over **200 facilities** globally, including **57 with plant-based destruction systems**

GLOBAL LEADER IN SECURE INFORMATION DESTRUCTION SERVICES

Shred-it® **Making sure it's secure.™**

INVESTMENT HIGHLIGHTS

- Global Leader in the Secure Information Destruction Industry
- Compelling Industry Fundamentals
- Attractive Business Model
- Proven Financial Performance and Compelling Operating Leverage
- Significant Growth Opportunities
- Experienced and Results-Driven Management Team

Making sure it's secure.™

GLOBALLY RECOGNIZED BRAND

SYNONYMOUS WITH SECURE INFORMATION DESTRUCTION

SIGNIFICANT GROWTH OPPORTUNITIES

5-7 YEAR OUTLOOK[(1)]

Total Revenue:
$1.0 - $1.25 billion

Organic Revenue Growth:
~4% - 7% per year

Acquisition Growth:
$20 - $40 million average acquired revenue per year

Total Revenue Growth:
~6% - 12% per year

Operating EBITDA Margins:
~30%[(2)]

(1) All of this information constitutes forward looking information.
(2) Implied by margins post realization of Remaining Portion of Identified Synergies.

An investment in the Common Shares is subject to a number of risks that should be considered by a prospective purchaser. Prospective purchasers should carefully consider the risk factors described under "Risk Factors" before purchasing the Common Shares.

Price: C$ ● per Common Share

	Price to the Public(1)	Underwriters' Commission	Net Proceeds to the Company(2)
Per Common Share	C$ ●	C$ ●	C$ ●
Total Offering(3)	C$ ●	C$ ●	C$ ●

Notes:

(1) The price of the Common Shares has been determined by negotiation between the Company and the Underwriters.

(2) After deducting the Underwriters' Commission payable by the Company but before deducting the expenses of the Offering which are estimated to be approximately C$ ● , which will be paid by the Company out of the proceeds of the Offering.

(3) The Company and the Birch Hill Group have granted to the Underwriters an over-allotment option, exercisable, in whole or in part, at the sole discretion of the Underwriters, for a period of 30 days from the closing of the Offering (the "**Closing**"), to purchase from the Company and the Birch Hill Group up to ● additional Common Shares in the aggregate (representing approximately 15% of the Common Shares issued under the Offering) on the same terms as set out above solely to cover over-allotments, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). The Company will pay the Underwriters' Commission with respect to the Offering, and the Company and the Birch Hill Group will pay the Underwriters' Commission with respect to the Common Shares, if any, issued pursuant to the exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Commission", "Net Proceeds to the Company" and "Net Proceeds to the Birch Hill Group" will be C$ ● , C$ ● , C$ ● and C$ ● , respectively, before deducting the expenses of the Offering. This prospectus qualifies the distribution of the Over-Allotment Option and up to ● Common Shares to be sold by the Company and the Birch Hill Group upon exercise of the Over-Allotment Option by the Underwriters. A purchaser who acquires Common Shares forming part of the Underwriters' over-allocation position acquires those shares under this prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "Plan of Distribution" and "Principal Shareholders".

The following table sets out the aggregate number of Common Shares that may be sold by the Company and the Birch Hill Group to the Underwriters pursuant to the Over-Allotment Option:

	Number of Common Shares Available	Exercise Period	Exercise Price
Over-Allotment Option	Up to an additional 15% of the aggregate number of Common Shares issued under the Offering	Up to 30 days following Closing	C$ ● per Common Share

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the underwriting agreement dated ● , 2015 (the "**Underwriting Agreement**") referred to under "Plan of Distribution" and subject to the approval of certain legal matters on behalf of the Company by Stikeman Elliott LLP, on behalf of the Cintas Group by Goodmans LLP and on behalf of the Underwriters by Osler, Hoskin & Harcourt LLP.

In connection with this distribution, the Underwriters have been granted the Over-Allotment Option and may, subject to applicable law, over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. **The Underwriters may offer the Common Shares at a price lower than that stated above. See "Plan of Distribution".**

TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., RBC Dominion Securities Inc. and Raymond James Ltd. are affiliates of banks that are members of a syndicate of lenders that have made credit facilities available to the Company. Accordingly, in connection with the Offering and pursuant to applicable securities legislation, the Company may be considered a "connected issuer" with each of the foregoing Underwriters for the purposes of securities legislation in certain provinces and territories of Canada. See "Plan of Distribution", "Relationship Between the Company and Certain Underwriters" and "Description of Material Indebtedness and Refinancing".

Subscriptions will be received subject to rejection or allotment in whole or in part and the Underwriters reserve the right to close the subscription books at any time without notice. It is expected that Closing will occur on or about ● , 2015 (the "**Closing Date**"), or such later date as the Company and the Underwriters may agree, but in any event not later than ● , 2015. The Common Shares will be deposited with CDS Clearing and Depository Services Inc. ("**CDS**") in electronic form on the Closing Date through the non-certificated inventory system administered by CDS. A purchaser of Common Shares will receive only a customer confirmation from the registered dealer from or through which the Common Shares are purchased. See "Plan of Distribution — Registration of Common Shares".

The Company's head and registered office is located at 2794 South Sheridan Way, Oakville, Ontario, L6J 7T4.

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ABOUT THIS PROSPECTUS

Unless otherwise noted or the context otherwise indicates, (i) the terms "Shred-it", the "Company", "we", "us" and "our" refer to Shred-it International Inc. and its direct and indirect subsidiaries, assuming the completion of the transactions referred to in clause (ii) below, together with their predecessors and other entities controlled by them; (ii) this prospectus assumes that the Over-Allotment Option has not been exercised and the transactions referred to under the heading "Corporate Structure and IPO Transactions — IPO Transactions" have been completed; (iii) the percentage ownership of Common Shares on Closing is calculated based on an effective or fully-diluted basis, assuming full redemption of the LP Units for Common Shares and not cash; and (iv) the phrase "combined Shred-it/Cintas" and similar phrases refer to the pro forma combination of the pre-Merger information destruction businesses of Shred-it and the Cintas Group, respectively, as if the Merger had been completed at the beginning of the applicable period. Certain capitalized terms and phrases used in this prospectus are defined in the "Glossary of Terms". Words importing the singular number include the plural, and vice versa, and words importing any gender include all genders.

References to "management" in this prospectus mean the persons who are currently the senior officers of Shred-it and who will be the senior officers of the Company and its operating subsidiaries, as the case may be, following Closing. Any statements in this prospectus made by or on behalf of management are made in such persons' capacities as officers of the Company and its operating subsidiaries, as applicable, and not in their personal capacities.

A prospective purchaser should rely only on the information contained in this prospectus and is not entitled to rely on parts of the information contained in this prospectus to the exclusion of others. Neither the Company, its directors, officers or shareholders nor the Underwriters has authorized any other person to provide prospective purchasers with additional or different information. If anyone provides prospective purchasers with additional or different or inconsistent information, including information or statements in media articles about the Company, prospective purchasers should not rely on it. Neither the Company, its directors, officers or shareholders nor the Underwriters are making an offer to sell or seeking offers to buy Common Shares in any jurisdiction where the offer or sale is not permitted. Prospective purchasers should assume that the information appearing in this prospectus is accurate only as at its date, regardless of its time of delivery or of any sale of Common Shares. The Company's business, financial conditions, results of operations and prospects may have changed since that date.

For prospective purchasers outside Canada, neither the Company, its directors, officers or shareholders nor any of the Underwriters has done anything that would permit the Offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in Canada. Purchasers are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this prospectus.

This prospectus includes a summary description of certain material agreements of the Company. See "Material Contracts". The summary description discloses all attributes material to an investor in the Common Shares but is not complete and is qualified by reference to the terms of the material agreements, which will be filed with the Canadian securities regulatory authorities and available on SEDAR. Prospective purchasers are encouraged to read the full text of such material agreements.

Any graphs, tables or other information demonstrating the historical performance of the Company or any other entity contained in this prospectus are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance of the Company or such entities.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

The Company presents its financial statements in U.S. dollars and, following Closing, it intends to continue to present its financial statements in U.S. dollars. In this prospectus, all references to "C$" are to Canadian dollars and all references to "$", "U.S.$" or "dollars" are to United States dollars. **Amounts are stated in U.S. dollars unless otherwise indicated.**

This prospectus contains the audited combined financial statements for the Shred-it Group for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, and the unaudited combined financial statements for the Shred-it Group for the three-month periods ended March 29, 2015 and March 30, 2014. See "Glossary of Terms" for a description of the Shred-it Group. This prospectus also contains the audited combined carve-out financial statements with respect to Cintas' shredding business for the 11 month period ended April 30, 2014 and the fiscal year ended May 31, 2013, all prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All references in this prospectus to "Fiscal 2014" are to the Company's fiscal year ended December 31, 2014, to "Fiscal 2013" are to the Company's fiscal year ended December 31, 2013, to "Fiscal 2012" are to the Company's fiscal year ended December 31, 2012, to "Q1 2015" are to the period ended March 29, 2015 and to "Q1 2014" are to the period ended March 30, 2014. Following the completion of the Offering and the IPO Transactions, it is expected that the Shred-it Group's financial statements will be presented through the consolidated financial statements of the Company.

NON-IFRS MEASURES

This prospectus makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing a further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. Shred-it uses non-IFRS measures including "EBITDA", "EBITDA Margin", "Gross FCF Conversion", "Operating EBITDA", "Operating EBITDA Margin", "Pro Forma Operating EBITDA", and "Pro Forma Revenue" to provide purchasers with supplemental measures of the Company's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Shred-it also believes that securities analysts, prospective purchasers and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Shred-it's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet future debt service, capital expenditure and working capital requirements. See "Selected Financial Information".

Prospective purchasers should review this information in conjunction with the Company's financial statements including the notes thereto, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Consolidated Capitalization", included elsewhere in this prospectus.

"EBITDA" is a non-IFRS measure used by the Company to assess its operating performance and is calculated as net (loss) income before net interest expense, income tax expense or recovery, depreciation and amortization. For a reconciliation of net (loss) income to EBITDA, see the reconciliation table for EBITDA and Operating EBITDA under "Selected Financial Information".

"EBITDA Margin" is a non-IFRS measure used by the Company to assess its operating performance and is calculated as EBITDA as a percentage of Revenue.

"Gross FCF Conversion" is a non-IFRS measure used by the Company to assess its operating performance and is calculated as (Operating EBITDA less maintenance capex) divided by Operating EBITDA.

"Operating EBITDA" is a non-IFRS measure used by the Company to assess its operating performance and is calculated as EBITDA, adding back acquisition, transaction and integration costs, loss (gain) on foreign exchange and in the case of EBITDA for the 12 months ended March 29, 2015, adjustments for full year contribution from the Merger and acquisitions completed during the year, and adjustments for full year net contribution from synergies achieved during the year. For a reconciliation of net (loss) income to Operating EBITDA, see the reconciliation table for EBITDA and Operating EBITDA under "Selected Financial Information".

"Operating EBITDA Margin" is a non-IFRS measure used by the Company to assess its operating performance and is calculated as Operating EBITDA as a percentage of Revenue, except in the case of Operating EBITDA for the 12 months ended March 29, 2015, which is divided by Pro Forma Revenue.

"Pro Forma Operating EBITDA" is a non-IFRS measure used by the Company to assess its operating performance and is calculated as Operating EBITDA, adding the remaining portion of identified synergies.

"Pro Forma Revenue" is a non-IFRS measure used by the Company to assess its operating performance and is calculated as Revenue, adding adjustments for full year contribution from the Merger and other acquisitions completed during the year.

FORWARD-LOOKING STATEMENTS

This prospectus contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information may relate to the Company's current and future plans, business strategy, growth strategy, expectations and intentions, results, budgets, operations, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. Particularly, information regarding future results, performance, achievements, prospects or opportunities of the Company or the Canadian, U.S. or International Markets is forward-looking information. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements.

Discussions containing forward-looking statements may be found, among other places, under "The Business of Shred-it", "Risk Factors", "Principal Shareholders", "Use of Proceeds", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Dividend Policy", "Description of Securities", "Corporate Structure and IPO Transactions". These forward-looking statements include, among other things, statements relating to: the Company's expectations regarding its financial performance, including revenue, expenses and operations; the Company's expectations regarding the synergies to be achieved from the Merger; the Company's future growth plans, including both organic growth and acquisitions; the Company's expectations with respect to its growth in domestic and International Markets; the Company's expectations with respect to growth in electronic data destruction and adjacencies; the Company's expectations with respect to advancements in technology; the Company's intentions to declare dividends; the Company's expectations with respect to joint ventures and strategic partnerships; anticipated trends and challenges in the Company's business and the market in which it operates; the Company's anticipated use of net proceeds of the Offering; the market price for the Common Shares; and Shred-it's realization of any benefit from the TRA and its organizational structure. In particular, the Company's assessment of revenue growth, implied Operating EBITDA Margins and free cash flow available to fund growth over the next five to seven years may be considered forward-looking information. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Outlook" for additional information concerning the Company's strategies, assumptions and market outlook in relation to this assessment.

These statements and other forward-looking information are based on opinions, assumptions and estimates made by the Company in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances, but there can be no assurance that such estimates and assumptions will prove to be correct.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the "Risk Factors" section of this prospectus: Risks related to our business and the Offering include: (i) damage to our reputation; (ii) failure to protect our customers' information against security breaches; (iii) customer cost sensitivities; (iv) changes in customer behavior with respect to information destruction; (v) competitive pressures; (vi) fluctuations in the price we receive for the sale of paper; (vii) demand for our services is susceptible to long-term decline in use of paper by our current and prospective customers; (viii) a portion of the Company's revenues are dependent on demand for recycled paper which is based on general market conditions in the pulp and paper industry; (ix) fluctuations in fuel and energy costs; (x) we may not realize the synergies and growth opportunities that are anticipated from the Merger or other acquisitions; (xi) failure to manage our growth; (xii) inability to attract and retain qualified and skilled employees to implement our growth strategies; (xiii) we may not be able to successfully implement our growth and business strategy; (xiv) the estimated market for secure document destruction services included in this prospectus may prove to be inaccurate; (xv) we may not be successful in penetrating the unvended market; (xvi) we may encounter a slowdown in acquisition activity and/or the price for acquisitions may increase; (xvii) failure to successfully integrate acquired operations; (xviii) we may be unable to continue our international expansion; (xix) risks from our international operations; (xx) dependence on a limited number of key personnel; (xxi) our customer contracts may not always adequately protect our liability, may be terminated by our customers and may contain terms that could lead to disputes in contract interpretation; (xxii) parties with whom we do business with may be subject to insolvency risks; (xxiii) fluctuations in foreign exchange rates; (xxiv) unexpected events; (xxv) risks relating to our size and scale; (xxvi) inability to innovate and take advantage of technological advancements; (xxvii) deterioration in labour relations; (xxviii) changes in worker's compensation rates; (xxix) compliance with U.S. federal health care reform legislation; (xxx) we may not be able to enforce our intellectual property rights; (xxxi) we may be subject to claims that our technology violates the intellectual property rights of a third party; (xxxii) disruptions in or attacks on our information technology systems; (xxxiii) litigation risks; (xxxiv) changing fire and safety standards; (xxxv) potential environmental liabilities relating to our leased real property; (xxxvi) challenges to tax filing positions; (xxxvii) absence of operating history as a public company; (xxxviii) failure to maintain adequate financial and management processes and controls; (xxxix) our substantial indebtedness; (xl) the limits imposed by our insurance policies; (xli) we may have insufficient insurance coverage; (xlii) adverse credit and financial market events; (xliii) inability to raise additional funds; (xliv) restrictive debt covenants may limit our ability to pursue our growth strategy; (xlv) additional indebtedness; (xlvi) the Company is a holding company; (xlvii) servicing debt and funding other obligations requires a significant amount of cash; (xlviii) our Common Shares have no prior public market and our share price may decline after the Offering; (xlix) volatility of the market price of the Common Shares; (l) the future sales of Common Shares by our significant shareholders could significantly impact the share price; (li) declaration of dividends is at the discretion of the Board; (lii) dependence on distributions and other payments from the Partnership; (liii) substantial payments to be made pursuant to the TRA; (liv) payments under the TRA may be accelerated or significantly exceed the actual benefits we realize; (lv) we will not be reimbursed for any payments made under the TRA in the event that any tax benefits are disallowed; (lvi) Shred-it is controlled by the Principal Shareholders whose interests may differ from those of our public shareholders; (lvii) IPO Transactions and the TRA may have U.S. tax consequences; (lviii) our Board, and not shareholders, are responsible for setting Company policies; and (lix) we incur certain expenses to maintain our public company status. See "Risk Factors".

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information contained herein, except as required by applicable securities laws.

MARKET AND INDUSTRY DATA

Shred-it has obtained the market and industry data presented in this prospectus from third party sources, industry publications, and publicly available information, including RISI and Gartner, as well as industry and other data prepared by the Company on the basis of its knowledge of the U.S., Canadian and International Markets and economies (including the Company's estimates and assumptions relating to the U.S., Canadian and International Markets and economies based on that knowledge). The Gartner report described herein represents data, research opinions or viewpoints published, as part of a syndicated subscription service by Gartner, and are not representations of fact. Each Gartner report speaks as at its original publication date (and not as of the date of this prospectus) and the opinions expressed in the Gartner report are subject to change without notice. The Company believes that its market and economic data is accurate and that its estimates and assumptions are reasonable, but there can be no assurance as to the accuracy or completeness thereof. Shred-it engaged a national accounting and consulting firm to prepare an analysis of the size of the secure document destruction market in North America and select international countries (the "**Independent Market Analysis**"). The Independent Market Analysis is subject to a number of assumptions and qualifications, including, among others, the number of establishments in North America which may require third-party shredding services, the average tons of paper shredded per North American business establishment, the average North American service pricing per ton of paper shredded, revenues for service providers in the North American Market, including Iron Mountain and Recall (both based on publicly disclosed information) and other independent service providers, as well as gross domestic product ("**GDP**") for each selected country. The size of the Global Market was estimated through a combination of two approaches: "Tonnage per Location", which was used to estimate the potential size of the North American market, and "GDP per Region", which was used to estimate the potential size of International Markets. For North America, each addressable location was valued based on the value of average paper volume shred per customer (i.e., the paper tonnage collected) and revenues from both the shredding service and sale of recycled paper. Paper volume and pricing metrics were based on Shred-it's historical customer data. For International Markets, the potential market size of each country included in the analysis was determined by applying a market sizing factor to the country's GDP. The market sizing factor used for International Markets was the estimated size of the North American Market, divided by the GDP for North America. As part of this market sizing effort, the size of the "vended" market in North America was estimated based on assumed revenues for each of the service providers. The accuracy and completeness of the market and economic data used throughout this prospectus and in the Independent Market Analysis are not guaranteed and neither the Company, its directors, officers or shareholders nor the Underwriters make any representation as to the accuracy of such information. Although the Company believes it to be reliable, none of the Company, its directors, officers or shareholders or any of the Underwriters has independently verified any of the data from third party sources referred to in this prospectus or in the Independent Market Analysis, or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources, or ascertained the underlying economic and other assumptions relied upon by such sources. See "Forward-Looking Statements" and "Risk Factors".

TRADEMARKS, TRADENAMES AND SERVICE MARKS

This prospectus includes trademarks, such as "Shred-it" and "Helpful Expert", which are protected under applicable intellectual property laws and are the property of Shred-it. Solely for convenience, our trademarks and tradenames referred to in this prospectus may appear without the ® symbol, but such references are not intended to indicate, in any way, that Shred-it will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and tradenames. All other trademarks used in this prospectus are the property of their respective owners.

EXCHANGE RATE DATA

We disclose certain financial information contained in this prospectus in U.S. dollars. The following table sets forth, for the periods indicated, the high, low, average and end of period daily noon rates of exchange for one U.S. dollar, expressed in Canadian dollars, published by the Bank of Canada.

	Fiscal Year Ended			Fiscal Quarter Ended	
	December 31, 2014	December 31, 2013	December 31, 2012	March 29, 2015	March 30, 2014
	(C$)	(C$)	(C$)	(C$)	(C$)
Highest rate during the period	1.1643	1.0697	1.0418	1.2803	1.1251
Lowest rate during the period	1.0614	0.9839	0.9710	1.1728	1.0614
Average daily noon spot rate for the period	1.1045	1.0299	0.9996	1.2403	1.1032
Rate at the end of the period	1.1601	1.0636	0.9949	1.2580	1.1064

On July 10, 2015, the noon rate of exchange posted by the Bank of Canada for conversion of U.S. dollars into Canadian dollars was U.S.$1.00 equals C$1.2715.

PROSPECTUS SUMMARY

The following is a summary of the principal features of the Offering and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus (including "Risk Factors"). This summary does not contain all of the information a potential investor should consider before investing in Common Shares. Please refer to the "Glossary of Terms" for a list of defined terms used herein, including industry terminology.

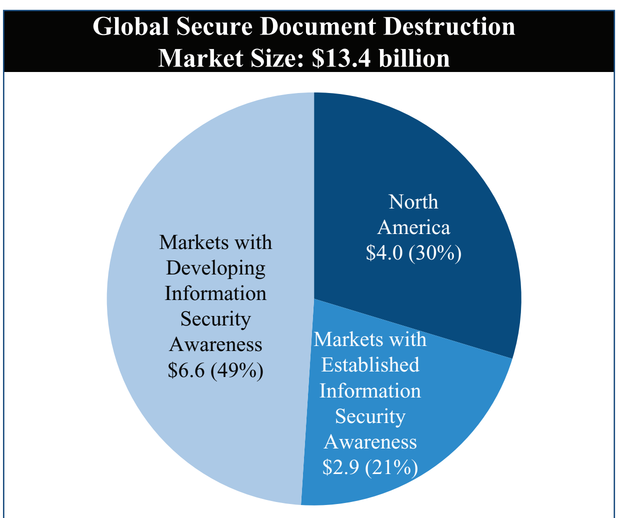
INDUSTRY OVERVIEW

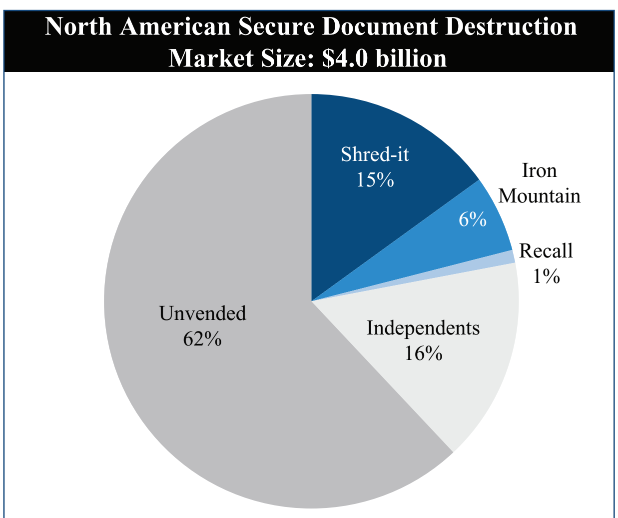
The physical information management industry is part of the broader records and information management industry. The physical information management industry can be classified into two segments: (i) secure information destruction; and (ii) document storage. The secure information destruction segment consists of secure document destruction or shredding services and the sale of shredded paper, as well as the destruction of computer hard drives, backup tapes, portable hard drives, compact discs, memory cards and other physical storage media for electronic data. The document storage segment consists of the collection, storage and retrieval of physical documents.

Secure Information Destruction Market

Shred-it competes in the secure information destruction market. Users of secure information destruction services range from SMBs to large national and international businesses and institutions, and operate in a variety of sectors, including financial and professional services, healthcare, business services, retail, government and telecom. Management believes that businesses across various sectors are growing more aware of information security and privacy concerns and are using secure information destruction services to address these concerns and satisfy applicable regulatory requirements as an alternative to non-secure recycling or waste disposal.

According to the Independent Market Analysis, an independent market analysis prepared by a national accounting and consulting firm for Shred-it, the Global Market for secure document destruction services, including sales of shredded paper, is approximately $13.4 billion in revenue per year. The Global Market is categorized as: (i) $4.0 billion North American Market(1); (ii) $2.9 billion International Markets with Established Information Security Awareness(2) (such as the United Kingdom and Australia); and (iii) $6.6 billion International Markets with Developing Information Security Awareness.(3)





Source: Independent Market Analysis. The Global Secure Document Destruction Market Size does not add to $13.4 billion due to rounding.

Shred-it is the only global participant focused solely on secure document destruction. Shred-it has the largest market share in North America and the largest aggregate market share in International Markets. The North

(1) Includes Canada and the United States only.
(2) Includes Australia, Austria, Belgium, France, Germany, Ireland, Luxembourg, Netherlands, Switzerland and the United Kingdom.
(3) Includes Argentina, Brazil, China (including Hong Kong), Denmark, Finland, India, Italy, Japan, Korea, Mexico, Norway, Russia, Singapore, South Africa, Spain, Sweden, Taiwan and the United Arab Emirates.

American market is fragmented and is comprised of two national participants (Shred-it and Iron Mountain) with a combined market share of approximately 21% and over 875 local or regional market participants (referred to as independent service providers), which management believes are typically owner-operated, with a combined market share of approximately 16%. Iron Mountain does not have a presence outside North America and Latin America, having sold its shredding business in the United Kingdom, Ireland and Australia to Shred-it in December 2014. According to the Independent Market Analysis, approximately $2.5 billion (or approximately 62%) of the North American secure document destruction services market is unvended, which represents potential customers that do not currently pay for an outsourced secure document destruction service, but may consider doing so in the future.

Key Industry Drivers

Regulation of Privacy and Information Security and Concerns over Data Breaches

Continued development and growth of the secure information destruction industry have been driven, in part, by compliance with government regulations in respect of privacy and information security. These regulations take different forms, including requirements for organizations to establish reasonable measures to protect against loss, theft and unauthorized access, use and disclosure, and data retention requirements that require businesses to destroy or render anonymous personal information when no longer required for a legal or legitimate business purpose. Secure information destruction services are increasingly a standard measure that organizations take to meet their legal safeguarding and retention requirements.

Countries such as the U.S. and Canada have established privacy related legislation, such as the *Fair and Accurate Credit Transactions Act (FACTA)* and the *Health Insurance Portability and Accountability Act of 1996 (HIPAA)* in the U.S. and the *Personal Information Protection and Electronic Documents Act* (*PIPEDA*) in Canada. For example, FACTA requires all businesses or organizations that possess consumer information for a business purpose to properly dispose of such consumer information by taking reasonable measures, including entering into a contract with a third party information destruction service provider, to protect against unauthorized access to or use of the information in connection with its disposal. The HIPAA privacy rule requires applicable health care providers and organizations to implement reasonable safeguards to limit incidental uses or disclosures, and avoid prohibited uses and disclosures of information, including in connection with the disposal of such information. In addition, HIPAA prohibits applicable health care providers and organizations from simply abandoning information or disposing of it in dumpsters or other containers that are accessible by the public or other unauthorized persons. Management believes that incidents of major data breaches across many countries and industries (in some cases, resulting in regulatory investigations, litigation, fines or penalties) have also created heightened concerns and increased demand for secure information destruction solutions. As a result, management expects that potential customers in the unvended market will increasingly outsource information destruction to specialized service providers that can reduce the risk of non-compliance or a data breach.

Growing Concerns of Data Breaches and Non-Compliance in the SMB Market

The SMB market is in an earlier stage of adoption of secure information destruction practices when compared with the market for larger customers. As SMBs are becoming more aware of the increased risks and costs associated with non-compliance with regulatory requirements, as well as the potential adverse impact of a data breach, management expects they will implement secure information destruction policies and procedures. Management believes that proactive and effective education by market participants should lead to greater customer penetration within the SMB market. As information security concerns grow, management expects that a greater portion of SMBs, who are currently part of the unvended market will turn to third party information destruction service providers. Furthermore, management believes that SMB customers with more than one location are seeking to use service providers capable of providing secure information destruction services in a consistent manner across their organizations.

Adoption of "Shred-all" Policies

A growing number of companies are adopting "shred-all" policies (i.e. policies requiring secure destruction of all documents without the ability to dispose of documents in the garbage or recycling bin) as a means of protecting confidential and sensitive information and to mitigate against the financial and reputational damage associated with a potential data breach. By implementing "shred-all" policies, businesses can achieve greater security compliance by removing employee judgement from the decision to discard, recycle or shred documents.

International Market Development

The development of the secure information destruction segment in certain International Markets is at an early stage relative to the North American and certain European markets. As emerging markets continue to advance their privacy and data protection laws to be more consistent with those currently in place in North America and in certain parts of Europe, management expects further demand to be created for secure information destruction services on a global scale. Additionally, management believes that international and multi-national businesses are seeking to outsource information destruction services to service providers capable of providing consistent services at the same standards globally.

Industry Consolidation

The secure information destruction industry has undergone consolidation, including the merger of Shred-it and the document destruction business of Cintas Corporation ("**Cintas**") in April 2014 (the "**Merger**") and Shred-it's acquisition of Iron Mountain's document destruction business outside of North America and Latin America in December 2014. Furthermore, management believes the fragmented nature of the industry, particularly given the significant number of independent providers, will allow for continued consolidation. As the industry further develops and large market participants continue to benefit from synergies due to scale, technological enhancements, route density and investments in plant-based infrastructure, smaller operators may continue to exit the business or become acquired by larger market participants.

Development of the Electronic Data Destruction Market

Due to growing information security concerns and the consequences of a physical or electronic data breach, businesses are increasingly using third party secure information destruction service providers to destroy their physical storage media for electronic data, such as computer hard drives, backup tapes, portable hard drives, compact discs and memory cards. Electronic data destruction services are frequently offered as an additional service by secure document destruction service providers. The key industry drivers and customers in the electronic data destruction market are similar to those in the secure document destruction segment, thereby providing market participants with an additional opportunity for growth.

Competitive Dynamics

Shred-it is the only global company dedicated solely to secure information destruction. The top three participants in North America by revenue (with Shred-it being the largest) represent approximately 22% of the North American Market. Management estimates that the remainder of the secure document destruction market is comprised of over 875 independent service providers (16%) and a large unvended market (62%). Competition for larger customers that often have national requirements is typically between Shred-it and Iron Mountain, the two largest market participants, and, in some cases, regional or local participants. Competition for SMB customers is typically between Shred-it and local or regional market participants.

Large market participants compete directly with regional and local independent service providers and leverage their brand, reputation and scale to win customers and maximize profitability. As the industry continues to consolidate, management believes that larger market participants will benefit from:

- on-site and off-site capabilities that provide customers with different service options;
- increased route density and more sophisticated routing tools to increase truck utilization and efficiency and reduce costs;
- investments in technology and systems, including handheld devices carried by customer security representatives ("**CSRs**"), enabling them to confirm chain of custody of documents to be shredded;
- a large and highly trained sales force;
- more consistent standards of service locally, nationally and globally;
- higher capital efficiency through the use of plant-based destruction systems to handle increasing volumes of paper;
- lower truck and container costs as a result of greater purchasing power; and
- leveraging paper volumes to obtain higher prices for shredded paper.

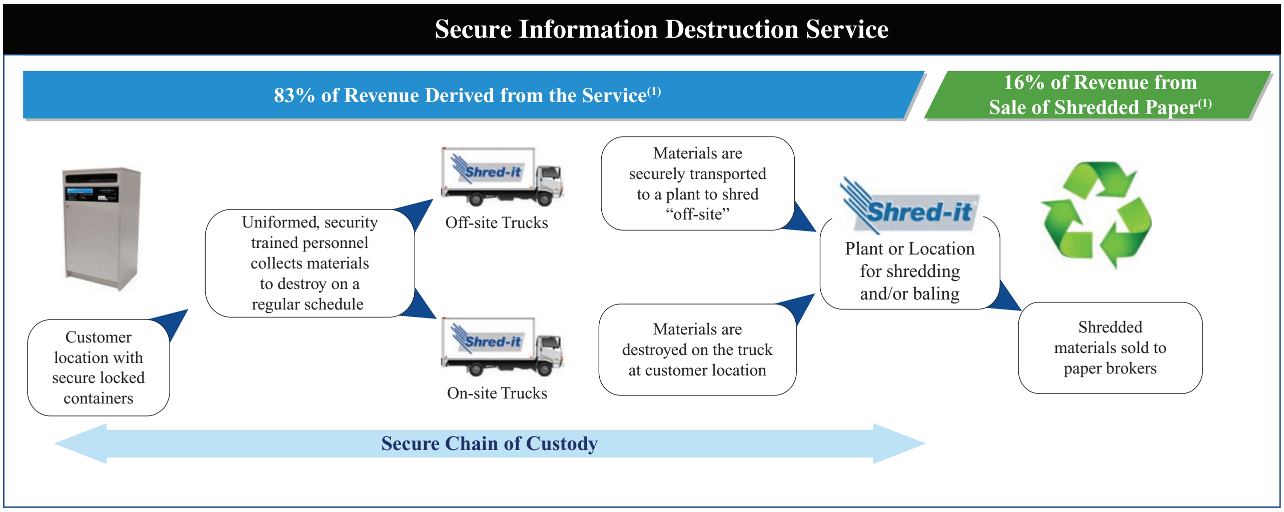
Market participants in the secure document destruction industry collect and shred mostly office paper, which is then sold, directly or indirectly, to paper mills that use the recycled paper as a pulp substitute to produce tissue paper products (i.e. toilet paper, paper towels and napkins). Demand for recycled office paper is stable due to consumer demand for its end products as well as customer requirements for tissue papers to include recycled content. Large market participants are typically able to secure better pricing for their recycled paper, relative to smaller providers, due to their higher volumes.

THE BUSINESS OF SHRED-IT

Shred-it was founded in 1988 by Greg Brophy, operating from a single on-site shredding truck in Toronto, Ontario. Today, Shred-it is a global leader in providing secure information destruction services to over 400,000 recurring customer locations in 18 countries. Shred-it operates a fleet of over 2,400 trucks and has over 200 facilities globally, including 57 with plant-based destruction systems. Shred-it's brand is highly recognized and synonymous with secure information destruction. Shred-it is headquartered in Oakville, Ontario and maintains its U.S. head office in Cincinnati, Ohio.

Shred-it predominantly services SMBs, and also services large customers across a wide range of sectors including financial and professional services, healthcare, business services, retail, government and telecom. Shred-it has over 5,300 employees (which Shred-it refers to as "partners") who are trained and certified as information security professionals, and are committed to protecting the security and integrity of customers' confidential information. In April 2014, Shred-it merged with the document destruction business of Cintas, combining the two largest North American Market participants to create a global leader focused on secure information destruction.

While Shred-it's principal focus is on secure document destruction services, the Company also provides secure electronic data destruction services, including with respect to computer hard drives, backup tapes, portable hard drives, compact discs and memory cards and other physical storage media for electronic data. The following diagram summarizes Shred-it's recurring secure information destruction process:



Note:

(1) Based on Pro Forma Revenue for the 12 months ended March 29, 2015. Excludes other Pro Forma Revenue, which represents 1% of total Pro Forma Revenue.

For the 12 month period ended March 29, 2015, Shred-it generated Pro Forma Revenue of approximately \$726 million. Secure destruction services represented approximately 83% of Pro Forma Revenue for this period, with revenue from the sale of shredded paper accounting for approximately 16% of Pro Forma Revenue.

INVESTMENT HIGHLIGHTS

Global Leader in the Secure Information Destruction Industry

Large Global Footprint with the Number One Position in Key Markets

Shred-it led the formation of the secure information destruction industry in 1988 and today is the only global company dedicated solely to secure information destruction. Shred-it provides services in 18 countries, with operations in North America (U.S. and Canada) and ROW (United Kingdom[4], Ireland, France, Germany, Belgium, South Africa, UAE, Singapore, Australia, Luxembourg, Austria, the Netherlands and Argentina). Furthermore, Shred-it has dedicated leadership and management teams in North America and internationally which have been instrumental in building Shred-it's brand globally and driving the Company's continued multi-country growth strategy.

Shred-it has a significant local presence throughout North America and International Markets through its network of over 200 facilities globally, including 57 with plant-based destruction systems. Management believes that Shred-it holds the number one market position for secure document destruction in key markets in which it currently operates, including: U.S., Canada, United Kingdom, France, Germany, Netherlands and South Africa, the number two market position in Singapore and the number three market position in Australia. Management also estimates that its relative market share in North America is two and a half times the size of its closest competitor, Iron Mountain.

Global Footprint

Leading Market Position[1]

U.S.	#1
Canada	#1
U.K.	#1
France	#1
Germany	#1
Netherlands	#1
South Africa	#1
Singapore	#2
Australia	#3

Note:

(1) Management estimates.

Preeminent Brand in the Industry — Synonymous with Secure Information Destruction

Shred-it is a trusted and globally recognized brand in the secure information destruction industry. Nearly all of Shred-it's trucks are branded with the Shred-it logo and a specific toll-free number that generates over 250,000 calls annually, the vast majority of which are for new business opportunities. The Company's brand is augmented by its highly trained CSRs who visit customer locations. The Company regularly updates its customers through annual publications, including newsletters, fact sheets, videos and research papers, regarding regulatory requirements governing the proper handling and protection of personal and confidential information. With the

(4) Includes England, Scotland, Wales and Northern Ireland.

vast majority of Shred-it's customers being SMBs with limited internal resources, management believes customers ascribe significant value to Shred-it's strong customer service and capabilities and industry-leading regulatory information support. As such, Shred-it has become a trusted partner to many of its customers and enjoys strong relationships as demonstrated by its high customer retention rate.

Large and Highly Trained SMB Sales Force

Management believes that Shred-it has the largest sales force in the secure information destruction industry. Shred-it's sales force includes approximately 700 highly trained sales professionals situated in the local markets in which Shred-it operates who are focused on winning new SMB customers, particularly within the unvended segment, and continuing to serve existing customers. Furthermore, Shred-it's sales professionals undergo approximately eight weeks of training and education prior to being assigned a sales territory. Shred-it's sales model has proven to be highly effective in educating and winning new business from the unvended SMB market, with seven out of the Company's ten new customers originating from the unvended market and the remainder coming from competitors. See "Shred-it's Operations — Sales and Marketing".

Compelling Industry Fundamentals

Large Market with Favourable Growth Outlook

The secure information destruction industry is a compliance and privacy-driven industry. Businesses and other organizations securely destroy documents and physical storage media for electronic data to avoid the inadvertent release of confidential or personal information, including identity theft or the loss of competitively sensitive documents. Information security concerns are growing outside of North America and certain countries in Europe, which presents an opportunity for Shred-it to expand its international customer base. According to the Independent Market Analysis, the market for secure information destruction services outside of North America is approximately $9.4 billion. See "Industry Overview" and "Privacy and Security Regulatory Overview".

Unvended Market Segment Presents Significant Opportunities

According to the Independent Market Analysis, approximately 62% of the North American Market for secure information destruction is unvended, primarily within the SMB segment, meaning customers are either not securely destroying sensitive or confidential documents (because they are throwing away or recycling documents without shredding) or are destroying documents in-house. Management believes that International Markets are also highly unvended, particularly given the less developed state of the secure information destruction market and privacy regulations in certain International Markets. The unvended segment of the market represents a significant growth opportunity for the Company. See "Investment Highlights — Significant Growth Opportunities — Multi-Faceted Organic Growth Strategy".

Continuing Industry Consolidation

Management believes that, as the highly fragmented secure information destruction industry continues to consolidate, Shred-it will benefit from its scale, technology enhancements, route density and its existing investments in plant-based infrastructure. As a market leader, Shred-it is well-positioned to continue to drive industry consolidation and benefit from accretive acquisitions. See "Non-IFRS Measures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors" and "Forward-Looking Statements".

Attractive Business Model

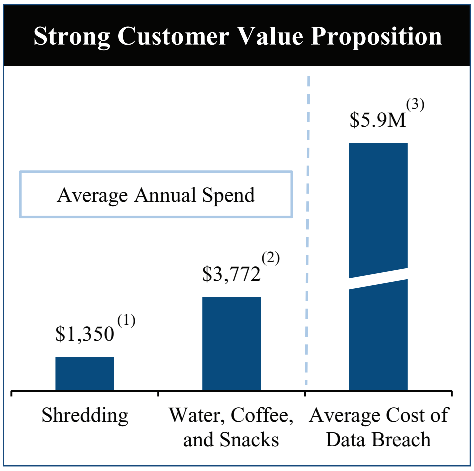
Strong Customer Value Proposition with Contracted & Recurring Revenue

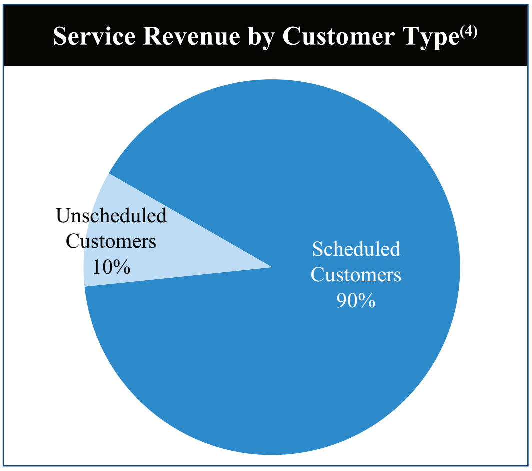
Shred-it's revenue is derived primarily from service fees and surcharges paid by customers for the collection and secure destruction of information (referred to as service revenue). Service revenue accounted for approximately 83% of Shred-it's Pro Forma Revenue for the 12 months ended March 29, 2015. The remaining portion of revenues came primarily from the sale of shredded paper.

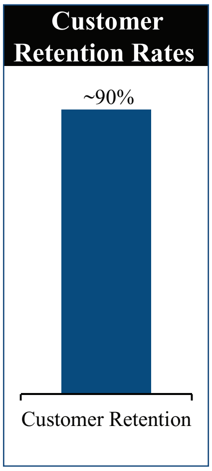
Approximately 90% of Shred-it's service revenue is generated from customers that have a fixed service schedule governed by a customer service agreement. The remaining 10% of the Company's service revenue is generated from customers that have unscheduled services, such as an office cleanout or office relocation. Pricing for scheduled services is set out in a customer service agreement and is typically based on a per container rate, subject to a minimum charge for each service, and is not dependent on the amount of paper collected. Unscheduled services are typically priced at a premium due to their one-time nature. Service agreements for small customers vary but a majority are three to five years in duration and include automatic renewal clauses, early termination fees and an ability to implement annual price increases and fuel surcharges. Variation in the terms of Shred-it's service agreements may exist due to factors such as when the agreement was originally signed, the form of agreement used and the country in which the customer is located.

Given the low relative cost and mission-critical service provided, Shred-it's secure information destruction service provides a strong value proposition for customers. For example, according to a 2014 study by the Ponemon Institute, a data breach at a U.S. business could result in near-term costs of approximately $5.9 million. Management believes the costs associated with a data breach enhance Shred-it's value proposition. Furthermore, as described in the graph below, management estimates that the annual cost of secure information destruction services for an average customer may be as low as approximately one-third of what a customer may spend annually on water, coffee and break room snacks.

Shred-it's leading market position, strong value proposition to customers and the diversified and recurring nature of its customer base have resulted in customer retention rates of approximately 90%. See "Shred-it's Operations — Customers".







Notes:

(1) Average annual service revenue per Shred-it recurring service location globally.

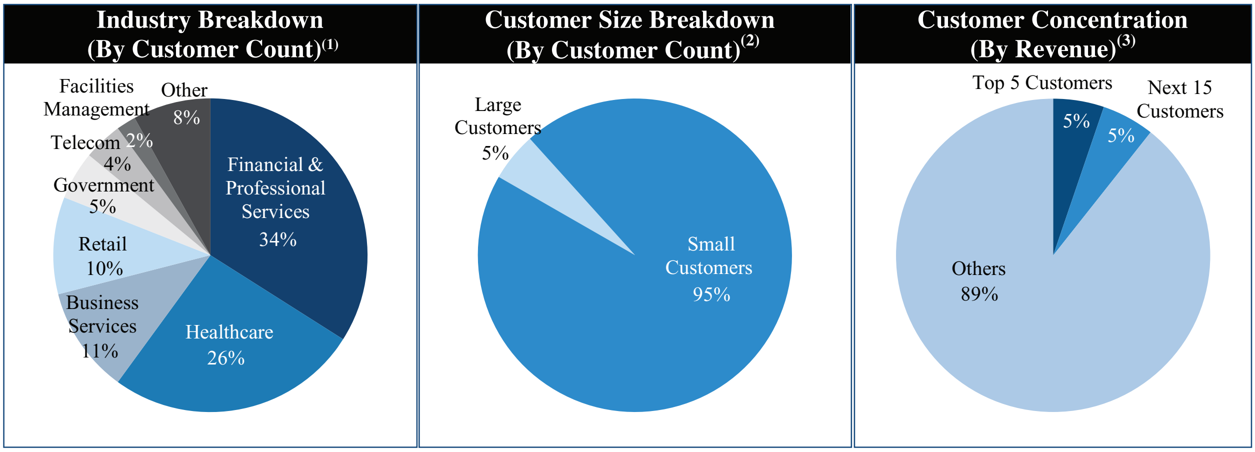
(2) Estimated spend is for illustrative purposes only and indicates what a potential SMB customer might spend on water, coffee and break room snacks annually. Information was obtained through informational surveys of certain Birch Hill Group portfolio companies and is not intended to be representative of the actual average annual spend on water, coffee and break room snacks of shredding customers.

(3) Cost represents total average organizational cost of a data breach in the U.S. based on information from Ponemon Institute's 2014 Cost of Data Breach Study: Global Analysis; average cost per customer record breached was $201 multiplied by an average breach size of 29,087 customer records.

(4) Combined Shred-it/Cintas basis for the 12 months ended March 29, 2015.

Diversified Customer Base Composed Mainly of Higher Margin SMBs

Shred-it has a highly diverse customer base comprised of over 400,000 recurring customer locations in 18 countries. Shred-it's top 200 customers are diversified across a variety of sectors, including financial and professional services, healthcare, business services, retail, government and telecom. Shred-it's top 20 customers represented 10.7% of its revenues for Fiscal 2014 and small customers, which Shred-it considers to be customers with fewer than 20 containers under contract, represented approximately 95% of Shred-it's customer count as of March 29, 2015.



Notes:

(1) Based on top 200 customers for Fiscal 2014 on a combined Shred-it/Cintas basis.

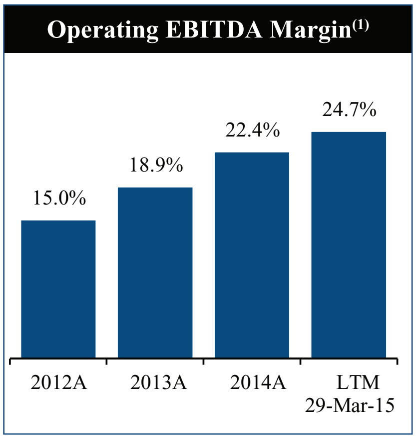
(2) "Large Customers" refers to recurring or scheduled customers with 20 or more containers under contract in the aggregate, while "Small Customers" refer to recurring or scheduled customers with less than 20 containers in the aggregate. Percentage breakdown is based on customer count as of March 29, 2015. Percentage breakdown based on recurring customer locations is 50% for Small Customers and 50% for Large Customers, due to Large Customers having a greater number of locations.

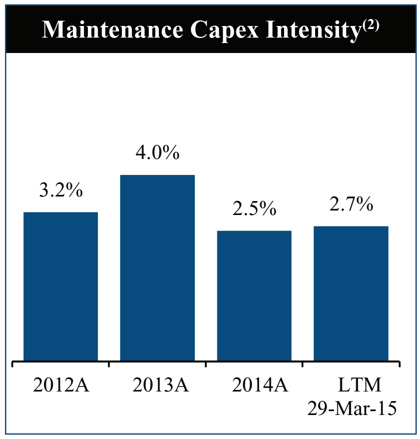
(3) Customer segmentation for Fiscal 2014 on a combined Shred-it/Cintas basis. Percentages do not add to 100% due to rounding.

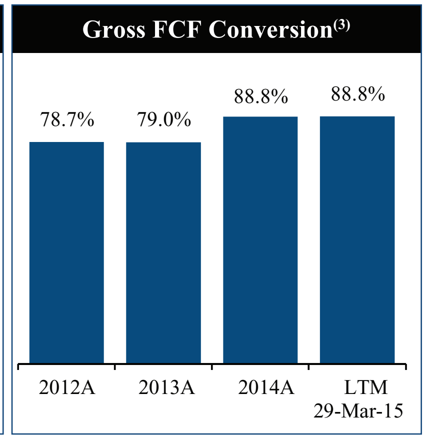
Proven Financial Performance and Compelling Operating Leverage

Strong and Increasing Margins with High Free Cash Flow Generation

Shred-it's Operating EBITDA Margins were approximately 20% in the 12 month period prior to the Merger. Through the realization of significant cost synergies in connection with the Merger, Shred-it's Operating EBITDA Margins have been increasing. Furthermore, Shred-it's maintenance capital expenditures are low, representing approximately 3% to 4% of revenue over the last three years, and consist primarily of truck upgrades and replacements. As a result, Shred-it is able to generate significant free cash flow annually which can be deployed to support Shred-it's growth strategy. See "Non-IFRS Measures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors", and "Forward-Looking Statements".







Notes:

(1) LTM Operating EBITDA Margin includes adjustments for full year contribution from the Merger and acquisitions completed and annualized run-rate of synergies achieved during the year, while 2012A-2014A have not been adjusted for those items. LTM Operating EBITDA Margin has been calculated on the basis of Pro Forma Revenue.

(2) Maintenance Capex Intensity is defined as maintenance capital expenditures divided by revenue.

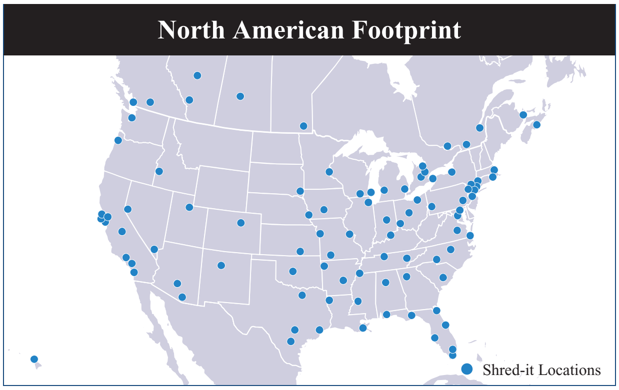
(3) Gross FCF Conversion for the twelve month period ended March 29, 2015 is based on Operating EBITDA prior to full year adjustments for acquisitions and synergies.

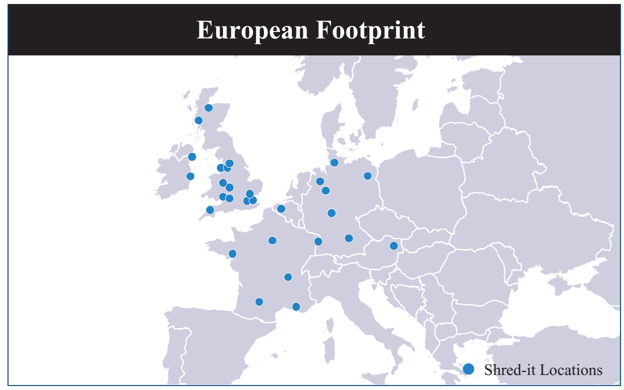
Ability to Drive Margin Expansion with Continued Revenue Growth

Since the Merger, which effectively doubled the size of its business, Shred-it has achieved significant scale advantages in North America through: (i) increased route density, which is expected to continue to lead to further operating efficiencies and higher truck utilization; and (ii) leveraging existing infrastructure and overhead, including a plant-based destruction network with significant excess capacity. Through these scale advantages and other realized synergies from the Merger to date, Shred-it's Operating EBITDA Margins have increased from 17.2% in the first quarter of Fiscal 2014 to 24.7% in the twelve month period ended March 29, 2015.[5]

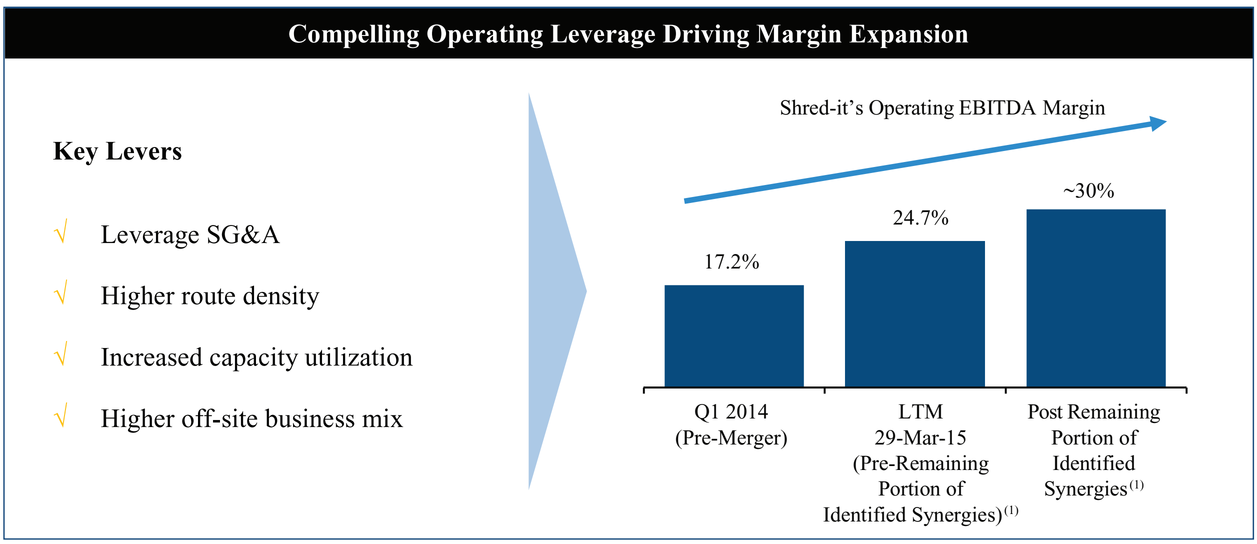
Through increased route density and routing automation, overall fleet efficiency will continue to increase, resulting in stable operating costs and lower maintenance expenditures by allowing older trucks to be retired without having to be replaced. Following the implementation of systems, applications and products ("**SAP**") software and automated route planning ("**ARP**") software in 2011 and 2012, Shred-it increased on-site fleet efficiency by approximately 15%. Management believes that the Merger, coupled with recent and future acquisitions, will allow Shred-it to continue to increase truck utilization and thereby improve Operating EBITDA Margins.

(5) Includes acquisitions completed on a combined Shred-it/Cintas basis. See "Summary Financial Information".





Management estimates that its plant-based destruction network in North America and in the United Kingdom is approximately 30% utilized, on average, providing for significant excess capacity to accommodate the growth of Shred-it's off-site service offerings without the need for any significant incremental plant related capital expenditures. See "Risk Factors" and "Forward-Looking Statements".



Note:

(1) Remaining Portion of Identified Synergies refers to $52.2 million of unrealized synergies as at March 29, 2015, which are expected to be realized by the end of 2016. See "Summary Financial Information" and "The Business of Shred-it — Merger with Cintas' Document Destruction Business".

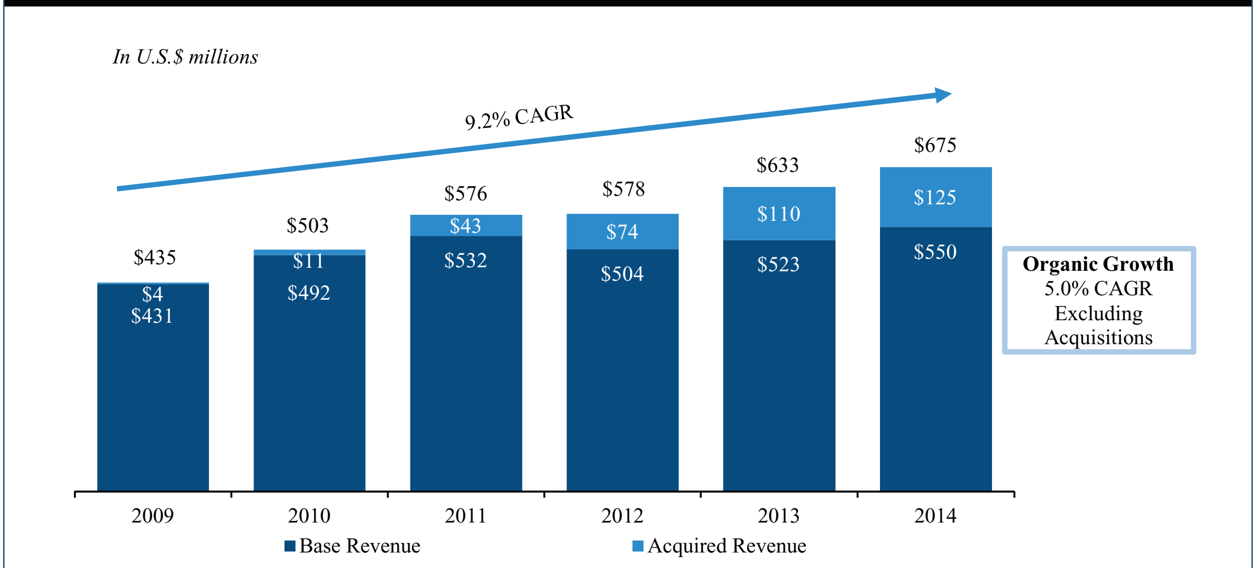
Significant Growth Opportunities

Management believes that over the next five to seven years, an opportunity exists to grow Shred-it's total annual revenue to between $1.0 and $1.25 billion (approximately 6% to 12% per year), while generating implied Operating EBITDA Margins of approximately 30% after the realization of identified synergies. Management believes that its targeted revenue growth may be achieved through: (i) organic revenue growth of 4% to 7% per annum, consistent with past performance through the continued conversion of the unvended market, growth from existing customers and growth of adjacent service offerings; (ii) acquisition growth from market consolidation targeting $20 million to $40 million in average annual revenue acquired (approximately 2% to 5% of Pro Forma Revenue), consistent with past performance; and (iii) increased customer penetration in existing International Markets and entry into new markets. Management believes that the Company's high annual free cash flow and access to external capital will be sufficient to execute on its organic and acquisition growth strategy. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Risk Factors” and “Forward-Looking Statements”.

Multi-Faceted Organic Growth Strategy

Shred-it has a successful history of growth, both organically and through acquisitions. From 2009 to 2014, Shred-it achieved a (on a combined Shred-it/Cintas basis) total revenue and organic revenue CAGR of 9.2% and 5.0%, respectively.

Total Revenue Growth(1)



Note:

(1) The organic growth and revenue figures above are presented on a combined Shred-it/Cintas basis for each period; converted to U.S. dollars and based on actual exchange rates in effect at the relevant time.

Management believes that once the Merger integration is complete, revenue growth may be higher than historic rates for the following reasons:

- favourable competitive dynamics given the Merger, Iron Mountain’s sale of substantially all of its international shredding operations outside of North America and Latin America to Shred-it and Iron Mountain’s proposed acquisition of Recall;
- enhanced sales force (which management believes is the largest in the industry) and sales strategy, including the ability to offer both on-site and off-site services, following the Merger; and
- more sophisticated lead generation with the ability to identify customer prospects, within both existing customers (i.e. with unserved locations) and the unvended market.

Shred-it believes it will continue to achieve strong organic growth by continuing to win new customers, primarily through conversion of the unvended market, volume and pricing growth from existing customers and through growth in adjacencies such as electronic data destruction.

<u>Growth from New Customers</u> — Growth from new customers is expected from: (i) conversion of the unvended market; and (ii) attracting customers from competitors.

(i) According to the Independent Market Analysis, approximately 62% of the North American Market is unvended, primarily within the SMB segment, meaning customers are either not securely destroying sensitive or confidential documents (because they are throwing away or recycling documents without shredding) or are destroying documents in-house. Management believes that International Markets are also highly unvended, particularly given the less developed state of the secure information destruction market and privacy regulations in certain International Markets. With a large and highly trained sales organization globally, together with a recognized brand and differentiated service offerings, management believes Shred-it is uniquely positioned to attract new business from the large unvended market. The Company has seen strong evidence of increased penetration into the unvended market with approximately seven out of ten new customers coming from this segment of the Global Market.

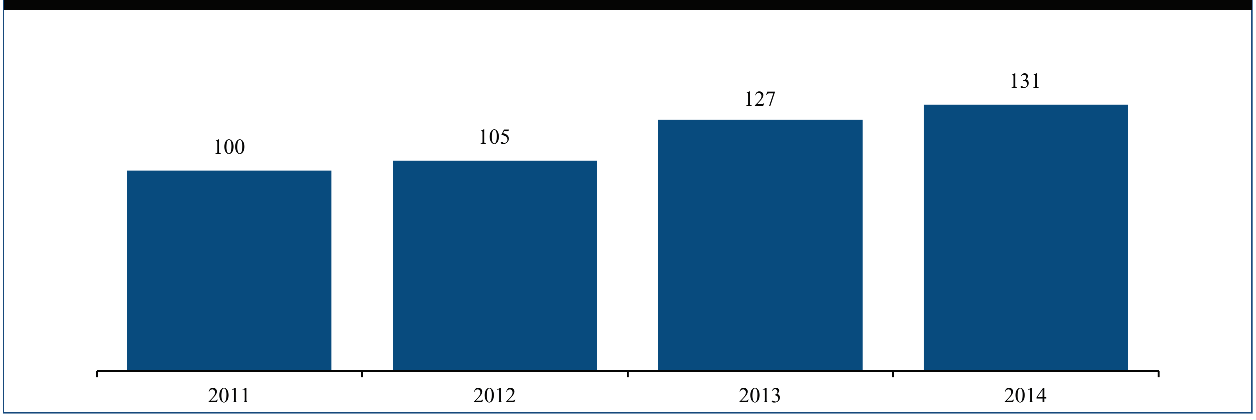
(ii) Shred-it expects to leverage its leading market position, highly recognized brand and differentiated service offerings to attract customers from its competitors. Shred-it is the only global company dedicated solely to secure information destruction and is well-positioned to compete for larger customers, primarily with Iron Mountain, and for SMB customers, primarily with local or regional market participants.

Growth from Existing Customers — Growth from existing customers is expected from: (i) cross-selling to currently unserved in-market locations of those customers; (ii) increasing the capture of paper at existing customers locations (including through promotion and adoption of "shred-all" policies); and (iii) annual price increases and other surcharges.

(i) Management estimates that in addition to its more than 400,000 recurring customer locations, there are approximately 240,000 additional in-market service locations of existing customers that it does not currently service. For example, a Shred-it customer may have four locations, of which Shred-it currently services only three. Where it is efficient to do so, Shred-it will seek out new business from these unserved locations of existing multi-location customers.

(ii) Over the last four years, the amount of paper collected per Shred-it customer location has increased. Furthermore, Shred-it has the opportunity to educate its customers about the benefits of adopting a "shred-all" policy and benefit from higher paper capture rates. Management believes that with the existing legislation and general security and privacy concerns faced by customers in North America and the growing general security and privacy concerns in certain International Markets, customers will be more inclined to implement internal security and privacy protocols, including "shred-all" policies.

Shred-it North America – Paper Collected per Customer Location (Index Chart)(1)



Note:

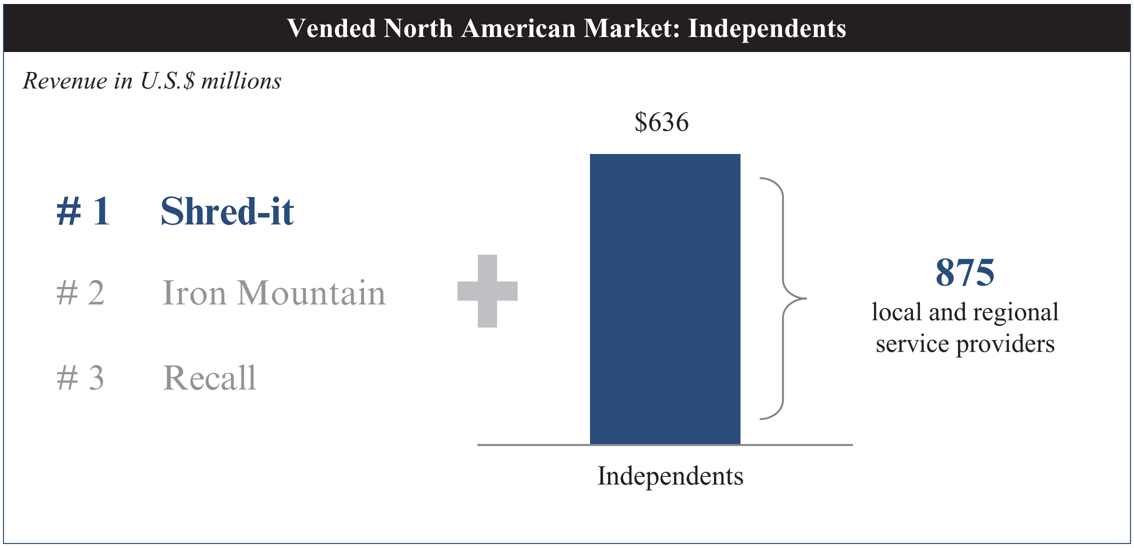
(1) Based on actual tons collected and divided by aggregate service locations for recurring and unscheduled customers. 2011 and 2012 data do not include legacy Cintas results.

(iii) Shred-it's service agreements vary, but a majority permit annual price increases and other surcharges, providing the Company with the contractual ability to increase revenue from a majority of its existing customers to offset increases in operating expenses or for other business needs.

Adding Adjacencies — Shred-it is well-positioned to pursue numerous cross-selling opportunities of additional services (which Shred-it refers to as "adjacent services" or "adjacencies"), including destruction of physical storage media for electronic data such as computer hard drives, backup tapes, portable hard drives, compact discs and memory cards. The recurring nature of Shred-it's services and its regularly scheduled visits with customers enable Shred-it to interact with customers and evaluate their information security needs.

Attractive Platform for Market Consolidation

The secure information destruction industry is highly fragmented, with numerous regional and local competitors. Management believes that as the industry continues to develop, Shred-it will benefit from scale, technological capabilities, route density and its existing investments in plant-based infrastructure. As a market leader with proven integration capabilities and access to capital, Shred-it believes it is the acquiror of choice for many potential acquisition targets, which are expected to be accretive to the Company. Beyond the numerous small and regional acquisition targets, management believes there may also be opportunities for larger scale acquisitions. For instance, Shred-it acquired Iron Mountain's shredding business in the United Kingdom, Ireland and Australia in December 2014 (which consisted of substantially all of Iron Mountain's shredding operations outside of North America and Latin America). In North America alone, management estimates that there are over 875 independent providers of secure information destruction services.



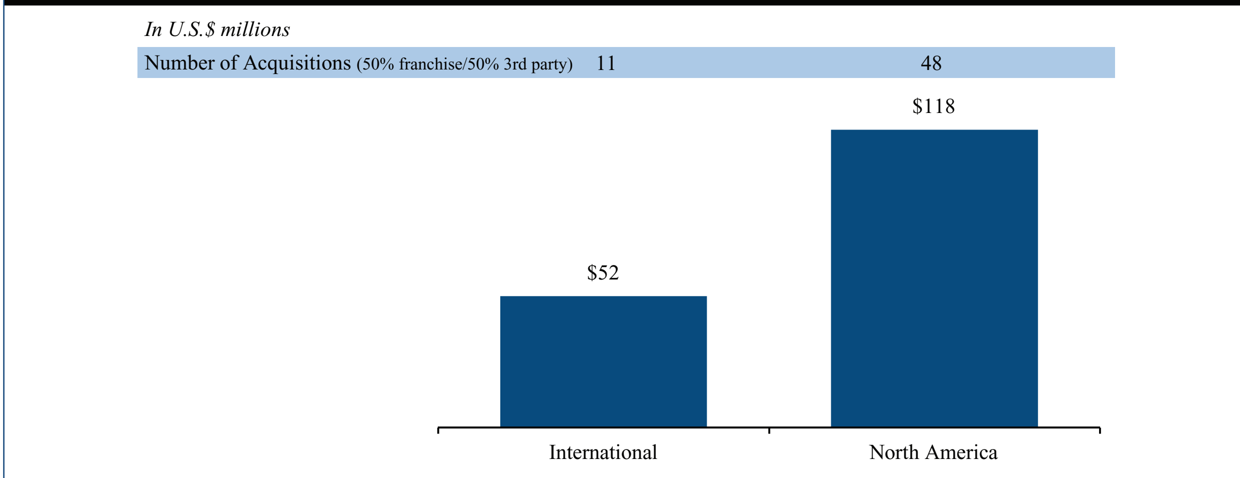
Source: Independent Market Analysis.

The Company has a dedicated team focused on evaluating potential acquisitions, which has identified several hundred prospects globally, ranging from small, local players to larger competitors. Potential acquisition prospects consist of companies operating in markets in which Shred-it currently operates or in new International Markets. Potential acquisition prospects are identified in a number of ways, including by canvassing local management within each market, attendance at industry conferences and through contacts in the industry.

Given Shred-it's extensive footprint in North America, the acquisition prospects identified are primarily "in-market" opportunities with the potential to realize synergies consistent with previous "in-market" acquisitions and those currently being realized from the Merger. Management believes that Shred-it's ability to realize synergies from "in-market" acquisition opportunities provides an advantage in competitive situations for acquisition targets. See "Non-IFRS Measures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors" and "Forward-Looking Statements".

Shred-it's management team has a proven track record of acquiring and integrating businesses in the secure information destruction industry, with a total of 59 acquisitions completed by Shred-it and Cintas combined between 2010 and 2014, including 48 in North America and 11 internationally. Some of these were "in-market" acquisitions in existing markets, which provided operating efficiencies (such as enhanced route density) by leveraging Shred-it's existing infrastructure and cost base and driving increased revenues from the sale of shredded paper. Other acquisitions enabled Shred-it to expand into certain markets where there was a significant growth opportunity in secure information destruction, such as South Africa, Singapore and Australia.

Acquisitions 2010 – 2014 (Revenue and Number of Acquisitions)(1)



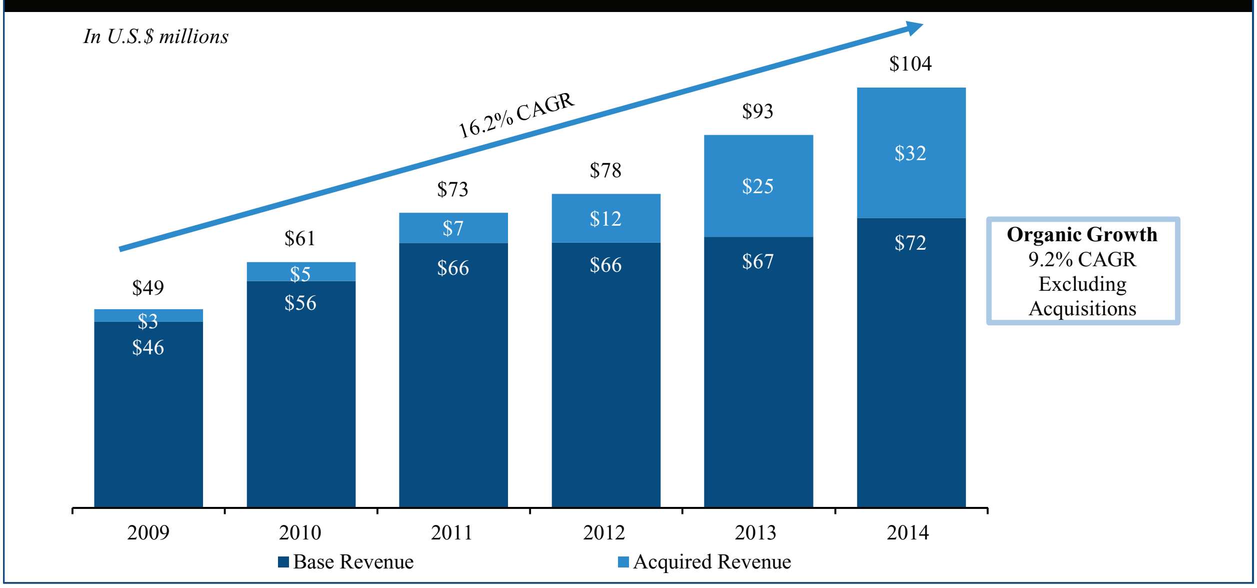
Note:

(1) Combined Shred-it/Cintas basis; U.S.$ based on average 2014 exchange rates.

International Markets Present a Compelling Growth Opportunity

During the past five years, Shred-it's revenue from International Markets has grown at a CAGR of 16.2%. Growth potential in International Markets is driven by a significant unvended market and growing information security and privacy concerns, as well as acquisitions.

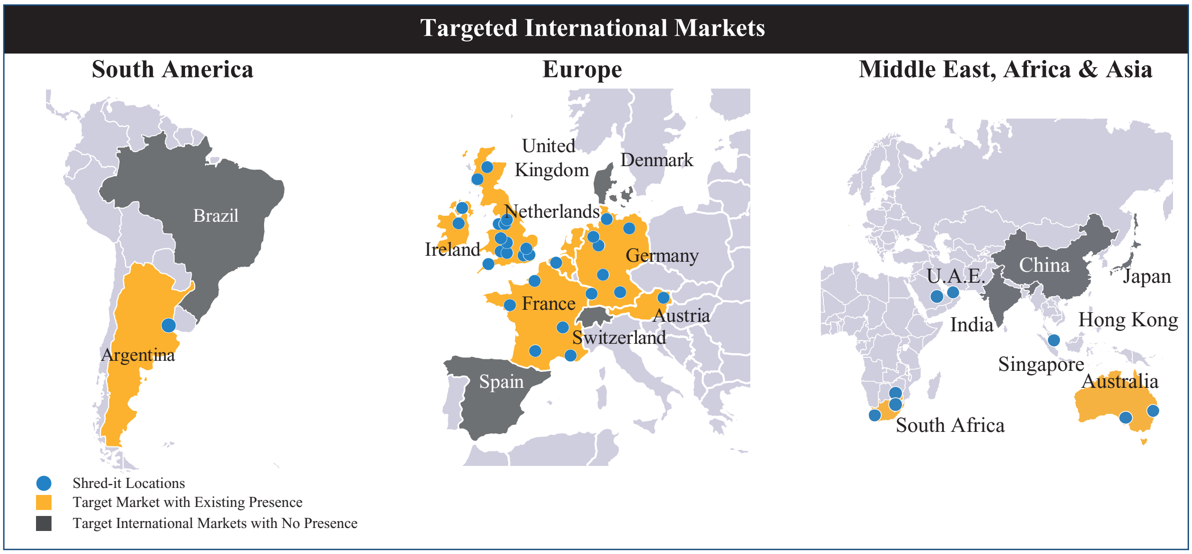
Rest of World – Total Revenue Growth(1)



Note:

(1) The organic growth and revenue figures above are presented on a combined Shred-it/Cintas basis for each period; converted to U.S. dollars and based on actual exchange rates in effect at the relevant time.

According to the Independent Market Analysis, the size of the International Markets for secure document destruction is approximately $9.5 billion. Shred-it operates in several of these markets today, and management believes there is significant growth potential in the International Markets through increased customer penetration in existing markets and through entry into new markets. Expansion within new markets can be achieved in a variety of ways, primarily through acquisitions or greenfield investments, but also through joint ventures. New market expansion will initially focus on markets in western Europe close to Shred-it's existing markets (and where management believes information security regulation is robust), and will then focus on larger economies where Shred-it believes there will be potential for significant growth as regulation and security and privacy concerns become more prominent. See "Risk Factors" and "Forward-Looking Statements".



Experienced and Results-Driven Management Team

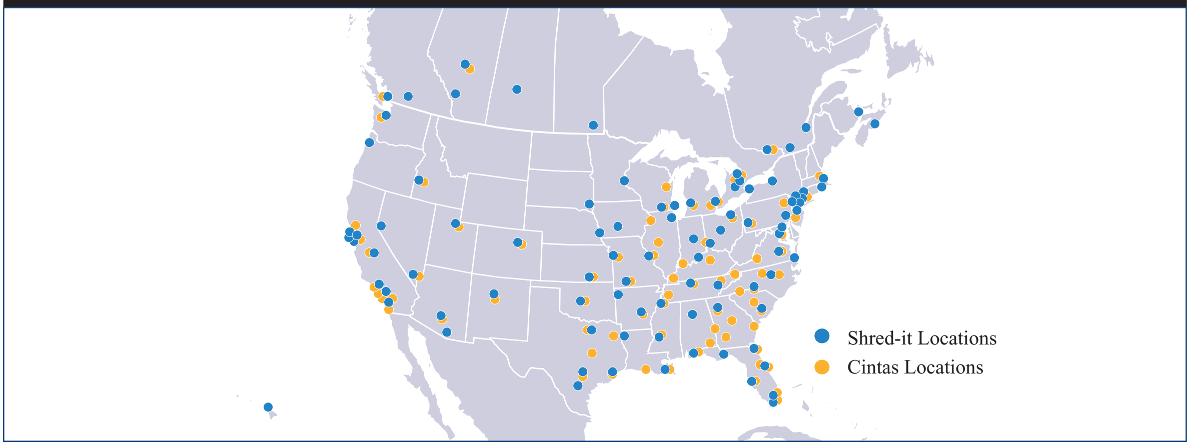
Shred-it is led by an experienced management team with significant experience operating in the business to business SMB-focused market. With both public and private company experience, management is responsible for creating and executing a clear vision and achieving industry leading operational and financial performance. In recent years Shred-it's management team has: (i) built a strong track record of managing profitable growth; (ii) expanded the business through both organic and acquisition growth; (iii) expanded the business internationally; and (iv) implemented best-in class systems to help drive operational performance with SAP and ARP systems.

The executive team is led by Vincent R. De Palma, President and CEO of Shred-it, who has served in his role since 2009. Previously, Mr. De Palma was the President of Pitney Bowes Management Services from 2005 to 2009 and prior to that was the President of Benefit Services at Automatic Data Processing, Inc. Mr. De Palma has over 26 years of industry experience. Jim Rudyk, Executive Vice President and Chief Financial Officer of Shred-it, has been with the Company since 2009. Prior to Shred-it, Mr. Rudyk was the Chief Financial Officer and Chief Operating Officer of Canada Cartage for six years. Mr. Rudyk has over 12 years of industry experience. Karen Carnahan serves as the Chief Operating Officer of the Company. Ms. Carnahan was previously President and Chief Operating Officer of the Cintas Document Management Division and former Treasurer of Cintas. Ms. Carnahan has over 30 years of industry experience.

MERGER WITH CINTAS' DOCUMENT DESTRUCTION BUSINESS

In April 2014, Shred-it merged with Cintas' shredding business, which was a leader in the secure information destruction industry. Cintas first entered the secure information destruction business in 2002 when it made its first acquisition. Cintas grew considerably both organically and through acquisitions in North America and in Europe. At the time of the Merger, Cintas was a leading participant in the secure information destruction industry.

Pre-Merger North American Footprint[(1)]

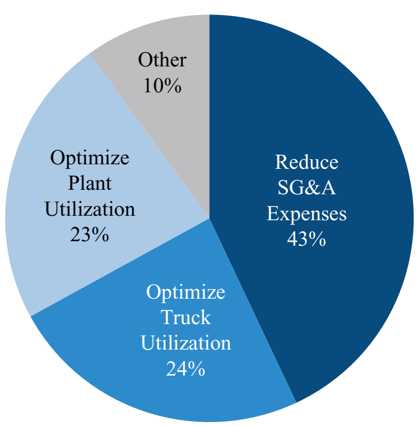


Note:

(1) Location footprint at the time of the Merger, excluding European operations.

Management estimates annual synergies of approximately $73 million as a result of the Merger, of which 29% have been achieved as at March 29, 2015 on a run-rate basis. These synergies are currently being realized in the following areas:

Run-Rate Synergy Breakdown ($73 million)



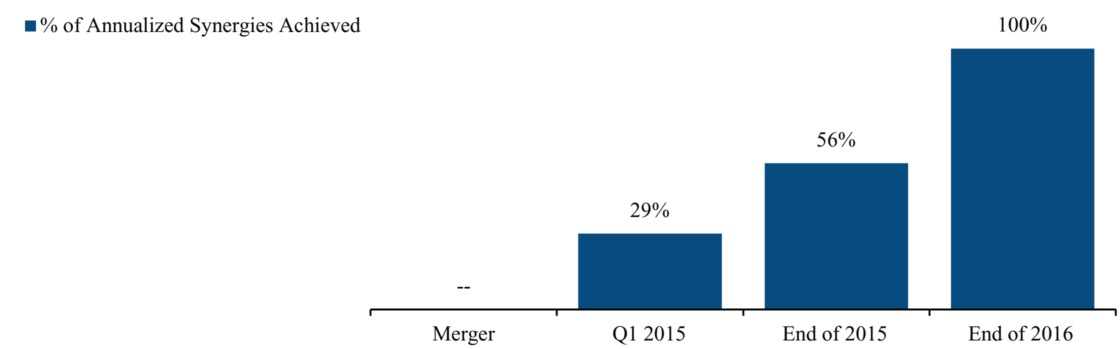
Synergies Description

- **Reduce SG&A Expenses**
  - o Eliminate overlapping locations
  - o Labour efficiencies
  - o Corporate savings
- **Optimize Truck Utilization**
  - o Increase route density
  - o Implement automated route planning
- **Optimize Plant Utilization**
  - o Leverage excess plant capacity
  - o Lower annual truck operating costs
- **Other**
  - o Leverage combined scale
  - o Share best practices

Under Shred-it's Existing Credit Facility, the definition of EBITDA for purposes of reporting its financial covenants includes a credit for annualized pro forma cost synergies of $64.6 million, net of realized amounts.[6]

A synergy report prepared for the lenders under the Original Credit Facility by a national accounting and consulting firm confirmed that, as at March 29, 2015, approximately $20.8 million of annualized run-rate synergies were achieved. This represents a realization rate of 29%, resulting in a further $52.2 million of annualized run-rate synergies remaining to be captured. Management expects to achieve the full annualized run-rate synergies of approximately $73 million by the end of 2016.

Expected Timing of Run-Rate Synergies



Cumulative Run-Rate Synergies Achievement	--	$21 million	$41 million	$73 million

(6) It is anticipated that under the New Credit Facility to be entered into at the time of Closing, the definition of EBITDA for purposes of reporting Shred-it's financial covenants will also provide a credit for annualized pro forma cost synergies of $64.6 million, net of realized amounts.

THE OFFERING

Issuer: Shred-it International Inc.

Offering: ● Common Shares pursuant to the Offering.

If the Over-Allotment Option is exercised in full, the Company and the Birch Hill Group will sell, in the aggregate, up to an additional ● Common Shares. See "Plan of Distribution".

Offering Price: C$ ● per Common Share. We currently anticipate that the Offering Price will be between C$20.00 and C$23.00 per Common Share.

Gross Proceeds: C$600,000,000 from the Offering (C$ ● to the Company and C$ ● to the Birch Hill Group if the Over-Allotment Option is exercised in full). See "Use of Proceeds".

Common Shares and Special Voting Shares Outstanding: Immediately after the completion of the Offering and the IPO Transactions approximately 115,695,021 Common Shares will be issued and outstanding on a fully-diluted basis (assuming the issuance of ● Common Shares issuable to the Cintas Group and the Management Shareholders on the redemption or acquisition of all of their ● LP Units). The Cintas Group will also hold ● Special Voting Shares, providing it with voting rights on matters to be voted on by the shareholders of the Company (subject to a 19.9% maximum voting entitlement). See "Corporate Structure and IPO Transactions" and "Description of Securities".

Use of Proceeds: The Company expects to receive C$ ● in net proceeds from the Offering, after deducting fees payable by the Company to the Underwriters in connection with the Offering and the estimated expenses of the Offering. The Company intends to use the net proceeds from the Offering, together with the issuance of ● Common Shares and ● Special Voting Shares pursuant to the IPO Transactions to: (i) directly and indirectly acquire a ● % interest in the Partnership from the Birch Hill Group, the Cintas Group and the Management Shareholders; (ii) acquire the Option Shares from the Management Shareholders; and (iii) acquire the General Partner. The Company will not retain any of the net proceeds from the Offering. See "Corporate Structure and IPO Transactions — IPO Transactions".

The Company expects to receive net proceeds of C$ ● if the Over-Allotment Option is exercised in full, after payment of the Underwriters' Commission payable in connection with the Over-Allotment Option. The Company intends to use all of the net proceeds it receives from the exercise of the Over-Allotment Option to acquire, if the Over-Allotment Option is exercised in full, ● additional LP Units from the Cintas Group, and a corresponding number of Special Voting Shares held by the Cintas Group will be cancelled for no consideration. The Birch Hill Group expects to receive net proceeds of C$ ● in the aggregate if the Over-Allotment Option is exercised in full, after payment of the Underwriters' Commission payable in connection with the Over-Allotment Option.

See "Use of Proceeds" and "Plan of Distribution".

Over-Allotment Option: The Company and the Birch Hill Group have granted the Underwriters an Over-Allotment Option to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters, in whole or in part, at their sole discretion, for a 30 day period following the Closing and entitles the Underwriters to purchase from the Company and the Birch Hill Group up to ● Common Shares in the aggregate at the Offering Price (being approximately 15% of the number of Common Shares offered hereunder). If the Over-Allotment Option is exercised in full, the total price to the public will be C$ ● , the Underwriters' Commission will be C$ ● , the net proceeds to the Company will be C$ ● and the net proceeds to the Birch Hill Group will be C$ ● in the aggregate. See "Plan of Distribution", "Use of Proceeds" and "Corporate Structure and IPO Transactions — IPO Transactions".

Dividend Policy: Holders of Common Shares will be entitled to receive dividends out of the assets of the Company legally available for the payment of dividends at such times and in such amount and form as the Board may determine.

Initially, the Company anticipates paying quarterly cash dividends, with annualized aggregate dividend payments of approximately C$25 million. The first dividend that would be payable to investors in the Offering would be the dividend for the period beginning on the Closing Date and ending on September 30, 2015. The Company expects the first dividend would be equal to an aggregate amount of approximately C$4 million (or C$ ● per Common Share). Dividends will be declared and paid in arrears. The Company intends to make subsequent quarterly dividends in the estimated amount of C$ ● per Common Share commencing ● 2015. The amount and timing of the payment of any dividends are not guaranteed and are subject to the discretion of the Board. See "Dividend Policy", "The Partnership" and "Risk Factors".

Dividend Reinvestment Plan: Following Closing and subject to the receipt of any required regulatory approvals, the Company intends to adopt a dividend reinvestment plan, pursuant to which resident Canadian holders of Common Shares will be entitled to elect to have all of the cash dividends of the Company payable to such person automatically reinvested in additional Common Shares. Pursuant to the plan, cash dividends will be reinvested at a price per Common Share calculated by reference to the volume weighted average of the trading price for the Common Shares on the relevant stock exchange or marketplace for the five trading days immediately preceding the relevant Dividend Date, less a discount, if any, of up to 5%, at the Company's election. The Company has set the initial discount at 3%. The Company may, subject to the terms of the dividend reinvestment plan, alter or eliminate this discount at any time. See "Dividend Policy — Dividend Reinvestment Plan".

Principal Shareholders: On Closing, it is expected that the Birch Hill Group will have an approximate 39.1% interest in the Company through ownership of or direction or control over ● Common Shares (or an approximate 37.1% interest in the Company if the Over-Allotment is exercised in full) and that the Cintas Group will have an approximate 29.8% effective interest in the Company (subject to the Cintas Group's 19.9% maximum voting entitlement) through ownership of ● Common Shares, ● redeemable LP Units of the Partnership for which the redemption price may be satisfied in Common Shares or cash, at the Company's election, and ● Special Voting Shares (or an approximate 28.2% effective interest in the Company if the Over-Allotment is exercised in full).

Lock-Up Agreements: All of the Common Shares and/or redeemable LP Units held after the Offering by the Birch Hill Group, the Cintas Group, the Management

	Shareholders and the directors of the Company will be subject to contractual lock-up agreements with the Underwriters. See "Plan of Distribution — Lock-up Arrangements".
Tax Receivable Agreement:	Shred-it will enter into the TRA with the Cintas Group that will provide for the payment by Shred-it to the Cintas Group of 85% of the amount of tax benefits, if any, that Shred-it actually realizes (or in some circumstances is deemed to realize) as a result of: (i) increases in the tax basis of assets of the Partnership resulting from any redemptions or acquisitions of LP Units described under "Corporate Structure and IPO Transactions — IPO Transactions" or certain prior sales of interests in the Partnership; and (ii) certain other tax benefits related to payments made under the TRA. These tax benefits would not be available to Shred-it in the absence of those transactions. Shred-it will retain the benefit of the remaining 15% of these tax savings, which may, at the discretion of the Board, be retained by the Company or distributed to shareholders. Pursuant to a separate agreement with the Birch Hill Group, the Cintas Group has agreed to pay 58% of the amount received under the TRA to the Birch Hill Group. See "Principal Shareholders — Tax Receivable Agreement", "Dividend Policy" and "Risk Factors".
Risk Factors:	An investment in the Common Shares is speculative and involves a high degree of risk. Prospective purchasers should carefully consider the information set out under "Risk Factors" in this prospectus before purchasing Common Shares. Risks related to our business and the Offering include: (i) damage to our reputation; (ii) failure to protect our customers' information against security breaches; (iii) customer cost sensitivities; (iv) changes in customer behavior with respect to information destruction; (v) competitive pressures; (vi) fluctuations in the price we receive for the sale of paper; (vii) demand for our services is susceptible to long-term decline in use of paper by our current and prospective customers; (viii) a portion of the Company's revenues are dependent on demand for recycled paper which is based on general market conditions in the pulp and paper industry; (ix) fluctuations in fuel and energy costs; (x) we may not realize the synergies and growth opportunities that are anticipated from the Merger or other acquisitions; (xi) failure to manage our growth; (xii) inability to attract and retain qualified and skilled employees to implement our growth strategies; (xiii) we may not be able to successfully implement our growth and business strategy; (xiv) the estimated market for secure document destruction services included in this prospectus may prove to be inaccurate; (xv) we may not be successful in penetrating the unvended market; (xvi) we may encounter a slowdown in acquisition activity and/or the price for acquisitions may increase; (xvii) failure to successfully integrate acquired operations; (xviii) we may be unable to continue our international expansion; (xix) risks from our international operations; (xx) dependence on a limited number of key personnel; (xxi) our customer contracts may not always adequately protect our liability, may be terminated by our customers and may contain terms that could lead to disputes in contract interpretation; (xxii) parties with whom we do business with may be subject to insolvency risks; (xxiii) fluctuations in foreign exchange rates; (xxiv) unexpected events; (xxv) risks relating to our size and scale; (xxvi) inability to innovate and take advantage of technological advancements; (xxvii) deterioration in labour relations; (xxviii) changes in worker's compensation rates; (xxix) compliance with U.S. federal health care

reform legislation; (xxx) we may not be able to enforce our intellectual property rights; (xxxi) we may be subject to claims that our technology violates the intellectual property rights of a third party; (xxxii) disruptions in or attacks on our information technology systems; (xxxiii) litigation risks; (xxxiv) changing fire and safety standards; (xxxv) potential environmental liabilities relating to our leased real property; (xxxvi) challenges to tax filing positions; (xxxvii) absence of operating history as a public company; (xxxviii) failure to maintain adequate financial and management processes and controls; (xxxix) our substantial indebtedness; (xl) the limits imposed by our insurance policies; (xli) we may have insufficient insurance coverage; (xlii) adverse credit and financial market events; (xliii) inability to raise additional funds; (xliv) restrictive debt covenants may limit our ability to pursue our growth strategy; (xlv) additional indebtedness; (xlvi) the Company is a holding company; (xlvii) servicing debt and funding other obligations requires a significant amount of cash; (xlviii) our Common Shares have no prior public market and our share price may decline after the Offering; (xlix) volatility of the market price of the Common Shares; (l) the future sales of Common Shares by our significant shareholders could significantly impact the share price; (li) the declaration of dividends is at the discretion of the Board; (lii) dependence on distributions and other payments from the Partnership; (liii) substantial payments to be made pursuant to the TRA; (liv) payments under the TRA may be accelerated or significantly exceed the actual benefits we realize; (lv) we will not be reimbursed for any payments made under the TRA in the event that any tax benefits are disallowed; (lvi) Shred-it is controlled by the Principal Shareholders whose interests may differ from those of our public shareholders; (lvii) IPO Transactions and the TRA may have U.S. tax consequences; (lviii) our Board, and not shareholders, are responsible for setting Company policies; and (lix) we incur certain expenses to maintain our public company status. See “Risk Factors”.

SUMMARY FINANCIAL INFORMATION

The following selected historical financial information as at and for Fiscal 2014, Fiscal 2013, Fiscal 2012, Q1 2015 and Q1 2014 has been derived from the audited combined financial statements for the Shred-it Group for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, and the unaudited combined financial statements for the Shred-it Group for the three-month periods ended March 29, 2015 and March 30, 2014, all prepared in accordance with IFRS and included elsewhere in this prospectus. See "Index to Financial Statements". See "Glossary of Terms" for a description of the Shred-it Group. Following the completion of the Offering and the IPO Transactions, it is expected that the Shred-it Group's financial statements will be presented through the consolidated financial statements of the Company.

This prospectus makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Shred-it uses non-IFRS measures including "EBITDA", "EBITDA Margin", "Gross FCF Conversion", "Operating EBITDA", "Operating EBITDA Margin", and "Pro Forma Revenue" to provide purchasers with supplemental measures of the Company's operating performance and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Shred-it also believes that securities analysts, purchasers and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Shred-it's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet future debt service, capital expenditure and working capital requirements.

Prospective purchasers should review this information in conjunction with the combined financial statements including the notes thereto as well as "Non-IFRS Measures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Use of Proceeds", "Consolidated Capitalization", "Merger with Cintas' Document Destruction Business", "Description of Material Indebtedness and Refinancing" and "Description of Securities", "Risk Factors" and "Forward-Looking Statements".

Shred-it Group

U.S.$ thousands unless otherwise stated	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Selected Combined Statement of Income (Loss) Data						
Revenue	**660,730**	**172,395**	**86,748**	**575,083**	**347,301**	**324,202**
Operating expenses	503,732	129,941	71,818	445,609	281,410	275,370
Depreciation and amortization	92,093	23,120	10,856	79,829	46,657	45,145
Loss (gain) on disposal of property, plant and equipment	160	(63)	(1)	222	369	98
Stock-based compensation	1,018	167	63	914	241	407
Loss (gain) on foreign exchange	11,959	3,645	1,202	9,516	5,226	(1,443)
Acquisition, transaction and integration costs	44,079	8,279	1,835	37,635	4,862	9,516
Share of income of a joint venture	(568)	(149)	(92)	(511)	(530)	(339)
Operating income (loss)	**8,257**	**7,455**	**1,067**	**1,869**	**9,066**	**(4,552)**
Interest expense, net	13,009	3,691	6,860	16,178	31,490	31,012
Income (loss) from continuing operations before income taxes	**(4,752)**	**3,764**	**(5,793)**	**(14,309)**	**(22,424)**	**(35,564)**

U.S.$ thousands unless otherwise stated	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Income taxes (recovery)	8,978	6,417	2,023	4,584	(978)	(9,342)
Loss from continuing operations	**(13,730)**	**(2,653)**	**(7,816)**	**(18,893)**	**(21,446)**	**(26,222)**
Net income from discontinued operations	3,031	—	1,314	4,345	4,619	2,763
Gain (loss) on sale of discontinued operations	20,506	(373)	—	20,879	—	—
Net income (loss)	**9,807**	**(3,026)**	**(6,502)**	**6,331**	**(16,827)**	**(23,459)**

Reconciliation of Net income (loss) from continuing operations to Non-IFRS Measures

	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Pro Forma Revenue						
Revenue	660,730	172,395	86,748	575,083	347,301	324,202
Adjustment for full year contribution from the Merger and acquisitions completed during the year(1)	64,779					
Pro Forma Revenue	**725,509**					
Loss from continuing operations	(13,730)	(2,653)	(7,816)	(18,893)	(21,446)	(26,222)
Interest expense, net	13,009	3,691	6,860	16,178	31,490	31,012
Income taxes (recovery)	8,978	6,417	2,023	4,584	(978)	(9,342)
Depreciation and amortization	92,093	23,120	10,856	79,829	46,657	45,145
EBITDA	**100,350**	**30,575**	**11,923**	**81,698**	**55,723**	**40,593**
Acquisition, transaction and integration costs(2)	44,079	8,279	1,835	37,635	4,862	9,516
Loss (gain) on foreign exchange	11,959	3,645	1,202	9,516	5,226	(1,443)
Adjustment for full year contribution from the Merger and acquisitions completed during the year(3)	15,281					
Adjustment for full year net contribution from synergies achieved during the year(4)	7,296					
Operating EBITDA	**178,965**	42,499	14,960	128,849	65,811	48,666
% Operating EBITDA Margin	24.7%	24.7%	17.2%	22.4%	18.9%	15.0%
Remaining Portion of Identified Synergies(5)	52,221					
Pro Forma Operating EBITDA	**231,186**					

Notes:

(1) Consists of (i) $37.1 million to reflect the acquisition of franchisees and Iron Mountain's U.K., Ireland and Australia operations throughout the period; and (ii) $27.7 million from the Merger for the month of April 2014.

(2) Consists of (i) $17.5 million in one-time transaction closing costs, such as legal and professional services and bonuses relating to the Merger, the acquisition of Iron Mountain's U.K., Ireland and Australia operations, and the acquisition of franchisees; and (ii) $26.6 million in one-time integration costs, such as external and internal fees and salaries relating to the integration of Cintas with Shred-it.

(3) Consists of (i) $10.2 million to reflect the the acquisition of franchisees and Iron Mountain's U.K., Ireland and Australia operations as if they had occurred at the beginning of the period; and (ii) $5.1 million from the Merger in the month of April 2014, each on a pro forma basis.

(4) Consists of the difference of $20.8 million in annual run-rate synergies realized at March 29, 2015 and $13.5 million in actual synergies realized and reflected in EBITDA for the same period.

(5) Cost savings related primarily to the Merger that are currently in progress and expected to be completed on a run-rate basis by the end of Fiscal 2016.

U.S.$ thousands unless otherwise stated	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Selected Operating Segment data:						
Revenue						
North America	551,206	143,191	62,185	470,200	258,430	247,102
ROW	104,634	28,742	22,925	98,817	80,932	67,593
Adjustments and eliminations	4,890	462	1,638	6,066	7,939	9,507
Total Revenue	**660,730**	**172,395**	**86,748**	**575,083**	**347,301**	**324,202**
Reportable Segment earnings						
North America	186,948	49,207	18,629	156,370	76,648	61,941
ROW	38,234	10,774	7,378	34,838	26,102	18,880
Adjustments and eliminations(1)	(124,832)	(29,406)	(14,084)	(109,510)	(47,027)	(40,228)
Total EBITDA	**100,350**	**30,575**	**11,923**	**81,698**	**55,723**	**40,593**

U.S.$ thousands unless otherwise stated	Q1 2015	Fiscal 2014	Fiscal 2013
Selected Combined Statements of Financial Position Data			
Cash and cash equivalents(2)	15,015	56,211	13,423
Accounts receivable	109,661	97,792	50,813
Total current assets	138,863	173,235	73,579
Property, plant and equipment	216,397	221,838	96,221
Goodwill	409,020	407,436	125,039
Intangibles	364,686	372,356	202,668
Total assets	**1,137,934**	**1,184,953**	**506,713**
Bank indebtedness(3)	10,842	14,263	5,602
Accounts payable and accrued liabilities	49,442	52,294	26,533
Total current liabilities	70,801	85,535	54,276
Total debt(3)	473,234	448,232	201,696
Total liabilities	**636,723**	**626,540**	**561,211**
Parent equity	169,412	222,446	(54,498)
Non-controlling interests	331,799	335,967	—
Total equity (deficiency)	**501,211**	**558,413**	**(54,498)**

Note:

(1) These adjustments and eliminations include amounts that have not been allocated to the two reportable segments. These unallocated amounts include certain revenue and operating expenses as well as acquisition, transaction and integration costs, loss (gain) on foreign exchange, stock-based compensation, and loss on property, plant and equipment.

(2) As at June 10, 2015 cash and cash equivalents were approximately $26.9 million.

(3) On May 22, 2015, a member of the Shred-it Group amended the Original Credit Facility which increased the term loan by $190 million and on May 27, 2015 it had drawn an additional $80 million on its revolving facility. As at June 10, 2015, approximately $753 million was outstanding under the Existing Credit Facility and approximately $10.1 million under bank indebtedness. On June 11, 2015, the Shred-it Group entered into an arrangement and commitment letter with its lenders with respect to the New Credit Facility which will be comprised of (i) a revolving credit facility of $400 million with a five year term and an accordion feature of up to $200 million and (ii) a term loan of $600 million with a five year term. Immediately following Closing, it is expected that $ ● million will be outstanding under the New Credit Facility and approximately $ ● million in bank indebtedness. See "Consolidated Capitalization" and "Description of Material Indebtedness and Refinancing".

U.S.$ thousands unless otherwise stated	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Selected Cash Flow Data						
Cash from (used in)						
Operating activities of continuing operations, before changes in working capital	93,010	27,249	13,248	79,009	56,952	35,413
Changes in working capital	(31,626)	(20,443)	12,187	1,004	2,407	(17,199)
Operating activities	61,384	6,806	25,435	80,013	59,359	18,214
Investing activities	(309,657)	(28,927)	(3,293)	(284,023)	(45,689)	(81,951)
Financing activities	234,907	(13,287)	(5,806)	242,388	(34,431)	76,996
Effect of foreign exchange on cash and cash equivalents	(6,712)	(2,367)	94	(4,251)	5,220	(601)
Net change in cash and cash equivalents	**(20,078)**	**(37,775)**	**16,430**	**34,127**	**(15,541)**	**12,658**
Capital Expenditures Summary						
Maintenance capital	17,561	5,205	2,106	14,462	13,831	10,343
Growth capital	9,707	2,488	1,134	8,353	5,493	10,348
Acquisition, transaction and integration capital	14,397	2,787	—	11,610	414	6,279
Discontinued operations	142	—	53	195	369	3,015
Total capital expenditures	**41,807**	**10,480**	**3,293**	**34,620**	**20,107**	**29,985**

INDUSTRY OVERVIEW

Physical Information Management Industry

The physical information management industry is part of the broader records and information management industry. The physical information management industry can be classified into two segments: (i) secure information destruction; and (ii) document storage.

(i) Secure Information Destruction

- Consists of secure document destruction or shredding services and the sale of shredded paper, as well as the destruction of computer hard drives, backup tapes, portable hard drives, compact discs, memory cards and other physical storage media for electronic data.
- Highly fragmented, made up of two large participants, Shred-it and Iron Mountain Inc. ("**Iron Mountain**"), as well as Recall Holdings Limited ("**Recall**") and numerous smaller, regional or local participants, with Shred-it being the only global company dedicated solely to secure document destruction.
- Higher growth segment relative to document storage due to information security and privacy laws and growing information security concerns across the SMB market, as well as in developing International Markets.

(ii) Document Storage

- Consists of the collection, storage and retrieval of physical documents.
- Less fragmented, made up of two large global participants, Iron Mountain and Recall.
- Lower growth segment relative to secure information destruction due to businesses storing less physical records and requiring less services for records already in storage.
- Capital intensive relative to the secure information destruction segment.

The physical information management industry has undergone several waves of consolidation, including over the past two years. Within the secure information destruction segment, significant transactions included the merger of Shred-it and the document destruction business of Cintas Corporation ("**Cintas**") in April 2014 (the "**Merger**") and Shred-it's acquisition of substantially all of Iron Mountain's document destruction business outside of North America and Latin America in December 2014. Within the document storage segment, Iron Mountain announced in April 2015 that it had reached an agreement in principle with Recall for Iron Mountain to acquire Recall, which would combine the number one and number two market participants in the document storage segment by size, respectively.

Secure Information Destruction Market

Shred-it competes in the secure information destruction market. Users of secure information destruction services range from SMBs to large national and international businesses and institutions, and operate in a variety of sectors, including financial and professional services, healthcare, business services, retail, government and telecom. Management believes that businesses across various sectors are growing more aware of information security and privacy concerns and are using secure information destruction services to address these concerns and satisfy applicable regulatory requirements as an alternative to non-secure recycling or waste disposal.

Secure Document Destruction Market

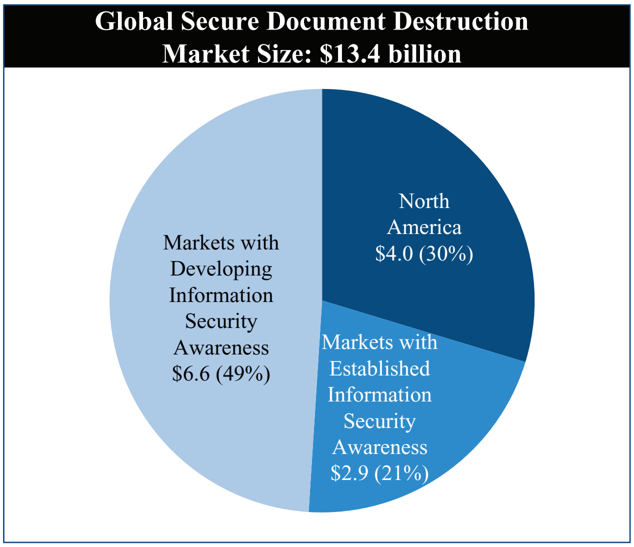
Shred-it engaged a national consulting firm to prepare an analysis of the potential size of the global secure document destruction market (the "**Independent Market Analysis**"). According to the Independent Market Analysis, the total global market for secure document destruction services, including sales of shredded paper, is approximately $13.4 billion in annual revenues (the "**Global Market**"). For information about sizing methodology in the Independent Market Analysis see "**Market and Industry Data**".

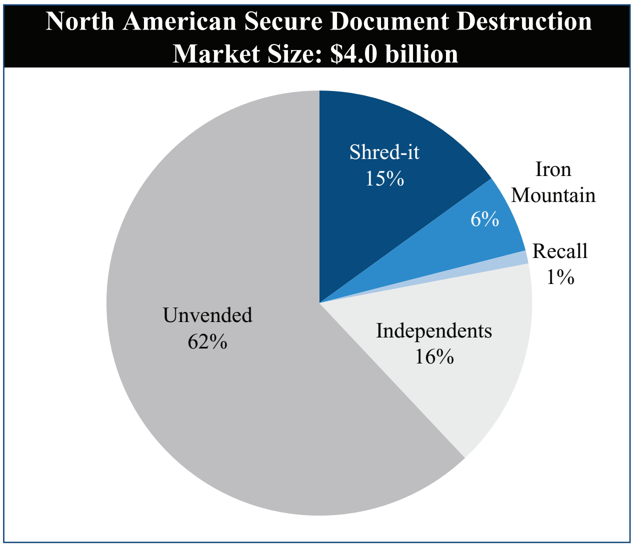
The Global Market includes revenue from customers in the "vended" market and revenue from potential customers in the "unvended" market. The vended market represents customers that currently pay for an outsourced document destruction service. The unvended market represents potential customers that do not currently pay for an outsourced secure document destruction service, but may consider doing so in the future. Such potential customers either do not securely destroy sensitive or confidential documents (i.e., they discard or recycle documents without shredding), or handle document destruction in-house. Management believes that potential customers in the unvended market may not be meeting regulatory requirements and/or are at a greater risk of experiencing a data breach with respect to their confidential information. In estimating the revenue from potential customers in the unvended market, the Independent Market Analysis identified business locations, consisting of five or more employees, in industry sectors other than those that would not typically require a third party shredding service as they would not be consuming paper in an office environment. Potential customers would include those in health services, engineering, accounting, research and management services, educational services and business services, among other industries.

According to the Independent Market Analysis, the Global Market can be categorized as follows:

- North America — represents a total market of approximately $4.0 billion in annual revenues (the "**North American Market**")[(1)]. Management believes that the North American Market is one of the most advanced markets for secure document destruction services due to several factors, including a well-developed regulatory environment focused on document security and privacy.
- International — represents a total market of approximately $9.5 billion in annual revenues (the "**International Markets**"), including:
  - *Markets with Established Information Security Awareness*[(2)], which includes the United Kingdom, parts of Europe and Australia, and represent a total market of approximately $2.9 billion in annual revenues. These markets typically have robust information security and privacy regulation and are experiencing growing concerns over information breaches, such as identity theft.
  - *Markets with Developing Information Security Awareness*[(3)], which include Brazil, Russia, India, China and other parts of Europe, Asia and South America, and represent a total market of approximately $6.6 billion in annual revenues. These markets are in the earlier stages of information security awareness, as privacy and concerns over information breaches are nascent or becoming more prevalent. These markets have varying degrees of regulation of information security. See "Market and Industry Data" and "Privacy and Security Regulatory Overview".

(1) Includes Canada and the United States only.
(2) Includes Australia, Austria, Belgium, France, Germany, Ireland, Luxembourg, Netherlands, Switzerland and the United Kingdom.
(3) Includes Argentina, Brazil, China (including Hong Kong), Denmark, Finland, India, Italy, Japan, Korea, Mexico, Norway, Russia, Singapore, South Africa, Spain, Sweden, Taiwan and the United Arab Emirates.





Source: Independent Market Analysis. The Global Secure Document Destruction Market Size does not add to $13.4 billion due to rounding.

Shred-it is the only global participant focused solely on secure document destruction. Shred-it has the largest market share in North America and the largest aggregate market share in International Markets.

The North American Market is fragmented and is comprised of two national participants (Shred-it and Iron Mountain) with a combined market share of approximately 21% and over 875 local or regional market participants (referred to as independent service providers), which management believes are typically owner-operated, with a combined market share of approximately 16%. Iron Mountain does not have a presence outside North America and Latin America, having sold its shredding business in the United Kingdom, Ireland and Australia to Shred-it in December 2014. According to the Independent Market Analysis, approximately $2.5 billion (or approximately 62%) of the North American secure document destruction services market is unvended, which represents potential customers that do not currently pay for an outsourced secure document destruction service, but may consider doing so in the future.

Electronic Data Destruction Market

The electronic data destruction market is a sub-segment of the secure information destruction market and includes the destruction of physical storage media for electronic data such as computer hard drives, backup tapes, portable hard drives, compact discs and memory cards. This sub-segment does not include general disposal and recycling of computers, monitors and other electronic devices. Management believes the market for electronic data destruction services, which was not part of the Independent Market Analysis, is approximately $300 million in annual revenues in North America (significantly larger on a global basis) and represents a complementary service to the secure document destruction market. Management believes that the secure destruction of electronic data will continue to grow proportionately with the growth of the secure document destruction industry.

Key Industry Drivers

Regulation of Privacy and Information Security and Concerns over Data Breaches

Continued development and growth of the secure information destruction industry have been driven, in part, by compliance with government regulations in respect of privacy and information security. These regulations take different forms, including requirements for organizations to establish reasonable measures to protect against loss, theft and unauthorized access, use and disclosure, and data retention requirements that require businesses to destroy or render anonymous personal information when no longer required for a legal or legitimate business purpose. Secure information destruction services are increasingly a standard measure that organizations take to meet their legal safeguarding and retention requirements.

Countries such as the U.S. and Canada have established privacy related legislation, such as the *Fair and Accurate Credit Transactions Act (FACTA)* and the *Health Insurance Portability and Accountability Act of 1996 (HIPAA)* in the U.S. and the *Personal Information Protection and Electronic Documents Act* (*PIPEDA*) in Canada. For example, FACTA requires all businesses or organizations that possess consumer information for a business purpose to properly dispose of such consumer information by taking reasonable measures, including entering into a contract with a third party information destruction service provider, to protect against unauthorized access to or use of the information in connection with its disposal. The HIPAA privacy rule requires applicable health care providers and organizations to implement reasonable safeguards to limit incidental uses or disclosures, and avoid prohibited uses and disclosures of information, including in connection with the disposal of such information. In addition, HIPAA prohibits applicable health care providers and organizations from simply abandoning information or disposing of it in dumpsters or other containers that are accessible by the public or other unauthorized persons. Management believes that incidents of major data breaches across many countries and industries (in some cases, resulting in regulatory investigations, litigation, fines or penalties) have also created heightened concerns and increased demand for secure information destruction solutions. As a result, management expects that potential customers in the unvended market will increasingly outsource information destruction to specialized service providers that can reduce the risk of non-compliance or a data breach.

Growing Concerns of Data Breaches and Non-Compliance in the SMB Market

The SMB market is in an earlier stage of adoption of secure information destruction practices when compared with the market for larger customers. As SMBs are becoming more aware of the increased risks and costs associated with non-compliance with regulatory requirements, as well as the potential adverse impact of a data breach, management expects they will implement secure information destruction policies and procedures. Management believes that proactive and effective education by market participants should lead to greater customer penetration within the SMB market. As information security concerns grow, management expects that a greater portion of SMBs, who are currently part of the unvended market will turn to third party information destruction service providers. Furthermore, management believes that SMB customers with more than one location are seeking to use service providers capable of providing secure information destruction services in a consistent manner across their organizations.

Adoption of "Shred-all" Policies

A growing number of companies are adopting "shred-all" policies (i.e. policies requiring secure destruction of all documents without the ability to dispose of documents in the garbage or recycling bin) as a means of protecting confidential and sensitive information and to mitigate against the financial and reputational damage associated with a potential data breach. By implementing "shred-all" policies, businesses can achieve greater security compliance by removing employee judgement from the decision to discard, recycle or shred documents.

International Market Development

The development of the secure information destruction segment in certain International Markets is at an early stage relative to the North American and certain European markets. As emerging markets continue to advance their privacy and data protection laws to be more consistent with those currently in place in North America and in certain parts of Europe, management expects further demand to be created for secure information destruction services on a global scale. Additionally, management believes that international and multi-national businesses are seeking to outsource information destruction services to service providers capable of providing consistent services at the same standards globally.

Industry Consolidation

The secure information destruction industry has undergone consolidation, including the Merger and Shred-it's acquisition of Iron Mountain's document destruction business outside of North America and Latin America in December 2014. Furthermore, management believes the fragmented nature of the industry, particularly given the significant number of independent providers, will allow for continued consolidation. As the industry further develops and large market participants continue to benefit from synergies due to scale, technological enhancements, route density and investments in plant-based infrastructure, smaller operators may continue to exit the business or become acquired by larger market participants.

Development of the Electronic Data Destruction Market

Due to growing information security concerns and the consequences of a physical or electronic data breach, businesses are increasingly using third party secure information destruction service providers to destroy their physical storage media for electronic data, such as computer hard drives, backup tapes, portable hard drives, compact discs and memory cards. Electronic data destruction services are frequently offered as an additional service by secure document destruction service providers. The key industry drivers and customers in the electronic data destruction market are similar to those in the secure document destruction segment, thereby providing market participants with an additional opportunity for growth.

Competitive Dynamics

Fragmented Market Favours Service Providers that can Service Large and Small Customers

Shred-it is the only global company dedicated solely to secure information destruction. The top three participants in North America by revenue (with Shred-it being the largest) represent approximately 22% of the North American Market. Management estimates that the remainder of the secure information destruction market is comprised of over 875 independent service providers (16%) and a large unvended market (62%). Competition for larger customers that often have national requirements is typically between Shred-it and Iron Mountain, the two largest market participants, and, in some cases, regional or local participants. Competition for SMB customers is typically between Shred-it and local or regional market participants.

Scale and Robust Systems and Standards are a Significant Competitive Advantage

Large market participants compete directly with regional and local independent service providers and leverage their brand, reputation and scale to win customers and maximize profitability. As the industry continues to consolidate, management believes that larger market participants will benefit from:

- on-site and off-site capabilities that provide customers with different service options;
- increased route density and more sophisticated routing tools to increase truck utilization and efficiency and reduce costs;
- investments in technology and systems, including handheld devices carried by CSRs, enabling them to confirm chain of custody of documents to be shredded;
- a large and highly trained salesforce;
- more consistent standards of service locally, nationally and globally;
- higher capital efficiency through the use of plant-based destruction systems to handle increasing volumes of paper;
- lower truck and container costs as a result of greater purchasing power; and
- leveraging paper volumes to obtain higher prices for shredded paper.

Recycled Sorted Office Paper (SOP) Demand

Market participants in the secure document destruction industry collect and shred mostly office paper, which is then sold, directly or indirectly, to paper mills that use the recycled paper as a pulp substitute to produce tissue paper products (i.e. toilet paper, paper towels and napkins). Demand for recycled office paper is stable due to consumer demand for its end products as well as customer requirements for tissue papers to include recycled content. Large market participants are typically able to secure better pricing for their recycled paper, relative to smaller providers, due to their higher volumes.

THE BUSINESS OF SHRED-IT

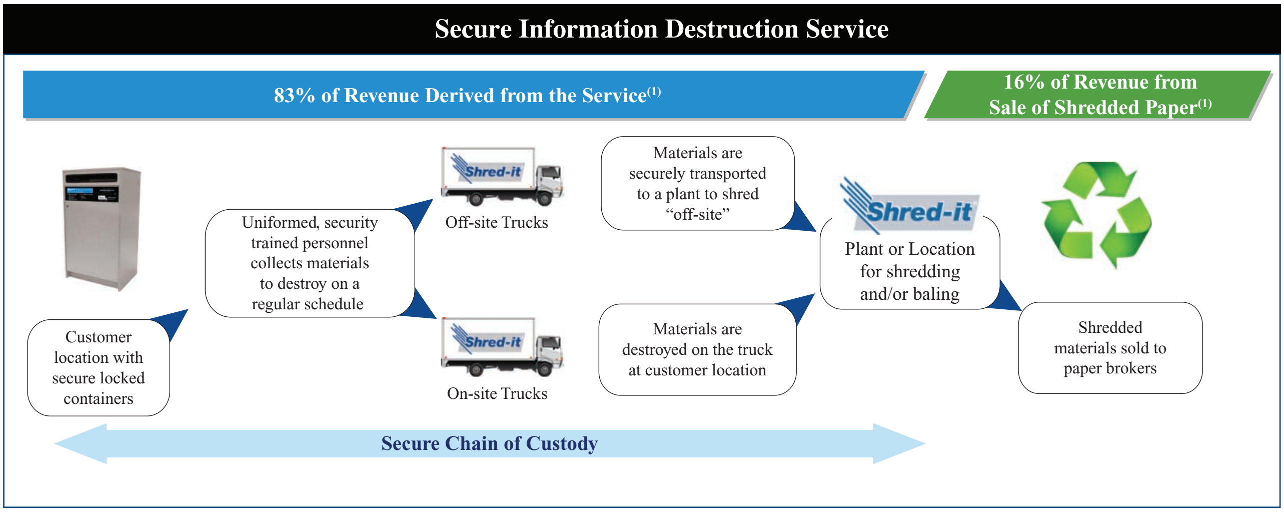
OVERVIEW

Business Overview

Shred-it was founded in 1988 by Greg Brophy, operating from a single on-site shredding truck in Toronto, Ontario. Today, Shred-it is a global leader in providing secure information destruction services to over 400,000 recurring customer locations in 18 countries. Shred-it operates a fleet of over 2,400 trucks and has over 200 facilities globally, including 57 with plant-based destruction systems. Shred-it's brand is highly recognized and synonymous with secure information destruction. Shred-it is headquartered in Oakville, Ontario and maintains its U.S. head office in Cincinnati, Ohio.

Shred-it predominantly services SMBs, and also services large customers across a wide range of sectors including financial and professional services, healthcare, business services, retail, government and telecom. Shred-it has over 5,300 employees (which Shred-it refers to as "partners") who are trained and certified as information security professionals, and are committed to protecting the security and integrity of customers' confidential information.

While Shred-it's principal focus is on secure document destruction services, the Company also provides secure electronic data destruction services, including with respect to computer hard drives, backup tapes, portable hard drives, compact discs and memory cards and other physical storage media for electronic data. The following diagram summarizes Shred-it's recurring secure information destruction process:

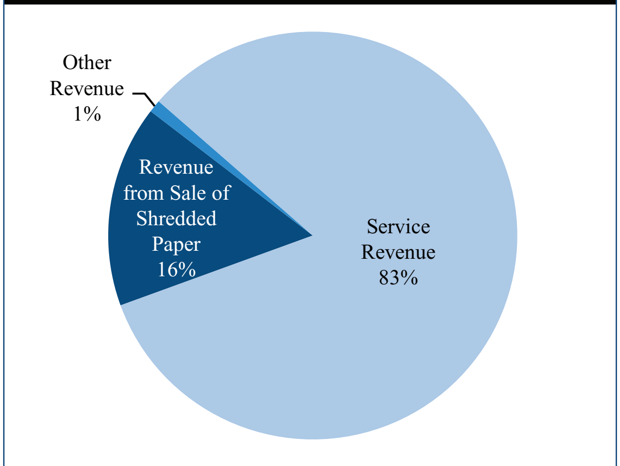


Note:

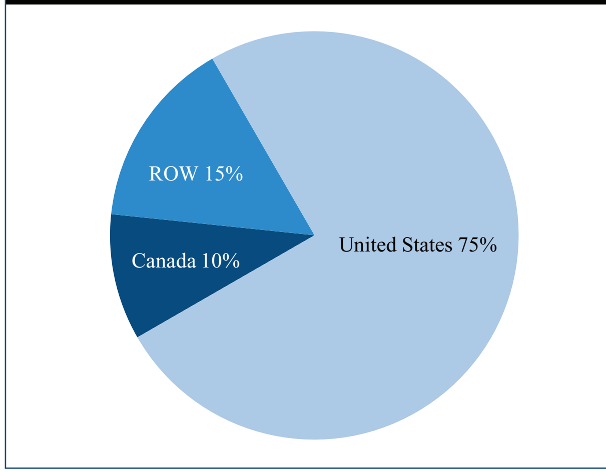
(1) Based on Pro Forma Revenue for the 12 months ended March 29, 2015. Excludes other Pro Forma Revenue, which represents 1% of total Pro Forma Revenue.

For the 12 month period ended March 29, 2015, Shred-it generated Pro Forma Revenue of approximately $726 million. Secure destruction services represented approximately 83% of Pro Forma Revenue for this period, with revenue from the sale of shredded paper accounting for approximately 16% of Pro Forma Revenue.

Revenue Breakdown by Source[(1)]



Revenue by Region[(1)]



Note:

(1) Combined Shred-it/Cintas based on Pro Forma Revenue for the 12 months ended March 29, 2015.

Shred-it's management team has a track record of successfully integrating acquisitions, having completed 59 acquisitions since 2010 (Shred-it/Cintas combined), including 48 acquisitions in North America and 11 in the rest of the world ("**ROW**").[(4)] Furthermore, the Company has a dedicated team focused on evaluating potential acquisitions, which has identified several hundred prospects globally, ranging from small, local players to larger regional competitors. Potential acquisition prospects consist of companies operating in markets in which Shred-it currently operates or in new International Markets. Potential acquisition prospects are identified by canvassing local Shred-it management within each market, attendance at industry conferences and through contacts in the industry.

In April 2014, Shred-it merged with the document destruction business of Cintas, combining the two largest North American Market participants to create a global leader focused on secure information destruction. Management estimates there are realizable annual synergies of approximately $73 million as a result of the Merger, of which 29% have been achieved as at March 29, 2015 on a run-rate annual basis. These synergies are currently being realized through: (i) reductions in selling, general & administrative expenses, including reductions in rent from consolidating locations; (ii) optimizing truck utilization through increased route density and automated route planning ("**ARP**"); (iii) increased plant utilization as a result of more services being completed off-site, leveraging excess plant capacity; and (iv) the combined scale and shared best practices from both businesses. The execution of the Merger integration plan was developed and is being executed on a market-by-market approach similar to, and based on, the experience of Shred-it's management team from previous successful acquisitions. See "Merger with Cintas' Document Destruction Business".

(4) Acquisitions completed on a combined Shred-it/Cintas basis.

INVESTMENT HIGHLIGHTS

Global Leader in the Secure Information Destruction Industry

Large Global Footprint with the Number One Position in Key Markets

Shred-it led the formation of the secure information destruction industry in 1988 and today is the only global company dedicated solely to secure information destruction. Shred-it provides services in 18 countries, with operations in North America (U.S. and Canada) and ROW (United Kingdom[5], Ireland, France, Germany, Belgium, South Africa, UAE, Singapore, Australia, Luxembourg, Austria, the Netherlands and Argentina). Furthermore, Shred-it has dedicated leadership and management teams in North America and internationally which have been instrumental in building Shred-it's brand globally and driving the Company's continued multi-country growth strategy.

Shred-it has a significant local presence throughout North America and in certain International Markets through its network of over 200 facilities globally, including 57 with plant-based destruction systems. Management believes that Shred-it holds the number one market position for secure document destruction in key markets in which it currently operates, including: U.S., Canada, United Kingdom, France, Germany, Netherlands and South Africa, the number two market position in Singapore and the number three market position in Australia. Management also estimates that its relative market share in North America is two and a half times the size of its closest competitor, Iron Mountain.

Global Footprint

Leading Market Position(1)		
U.S.		#1
Canada		#1
U.K.		#1
France		#1
Germany		#1
Netherlands		#1
South Africa		#1
Singapore		#2
Australia		#3

Note:

(1) Management estimates.

Preeminent Brand in the Industry — Synonymous with Secure Information Destruction

Shred-it is a trusted and globally recognized brand in the secure information destruction industry. Nearly all of Shred-it's trucks are branded with the Shred-it logo and a specific toll-free number that generates over 250,000 calls annually, the vast majority of which are for new business opportunities. The Company's brand is augmented by its highly trained customer security representatives ("**CSRs**") who visit customer locations. The Company regularly updates its customers through annual publications, including newsletters, fact sheets, videos and research papers, regarding regulatory requirements governing the proper handling and protection of

(5) Includes England, Scotland, Wales and Northern Ireland.

personal and confidential information. With the vast majority of Shred-it's customers being SMBs with limited internal resources, management believes customers ascribe significant value to Shred-it's strong customer service and capabilities and industry-leading regulatory information support. As such, Shred-it has become a trusted partner to many of its customers and enjoys strong relationships as demonstrated by its high customer retention rate.

Large and Highly Trained SMB Sales Force

Management believes that Shred-it has the largest sales force in the secure information destruction industry. Shred-it's sales force includes approximately 700 highly trained sales professionals situated in the local markets in which Shred-it operates who are focused on winning new SMB customers, particularly within the unvended segment, and continuing to serve existing customers. Furthermore, Shred-it's sales professionals undergo approximately eight weeks of training and education prior to being assigned a sales territory. Shred-it's sales model has proven to be highly effective in educating and winning new business from the unvended SMB market, with seven out of the Company's ten new customers originating from the unvended market and the remainder coming from competitors. See "Shred-it's Operations — Sales and Marketing".

Compelling Industry Fundamentals

Large Market with Favourable Growth Outlook

The secure information destruction industry is a compliance and privacy-driven industry. Businesses and other organizations securely destroy documents and physical storage media for electronic data to avoid the inadvertent release of confidential or personal information, including identity theft or the loss of competitively sensitive documents. Information security concerns are growing outside of North America and certain countries in Europe, which presents an opportunity for Shred-it to expand its international customer base. According to the Independent Market Analysis, the market for secure information destruction services outside of North America is approximately $9.5 billion. See "Industry Overview" and "Privacy and Security Regulatory Overview".

Unvended Market Segment Presents Significant Opportunities

According to the Independent Market Analysis, approximately 62% of the North American Market for secure information destruction is unvended, primarily within the SMB segment, meaning customers are either not securely destroying sensitive or confidential documents (because they are throwing away or recycling documents without shredding) or are destroying documents in-house. Management believes that International Markets are also highly unvended, particularly given the less developed state of the secure information destruction market and privacy regulations in certain International Markets. The unvended segment of the market represents a significant growth opportunity for the Company. See "Investment Highlights — Significant Growth Opportunities — Multi-Faceted Organic Growth Strategy".

Continuing Industry Consolidation

Management believes that, as the highly fragmented secure information destruction industry continues to consolidate, Shred-it will benefit from its scale, technology enhancements, route density and its existing investments in plant-based infrastructure. As a market leader, Shred-it is well-positioned to continue to drive industry consolidation and benefit from accretive acquisitions. See "Non-IFRS Measures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors" and "Forward-Looking Statements".

Attractive Business Model

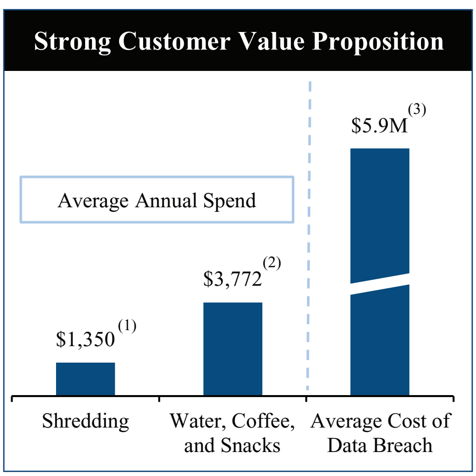
Strong Customer Value Proposition with Contracted & Recurring Revenue

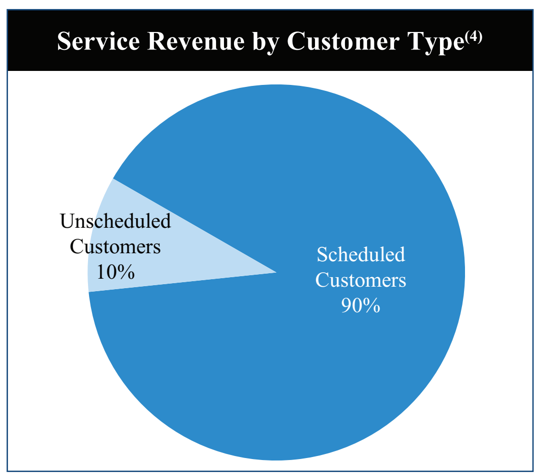
Shred-it's revenue is derived primarily from service fees and surcharges paid by customers for the collection and secure destruction of information (referred to as service revenue). Service revenue accounted for approximately 83% of Shred-it's Pro Forma Revenue for the 12 months ended March 29, 2015. The remaining portion of revenues came primarily from the sale of shredded paper.

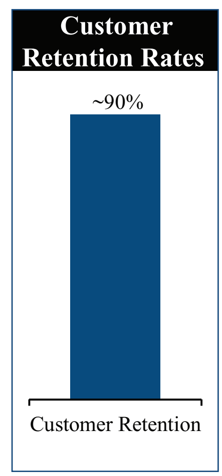
Approximately 90% of Shred-it's service revenue is generated from customers that have a fixed service schedule governed by a customer service agreement. The remaining 10% of the Company's service revenue is generated from customers that have unscheduled services, such as an office cleanout or office relocation. Pricing for scheduled services is set out in a customer service agreement and is typically based on a per container rate, subject to a minimum charge for each service, and is not dependent on the amount of paper collected. Unscheduled services are typically priced at a premium due to their one time nature. Service agreements for small customers vary but a majority are three to five years in duration and typically include automatic renewal clauses, early termination fees and an ability to implement annual price increases and fuel surcharges. Variation in the terms of Shred-it's service agreements may exist due to factors such as when the agreement was originally signed, the form of agreement used and the country in which the customer is located.

Given the low relative cost and mission-critical service provided, Shred-it's secure information destruction service provides a strong value proposition for customers. For example, according to a 2014 study by the Ponemon Institute, a data breach at a U.S. business could result in near-term costs of approximately $5.9 million. Management believes the costs associated with a data breach enhance Shred-it's value proposition. Furthermore, as described in the graph below, management estimates that the annual cost of secure information destruction services for an average customer may be as low as approximately one-third of what a customer may spend annually on water, coffee and break room snacks.

Shred-it's leading market position, strong value proposition to customers and the diversified and recurring nature of its customer base have resulted in customer retention rates of approximately 90%. See "Shred-it's Operations — Customers".







Notes:

(1) Average annual service revenue per Shred-it recurring service location globally.

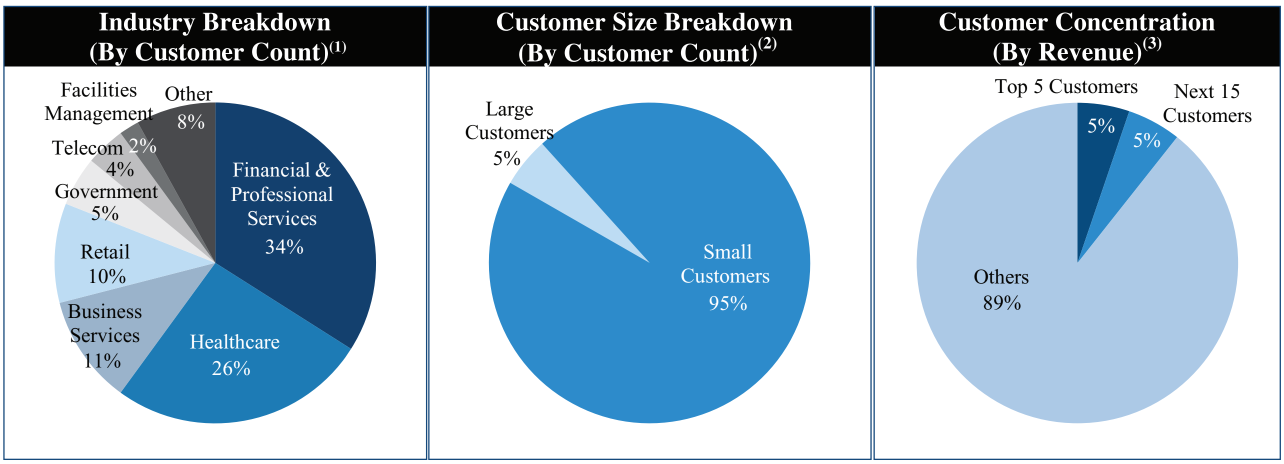
(2) Estimated spend is for illustrative purposes only and indicates what a potential SMB customer might spend on water, coffee and break room snacks annually. Information was obtained through informational surveys of certain Birch Hill Group portfolio companies and is not intended to be representative of the actual average annual spend on water, coffee and break room snacks of shredding customers.

(3) Cost represents total average organizational cost of a data breach in the U.S. based on information fom Ponemon Institute's 2014 Cost of Data Breach Study: Global Analysis; average cost per customer record breached was $201 multiplied by an average breach size of 29,087 customer records.

(4) Combined Shred-it/Cintas basis for the 12 months ended March 29, 2015.

Diversified Customer Base Composed Mainly of Higher Margin SMBs

Shred-it has a highly diverse customer base comprised of over 400,000 recurring customer locations in 18 countries. Shred-it's top 200 customers are diversified across a variety of sectors, including financial and professional services, healthcare, business services, retail, government and telecom. Shred-it's top 20 customers represented 10.7% of its revenues for Fiscal 2014 and small customers, which Shred-it considers to be customers with fewer than 20 containers under contract, represented approximately 95% of Shred-it's customer count as of March 29, 2015.



Notes:

(1) Based on top 200 customers for Fiscal 2014 on a combined Shred-it/Cintas basis.

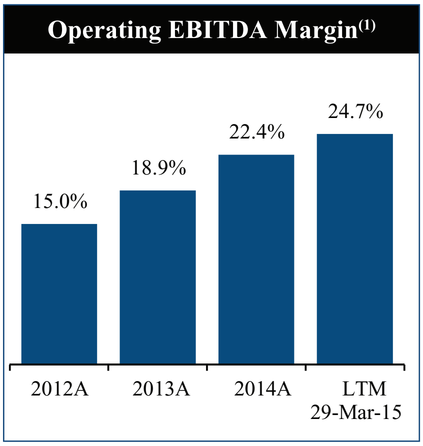
(2) "Large Customers" refer to recurring or scheduled customers with 20 or more containers under contract in the aggregate, while "Small Customers" refer to recurring or scheduled customers with less than 20 containers under contract in the aggregate. Percentage breakdown is based on customer count as of March 29, 2015. Percentage breakdown based on recurring customer locations is 50% for Small Customers and 50% for Large Customers, due to Large Customers having a greater number of locations.

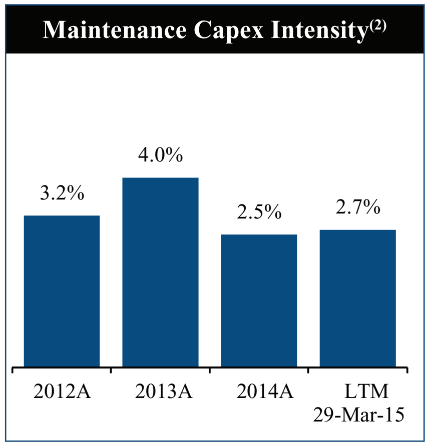
(3) Customer segmentation for Fiscal 2014 on a combined Shred-it/Cintas basis. Percentages do not add to 100% due to rounding.

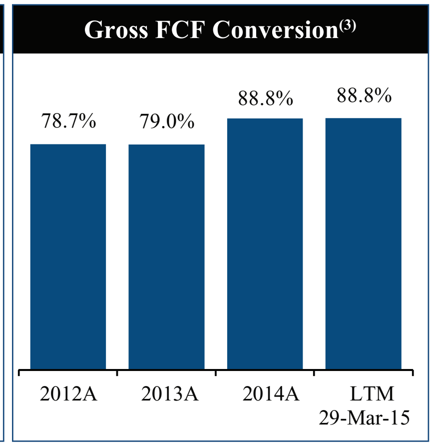
Proven Financial Performance and Compelling Operating Leverage

Strong and Increasing Margins with High Free Cash Flow Generation

Shred-it's Operating EBITDA Margins were approximately 20% in the 12 month period prior to the Merger. Through the realization of significant cost synergies in connection with the Merger, Shred-it's Operating EBITDA Margins have been increasing. Furthermore, Shred-it's maintenance capital expenditures are low, representing approximately 3% to 4% of revenue over the last three years, and consist primarily of truck upgrades and replacements. As a result, Shred-it is able to generate significant free cash flow annually which can be deployed to support Shred-it's growth strategy. See "Non-IFRS Measures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors", and "Forward-Looking Statements".







Notes:

(1) LTM Operating EBITDA Margin includes adjustments for full-year contribution from the Merger and acquisitions completed and annualized run-rate of synergies achieved during the year, while 2012A-2014A have not been adjusted for those items. LTM Operating EBITDA Margin has been calculated on the basis of Pro Forma Revenue.

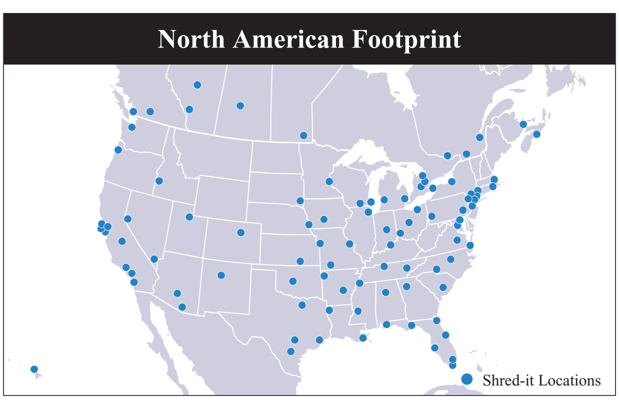
(2) Maintenance Capex Intensity is defined as maintenance capital expenditures divided by revenue.

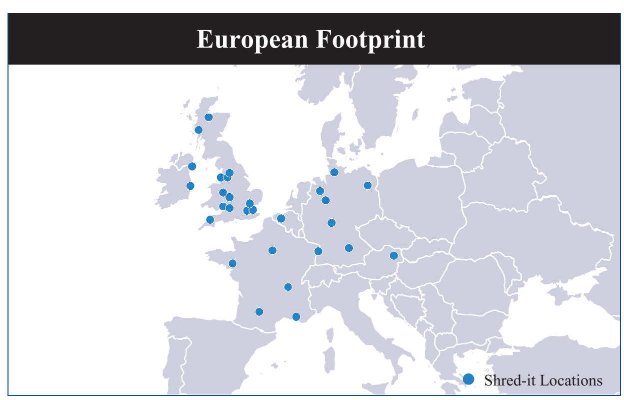
(3) Gross FCF Conversion for the twelve month period ended March 29, 2015 is based on Operating EBITDA prior to full year adjustments for acquisitions and synergies.

Ability to Drive Margin Expansion with Continued Revenue Growth

Since the Merger, which effectively doubled the size of its business, Shred-it has achieved significant scale advantages in North America through: (i) increased route density, which is expected to continue to lead to further operating efficiencies and higher truck utilization; and (ii) leveraging existing infrastructure and overhead, including a plant-based destruction network with significant excess capacity. Through these scale advantages and other realized synergies from the Merger to date, Shred-it's Operating EBITDA Margins have increased from 17.2% in the first quarter of Fiscal 2014 to 24.7% in the twelve month period ended March 29, 2015.[6]

Through increased route density and routing automation, overall fleet efficiency will continue to increase, resulting in stable operating costs and lower maintenance expenditures by allowing older trucks to be retired without having to be replaced. Following the implementation of systems, applications and products ("**SAP**") software and ARP software in 2011 and 2012, Shred-it increased on-site fleet efficiency by approximately 15%. Management believes that the Merger, coupled with recent and future acquisitions, will allow Shred-it to continue to increase truck utilization and thereby improve Operating EBITDA Margins.

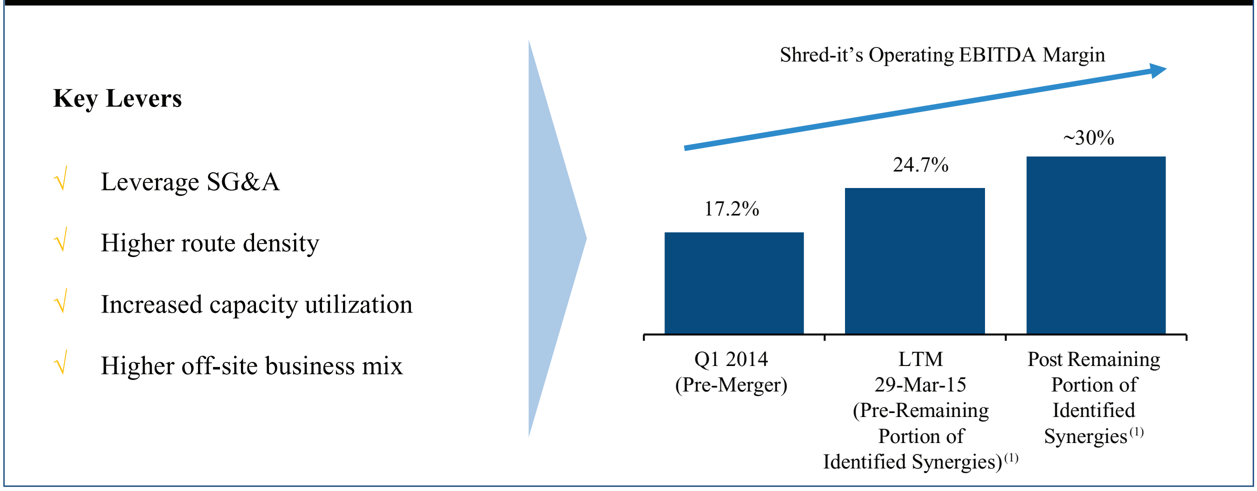




(6) Includes acquisitions completed on a combined Shred-it/Cintas basis. See "Summary Financial Information".

Management estimates that its plant-based destruction network in North America and in the United Kingdom is approximately 30% utilized, on average, providing for significant excess capacity to accommodate the growth of Shred-it's off-site service offerings without the need for any significant incremental plant related capital expenditures. See "Risk Factors" and "Forward-Looking Statements".

Compelling Operating Leverage Driving Margin Expansion



Note:

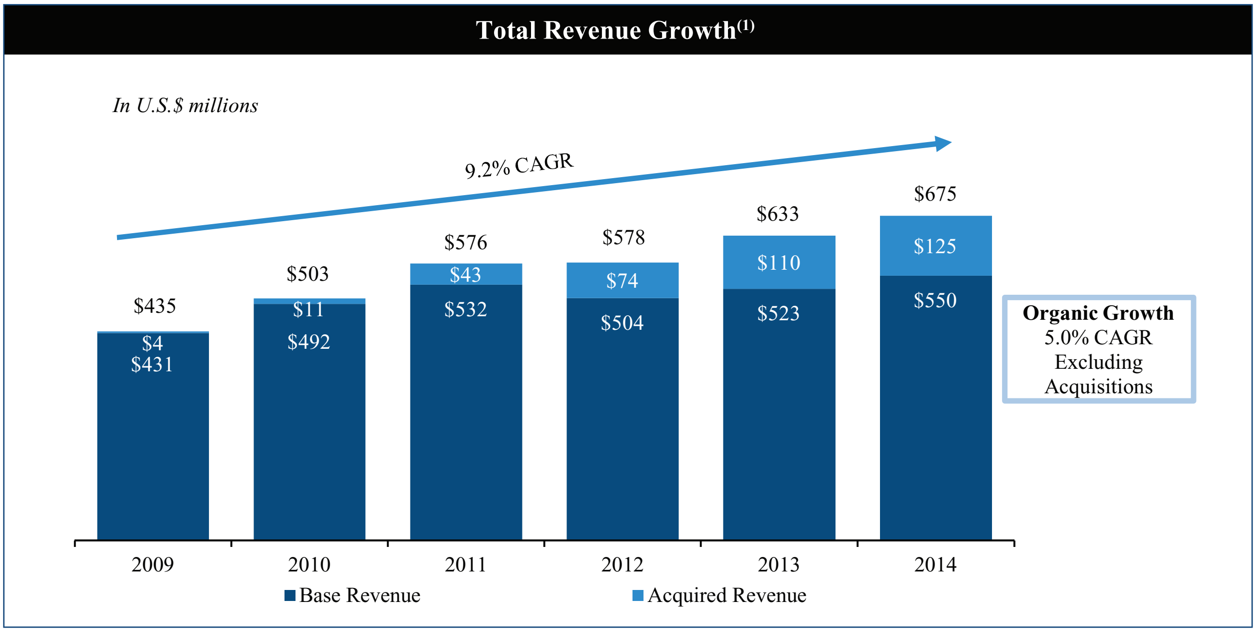
(1) Remaining Portion of Identified Synergies refers to $52.2 million of unrealized synergies as at March 29, 2015, which are expected to be realized by the end of 2016. See "Summary Financial Information" and "The Business of Shred-it — Merger with Cintas' Document Destruction Business".

Significant Growth Opportunities

Management believes that over the next five to seven years, an opportunity exists to grow Shred-it's total annual revenue to between $1.0 and $1.25 billion (approximately 6% to 12% per year), while generating implied Operating EBITDA Margins of approximately 30% after the realization of identified synergies. Management believes that its targeted revenue growth may be achieved through: (i) organic revenue growth of 4% to 7% per annum, consistent with past performance through the continued conversion of the unvended market, growth from existing customers and growth of adjacent service offerings; (ii) acquisition growth from market consolidation targeting $20 million to $40 million in average annual revenue acquired (approximately 2% to 5% of LTM Pro Forma Revenue), consistent with past performance; and (iii) increased customer penetration in existing International Markets and entry into new markets. Management believes that the Company's high annual free cash flow and access to external capital will be sufficient to execute on its organic and acquisition growth strategy. See "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors" and "Forward-Looking Statements".

Multi-Faceted Organic Growth Strategy

Shred-it has a successful history of growth, both organically and through acquisitions. From 2009 to 2014, Shred-it achieved a (on a combined Shred-it/Cintas basis) total revenue and organic revenue CAGR of 9.2% and 5.0%, respectively.



Note:

(1) The organic growth and revenue figures above are presented on a combined Shred-it/Cintas basis for each period; converted to U.S. dollars and based on actual exchange rates in effect at the relevant time.

Management believes that once the Merger integration is complete, revenue growth may be higher than historic rates for the following reasons:

- favourable competitive dynamics given the Merger, Iron Mountain's sale of substantially all of its international shredding operations outside of North America and Latin America to Shred-it and Iron Mountain's proposed acquisition of Recall;
- enhanced sales force (which management believes is the largest in the industry) and sales strategy, including the ability to offer both on-site and off-site services, following the Merger; and
- more sophisticated lead generation with the ability to identify customer prospects, within both existing customers (i.e. with unserved locations) and the unvended market.

Shred-it believes it will continue to achieve strong organic growth by continuing to win new customers, primarily through conversion of the unvended market, volume and pricing growth from existing customers and through growth in adjacencies such as electronic data destruction.

Growth from New Customers — Growth from new customers is expected from: (i) conversion of the unvended market; and (ii) attracting customers from competitors.

(i) According to the Independent Market Analysis, approximately 62% of the North American Market is unvended, primarily within the SMB segment, meaning customers are either not securely destroying sensitive or confidential documents (because they are throwing away or recycling documents without shredding) or are destroying documents in-house. Management believes that International Markets are also highly unvended, particularly given the less developed state of the secure information destruction market and privacy regulations in certain International Markets. With a large and highly trained sales organization globally, together with a recognized brand and differentiated service offerings, management believes Shred-it is uniquely positioned to attract new business from the large unvended market. The Company has seen strong evidence of increased penetration into the unvended market with approximately seven out of ten new customers coming from this segment of the Global Market.

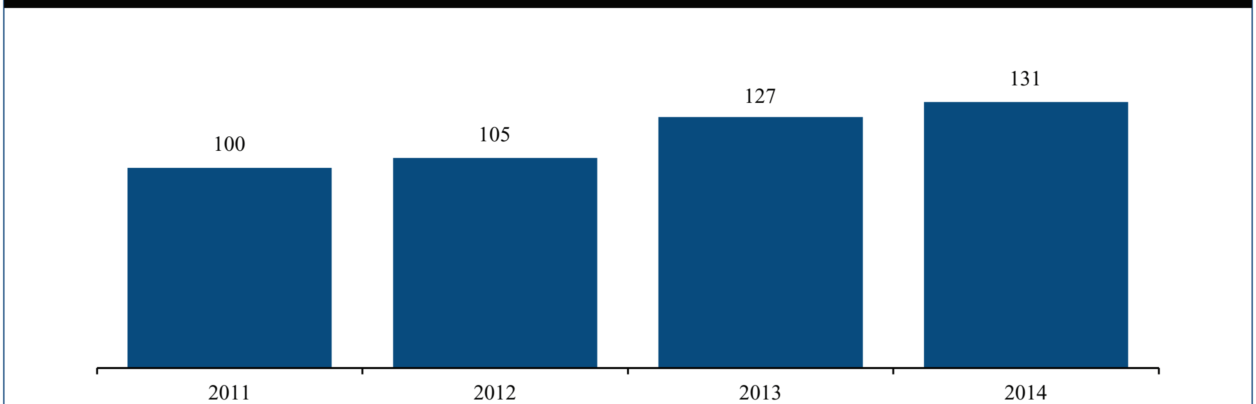
(ii) Shred-it expects to leverage its leading market position, highly recognized brand and differentiated service offerings to attract customers from its competitors. Shred-it is the only global company dedicated solely to secure information destruction and is well-positioned to compete for larger customers, primarily with Iron Mountain, and for SMB customers, primarily with local or regional market participants.

Growth from Existing Customers — Growth from existing customers is expected from: (i) cross-selling to currently unserved in-market locations of those customers; (ii) increasing the capture of paper at existing customers locations (including through promotion and adoption of "shred-all" policies); and (iii) annual price increases and other surcharges.

(i) Management estimates that in addition to its more than 400,000 recurring customer locations, there are approximately 240,000 additional in-market service locations of existing customers that it does not currently service. For example, a Shred-it customer may have four locations, of which Shred-it currently services only three. Where it is efficient to do so, Shred-it will seek out new business from these unserved locations of existing multi-location customers.

(ii) Over the last four years, the amount of paper collected per Shred-it customer location has increased. Furthermore, Shred-it has the opportunity to educate its customers about the benefits of adopting a "shred-all" policy and benefit from higher paper capture rates. Management believes that with the existing legislation and general security and privacy concerns faced by customers in North America and the growing general security and privacy concerns in certain International Markets, customers will be more inclined to implement internal security and privacy protocols, including "shred-all" policies.

Shred-it North America – Paper Collected per Customer Location (Index Chart)(1)



Note:

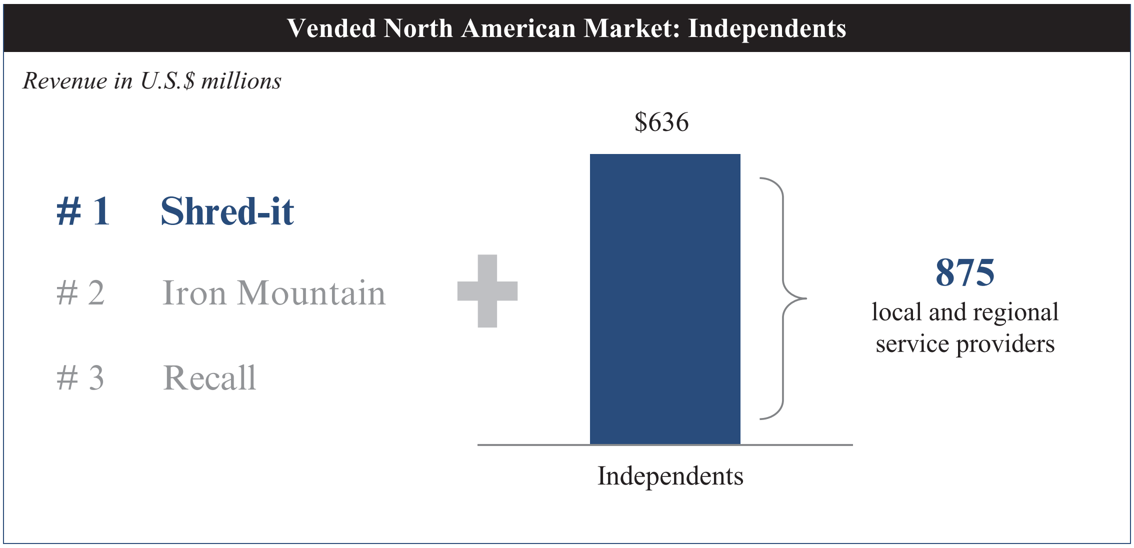
(1) Based on actual tons collected and divided by aggregate service locations for recurring and unscheduled customers. 2011 and 2012 data do not include legacy Cintas results.

(iii) Shred-it's service agreements vary, but a majority permit annual price increases and other surcharges, providing the Company with the contractual ability to increase revenue from a majority of its existing customers to offset increases in operating expenses or for other business needs.

Adding Adjacencies — Shred-it is well-positioned to pursue numerous cross-selling opportunities of additional services (which Shred-it refers to as "adjacent services" or "adjacencies"), including destruction of physical storage media for electronic data such as computer hard drives, backup tapes, portable hard drives, compact discs and memory cards. The recurring nature of Shred-it's services and its regularly scheduled visits with customers enable Shred-it to interact with customers and evaluate their information security needs.

Attractive Platform for Market Consolidation

The secure information destruction industry is highly fragmented, with numerous regional and local competitors. Management believes that as the industry continues to develop, Shred-it will benefit from scale, technological capabilities, route density and its existing investments in plant-based infrastructure. As a market leader with proven integration capabilities and access to capital, Shred-it believes it is the acquiror of choice for many potential acquisition targets, which are expected to be accretive to the Company. Beyond the numerous small and regional tuck-in acquisition targets, management believes there may also be opportunities for larger scale acquisitions. For instance, Shred-it acquired Iron Mountain's shredding business in the United Kingdom, Ireland and Australia in December 2014 (which consisted of substantially all of Iron Mountain's shredding operations outside of North America and Latin America). In North America alone, management estimates that there are over 875 independent providers of secure information destruction services.

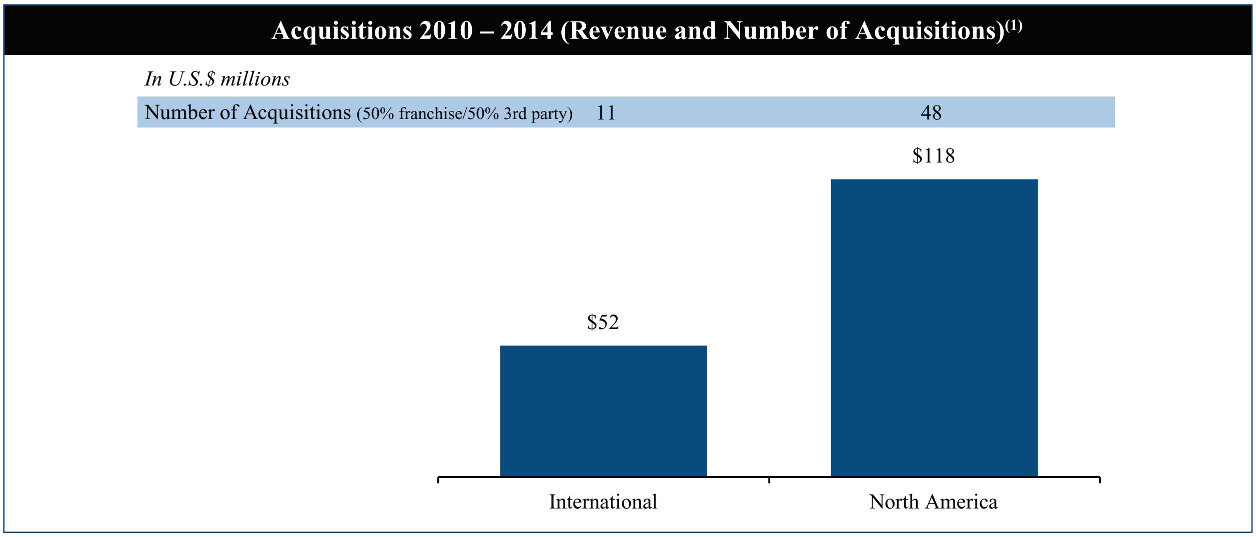


Source: Independent Market Analysis.

The Company has a dedicated team focused on evaluating potential acquisitions, which has identified several hundred prospects globally, ranging from small, local players to larger competitors. Potential acquisition prospects consist of companies operating in markets in which Shred-it currently operates or in new international markets. Potential acquisition prospects are identified in a number of ways, including by canvassing local management within each market, attendance at industry conferences and through contacts in the industry.

Given Shred-it's extensive footprint in North America, the acquisition prospects identified are primarily "in-market" opportunities with the potential to realize synergies consistent with previous "in-market" acquisitions and those currently being realized from the Merger. Management believes that Shred-it's ability to realize synergies from "in-market" acquisition opportunities provides an advantage in competitive situations for acquisition targets. See "Non-IFRS Measures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Risk Factors" and "Forward-Looking Statements".

Shred-it's management team has a proven track record of acquiring and integrating businesses in the secure information destruction industry, with a total of 59 acquisitions completed by Shred-it and Cintas combined between 2010 and 2014, including 48 in North America and 11 internationally. Some of these were "in-market" acquisitions in existing markets, which provided operating efficiencies (such as enhanced route density) by leveraging Shred-it's existing infrastructure and cost base and driving increased revenues from the sale of shredded paper. Other acquisitions enabled Shred-it to expand into certain markets where there was a significant growth opportunity in secure information destruction, such as South Africa, Singapore and Australia.

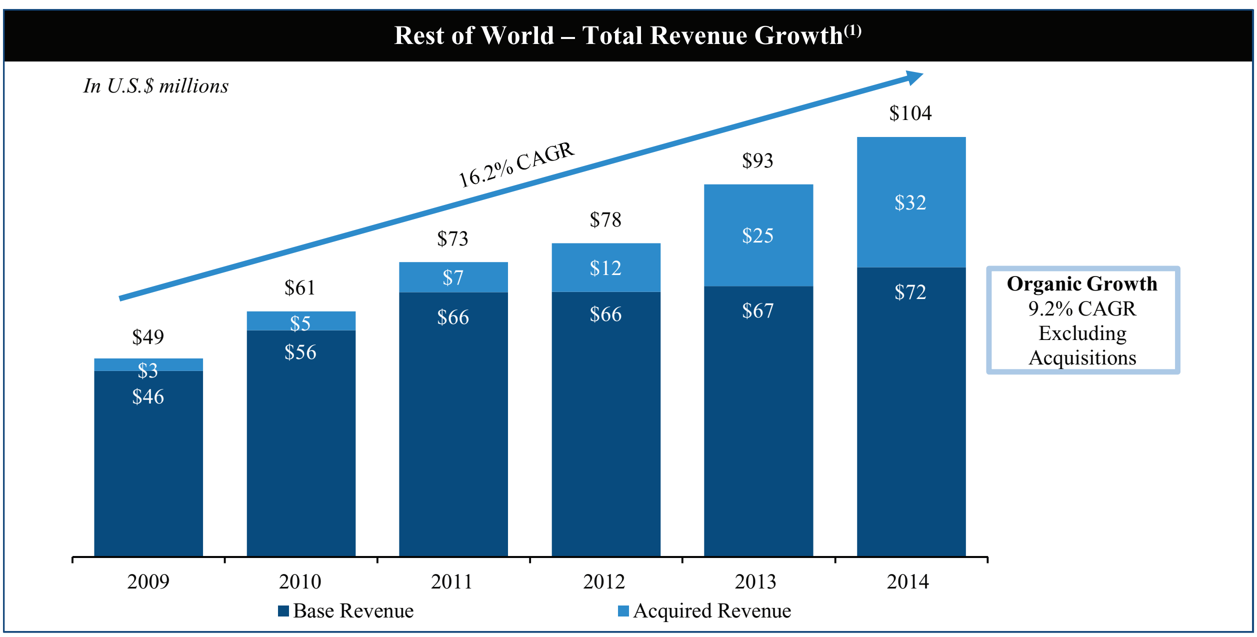


Note:

(1) Combined Shred-it/Cintas basis; U.S.$ based on average 2014 exchange rates.

International Markets Present a Compelling Growth Opportunity

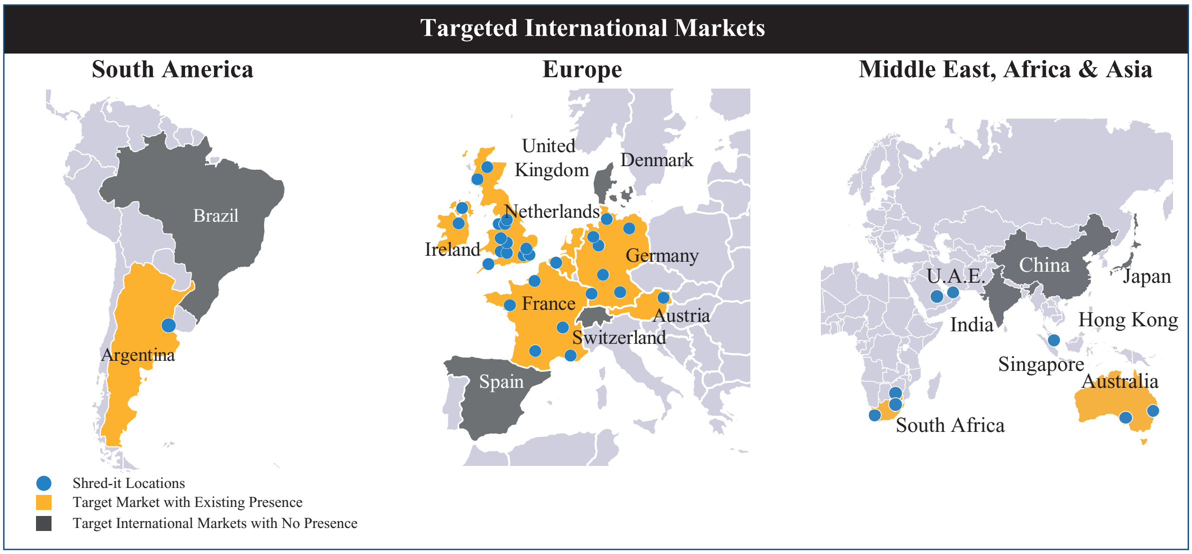
During the past five years, Shred-it's revenue from International Markets has grown at a CAGR of 16.2%. Growth potential in International Markets is driven by a significant unvended market and growing information security and privacy concerns, as well as acquisitions.



Note:

(1) The organic growth and revenue figures above are presented on a combined Shred-it/Cintas basis for each period; converted to U.S. dollars and based on actual exchange rates in effect at the relevant time.

According to the Independent Market Analysis, the size of the International Markets for secure document destruction is approximately $9.5 billion. Shred-it operates in several of these markets today, and management believes there is significant growth potential in the International Markets through increased customer penetration in existing markets and through entry into new markets. Expansion within new markets can be achieved in a variety of ways, primarily through acquisitions or greenfield investments, but also through joint ventures. New market expansion will initially focus on markets in western Europe close to Shred-it's existing markets (and where management believes information security regulation is robust), and will then focus on larger economies where Shred-it believes there will be potential for significant growth as regulation and security and privacy concerns become more prominent. See "Risk Factors" and "Forward-Looking Statements".



Experienced and Results-Driven Management Team

Shred-it is led by an experienced management team with significant experience operating in the business to business SMB-focused market. With both public and private company experience, management is responsible for creating and executing a clear vision and achieving industry leading operational and financial performance. In recent years Shred-it's management team has: (i) built a strong track record of managing profitable growth; (ii) expanded the business through both organic and acquisition growth; (iii) expanded the business internationally; and (iv) implemented best-in class systems to help drive operational performance with SAP and ARP systems.

The executive team is led by Vincent R. De Palma, President and CEO of Shred-it, who has served in his role since 2009. Previously, Mr. De Palma was the President of Pitney Bowes Management Services from 2005 to 2009 and prior to that was the President of Benefits Services at Automatic Data Processing, Inc. Mr. De Palma has over 26 years of industry experience. Jim Rudyk, Executive Vice President and Chief Financial Officer of Shred-it, has been with the Company since 2009. Prior to Shred-it, Mr. Rudyk was the Chief Financial Officer and Chief Operating Officer of Canada Cartage for six years. Mr. Rudyk has over 12 years of industry experience. Karen Carnahan serves as the Chief Operating Officer of the Company. Ms. Carnahan was previously President and Chief Operating Officer of the Cintas Document Management Division and former Treasurer of Cintas. Ms. Carnahan has over 30 years of industry experience.

MERGER WITH CINTAS' DOCUMENT DESTRUCTION BUSINESS

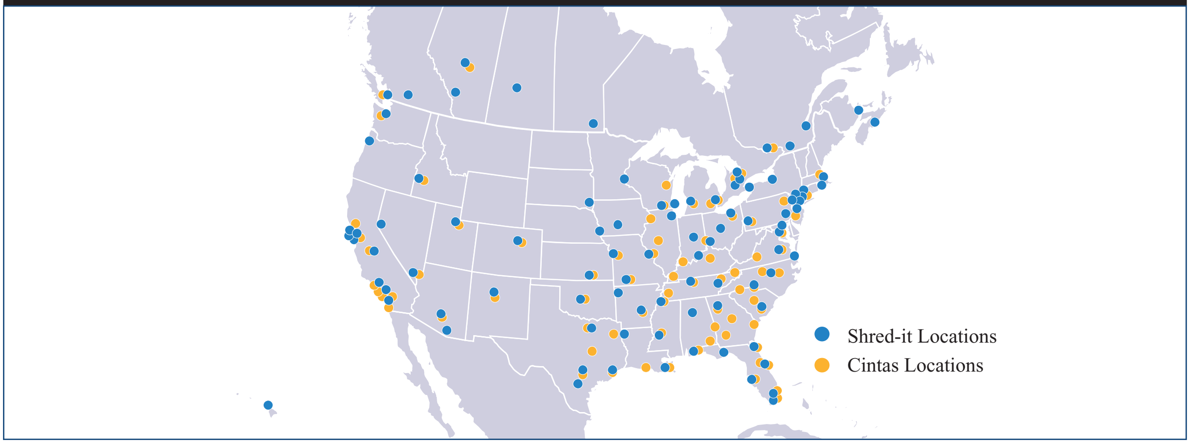
Cintas Overview

In April 2014, Shred-it merged with Cintas' shredding business, which was a leader in the secure information destruction industry. Cintas first entered the secure information destruction business in 2002 when it made its first acquisition. Cintas grew considerably both organically and through acquisitions in North America and in Europe. At the time of the Merger, Cintas was a leading participant in the secure information destruction industry.

Rationale for the Merger

The Merger solidified Shred-it's position as a global leader in the secure information destruction industry by combining the two largest market participants in North America. At the time of the Merger, management highlighted several key benefits to the Merger, which are in the process of being realized or executed upon, including: (i) reductions in selling, general & administrative expenses, including reductions in rent from consolidating locations; (ii) optimizing truck utilization through increased route density and ARP; (iii) increased plant utilization as a result of more services being completed off-site, leveraging excess plant capacity; and (iv) the combined scale and shared best practices from both businesses, including sales strategy.

Pre-Merger North American Footprint(1)



Note:

(1) Location footprint at the time of the Merger, excluding European operations.

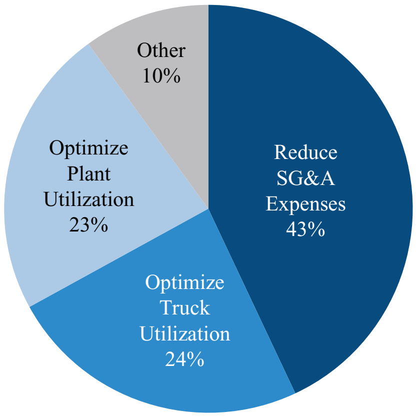
Integration Plan

Management developed and is implementing a detailed integration plan to ensure several key objectives are met, including, maintaining the strength of the core business, ensuring the smooth cultural integration of the two legacy companies, adopting the best practices and processes from both businesses and maximizing and realizing the expected benefits and synergies.

Shred-it established a Merger integration team consisting of approximately 45 dedicated employees, from both Shred-it and Cintas organized in 17 work streams. The integration team is comprised of several dedicated teams, including: branch integration and plant optimization (six dedicated team members); SAP conversion (26 dedicated team members) and truck optimization and ARP implementation (eight dedicated team members). Each work stream is responsible for key integration activities and reports regularly to the integration management office of Shred-it, which in turn, reports to Shred-it's executive team. The execution of the Merger integration plan was developed and is being executed on a market-by-market approach similar to, and based on, the experience of Shred-it's management team from previous successful acquisitions.

Overview of Expected Synergies

Run-Rate Synergy Breakdown ($73 million)



Synergies Description

- **Reduce SG&A Expenses**
  - Eliminate overlapping locations
  - Labour efficiencies
  - Corporate savings
- **Optimize Truck Utilization**
  - Increase route density
  - Implement automated route planning
- **Optimize Plant Utilization**
  - Leverage excess plant capacity
  - Lower annual truck operating costs
- **Other**
  - Leverage combined scale
  - Share best practices

Management estimates annual synergies of approximately $73 million as a result of the Merger, of which 29% have been achieved as at March 29, 2015 on a run-rate basis. These synergies are currently being realized in the following areas:

- Reduce Selling, General & Administrative Expenses: Integrate the respective operations of Shred-it and Cintas within each of the 58 overlapping markets to: (i) reduce property and administrative expenses; and (ii) realize labour efficiencies from having larger-sized branches and by using SAP to centralize and automate certain functions.
- Optimize Truck Utilization: Capitalize on the ability to combine the overlapping routes of the two largest market participants to increase route density and utilize Shred-it's ARP systems to significantly increase truck utilization. Higher truck utilization results in fewer trucks required to service Shred-it's current customer base and may also facilitate growth in the number of new customer locations utilizing Shred-it's current truck fleet.
- Optimize Plant Utilization: Leverage the capacity of the Company's plant-based destruction systems by shifting services from on-site to off-site to service customers more efficiently while benefiting from the lower annual operating costs of an off-site truck.
- Other: Leverage the scale and best practices from both legacy businesses across several areas, including corporate insurance savings, an increase in the amount of baled paper, which results in higher contractual rates for recycled paper, applying a uniform fuel surcharge program to pass through increases in fuel costs to the customer and reducing the use of subcontractors.

Background to Estimated Synergies

At the time of the Merger, management had estimated total annual synergies of $53.0 million. This estimate was based on a cost-savings model using operational data from Shred-it and Cintas. In developing the cost-savings model, management examined overlapping branch locations, compared staffing ratios, truck counts, lease terms, and other areas particular to each location, and developed the target operating structure for each branch or district of the combined company using certain operating, staffing and span of control metrics.

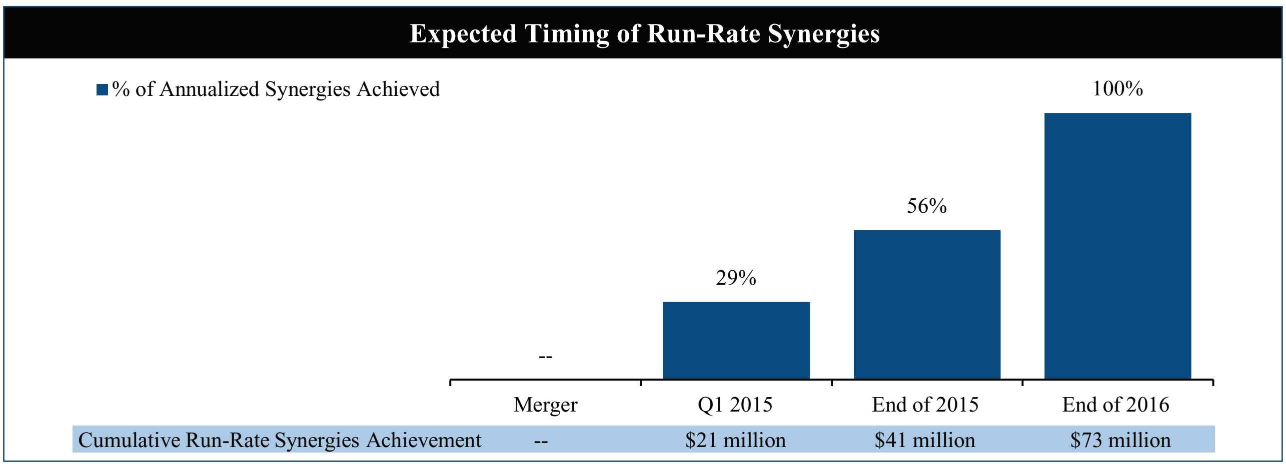
Following the Merger, management updated the Merger integration plan and increased its synergy estimate to approximately $73 million as at December 31, 2014, representing an increase of $20.0 million (or approximately 39%). This increase is attributable primarily to: (i) additional annual Cintas synergies identified totaling $15.6 million; and (ii) approximately $4.4 million of synergies attributable to integrating eight acquisitions completed since the Merger up to March 29, 2015.

Under Shred-it's Existing Credit Facility, the definition of EBITDA for purposes of reporting its financial covenants includes a credit for annualized pro forma cost synergies of \$64.6 million, net of realized amounts[7]. Shred-it, on behalf of its principal lenders, engaged a national accounting and consulting firm to prepare a quarterly report (the "**Synergy Report**") outlining the following: (i) a current estimate of the total synergies available; (ii) the annualized synergies captured to date; and (iii) an estimate of the synergies realized and reflected in Shred-it's financial statements for its most recent quarter and period from the date of the Merger.

Timing of Expected Synergies

The Synergy Report confirmed that, as at March 29, 2015, approximately \$20.8 million of annualized run-rate synergies were achieved. This represents a realization rate of 29%, resulting in a further \$52.2 million of annualized run-rate synergies remaining to be captured. Management expects to achieve the full annualized run-rate synergies of approximately \$73 million by the end of 2016.

Shred-it is in the process of converting the operations of Cintas and other recently acquired businesses to Shred-it's SAP system, a key integration activity required to achieve the expected synergies. As of June 15, 2015, the majority of the Cintas customers and most of the recent acquisition customers were converted to Shred-it's SAP system, with completion expected by September 30, 2015. Following the conversion to the SAP system, each location or district implements a route rebalance utilizing Shred-it's ARP software which is expected to increase truck utilization within the next three to four months after implementation. Shred-it's route rebalance or ARP team has begun the process of implementing a route rebalance on a market by market basis.



Management estimates it will incur further integration-related costs of approximately \$40 million over the next 5 to 6 quarters, the majority of which will be classified as an expense and the balance as capital expenditures.

Integration Case Study: Toronto and Surrounding Region

The integration of Shred-it and Cintas is being executed on a market-by-market basis, with Toronto and its surrounding region amongst the first markets to undergo integration.

(7) It is anticipated that under the New Credit Facility to be entered into at the time of Closing, the definition of EBITDA for purposes of reporting Shred-it's financial covenants will also provide a credit for annualized pro forma cost synergies of \$64.6 million, net of realized amounts.

North America: Integration Schedule						
	Reduce S&GA Expenses				Optimize Truck Utilization	Optimize Plant Utilization
	Initial Integration	Employee Plans Harmonization	Real Estate Consolidation	Systems Conversion	Route Reblance	On-site to Off-site Conversion
Toronto and Surrounding Region	Complete	Complete	Complete	Complete	Complete	In process
Canada Wave (6 markets)[(1)]	Complete	Complete	Complete	Complete	In process	In process
U.S. Wave 1 (7 markets)	Complete	Complete	Complete	Complete	In process	Q3 2015
U.S. Wave 2 (8 markets)	Complete	Complete	Complete	Complete	In process	Q3 2015
U.S. Wave 3 (14 markets)	Complete	Complete	Complete	Complete	Q3 2015	Q4 2015
U.S. Wave 4 (11 markets)	Complete	Complete	In process	Complete	Q3 2015	Q4 2015
U.S. Wave 5 (14 markets)	Complete	Complete	In process	In process	Q4 2015	Q1 2016
U.S. Wave 6 (11 markets)	Complete	Complete	In process	In process	Q4 2015	Q2 2016
U.S. Wave 7 (13 markets)	Complete	In process	In process	In process	Q1 2016	Q3 2016
U.S. Wave 8 (12 markets)	Complete	In process	In process	In process	Q2 2016	Q4 2016

Complete	Activities are substantially complete
In process	Activities are in the process of being executed

Note:

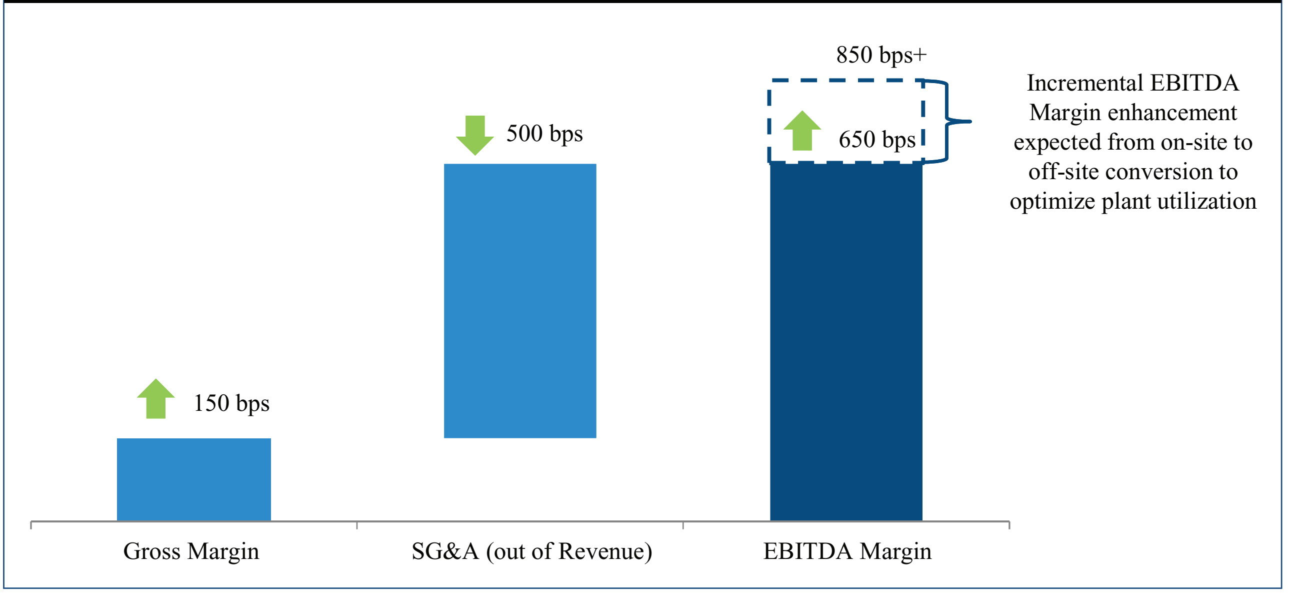
(1) Includes Toronto and surrounding region.

As of June 2015, the integration team had successfully completed five of the six core phases of the integration plan in Toronto and its surrounding region. Key achievements include integration of sales function and operations under one general manager, consolidation of real estate from six locations to four and completing a route rebalance that led to the decommissioning of four trucks. The integration team continues to optimize plant utilization having increased the proportion of off-site service from 21% in Q4 2014 to 39% in April 2015.

Toronto and Surrounding Region - Integration Status			
	Phase	**Activities Completed**	**Status**
Reduce SG&A Expenses	*Initial Integration*	– One general manager and integrated sales function – Realized labour efficiencies from smaller footprint and increased scale at each remaining location – Rebranding of trucks, containers, and uniforms	**Complete** *(May '14 – Aug. '14)*
	Employee Plans Harmonization	– Compensation and benefits harmonization – Payroll conversion	**Complete** *(Dec. '14 – Jan. '15)*
	Real Estate Consolidation	– Consolidated real estate from six locations to four	**Complete** *(Sep. '14)*
	Systems Conversion	– Legacy Cintas system converted to Shred-it SAP – Handhelds deployed for legacy Cintas CSRs	**Complete** *(Sep. '14 – Nov. '14)*
Optimize Truck Utilization	*Route Rebalance*	– Completed the route rebalance between January and April 2015, resulting in the decommissioning of four trucks, generating lower operating costs and additional capacity for growth	**Complete** *(Jan. '15 – Apr. '15)*
Optimize Plant Utilization	*On-site to Off-site Conversion*	– Increased off-site service from 21% in Q4 2014 to 39% in April 2015, resulting in higher utilization of plant-based destruction systems and conversion of several on-site trucks to off-site trucks with lower operating expenses	**In Process** *(Started Apr. '15)*

As a result of the integration plan, Toronto and its surrounding regions has achieved an approximate 650 basis points ("**bps**") improvement in branch-level EBITDA Margins and expects to achieve additional margin improvement once all phases of the integration are completed, bringing the total expected improvement to over 850 bps.

Toronto and Surrounding Region: Margin Improvement (April 2015 vs. Pre-Merger)(1)



Note:

(1) Based on combined Shred-it/Cintas margins prior to the Merger for Toronto compared to margins for the month of April 2015.

SHRED-IT'S OPERATIONS

History

Shred-it was founded in 1988 by Greg Brophy, and is credited with founding the secure information destruction industry. Shred-it's history closely aligns with the industry's development over the past 27 years.

1988	• Shred-it founded by Greg Brophy in Toronto, Ontario.
1990	• Shred-it expanded its footprint across Canada.
1993	• Shred-it entered the U.S. market.
1998	• Shred-it began corporate operations in western Europe, including Belgium.
1999	• Shred-it began operations in the United Kingdom and Ireland.
2002	• Cintas entered the information destruction industry. • Shred-it entered the Dubai market through a joint venture arrangement.
2003	• Shred-it began operations in France and Germany.
2009	• Shred-it acquired by Birch Hill Equity Partners, along with certain Co-Investors. • Vincent R. De Palma appointed President and CEO, marking the start of building out the executive and senior leadership team.
2011	• Shred-it divested its U.S. records management business to focus solely on secure information destruction throughout the U.S. • Shred-it expanded into Belgium through a franchise acquisition.
2012	• SAP and ARP systems were fully implemented (for existing business) globally. • Shred-it acquired its franchises in South Africa and Singapore, further expanding into new markets. • Shred-it acquired the U.S. information destruction business of The Brink's Company.
2014	• Shred-it merged with the document destruction business of Cintas to create a newly formed company that operates under the name Shred-it, owned 58% by shareholders of Shred-it and 42% by Cintas(1). • Shred-it divested its Canadian records management business to focus solely on secure information destruction. • Shred-it acquired Iron Mountain's shredding business in the United Kingdom, Ireland and Australia.
2015	• Shred-it celebrated the one year anniversary of the merger with Cintas' document destruction business.

Note:

(1) Shred-it International GP Inc. (now Shred-it International Inc.) was incorporated to act as general partner of the limited partnership through which the Birch Hill Group holds its interest in Shred-it's business prior to Closing. See "Corporate Structure and IPO Transactions".

Business Services

Shred-it provides secure document, electronic data (e.g. computer hard drives, backup tapes, portable hard drives, compact discs and memory cards and other physical storage media for electronic data) and other destruction services to meet the needs of its more than 400,000 recurring customer locations by: (i) protecting their confidential information through secure destruction; (ii) helping preserve the environment by recycling their destroyed materials; (iii) performing these services in a cost-effective manner; and (iv) providing superior customer service, including being customers' trusted partner, and keeping their confidential information secure.

The following table provides a summary of Shred-it's recurring secure information destruction service model:

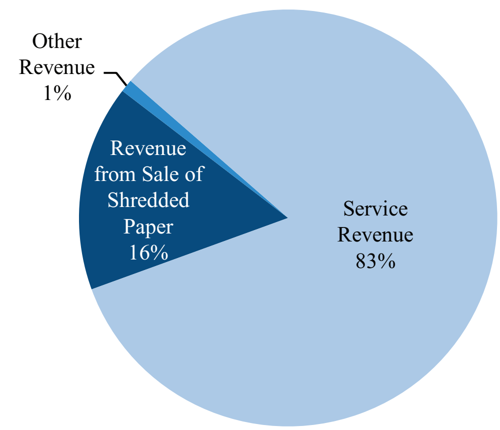
Summary of Shred-it's Recurring Service Model

Service			Recycling
Customer	**Collection**	**Secure Destruction**	**Recycling**
• Shred-it provides customers with secure, locked containers, which remain the property of Shred-it	• A uniformed, security trained personnel (CSR) visits each container, scans a barcode using a handheld device and collects the contents	• The documents are securely destroyed, typically at: (i) the customers' location in an on-site shredding truck (on-site) or (ii) transported and shred at a plant-based destruction system (off-site)	• Shred-it sells the shredded paper, primarily under contract, to brokers that in turn sell the paper to paper mills
• Customers place documents in the secure containers located throughout their premises in close proximity to employees	• Vast majority of collection is based on a recurring or fixed service schedule, typically every one, two, or four weeks	• The customer receives a certificate of destruction confirming that the contents of the containers have been securely destroyed	• The shredded paper is typically recycled into tissue paper (a staple product)

Shred-it's revenue is derived primarily from fees paid by customers for the collection and secure destruction of information (referred to as service revenue). Service revenue accounted for approximately 83% of Shred-it's Pro Forma Revenue for the 12 months ended March 29, 2015, with revenue from the sale of shredded paper accounting for approximately 16% of the remaining Pro Forma Revenue. See "Industry Overview — Key Industry Drivers — Recycled Paper Demand".

Approximately 90% of service revenue is generated from customers that have a fixed service schedule governed by a customer service agreement. The remaining 10% of Shred-it's service revenue is generated from unscheduled services, such as an office cleanout or office relocation. Pricing for scheduled services is set out in a customer service agreement and is typically based on a per container rate, subject to a minimum charge for each service, and is not dependent on the amount of paper collected. Unscheduled services are typically priced at a premium given their one-time nature. Service agreements vary but a majority are three to five years in duration and typically include automatic renewal clauses, early termination fees and an ability to implement annual price increases and fuel surcharges. Variation in the terms of Shred-it's service agreements may exist due to factors such as when the agreement was originally signed, the form of agreement used and the country in which the customer is located.

Revenue Breakdown by Source[1]



Note:

(1) Combined Shred-it/Cintas based on Pro Forma Revenue for the 12 months ended March 29, 2015.

Differentiated Service Offerings

There are several key elements to Shred-it's services which are critical and, in many cases, differentiate Shred-it from its competitors. These service elements include:

- *Trusted Partner* — Shred-it, through what it refers to as its "Helpful Expert" program, seeks to become its customers' trusted partner to keep their confidential information secure. For example, Shred-it provides existing and potential customers with a risk assessment survey which provides advice and recommendations regarding the protection of confidential information. Furthermore, Shred-it provides industry, regulatory and security updates to its customers through annual publications (approximately 130 in 2014), including newsletters, fact sheets, videos and research papers;

- *Certified and Trained Personnel* — each service is performed by a highly trained and certified CSR to ensure security of customers' confidential information;

- *Chain of Custody* — each service is completed with certain "scan points" using handheld technology to ensure chain of custody is maintained from the beginning of the service chain right through to destruction. Chain of custody for off-site service is enhanced by using special truck locks, GPS tracking and video surveillance;

- *Secure, Locked Containers* — Shred-it will recommend and tailor the number of containers, including size and location of each, required to ensure its customer's information destruction program is secure. These locked containers remain the property of Shred-it and are strategically placed throughout the customer's location;

- *Certificate of Destruction* — customers receive a certificate of destruction evidencing the secure destruction of their confidential documents;

- *Global Footprint and Consistent Standards* — Shred-it can offer customers its services on a multi-country basis in a consistent manner utilizing global standards and processes, which is an important factor for larger national and international customers;

- *Local Service* — Shred-it maintains a local presence with over 200 facilities worldwide. Customers are able to directly contact their local branch, enabling the Company to effectively meet the needs of its customers on a local basis;

- *Ability to Offer On-Site and Off-Site Services* — depending on the customers' preference or requirements, Shred-it has the ability to perform secure information destruction services either on-site at the customers location, or off-site by securely transporting the materials from a customer's location to a Shred-it plant-based facility for destruction. Approximately 60-70% of new customer locations added since the Merger are receiving off-site service services; and

- *Multiple Shred Sizes* — Shred-it can provide various shred sizes and primarily utilizes cross-cut shredding technology which destroys documents according to customer requested size specifications.

Geographic Footprint

Shred-it operates over 200 facilities worldwide in 18 countries which are broken down into two segments: North America (Canada and the U.S.) and ROW (the United Kingdom[8], Ireland, France, Germany, Belgium, South Africa, U.A.E., Singapore, Australia, Luxembourg, Austria, the Netherlands and Argentina).

Shred-it leases each of its locations typically pursuant to a long-term lease. Each location typically includes office space for the administrative and sales employees, parking for the trucks, meeting rooms for the CSRs and a storage area for container inventory. The type of equipment varies by location, resulting in four types of locations:

- *Plant* — plant-based destruction systems which include a large stationary shredder, baler and related equipment, including surveillance cameras. At these locations, off-site materials are securely processed by shredding and baling the paper, which is then loaded onto a trailer for transport to be recycled;

- *Baler* — these locations include paper balers and related equipment enabling the shredded material that is "dumped" by the on-site mobile trucks to be baled and loaded onto a trailer for transport to be recycled;

- *Transfer Processing Station* — similar to the baler location, with the added capability of securely receiving and consolidating off-site material for transportation to a plant location. Transfer processing stations are utilized in markets where current volumes do not justify a plant investment and are intended to reduce the time service trucks spend hauling materials to plants; and

- *Mobile* — typically a branch with truck parking, administrative offices and a small warehouse space for container inventory.

Each location is responsible for a service territory that can extend up to 200 kilometres, covering several markets and cities beyond the market in which the location is situated. In remote areas, Shred-it often has a "satellite" location, based on a short-term lease or rental arrangement with its truck maintenance vendors or recycling partners, where the trucks park and minimize the amount of driving time required to return to the facility.

(8) Includes England, Scotland, Wales and Northern Ireland.

Comparison of On-site and Off-site Service

Shred-it has the capability, scale and route density to offer either "on-site" or "off-site" information destruction services in the majority of North American markets and certain International Markets in which it operates. The following table provides a summary comparison of the on-site and off-site secure destruction service.

	On-site	Off-site
% Breakdown in North America[(1)]	60%	40%
Description	• Service is performed by an on-site shredding truck with documents shredded at the customers' location securely inside the truck	• Collection is done using a secure box truck equipped with special locks and GPS tracking • Shredding is completed using a higher volume shredder at a Shred-it's plant-based facility
Relative Pricing	• On-site service is typically priced at a modest premium to off-site service	
Relative Operating Costs	• Off-site service typically has lower direct costs relative to on-site service, due to the following: ○ Lower annual truck operating costs ○ Shredding is performed more efficiently using a higher volume shredder ○ Truck utilization, on average, can be higher as shredding is done at the plant allowing time for additional collections to be completed	
Relative Capital Requirements	• Shred-it's plant-based shredding network has been largely built and currently has significant excess capacity; as a result, off-site service has a lower marginal capital requirement relative to on-site service as the capital cost for a box truck used for off-site service has a lower capital cost than an on-site truck	

Note:

(1) Based on services performed for the 12 months ended March 29, 2015.

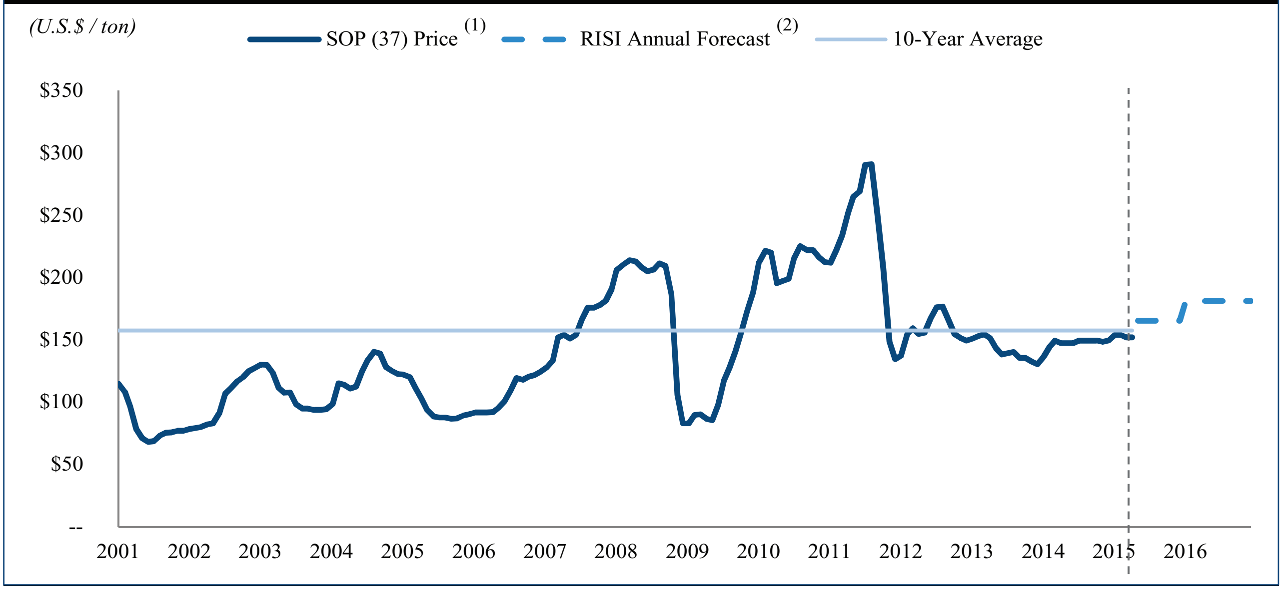
Sale of Shredded Materials

Shred-it primarily collects "Sorted Office Paper" ("**SOP**") from its customers. After SOP is securely destroyed, it is sold to various paper brokers, under contract, who then re-sell to paper mills who use the product as a pulp substitute to produce other paper products, primarily tissue papers (toilet paper, paper towels and napkins). Demand for SOP is strong due to the stable demand for tissue papers and the requirement for paper mills to include a certain percent of recycled content.

The price Shred-it receives for its paper is linked to a market price for SOP which is quoted monthly in U.S. dollars based on a short ton (2,000 pounds) in "baled" form, which means the shredded paper has been packaged into a cube wrapped with wire for transport. In North America, Shred-it currently bales approximately 85% of the paper collected which is then loaded onto a trailer which paper brokers are obligated to pick up. Due to its scale and significant presence as a vendor in the recycled paper market, Shred-it's contracts provide for a premium per ton over and above market price for certain of its paper depending upon the location. In markets where paper is not baled, it is "dumped" loose at a recycler often designated by the paper brokers.

SOP prices have been stable since 2012, and averaged $147 per ton and $152 per ton in 2014 and for the period from January to May 2015, respectively, which remain below the 10-year average of $158 per ton.

Recovered Paper Prices - Sorted Office Paper (SOP 37)



Source: RISI

Notes:

(1) Represents the average of the prices in five regions in North America (Northeast, North Central, Southeast, Southwest, West Coast).

(2) Represents the average of the prices in five regions in North America (Northeast, North Central, Southeast, Southwest, West Coast). RISI forecasts on an annual basis.

Pricing in the SOP market experienced volatility between 2005 to 2011 but has since stabilized. Based on industry forecasts, SOP prices are expected to continue to be relatively stable. In North America, recycled paper competes to a certain extent with pulp available from virgin fibre sources (market pulp) as mills retain certain flexibility on their ability to switch input sources between virgin pulp and recycled paper for the production of tissue products. Pricing for market pulp has historically been less volatile than pricing for SOP, but declined significantly during the recessionary period in 2009, which led to a decrease in the price of SOP as a competing input with market pulp.

In addition, approximately 23% of high-grade de-inked recycled paper recovered in North America is exported to certain International Markets, which do not have access to sufficient amounts of fibre to service their growing demand for fibre-based products, such as newsprint, paper and tissue papers, and who are therefore net importers of both virgin and recycled fibre. The significant spike in SOP prices in 2010 and 2011 was primarily due to a surge in demand from international paper producers, coupled with a modest recovery in the North American economy. International purchasers of recycled paper have since taken a more disciplined approach to importing recycled paper, which has led to more stable pricing in the SOP market over the last few years.

Overall, the outlook for SOP demand and pricing continues to be strong given the stable demand for its end products, such as tissue papers and continued consumer demand for products containing recycled content.

Shred-it generates approximately 16% of its Pro Forma Revenue from the sale of shredded paper. For the 12 months ended March 29, 2015, management estimates that a $10 per ton change in the market price for recycled paper would have had the following approximate impact:

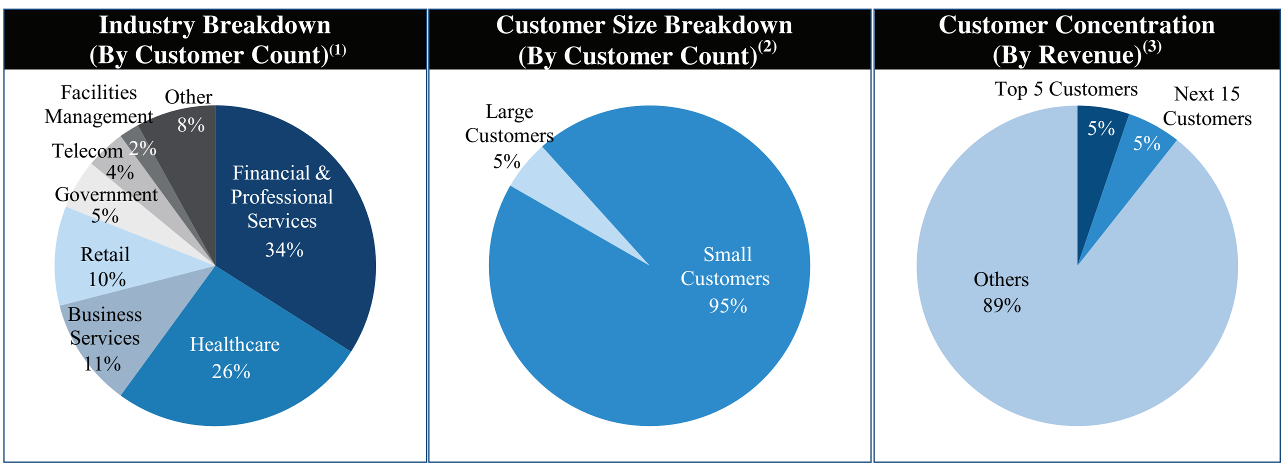
- 1.0% on Pro Forma Revenue; and
- 3.2% on Pro Forma Operating EBITDA.

While the market price for paper is expected to remain stable with a positive outlook, if the market price for recycled paper declines significantly and for a prolonged period of time, Shred-it may attempt to offset the price decline by adjusting the price for shredding services. For unscheduled services and new recurring customers, this change can be made at the time of entering into an agreement for services. For existing customers, service pricing can be adjusted through annual price increases where permitted in the service agreement and in connection with contract renewals. See "Risk Factors".

Customers

Shred-it has a diversified customer base in terms of geography, industry and size of customer. Shred-it services over 400,000 recurring customer locations under contract on a fixed service schedule, which is typically every four weeks. However, customers may also be served on a daily, weekly or bi-weekly basis. Shred-it also provides services to customers on an unscheduled basis, such as for an office cleanout or office relocation. To the extent not already a recurring customer, customers who have unscheduled destruction needs also represent potential recurring customers.

Shred-it has low customer concentration with approximately 10.7% of its Fiscal 2014 revenue derived from its top 20 customers. Small customers, which Shred-it considers to be customers with less than 20 containers under contract, represented approximately 95% of Shred-it's customer count as at March 29, 2015. Shred-it's top 200 customers are diversified across a variety of sectors, including financial and professional services, healthcare, business services, retail, government and telecom.



Notes:

(1) Based on top 200 customers for Fiscal 2014 on a combined Shred-it/Cintas basis.

(2) "Large Customers" refer to recurring or scheduled customers with 20 or more containers under contract in the aggregate, while "Small Customers" refer to recurring or scheduled customers with less than 20 containers under contract in the aggregate. Percentage breakdown is based on customer count as at March 29, 2015. Percentage breakdown based on recurring customer locations is 50% for Small Customers and 50% for Large Customers, due to Large Customers having a greater number of locations.

(3) Customer segmentation for Fiscal 2014 on a combined Shred-it/Cintas basis. Percentages do not add to 100% due to rounding.

The following table provides a summary and breakdown of Shred-it's customer base segmented between small and large customers:

	Small Customers	Large Customers
Total Containers:	Less than 20	20 or more
Typical Number of Locations:	1-5	> 5 locations
Customer types:	Typically SMBs	National, regional and group purchasing organizations
Shred-it's Current Mix Based on		
Recurring Customer Count:	95%	5%
Recurring Customer Locations:	50%	50%
Shred-it's Primary Customer Contact:	Office manager, administrator or owner	Chief Operations Officer, Chief Security Officer, procurement
Key Customer Requirements:	Secure service, local presence	Secure service, national/global footprint, consolidated billing, standard operating procedures
Contract Type:	Typically Shred-it's standard form service agreement	Either Shred-it's standard form or the customer's form agreement
Primary Sales Organization:	Approximately 700 partners, including 500 outbound and inside sales professionals targeting the SMB market (See "Shred-it's Operations — Sales and Marketing")	Approximately 50 partners, including 40 outbound national account executives and national account managers focused on winning and retaining large and national accounts (See "Shred-it's Operations — Sales and Marketing")

Source: Management estimates

As a result of the Merger and recent acquisitions, Shred-it has several forms of service agreements in use. In general, these standard agreements have a term between two and five years with automatic renewals, a fee for early termination, the ability to implement both annual price increases and either a fuel surcharge or service charge. For all new customers and contract renewals, where possible, the Company uses a standard form contract which includes a five-year term with automatic renewals, a payment for early termination, unlimited annual price increases and a fuel surcharge equal to a percentage of the service price that fluctuates with the price of diesel fuel. In addition, Shred-it's standard form agreement and the vast majority of all non-standard agreements include a minimum charge on a per location basis, providing a base line fee charged to the customer for each service.

Shred-it's focus on service, its contracted and diversified customer base with a key emphasis on SMBs, and other key differentiators have helped Shred-it maintain an average customer retention rate of approximately 90%. Management estimates that of the 10% of customers lost annually, approximately 30% to 40% are a result of business closures or office consolidations, with the balance being the result of non-renewal by the Company of contracts due to margin requirements and losses to competitors.

Sales and Marketing

Shred-it has the largest sales organization in the secure information destruction industry with approximately 750 employees (which Shred-it refers to as "partners") globally focused on sales or relationship management. Shred-it's sales organization is comprised of sales professionals targeting new business, account managers focused on retention and growth from existing customers and sales management that oversee the sales force. The sales organization can be summarized into two categories:

- SMB or Field Sales: approximately 700 partners situated in the local markets in which Shred-it operates including:
  - approximately 500 outbound and insides sales executives focused on winning new customers within the SMB market. Shred-it's SMB-focused sales force has been effective in winning new SMB customers, primarily from the unvended market, with seven out of ten new accounts being SMB customers who did not previously use a third party destruction service provider.
  - approximately 100 account managers primarily focused on retaining and growing Shred-it's business from existing customers, including adding unserved locations or additional containers.
  - approximately 100 sales-related managers that oversee field sales operations, monitor sales activity and productivity levels and hire and coach sales professionals.
- Large, National Account Sales: approximately 50 partners focused on larger commercial customers such as Fortune 1000 companies, healthcare organizations and governments. The national accounts sales group includes account executives focused on new business and account managers focused on retention and growth from existing customers.

Shred-it has a dedicated marketing team responsible for brand enhancement, local and national advertising, internet presence and lead generation. Shred-it's website receives over 1.3 million visits annually, resulting in numerous sales leads.

Shred-it implemented salesforce.com in the United Kingdom in 2014 and in North America and Germany in January 2015. This application allows Shred-it to more effectively distribute sales leads and track conversion on a consistent basis across the Company.

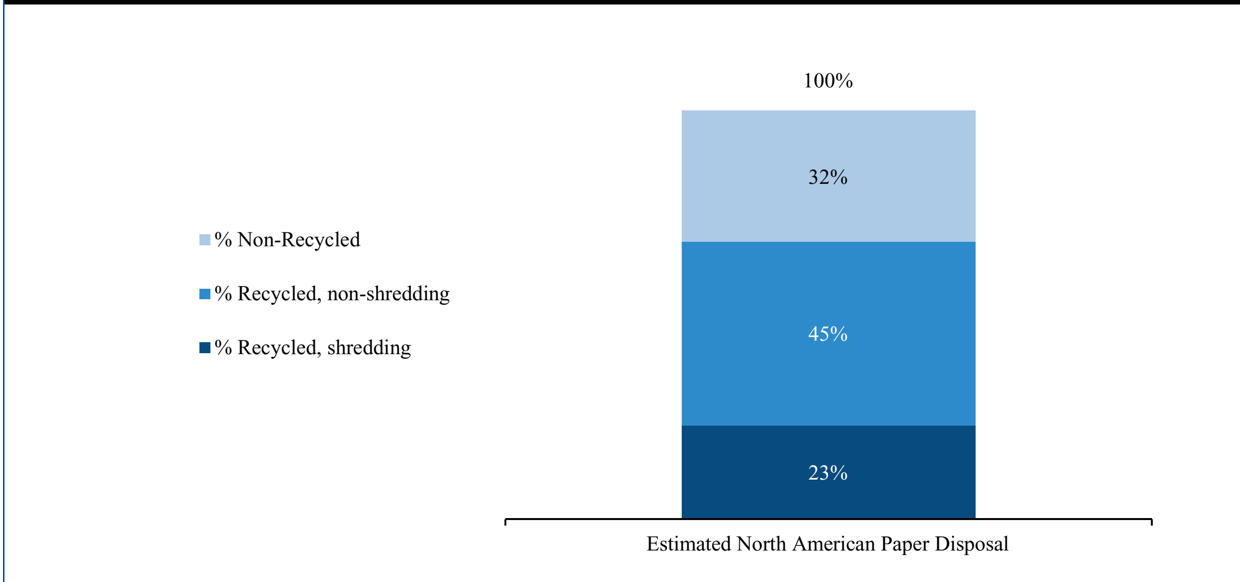
Paper Usage Trends

Although paper usage in North America has been in decline over the last decade, the rate of decline has been slowing. Furthermore, the rate of decline with respect to business cut-size paper, which is a more accurate proxy for office paper usage, has experienced a slower rate of decline. According to RISI, consumption of business cut-size paper in North America declined at a CAGR of (3.7%) between 2007 and 2014 but is projected to be more stable with a CAGR of (1.7%) between 2014 and 2019. In contrast to North American markets, several International Markets have been experiencing an increase in office paper consumption.

Management believes the impact of these paper volume declines will not have a material impact on its business for the following reasons:

- Shred-it has not experienced volume declines. In fact, the amount of paper collected per customer location has increased between 2011 and 2014 which management believes is due, in part, to higher capture rates, or the portion of customers' documents that are securely destroyed versus being thrown away or recycled;
- management believes that Shred-it's focus on educating its existing customers and the unvended market on the value of its secure information destruction services will continue to drive capture rates; and
- the unvended market in North American and International Markets represents a significant market opportunity for Shred-it. Management estimates that only 23% of paper (uncoated freesheet segment) in North America is securely shredded, with the remainder being thrown away or recycled non-securely. Management believes that paper usage declines will be offset by continued conversion of the unvended market, as well as a greater capture of paper at existing customer locations through the adoption of "shred-all" policies. Shred-it currently captures less than 10% of total North American uncoated freesheet paper volumes.

Estimated North American Paper Disposal[1]



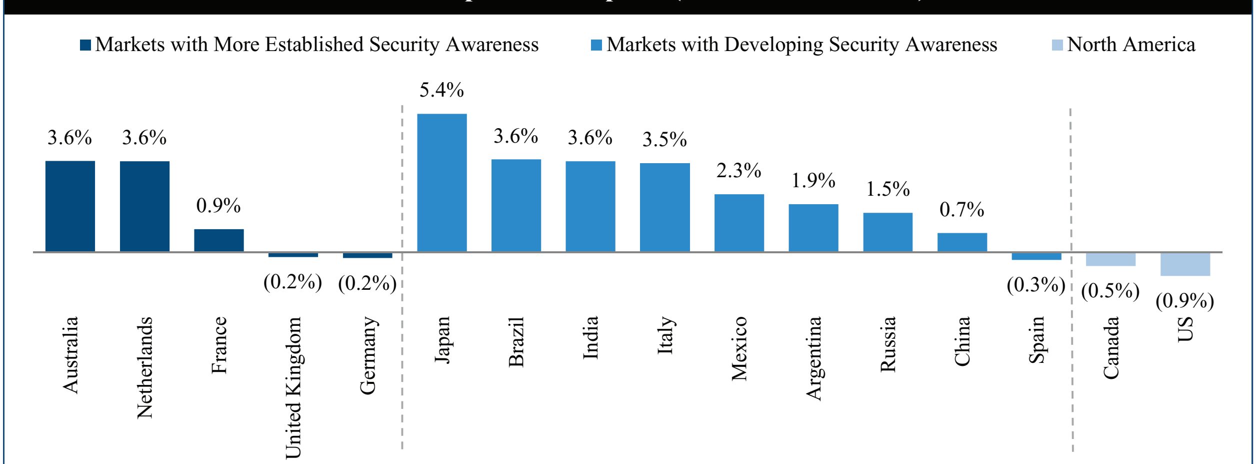
Source: RISI 2013

Note:

(1) Uncoated freesheet paper volume applied to RISI's estimate of a 68% North American Recovered Paper Factor.

- Office print paper consumption trends in the International Markets are different from consumption trends in the North American Market. While office print paper consumption is projected to decline slightly in North America (at a lower rate relative to the consumption of business cut sized paper), office print paper consumption is projected to experience growth in the International Markets, as those countries' economies continue to develop and grow.

Office Print Paper Consumption (2014E-2019E CAGR)[1]



Source: Gartner — Forecast: Enterprise Print Spending, Worldwide (2013–2019), Q1 — 2015 Update.

Note:

(1) Gartner forecasts in millions of pages.

- Service revenue accounts for approximately 83% of Shred-it's Pro Forma Revenue. Service fees are charged irrespective of the amount of paper collected. In addition, most customers have committed to a minimum level of services, such that even a slight decline in paper collection would not be expected to significantly reduce the number of containers per location.

Employees

Shred-it employs over 5,300 employees worldwide, of which approximately 48 employees (located in Montreal, Quebec) are unionized. The following table provides a summary of Shred-it's employees by role and region:

Employee / Partner Headcount by Role and Region[1]

	North America	ROW	Total
CSRs & Plant Staff	2,743	551	3,294
Sales, Operations & Administration	1,209	263	1,472
Total Field	**3,952**	**814**	**4,766**
Corporate			562
Total			**5,328**

Note:

(1) As at March 29, 2015.

Each employee undergoes an internal certification and training process with respect to Shred-it's rigorous procedures to ensure the security and integrity of customers' confidential information. Once an employee completes this process, he or she receives the internal designation of "certified information security professional".

Technology

During 2011 and the first part of 2012, Shred-it converted from its legacy internally developed technology systems to SAP. SAP has enabled Shred-it to implement automation, efficiency and standardization across its branch network. As part of its SAP solution, Shred-it equipped its CSRs with handheld scanning devices to allow for the automated closure of service orders, chain of custody tracking and the confirmation of containers serviced. In addition, SAP has allowed for standardized data collection significantly improving its data analytic ability to provide the Company with greater insight into its performance and the needs of its customers. Shred-it also employs ARP technology, which allows for route optimization in order to facilitate increased truck capacity utilization.

Franchises

Shred-it's subsidiary, Shred-it America LLC, is currently a franchisor for six franchisees, five of which are located in the United States and one of which is located in Argentina. Shred-it's franchisees are licensed to utilize the Shred-it brand and processes in their respective territories. Product sales, royalties, advertising contributions and national account fees from the franchisees accounted for approximately 1% of Shred-it's Pro Forma Revenue for the 12 months ended March 29, 2015. In its franchisee operations, the Company leverages the expertise of its local partners to grow the Shred-it brand in local markets and share Shred-it's brand, processes and procedures. Franchised locations are required to follow Shred-it's detailed corporate operating processes, procedures and brand guidelines.

As Shred-it enters new markets, its preference is to grow through the expansion of corporate locations, but Shred-it may consider a joint venture or franchise model where appropriate.

PRIVACY AND SECURITY REGULATORY OVERVIEW

The following is a general overview of certain privacy and security regulations in the countries in which Shred-it currently operates and in future potential international markets. This overview does not purport to represent a full and complete summary of all privacy and security legislation and regulations in these jurisdictions.

Countries Shred-it Currently Operates in

Country	Principal Legislation[1]	Type of Regime[2]	Forthcoming Laws
Canada	Personal Information Protection and Electronic Documents Act (PIPEDA) and provincial private sector and health sector privacy legislation	Robust	Federal breach notification requirement has been enacted but is not yet in force
United States (Breach Notification Laws)	47 state laws, D.C., and territories, plus federal laws (e.g. under GLBA and HIPAA) requiring notification of data security incidents	Robust	Federal breach notification law proposals pending; multiple state breach laws recently amended or subject to proposals to amend
United States (General Privacy Laws)	Various separate sector-specific federal and state laws typically applied based on industry or type of data	Mature	Numerous proposals at the state and federal levels may impact disposal requirements
European Union	EU Data Protection Directive (95/46/EC); E-Privacy Directive (2002/58/EC); Waste electrical and electronic equipment Directive (2002/96/EC)	Robust	Amendments to the EU General Data Protection Regulation anticipated by the end of 2015
Austria	Austrian Federal Data Protection Act 2000	Robust	N/A
Belgium	Law on the Protection of Privacy in Relation to the Processing of Personal Data	Robust	N/A
France	Law No. 78-17, as amended in 2004 by Law No. 2004 – 801, the law relating to the protection of individuals with regard to the processing of personal data	Robust	In January 2015 the French Data Protection Authority published guidelines for certain organizations to obtain a data privacy governance seal
Germany	Federal Data Protection Act (last amended Aug. 2009)	Robust	N/A
Ireland	Data Protection Act 1988, as amended by the Data Protection (Amendment) Act 2003	Robust	N/A
Luxembourg	Law regarding the protection of natural persons regarding the processing of personal data	Robust	N/A
Netherlands	Personal Data Protection Act 2000	Robust	Breach notification for critical infrastructure industries proposed in January 2015
U.K.	Data Protection Act 1998	Robust	N/A
Argentina	Personal Data Protection Act No. 25326	Mature	N/A
Australia	Privacy Act 1988; amended by the Privacy Amendment (Enhancing Privacy Protection) Act 2012	Mature	Additional advisory guidelines forthcoming

Country	Principal Legislation[1]	Type of Regime[2]	Forthcoming Laws
Singapore	Personal Data Protection Act 2012	Nascent	N/A
South Africa	The Protection of Personal Information Act was published in Nov 2013, but is not yet in effect	Nascent	N/A (awaiting formal enactment of the Protection of Personal Information Act)
U.A.E.	DIFC Data Protection Law 2007, amended in 2012	Mature	N/A
Denmark	Act on Processing of Personal Data, Act 429	Robust	N/A
Spain	Special Data Protection Act	Robust	N/A
Switzerland	Federal Act on Data Protection	Robust	N/A
Brazil	No general data protection law; privacy is addressed in a variety of Brazilian statutes and in the Constitution	Nascent	Draft Bill for the Protection of Personal Data (unlikely to be enacted before end of 2015)
China	Various separate sector-specific regulations related to privacy	Nascent	New privacy guidelines / standards (telecom and Internet sectors) possible by the end of 2015
India	Information Technology Act 2000 (and specific data protection rules) establish obligations regarding personal data security practices	Nascent	Legislation to expand the data protection regime has been pending for several years
Japan	Act on the Protection of Personal Information	Mature	Amendments to the APPI possible in 2015

Notes:

(1) Legislation is generally applicable unless otherwise noted.

(2) According to management, "Robust" means potentially significant compliance hurdles and sophisticated enforcement mechanisms; "Mature" means certain complex compliance issues and enforcement may result in significant penalties; and "Nascent" means pending law and inconsistent enforcement or no enforcement.

See "Investment Highlights — Significant Growth Opportunities — International Markets Present a Compelling Growth Opportunity".

CORPORATE STRUCTURE AND IPO TRANSACTIONS

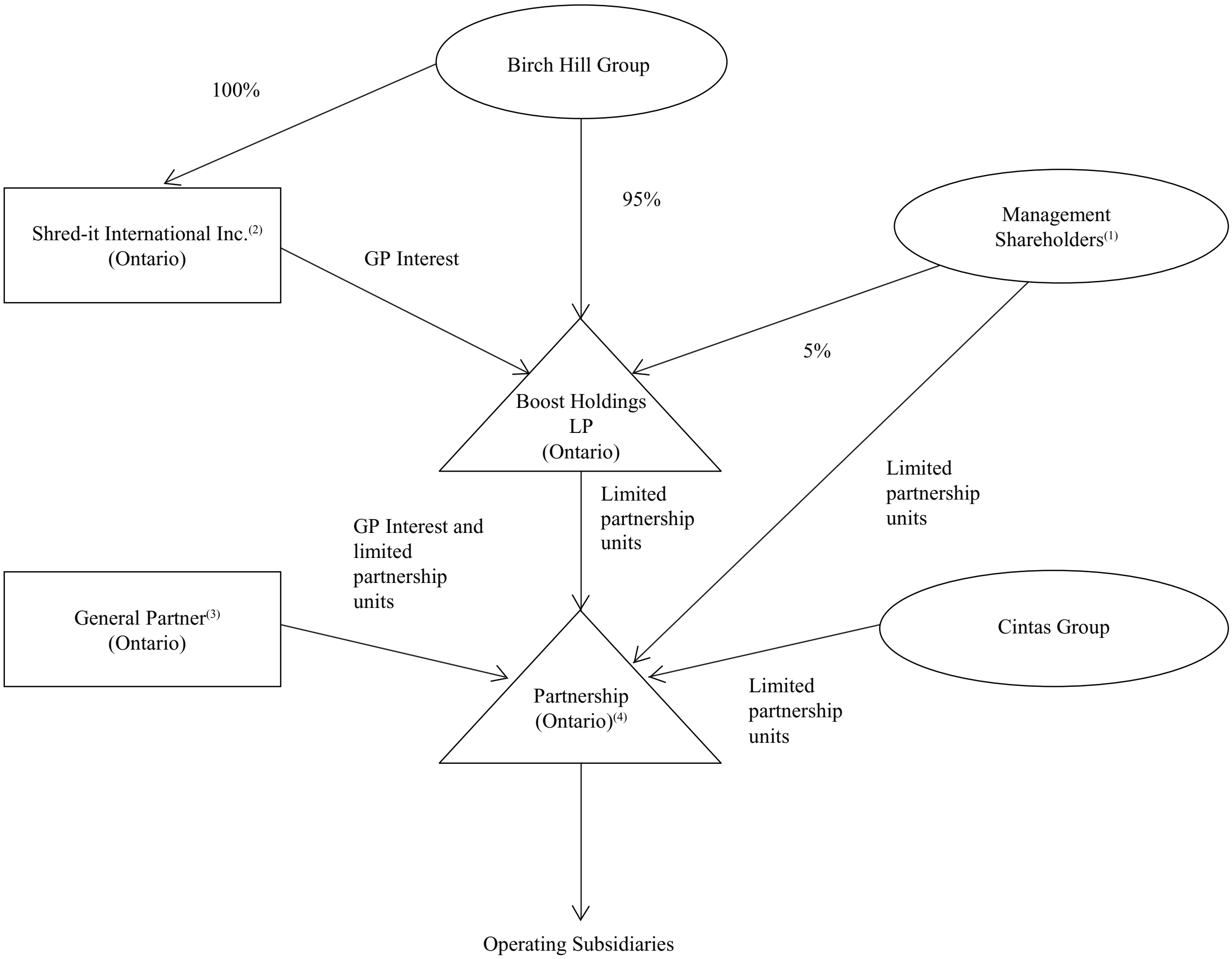
Incorporation and Office

Shred-it International GP Inc. was incorporated under the OBCA on March 3, 2014, and subsequently changed its name to Shred-it International Inc. on June 2, 2015. The Company's head and registered office is located at 2794 South Sheridan Way, Oakville, Ontario, L6J 7T4.

Existing Organizational Structure

Shred-it International Inc. is the general partner of Boost Holdings LP, a limited partnership through which the Birch Hill Group and certain of the Management Shareholders hold interests in Shred-it JV LP (the "**Partnership**"). The Partnership and its subsidiaries operate the Shred-it business. The Birch Hill Group, the Cintas Group and the Management Shareholders are the only direct and indirect limited partners of the Partnership, and the Birch Hill Group and the Cintas Group are the only common shareholders of its general partner, Boost GP Corp. (the "**General Partner**"). Upon completion of the IPO Transactions and the Offering, the organizational structure of Shred-it will be amended as described below under "— IPO Transactions" and "— Organizational Structure Following Closing".

The following organizational chart depicts Shred-it's organizational structure prior to the IPO Transactions. This chart is provided for illustrative purposes only and does not purport to represent all legal entities within Shred-it's organizational structure.



Notes:

(1) Certain Management Shareholders hold options to purchase shares in the General Partner. In connection with the Offering, any unvested options will vest and all of the options will be exercised by the optionholders for shares in the General Partner (the "**Option Shares**"). The Company will lend money to certain Management Shareholders to permit them to exercise their Option Shares and to provide economic parity among Management Shareholders (the "**Shareholder Loans**"). When such Management Shareholders sell their Option Shares as described below under "— IPO Transactions", they will direct a portion of the purchase consideration to be paid to the Company in repayment of and satisfaction of the Shareholder Loans. The Company will use the proceeds from the repayment of the Shareholder Loans, among other sources, to pay bonuses to certain Management Shareholders. Certain Management Shareholders and the General Partner hold class C and class D units of the Partnership.

(2) In connection with the Offering, Shred-it International Inc. (formerly Shred-it International GP Inc.) will contribute its general partnership interest in Boost Holdings LP to a wholly-owned subsidiary ("**New GP**"), which will be incorporated to act as the general partner of Boost Holdings LP, in exchange for additional common shares of New GP.

(3) The common shares of the General Partner are currently owned by the Birch Hill Group (58%) and the Cintas Group (42%). In connection with the Offering, Shred-it International Inc. will acquire all of the common shares of the General Partner.

(4) Boost Holdings LP and the Cintas Group hold class A and class B common units of the Partnership, representing the Birch Hill Group's approximate 58% interest in the Partnership and the Cintas Group's approximate 42% interest in the Partnership.

IPO Transactions

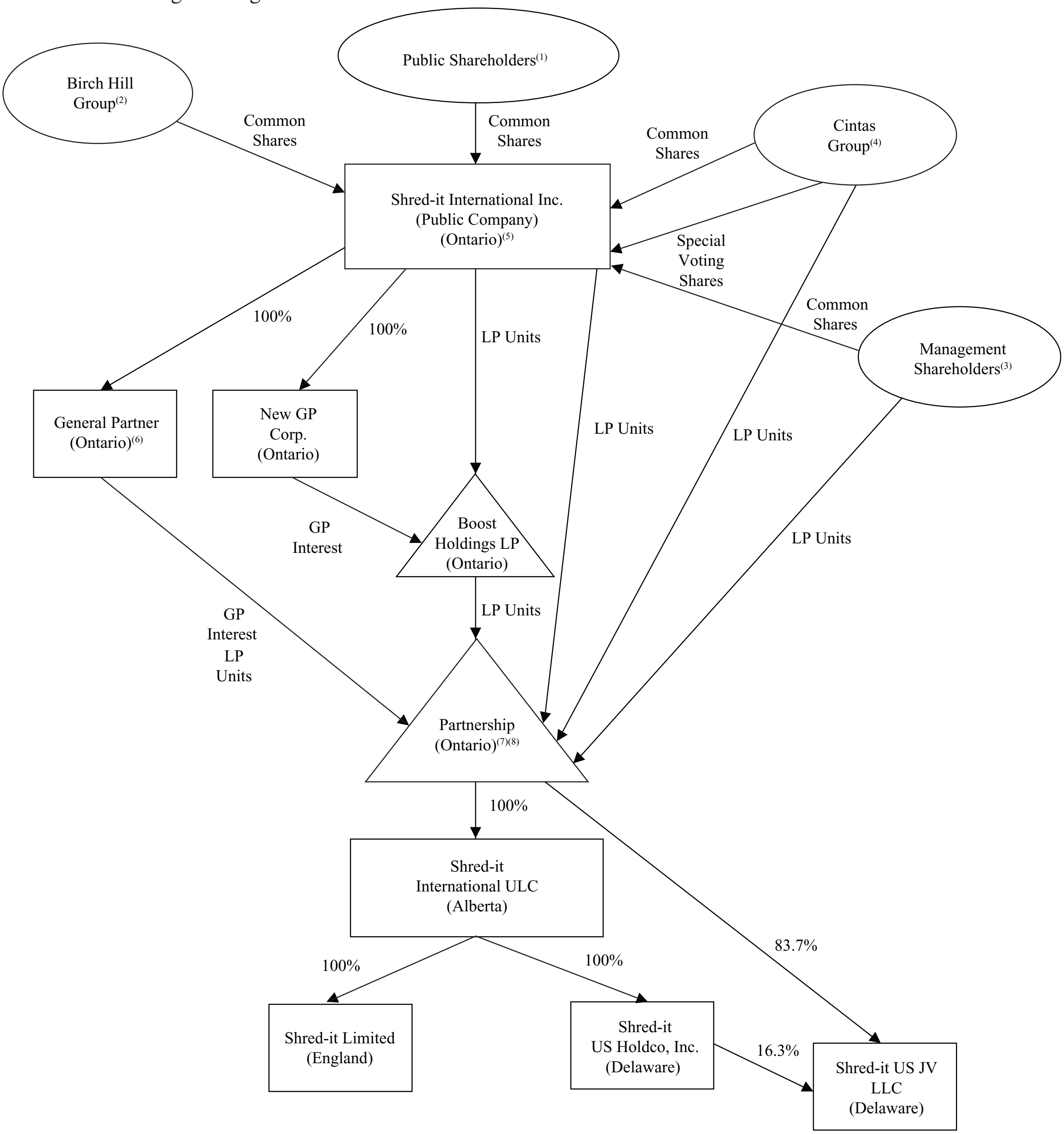
In connection with the Offering, the following transactions will be consummated:

- The Company will amend its articles to provide for the issuance of the Common Shares, the Special Voting Shares and the Preferred Shares. See "Description of Securities — Authorized and Issued Capital Upon Closing".
- The Partnership will redesignate the existing classes of partnership units into a single class so that following such redesignation: (i) Boost Holdings LP will hold ● LP Units; (ii) the General Partner will hold ● LP Units; (iii) the Cintas Group will hold ● LP Units; and (iv) the Management Shareholders will hold ● LP Units.
- Shred-it will issue ● Common Shares to the public pursuant to the Offering, for aggregate gross proceeds of approximately C$ ● million (or net proceeds of C$ ● million, after deducting the Underwriters' Commission payable by the Company and the expenses of the Offering).
- Shred-it will enter into the TRA with the Cintas Group, and the Birch Hill Group will enter into an arrangement with the Cintas Group, whereby the Cintas Group will agree to remit 58% of the payments received under the TRA to the Birch Hill Group.
- The Birch Hill Group will transfer all of their limited partnership units of Boost Holdings LP to Shred-it International Inc. free and clear of all encumbrances in exchange for: (i) C$ ● and (ii) ● Common Shares.
- The Management Shareholders will transfer all of their limited partnership units of Boost Holdings LP to Shred-it International Inc. free and clear of all encumbrances in exchange for: (i) C$ ● and (ii) ● Common Shares.
- The Cintas Group will transfer a portion of their limited partnership units of the Partnership to Shred-it International Inc. free and clear of all encumbrances in exchange for: (i) C$ ● and (ii) ● Common Shares.
- Shred-it will use C$ ● million of the net proceeds of the Offering to acquire ● Option Shares for C$ ● million.
- Shred-it will acquire all of the common shares in the General Partner (free and clear of all encumbrances) owned by: (i) the Birch Hill Group in exchange for ● Common Shares and (ii) the Cintas Group in exchange for ● Special Voting Shares.
- Shred-it will contribute C$ ● to Boost GP Corp. in exchange for common shares of Boost GP Corp.
- Boost GP Corp. will use C$ ● to acquire ● limited partnership units of the Partnership from certain Management Shareholders.
- The Partnership Agreement will be amended in a manner to reflect the terms described under "The Partnership — Amendments to the Partnership Agreement", and the relevant parties will enter into the Liquidity Agreement.

Following completion of the IPO Transactions, Shred-it will wholly own the General Partner, which manages and controls the business and affairs of the Partnership. In connection with the IPO Transactions and the Offering, Shred-it will indemnify the Birch Hill Group and the Cintas Group in respect of any third-party claims related thereto. In addition, Shred-it will obtain a prospectus liability insurance policy providing coverage to itself, its directors and officers, the Birch Hill Group and the Cintas Group, subject to certain limits, deductibles and other terms and conditions. Purchasers of Common Shares under this prospectus will not have any contractual or statutory rights under such prospectus liability insurance policy or otherwise against the Birch Hill Group and the Cintas Group. Purchasers will, however, have certain statutory rights of action against the Company and, if the Over-Allotment Option is exercised and to the extent such exercise constitutes a secondary offering, the Birch Hill Group under applicable securities laws. See "Purchasers' Statutory Rights of Withdrawal and Rescission".

Organizational Structure Following Closing

The following organizational chart indicates the inter-corporate relationships of the Company and its material subsidiary entities together with the jurisdiction of incorporation or constitution of each such entity, after giving effect to the completion of the IPO Transactions and the Offering. This chart is provided for illustrative purposes only and does not purport to represent all legal entities within Shred-it's organizational structure following Closing.



Notes:

(1) On Closing, it is expected that the public (excluding the Birch Hill Group, the Cintas Group and the Management Shareholders) will have an approximate 24.1% interest in the Company through ownership of 27,906,977 Common Shares issued pursuant to the Offering (or an approximate 27.7% interest in the Company if the Over-Allotment is exercised in full and on Closing, based on an effective or

fully-diluted basis assuming full redemption of the LP Units for Common Shares and not cash, there will be approximately 115,695,021 Common Shares outstanding).

(2) On Closing, it is expected that the Birch Hill Group will have an approximate ● % interest in the Company through ownership of or direction or control over ● Common Shares (or an approximate ● % interest in the Company if the Over-Allotment is exercised in full).

(3) On Closing, it is expected that the Management Shareholders will have an approximate ● % effective interest in the Company through ownership of ● Common Shares, ● redeemable LP Units of the Partnership for which the redemption price may be satisfied in Common Shares or cash, at the Company's election (or an approximate ● % effective interest in the Company if the Over-Allotment is exercised in full).

(4) On Closing, it is expected that the Cintas Group will have an approximate ● % effective interest in the Company (subject to the Cintas Group's 19.9% maximum voting entitlement) through ownership of ● Common Shares, ● redeemable LP Units of the Partnership for which the redemption price may be satisfied in Common Shares or cash, at the Company's election, and ● Special Voting Shares (or an approximate ● % effective interest in the Company if the Over-Allotment is exercised in full).

(5) Shred-it International Inc. directly and indirectly through Boost Holdings LP, will hold an aggregate of ● LP Units of the Partnership. Shred-it will wholly own New GP, the general partner of Boost Holdings LP, and will hold all of the limited partnership interests in Boost Holdings LP.

(6) The General Partner will have a general partner interest in the Partnership and will hold ● LP Units and will be the sole general partner of the Partnership. The business and affairs of the Partnership will be managed and controlled by the General Partner, which will be wholly owned by the Company.

(7) In five markets in the United States (St. Louis, MO, Springfield, IL, Little Rock, AK, Drums, PA and Columbus, OH), legacy Cintas branches are operated through a separate legal entity and brand, independent of Shred-it's general operations.

(8) On Closing, the Company will have a direct and indirect ● % interest in the Partnership, Cintas will have a ● % direct interest in the Partnership and certain of the Management Shareholders will have a ● % direct interest in the Partnership.

USE OF PROCEEDS

The Company expects to receive C$ ● in net proceeds from the Offering, after deducting fees payable by the Company to the Underwriters in connection with the Offering and the estimated expenses of the Offering. The Company intends to use the net proceeds from the Offering, together with the issuance of ● Common Shares and ● Special Voting Shares pursuant to the IPO Transactions to: (i) directly and indirectly acquire a ● % interest in the Partnership from the Birch Hill Group, the Cintas Group and the Management Shareholders; (ii) acquire the Option Shares from the Management Shareholders; and (iii) acquire the General Partner. The Company will not retain any of the net proceeds from the Offering. See "Corporate Structure and IPO Transactions — IPO Transactions".

The Company expects to receive net proceeds of C$ ● if the Over-Allotment Option is exercised in full, after payment of the Underwriters' Commission payable in connection with the Over-Allotment Option. The Company intends to use all of the net proceeds it receives from the exercise of the Over-Allotment Option to acquire, if the Over-Allotment Option is exercised in full, ● additional LP Units from the Cintas Group, and a corresponding number of Special Voting Shares held by the Cintas Group will be cancelled for no consideration. The Birch Hill Group expects to receive net proceeds of C$ ● in the aggregate if the Over-Allotment Option is exercised in full, after payment of the Underwriters' Commission payable in connection with the Over-Allotment Option. See "Plan of Distribution".

SELECTED FINANCIAL INFORMATION

The following selected historical financial information for Fiscal 2014, Fiscal 2013, Fiscal 2012, Q1 2015 and Q1 2014 has been derived from the Shred-it Group combined financial statements, in each case prepared in accordance with IFRS and included elsewhere in this prospectus. The financial statements for Fiscal 2013 and Fiscal 2014 have been audited by Ernst & Young LLP, and their audit report on these combined financial statements is included elsewhere in this prospectus. See "Index to Financial Statements". See "Glossary of Terms" for a description of the Shred-it Group. Following the completion of the Offering and the IPO Transactions, it is expected that the Shred-it Group's financial statements will be presented through the consolidated financial statements of the Company.

This prospectus makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of our financial information reported under IFRS. Shred-it uses non-IFRS measures including "EBITDA", "EBITDA Margin", "Gross FCF Conversion", "Operating EBITDA", "Operating EBITDA Margin", "Pro Forma Operating EBITDA", to provide purchasers with supplemental measures of the Company's operating performance and thus highlight trends its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Shred-it also believes that securities analysts, purchasers and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Shred-it's management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare annual operating budgets and assess its ability to meet future debt service, capital expenditure and working capital requirements.

Prospective purchasers should review this information in conjunction with the combined financial statements including the notes thereto as well as "Non-IFRS Measures", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Use of Proceeds", "Consolidated Capitalization", "Merger with Cintas' Document Destruction Business", "Description of Material Indebtedness and Refinancing" and "Description of Securities" included elsewhere in this prospectus. "Risk Factors" and "Forward-Looking Statements".

Shred-it Group

U.S.$ thousands unless otherwise stated	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Selected Combined Statement of Income (Loss) Data						
Revenue	**660,730**	**172,395**	**86,748**	**575,083**	**347,301**	**324,202**
Operating expenses	503,732	129,941	71,818	445,609	281,410	275,370
Depreciation and amortization	92,093	23,120	10,856	79,829	46,657	45,145
Loss (gain) on disposal of property, plant and equipment	160	(63)	(1)	222	369	98
Stock-based compensation	1,018	167	63	914	241	407
Loss (gain) on foreign exchange	11,959	3,645	1,202	9,516	5,226	(1,443)
Acquisition, transaction and integration costs	44,079	8,279	1,835	37,635	4,862	9,516
Share of income of a joint venture	(568)	(149)	(92)	(511)	(530)	(339)
Operating income (loss)	**8,257**	**7,455**	**1,067**	**1,869**	**9,066**	**(4,552)**
Interest expense, net	13,009	3,691	6,860	16,178	31,490	31,012
Income (loss) from continuing operations before income taxes	**(4,752)**	**3,764**	**(5,793)**	**(14,309)**	**(22,424)**	**(35,564)**
Income taxes (recovery)	8,978	6,417	2,023	4,584	(978)	(9,342)
Loss from continuing operations	**(13,730)**	**(2,653)**	**(7,816)**	**(18,893)**	**(21,446)**	**(26,222)**
Net income from discontinued operations	3,031	—	1,314	4,345	4,619	2,763
Gain (loss) on sale of discontinued operations	20,506	(373)	—	20,879	—	—
Net income (loss)	**9,807**	**(3,026)**	**(6,502)**	**6,331**	**(16,827)**	**(23,459)**

U.S.$ thousands unless otherwise stated	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Reconciliation of Net income (loss) from continuing operations to Non-IFRS Measures						
Pro Forma Revenue						
Revenue	660,730	172,395	86,748	575,083	347,301	324,202
Adjustment for full year contribution from the Merger and acquisitions completed during the year(1)	64,779					
Pro Forma Revenue	**725,509**					
Loss from continuing operations	(13,730)	(2,653)	(7,816)	(18,893)	(21,446)	(26,222)
Interest expense, net	13,009	3,691	6,860	16,178	31,490	31,012
Income taxes (recovery)	8,978	6,417	2,023	4,584	(978)	(9,342)
Depreciation and amortization	92,093	23,120	10,856	79,829	46,657	45,145
EBITDA	**100,350**	**30,575**	**11,923**	**81,698**	**55,723**	**40,593**
Acquisition, transaction and integration costs(2)	44,079	8,279	1,835	37,635	4,862	9,516
Loss (gain) on foreign exchange	11,959	3,645	1,202	9,516	5,226	(1,443)
Adjustment for full year contribution from the Merger and acquisitions completed during the year(3)	15,281					
Adjustment for full year net contribution from synergies achieved during the year(4)	7,296					
Operating EBITDA	**178,965**	42,499	14,960	128,849	65,811	48,666
% Operating EBITDA margin	24.7%	24.7%	17.2%	22.4%	18.9%	15.0%
Remaining Portion of Identified Synergies(5)	52,221					
Pro Forma Operating EBITDA	**231,186**					

Notes:

(1) Consists of (i) $37.1 million to reflect the acquisition of franchisees and Iron Mountain's UK, Ireland and Australia operations throughout the period; and (ii) $27.7 million from the Merger for the month of April 2014.

(2) Consists of (i) $17.5 million in one-time transaction closing costs, such as legal and professional services and bonuses relating to the Merger, the acquisition of Iron Mountain's UK, Ireland and Australia operations, and the acquisition of franchisees; and (ii) $26.6 million in one-time integration costs, such as external and internal fees and salaries relating to the integration of Cintas with Shred-it.

(3) Consists of (i) $10.2 million to reflect the the acquisition of franchisees and Iron Mountain's UK, Ireland and Australia operations as if they had occurred at the beginning of the period; and (ii) $5.1 million from the Merger in the month of April 2014, each on a pro forma basis.

(4) Consists of the difference of $20.8 million in annual run-rate synergies realized at March 29, 2015 and $13.5 million in actual synergies realized and reflected in EBITDA for the same period.

(5) Cost savings related primarily to the Merger that are currently in progress and expected to be completed on a run-rate basis by the end of Fiscal 2016.

U.S.$ thousands unless otherwise stated	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Selected Operating Segment data:						
Revenue						
North America	551,206	143,191	62,185	470,200	258,430	247,102
ROW	104,634	28,742	22,925	98,817	80,932	67,593
Adjustments and eliminations	4,890	462	1,638	6,066	7,939	9,507
Total Revenue	**660,730**	**172,395**	**86,748**	**575,083**	**347,301**	**324,202**
Reportable Segment earnings						
North America	186,948	49,207	18,629	156,370	76,648	61,941
ROW	38,234	10,774	7,378	34,838	26,102	18,880
Adjustments and eliminations(1)	(124,832)	(29,406)	(14,084)	(109,510)	(47,027)	(40,228)
Total EBITDA	**100,350**	**30,575**	**11,923**	**81,698**	**55,723**	**40,593**

U.S.$ thousands unless otherwise stated	Q1 2015	Fiscal 2014	Fiscal 2013
Selected Combined Statements of Financial Position Data			
Cash and cash equivalents[2]	15,015	56,211	13,423
Accounts receivable	109,661	97,792	50,813
Total current assets	138,863	173,235	73,579
Property, plant and equipment	216,397	221,838	96,221
Goodwill	409,020	407,436	125,039
Intangibles	364,686	372,356	202,668
Total assets	**1,137,934**	**1,184,953**	**506,713**
Bank indebtedness[3]	10,842	14,263	5,602
Accounts payable and accrued liabilities	49,442	52,294	26,533
Total current liabilities	70,801	85,535	54,276
Total debt[3]	473,234	448,232	201,696
Total liabilities	**636,723**	**626,540**	**561,211**
Parent equity	169,412	222,446	(54,498)
Non-controlling interests	331,799	335,967	—
Total equity (deficiency)	**501,211**	**558,413**	**(54,498)**

Notes:

(1) These adjustments and eliminations include amounts that have not been allocated to the two reportable segments. These unallocated amounts include certain revenue and operating expenses as well as acquisition, transaction and integration costs, loss (gain) on foreign exchange, stock-based compensation, and loss on property, plant and equipment.

(2) As at June 10, 2015 cash and cash equivalents were approximately $26.9 million.

(3) On May 22, 2015, a member of the Shred-it Group amended the Original Credit Facility which increased the term loan by $190 million and on May 27, 2015 it had drawn an additional $80 million on its revolving facility. As at June 10, 2015, approximately $753 million was outstanding under the Existing Credit Facility and approximately $10.1 million under bank indebtedness. On June 11, 2015, the Shred-it Group entered into an arrangement and commitment letter with its lenders with respect to the New Credit Facility which will be comprised of (i) a revolving credit facility of $400 million with a five year term and an accordion feature of up to $200 million and (ii) a term loan of $600 million with a five year term. Immediately following Closing, it is expected that $ ● million will be outstanding under the New Credit Facility and approximately $ ● million in bank indebtedness. See "Consolidated Capitalization" and "Description of Material Indebtedness and Refinancing".

U.S.$ thousands unless otherwise stated	Twelve Months ended March 29, 2015	Q1 2015	Q1 2014	Fiscal 2014	Fiscal 2013	Fiscal 2012
Selected Cash Flow Data						
Cash from (used in)						
Operating activities of continuing operations, before changes in working capital	93,010	27,249	13,248	79,009	56,952	35,413
Changes in working capital	(31,626)	(20,443)	12,187	1,004	2,407	(17,199)
Operating activities	61,384	6,806	25,435	80,013	59,359	18,214
Investing activities	(309,657)	(28,927)	(3,293)	(284,023)	(45,689)	(81,951)
Financing activities	234,907	(13,287)	(5,806)	242,388	(34,431)	76,996
Effect of foreign exchange on cash and cash equivalents	(6,712)	(2,367)	94	(4,251)	5,220	(601)
Net change in cash and cash equivalents	**(20,078)**	**(37,775)**	**16,430**	**34,127**	**(15,541)**	**12,658**
Capital Expenditures Summary						
Maintenance capital	17,561	5,205	2,106	14,462	13,831	10,343
Growth capital	9,707	2,488	1,134	8,353	5,493	10,348
Acquisition, transaction and integration capital	14,397	2,787	—	11,610	414	6,279
Discontinued operations	142	—	53	195	369	3,015
Total capital expenditures	**41,807**	**10,480**	**3,293**	**34,620**	**20,107**	**29,985**

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

The following management's discussion and analysis of the financial condition and results of operations provided should be read in conjunction with the audited combined financial statements and the notes thereto for the Shred-it Group for Fiscal 2014, Fiscal 2013, Fiscal 2012, Q1 2015, and Q1 2014, which have been derived from the audited combined financial statements for the Shred-it Group for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, the unaudited combined financial statements for the Company for the three-month periods ended March 29, 2015 and March 30, 2014, all prepared in accordance with IFRS and included elsewhere in this prospectus. Some of the information contained in this discussion and analysis contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements. The actual results may differ materially from those discussions in the forward-looking statements as a result of various factors, including those described in "Risk Factors" and elsewhere in this prospectus. Unless otherwise indicated all amounts are expressed in thousands of United States dollars.

Refer to Appendix C for the management discussion and analysis of financial condition and results of operations for Cintas' shredding business, which should be read in conjunction with audited combined carve-out financial statements with respect to Cintas' shredding business for the 11 month period ended April 30, 2014 and the fiscal year ended May 31, 2013.

Non-IFRS Measures

This MD&A makes reference to certain non-IFRS measures. See "Non-IFRS Measures".

Forward-Looking Statements

This MD&A contains forward-looking statements. See "Forward-Looking Statements".

Basis of Presentation

Shred-it International Inc. (the "**Company**" or "**Shred-it**"), one of the entities within the group of entities comprising the Shred-it Group, which the Birch Hill Group collectively controls, took steps to complete an initial public offering (the "**Offering**") of common shares of the Company.

In connection with the completion of the Offering, various transactions will be consummated by the entities that comprise the Shred-it Group, including the Company, Boost Holdings LP ("**Boost Holdings**"), Boost GP Corp. ("**Boost GP**") and Shred-it JV LP (the "**Partnership**"), which will result in the Company being the parent entity for the Shred-it Group.

The combined financial statements have been prepared in connection with the Offering and include the financial results of SII GP, Boost Holdings, Boost GP and the Partnership (collectively, the "**Combined Entities**"). Prior to a reorganization that took place in March 2014 (the "**Reorganization**"), the Shred-it Group operated through a predecessor entity, Shred-it International Inc., (now Shred-it International ULC) ("**Predecessor SII**") and its wholly-owned subsidiaries. Accordingly, prior to the Reorganization, the combined financial statements include the consolidated results of Predecessor SII. SII GP, Boost Holdings, Boost GP and the Partnership were formed in connection with the Reorganization and Predecessor SII was transferred to the Partnership. The Reorganization was undertaken in anticipation of the Merger (defined below).

On April 30, 2014, the Partnership merged with the shredding business of Cintas Corporation ("**Cintas**") (referred to as the "**Merger**"). To effect the Merger, the Partnership completed a transaction whereby the document shredding business of Predecessor SII was contributed to the Partnership in exchange for limited partnership units of the Partnership. This was accounted for on a continuity of interest basis as there was no change in control. The Partnership then acquired the document shredding business of Cintas, which has been accounted for as a business acquisition. As consideration, Cintas received 42% of the Partnership's limited partnership units and approximately $187 million in cash. The remaining 58% of Partnership's limited partnership units are owned by Boost Holdings. Following the completion of the Offering and the IPO

Transactions, it is expected that the Shred-it Group's financial statements will be presented through the consolidated financial statements of the Company.

During 2014, the Shred-it Group acquired 100% of the assets of eight franchise operations in the United States. In addition, on December 1, 2014 the Shred-it Group acquired 100% of the shares of Iron Mountain Incorporated's ("**Iron Mountain**") shredding operations located in the United Kingdom, Ireland and Australia.

Overview

The Shred-it Group is a global leader in providing secure information destruction services to over 400,000 recurring customer locations in 18 countries. The Shred-it Group operates a fleet of over 2,400 trucks and has over 200 facilities globally, including 57 with plant-based destruction systems. The Shred-it Group services predominantly small and medium sized businesses, and also services large national customers across a wide range of sectors including financial and professional services, healthcare, business services, retail, government and telecom. The Shred-it Group has over 5,300 employees (referred to as partners) who are trained and certified as information security professionals, and are committed to protecting the security and integrity of customers' confidential information.

While the Shred-it Group's principal focus is on secure document destruction services, the Shred-it Group also provides secure electronic data destruction services, including for computer hard drives, backup tapes, portable hard drives, compact discs, memory cards and other physical storage media for electronic data.

Fiscal 2014 and Q1 2015 Highlights

Total revenue grew 65.6% to $575.1 million in Fiscal 2014 compared to Fiscal 2013. Growth in 2014 was accelerated due to the completion of the acquisition of the shredding operations of Cintas, the U.K., Ireland and Australian shredding operations of Iron Mountain as well as eight franchises, which had a fair value of approximately $617 million. In December 2014, the Shred-it Group sold its records management business to Iron Mountain for approximately $30 million. EBITDA in Fiscal 2014 grew 46.7% to $81.7 million and Operating EBITDA grew 95.7% to $128.8 million.

In Q1 2015, revenue was $172.4 million, which was almost double revenue in Q1 2014. EBITDA was $30.6 million and Operating EBITDA was $42.5 million, both more than doubled over the same period last year and reflecting the benefit of the Shred-it Group's 2014 acquisitions. The Shred-it Group completed two additional franchise acquisitions during Q1 2015.

Fiscal 2013 Highlights

Total revenue grew 7.1% to $347.3 million in Fiscal 2013 as compared to 2012 due to organic growth and the completion of four franchise acquisitions. EBITDA grew 37.2% to $55.7 million and Operating EBITDA grew 35.1% to $65.8 million.

Factors Affecting Results of Operations

Acquisitions

The secure information destruction industry is fragmented with numerous regional and local competitors. Management believes that, as the industry continues to develop, the Shred-it Group will benefit from scale, technological enhancements, route density and investments in plant-based infrastructure.

As a market leader with proven integration capabilities, the Shred-it Group believes it is the acquirer of choice for many potential acquisition targets which are expected to be accretive to the Shred-it Group. Beyond the numerous small and regional acquisition targets, management believes there may also be opportunities for larger scale acquisitions. In North America alone, management estimates there are over 875 independent providers of secure information destruction services.

The Shred-it Group's management team has a proven track record of acquiring and integrating businesses in the secure information destruction industry. Some of these were "in-market" acquisitions in existing markets, which provided operating efficiencies (such as enhanced route density) by leveraging the Shred-it Group's existing infrastructure and cost base and driving increased revenue from the sale of shredded paper. Other acquisitions enabled the Shred-it Group to expand into certain markets where there was a significant growth opportunity in secure information destruction, such as in South Africa, Singapore and Australia.

Expansion within new markets can be achieved in a variety of ways, primarily through acquisitions or greenfield investments, but also through joint ventures. New market expansion will initially focus on markets in western Europe close to the Shred-it Group's existing markets (and where management believes information security regulation is robust), and will then focus on larger economies where the Shred-it Group believes there will be potential for significant growth as legislation and privacy laws and security and privacy concerns become more prominent.

Multi-Faceted Organic Growth Strategy

The Shred-it Group believes it will continue to achieve organic growth by continuing to win new customers, primarily through conversion of the unvended market, volume and pricing growth from existing customers, and through growth in adjacencies such as electronic data destruction.

Sale of Shredded Materials

The Shred-it Group primarily collects "Sorted Office Paper" ("**SOP**") from its customers. After the SOP is securely destroyed, it is sold to various paper brokers, under contract, who then re-sell to paper mills who use the product as a pulp substitute to produce other paper products, primarily tissue papers (toilet paper, paper towels and napkins). Demand for SOP is strong due to the stable demand for tissue papers and for the requirement for paper mills to include a certain percentage of recycled content. The price the Shred-it Group receives for its paper is linked to a market price for SOP which is quoted monthly in U.S. dollars based on a short ton (2,000 pounds) in "baled" form, which means the shredded paper has been packaged into a cube wrapped with wire for transport. In North America, the Shred-it Group currently bales approximately 85% of the paper collected which is then loaded onto a trailer for which the paper brokers are obligated to pick up. Due to its scale and significant presence as a vendor in the recycled paper market, the Shred-it Group typically receives a premium per ton over and above market price for its paper depending upon the location. In markets where the paper is not baled, it is "dumped" loose at a recycler often designated by the paper brokers.

While the market price for paper is expected to remain stable with a positive outlook, if the market price for recycled paper declines significantly and for a prolonged period of time, the Shred-it Group may attempt to offset the price decline by adjusting the price for shredding services. For unscheduled services and new recurring customers, this change can be made at the time of entering into an agreement for services. For existing customers, service pricing can be adjusted through annual price increases and in connection with contract renewals.

Competition

The information destruction industry has evolved significantly in recent years, driven by the growing importance and awareness of protecting confidential information by both enterprises and individuals. Regulatory and legislative actions that address information security and privacy continue to be key drivers of information destruction services. The potential growth opportunities have attracted a range of market participants and continue to attract new market entrants. These factors, as well as the highly competitive nature of the sector, have resulted in the consolidation and pricing pressures that often arise in such market circumstances. As the industry continues to develop and large market participants benefit from synergies due to scale, technological enhancements, route density and investments in plant-based infrastructure, smaller market participants may continue to exit and sell to larger market participants.

Revenue

The Shred-it Group's revenue is derived primarily from fees paid by customers for the collection and secure destruction of information (referred to as service revenue). The Shred-it Group has a highly diverse customer base comprised of over 400,000 recurring customer locations in 18 countries. The Shred-it Group's top

200 customers are diversified across a variety of sectors, including financial and professional services, healthcare, business services, retail, government and telecom. The Shred-it Group has the unique capability, scale and route density to offer either "on-site" or "off-site" information destruction services in the majority of North American markets and certain International Markets in which it operates.

Approximately 90% of service revenue is generated from customers that have a fixed service schedule governed by a customer service agreement. The remaining 10% of the Shred-it Group's service revenue is generated from unscheduled services, such as an office cleanout or office relocation. Pricing for scheduled services is set out in a customer service agreement and is typically based on a per container rate, subject to a minimum charge for each service, and is not dependent on the amount of paper collected. Unscheduled services are typically priced at a premium given their one-time nature. Service agreements for SMB customers vary but are typically three to five years in duration and typically include automatic renewal clauses, early termination fees and an ability to implement annual price increases and fuel surcharges. Variation in the terms of the Shred-it Group's service agreements may exist due to factors such as when the agreement was originally signed, the form of agreement used and the country in which the customer is located.

Shredding operations are affected by weather and seasonal conditions and adverse or unusual weather patterns may negatively affect operations by lowering volumes and revenues.

Operating Expenses

Operating expenses consist primarily of employment costs, facility occupancy costs (including rent and utilities), transportation and maintenance expenses (including vehicle leases and fuel), general administrative, other equipment costs and supplies. Of these, employment costs, facility occupancy costs and transportation and maintenance costs are the most significant. Trends in total wages and benefits in dollars and as a percentage of total combined revenue are influenced by changes in headcount and compensation levels, achievement of incentive compensation targets, workforce productivity and variability in costs associated with medical insurance and workers' compensation. Trends in facility occupancy costs are impacted by the total number of facilities the Shred-it Group occupies under operating leases, fluctuations in per square foot occupancy costs, and the levels of utilization of these properties. Management expects these costs will increase in proportion with organic and acquisition growth.

Severe cold weather increases consumption of electricity and may cause an increase in oil and natural gas prices, which may result in higher utility prices for the Shred-it Group's branches.

Depreciation and Amortization Expense

The Shred-it Group's depreciation and amortization charges primarily relate to capital investments. The principal components of depreciation relate to containers located at the customer's site, trucks, building and leasehold improvements, and computer systems hardware and software.

Amortization relates primarily to customer relationships and reacquired franchise rights and is impacted by the nature and timing of acquisitions.

Foreign Exchange

The combined financial statements of the Shred-it Group are presented in U.S. dollars, the Shred-it Group's functional currency. Each subsidiary of the Shred-it Group determines its own functional currency based on the primary economic environment in which the subsidiary operates. Foreign exchange gains/losses arise as a result of intercompany balances and cash and cash equivalents held by subsidiaries that are denominated in currencies that differs from the subsidiary's functional currency.

The combined operating results of the Shred-it Group are subject to fluctuations caused by the net effect of foreign currency translation on revenues and expenses incurred by subsidiaries operating in the Canadian, U.K. and Eurozone markets. Foreign currency exchange rates vary and will fluctuate in the future. It is difficult to determine the impact these fluctuations will have on the Shred-it Group's Combined Statements of Income (Loss) and Comprehensive Income (Loss). However, the impact of currency exchange rates and fluctuations on operating income and operating margin is largely mitigated as both revenue and expenses are denominated in the local currency of the country in which they are derived or incurred.

The following is a summary of the average exchange rates of the Shred-it Group's most significant currencies as published by the Bank of Canada:

	Q1 2015	2014	2013	2012
U.S. Dollar	1.00	1.00	1.00	1.00
Canadian Dollar	0.81	0.91	0.97	1.00
Euro	1.13	1.33	1.33	1.29
Pound Sterling	1.52	1.65	1.56	1.58

Assets and liabilities of subsidiaries with different functional currencies are translated into U.S. dollars at the year-end rates of exchange and revenue and expense items are translated at the average rate of exchange during the period where these approximate actual rates. Exchange gains or losses arising from the translation of the results of operations of these subsidiaries are included as part of other comprehensive income (loss).

Acquisition, Transaction and Integration Costs

The Shred-it Group incurs legal, professional and other costs relating to various business acquisitions. In addition, the Shred-it Group incurs costs relating to the integration of acquired businesses. These activities included the closure of redundant facilities, rebranding and marketing, legal and professional fees, the conversion to the Shred-it Group's Enterprise Resource Planning system, SAP and other incremental administrative expenses.

Interest Expense, net

Net interest expense is mainly comprised of the cost of borrowing under the Shred-it Group's credit facility and for Fiscal 2014 the interest expense on amounts due to related parties.

In addition, the Shred-it Group has provided standby letters of credit under the Shred-it Group's credit facility reducing the amounts available under the revolving credit facility.

Provision for Income Taxes

The Shred-it Group's earnings are subject to federal, state and provincial income taxes in jurisdictions in which it conducts business, with the exception of Dubai, which does not levy an income tax. The combined Canadian federal and provincial income tax statutory rate for the Shred-it Group was approximately 26.4% for Fiscal 2014.

In Fiscal 2012, 2013 and 2014, certain entities in the Shred-it Group were taxable entities, subject to current taxes payable in their respective jurisdictions. In jurisdictions where the Shred-it Group incurs losses for tax purposes, the benefit of such losses are only recognized in the accounts to the extent it is more likely than not that the benefit of such losses will be realized in the foreseeable future. This generally requires that either sufficient taxable income will be generated against which such losses can be applied or deferred tax liabilities have already been recorded in the respective jurisdiction.

Deferred tax liabilities are recorded for future taxable amounts where the book basis of assets exceeds the tax basis. The majority of the deferred tax liabilities recorded relates to intangible assets acquired in business combinations where no tax basis is available under local tax legislation. In this case, the deferred tax liabilities are drawn down as the corresponding intangibles are amortized for book purposes. In accordance with the IFRS guidance in IAS 12, no deferred taxes are recorded in respect of goodwill acquired in business combinations.

As the Shred-it Group operates in multiple tax jurisdictions with varying corporate tax rates, the overall effective tax rate will deviate from the combined Canadian statutory rate accordingly. In addition to foreign jurisdiction rate variances, the Shred-it Group's overall effective tax rate is impacted by expenses, which, for tax purposes, are permanently disallowed, and for losses in jurisdictions where the benefit of such losses cannot be recorded due to uncertainty in realizing such benefits.

Capital Expenditures

Capital expenditures are primarily incurred by the Shred-it Group for purchases of trucks, plant and equipment, information technology and other infrastructure, containers at customer sites, office equipment and leasehold improvements.

Expenditures for maintenance capital activities that sustain the current Shred-it Group's operating capacity relate to major overhauls and upgrades to its existing equipment, trucks and facilities. The Shred-it Group also incurs capital expenditures to support its growth strategy, to increase capacity by adding trucks, containers, and whenever economic, incremental capacity to balers and to plant-based destruction systems. In addition, capital expenditures include integration related expenditures such as the conversion of legacy systems for the Cintas and other acquisitions to the Shred-it Group's systems and to upgrades to SAP, the Shred-it Group's Enterprise Resource Planning system, which includes expenditures associated with consultants as well as the cost of internally developed computer software.

Outlook

Management believes that over the next five to seven years, an opportunity exists to grow the Shred-it Group's total annual revenue to between \$1.0 and \$1.25 billion (approximately 6% to 12% per year), while generating implied Operating EBITDA Margins of approximately 30% after the realization of identified synergies. Management believes that its targeted revenue growth may be achieved through its execution of various growth strategies, including: (i) organic revenue growth of 4% to 7% per annum, consistent with past performance through the continued conversion of the unvended market, growth from existing customers and growth of adjacent service offerings; (ii) acquisition growth from market consolidation targeting \$20 million to \$40 million in average annual revenue acquired (approximately 2% to 5% of LTM Pro Forma Revenue), consistent with past performance; and (iii) increased customer penetration in existing International Markets and entry into new markets. Management believes that the Shred-it Group's high annual free cash flow and access to external capital will be sufficient to execute on its organic and acquisition growth strategy.

The foregoing description of Shred-it's potential growth opportunity is based on management's current strategies, its assumptions concerning its growth outlook, and its assessment of the outlook for the business and the secure information destruction industry as a whole and may be considered to be forward-looking information for purposes of applicable Canadian securities legislation. Readers are cautioned that actual results may vary. See "Forward-Looking Information" and "Risk Factors" for a description of the risks and uncertainties that impact the Company's business and that could cause actual results to vary. For the purposes of the foregoing estimates, the Company has assumed the realization of \$73 million of annual synergies as a result of the Merger, further described elsewhere in this prospectus, and that future organic revenue growth and acquisition growth will be consistent with past performance. Management considers these assumptions to be reasonable in the circumstances, given the time period for such estimates. However, there can be no assurance that the Company will be able to achieve its targeted revenue growth referred to above. Actual organic revenue growth and acquisition growth may vary from year to year and may be higher or lower than the targeted amounts referred to above.

Fiscal 2014 Compared to Fiscal 2013

Revenue from Continuing Operations

Total revenue from continuing operations was \$575.1 million for Fiscal 2014 compared to \$347.3 million for Fiscal 2013, representing an increase of \$227.8 million or 65.6%.

Total revenue was principally higher in Fiscal 2014 as compared to Fiscal 2013 due to the completion of acquisitions, principally as a result of the Merger. Acquisitions contributed an aggregate of \$201.4 million in Fiscal 2014: the Merger contributed \$190.0 million, eight franchise acquisitions contributed \$10.0 million, and the acquisition of Iron Mountain's shredding business in the United Kingdom, Ireland and Australia contributed

$1.4 million. Excluding the impact of acquisitions, the increase in revenue was primarily the result of improved paper pricing and increases in fuel surcharge revenue, offset by a decrease in other revenue. Fluctuations caused by the net effect of foreign currency translation on revenues had a negative impact of $1 million.

Operating Expenses

Operating expenses were $445.6 million for Fiscal 2014 compared to $281.4 million for Fiscal 2013, representing an increase of $164.2 million or 58.4%. The increase is primarily the result of acquisitions in 2014, reflecting the increase in personnel, transportation related expenditures and occupancy costs. This increase was offset by realized synergies relating to routing efficiencies, savings related to the consolidation of branches and corporate administration. Fluctuations caused by foreign currency translation on operating expenses had a positive impact of $1.5 million.

Foreign Exchange

For Fiscal 2014, the Shred-it Group recognized a loss on foreign exchange of $9.5 million compared to a loss of $5.2 million for Fiscal 2013, representing an increase of $4.3 million. The increase is the result of a strengthening of the U.S. dollar, the Shred-it Group's reporting currency, on the conversion of intercompany balances and cash and cash equivalents held by subsidiaries, which are denominated in foreign currencies.

Acquisition, Transaction and Integration Costs

Acquisition, transaction and integration costs for Fiscal 2014 increased to $37.6 million compared to $4.9 million in Fiscal 2013. The increase is primarily the result of the Merger, with additional costs from other acquisitions completed in Fiscal 2014.

Interest Expense, Net

Net interest expense was $16.2 million for Fiscal 2014 compared to $31.5 million for Fiscal 2013, representing a decrease of $15.3 million or 48.6%. The decrease was primarily the result of entering into the Original Credit Facility upon the completion of the Merger in April 2014 which resulted in an increase in interest expense on long-term debt offset by a reduction on interest expense due to shareholders amounts and the Class A and B special share which, through a series of transactions, were exchanged for Partnership units.

Provision for Income Taxes

Income tax expense in Fiscal 2014 was $4.6 million, compared to a recovery in Fiscal 2013 of $1.0 million. Taxable income in the U.S. was higher in Fiscal 2014 due to higher earnings resulting from the Merger. This increase is offset by approximately 35% of U.S. sourced taxable income which is taxed at the partner level, and accordingly is not reflected in the tax expense for Fiscal 2014.

Net Income (Loss) from Continuing Operations

Net losses were $18.9 million for Fiscal 2014 compared to $21.4 million for Fiscal 2013, representing an improvement of $2.5 million. The improvement was mainly attributed to the earnings from the 2014 acquisitions and the reduction in net interest expenses, offset by an increase in acquisition, transaction and integrations costs.

Fiscal 2013 Compared to Fiscal 2012

Revenue from Continuing Operations

Total revenue from continuing operations was $347.3 million for Fiscal 2013 compared to $324.2 million for Fiscal 2012, representing an increase of $23.1 million or 7.1%. The increase in revenue was primarily the result of organic growth and acquisitions offset by a negative impact of foreign exchange of $1.7 million.

Operating Expense

Operating expenses were $281.4 million for Fiscal 2013 compared to $275.4 million for Fiscal 2012 which is comparable to the prior year and includes a positive impact of foreign exchange on operating expenses of $1.7 million and an increase in expenses resulting from the full year effect of acquisitions of franchises completed during Fiscal 2012.

Foreign Exchange

For the Fiscal 2013, the Shred-it Group recognized a loss on foreign exchange of $5.2 million compared to a gain of $1.4 million for Fiscal 2012, a decrease of $6.6 million. The decrease is the result of a strengthening of the U.S. dollar, the Shred-it Group's reporting currency, on the conversion of intercompany balances and cash and cash equivalents held by subsidiaries which are denominated in foreign currencies.

Acquisition, Transaction and Integration Costs

Acquisition, transaction and integration costs for Fiscal 2013 decreased to $4.9 million compared to $9.5 million in 2012, a decrease of $4.6 million or 48.4%. During Fiscal 2012, the Shred-it Group incurred advisor and other costs associated with acquisitions completed during the year, $5.5 million associated with due diligence costs on an acquisition that did not close and the cost associated with the conversion of branch systems to the Shred-it Group's ERP system, SAP.

Interest Expense, Net

Net interest expense and other financing charges were $31.5 million for Fiscal 2013 which was comparable to Fiscal 2012.

Provision for income taxes

Income tax recovery for Fiscal 2013 was $1.0 million, compared to a recovery of $9.3 million for Fiscal 2012. The majority of the recovery in Fiscal 2012 ($4.0 million) related to the benefit of 2012 loss carrybacks in the U.S. resulting from the costs incurred during the period. In addition, the recovery reflects the benefit of previously unrecognized loss carryforwards.

Net (Income) Loss from Continuing Operations

Net losses were $21.4 million for Fiscal 2013 compared to $26.2 million for Fiscal 2012, representing an improvement of $4.8 million or 18.3%, primarily the result of an increase in revenue.

Segment Performance

The Shred-it Group's segment information is presented on the same basis as management's internal reporting structure to the Shred-it Group's Chief Executive Officer (the chief operating decision maker) and reflects how the Shred-it Group is organized and managed. The Shred-it Group has two reportable segments: North America and Rest of World ("**ROW**").

The North American business segment provides secure information destruction services throughout the United States and Canada.

The ROW business segment provides secure information destruction services predominately in the United Kingdom and Euro denominated countries.

The reconciliation of adjustments and eliminations comprise expenses relating to centralized services, such as executive management, treasury, finance, information technology, human resources, marketing, national accounts administration, legal and risk management, which benefit the enterprise as a whole. It also includes the costs related to stock-based employee compensation associated with all stock options, restricted stock, restricted stock units, performance units and shares of stock issued under the employee stock purchase plan. Revenue shown in this reconciliation represents franchise royalties, fees and truck and container sales.

Fiscal 2014 Compared to Fiscal 2013 by Segment

North America

Revenue for North America in Fiscal 2014 was $470.2 million as compared to $258.4 million in Fiscal 2013, an increase of $211.8 million or 82%. Operating expenses for North America were $313.8 million for Fiscal 2014 compared to $181.8 million for the Fiscal 2013. The increase is largely the result of the Merger and the acquisition of eight franchises during 2014.

ROW

For the ROW segment, revenue for Fiscal 2014 was $98.8 million compared to $80.9 million for Fiscal 2013, a $17.9 million increase or 22.1%. Operating expenses were $64.5 million for Fiscal 2014 compared to $55.4 million for Fiscal 2013. The increase is largely the result of organic growth and acquisitions in Fiscal 2013.

Adjustments and Eliminations

For Fiscal 2014, the Shred-it Group recorded costs before interest, depreciation and amortization of $109.5 million, compared to $47.0 million for Fiscal 2013, an increase of $62.5 million or 133% primarily due to the additional costs incurred as a result of the Merger and other acquisitions in 2014 and an increase in the loss on foreign exchange.

Fiscal 2013 Compared to Fiscal 2012 by Segment

North America

Revenue for North America was $258.4 million in Fiscal 2013 as compared to $247.1 in Fiscal 2012, an increase of $11.3 million or 4.6%. Operating expenses for North America were $181.8 million for Fiscal 2013 compared to $185.2 million for Fiscal 2012. The increase in revenue is largely due to a full year of revenue in Fiscal 2013 for acquisitions completed in 2012.

ROW

For the ROW segment, revenue for Fiscal 2013 was $80.9 million compared to $67.6 million for Fiscal 2012, $13.3 million increase or 19.7%. Operating expenses were $55.4 million for Fiscal 2013 compared to $49.1 million for Fiscal 2012. The increase in revenue is largely due to full year impact of acquisitions completed in 2012 and acquisitions completed in Fiscal 2013.

Adjustments and Eliminations

For Fiscal 2013 the Shred-it Group recorded costs before interest, depreciation and amortization of $47.0 million, compared to $40.2 million for Fiscal 2012, an increase of $6.8 million or 16.9%. The increase was due to the growth in the business and an increase in loss on foreign exchange.

EBITDA and Operating EBITDA Discussion

The increase in both EBITDA and Operating EBITDA for the Shred-it Group is primarily the result of the acquisitions undertaken during Fiscal 2014, Fiscal 2013, and Fiscal 2012.

Liquidity and Capital Resources

Total assets for the Shred-it Group were $1,185.0 million at December 31, 2014 compared to $506.7 million at December 31, 2013, an increase of $678.3 million. The increase is largely due to the Merger as well as the acquisitions of Iron Mountain's shredding businesses and eight franchises during 2014.

Accounts receivable increased to $97.8 million at December 31, 2014 from $50.8 million at December 31, 2013 primarily due to acquisitions completed during the year.

The net book value of the property, plant and equipment at December 31, 2014 increased to $221.8 million from the December 31, 2013 balance of $96.2 million, an increase of $125.6 million. The increase is the result of acquisitions in 2014 of approximately $148.1 million and capital additions of $34.6 million, offset by depreciation, disposals and the impact of foreign exchange on assets and depreciation expense denominated in foreign currencies.

Intangible assets increased to $372.4 million from the December 31, 2013 balance of $202.7 million as a result of the acquisitions in 2014 of $209.3 million offset by amortization and the impact of foreign exchange on assets and amortization expense denominated in foreign currencies.

Goodwill at December 31, 2014 increased to $407.4 million from the December 31, 2013 balance of $125.0 million due to additions to goodwill of $293.3 million from the acquisitions in 2014 and offset by the impact of foreign exchange on goodwill denominated in foreign currencies.

Accounts payable and accrued liabilities at December 31, 2014 were $52.3 million compared to the December 31, 2013 balance of $26.5 million. The increase reflects increased accounts payable and accrued liabilities due to the acquisitions in 2014 and timing in liabilities relating to employee costs and professional fees partially offset by the impact of foreign exchange on accounts payable and accrued liabilities denominated in foreign currencies.

Cash Flows

The Shred-it Group's source of cash includes cash generated from operating activities and available borrowings under the Original Credit Facility and bank indebtedness.

Fiscal 2014 Compared to Fiscal 2013

Net cash generated from operating activities, before changes in working capital, was $79.0 million for Fiscal 2014 compared to $57 million in Fiscal 2013. The increase of $22.0 million was primarily the result of cash generated from acquired businesses during 2014.

Net cash generated from financing activities was $242.4 million for Fiscal 2014 compared to cash used in financing activities of $34.4 million in Fiscal 2013. During 2014, the Shred-it Group entered into the Original Credit Facility of $660 million to finance acquisitions in 2014 (principally the Merger) with aggregate costs of $281.3 million, and to replace the Shred-it Group's old credit facilities of $352.5 million. In Fiscal 2013, financing activities include the repayment of long term debt of $82.4 million.

The sources of cash from the financing activities together with cash generated from operations and $28.2 million received as proceeds from the sale of the Shred-it Group's records management business in December 2014, were utilized to fund acquisitions in 2014 with aggregate costs of $281.3 million, and capital additions to property, plant and equipment of $34.6 million. The effect of foreign exchange on cash and cash equivalents denominated in foreign currencies in Fiscal 2014 was a decrease of $4.3 million compared to an increase of $5.2 million for Fiscal 2013, the decrease the result of the strengthening of the U.S. dollar against cash and cash equivalents denominated in foreign currencies.

Fiscal 2013 Compared to Fiscal 2012

Net cash generated from operating activities, before changes in working capital were $57 million for Fiscal 2013 compared to $35.4 million in Fiscal 2012. The $21.6 million increase was primarily due to an increase of cash flows from operations generated by acquisitions completed during 2013 and 2012.

Net cash used in financing activities was $34.4 million for Fiscal 2013 compared to net cash generated from financing activities of $77.0 million in Fiscal 2012. In Fiscal 2013, the Shred-it Group incurred net repayments against its credit facilities compared to net borrowings in Fiscal 2012.

Net cash used in investing activities was $45.7 million for Fiscal 2013 compared to $82.0 million in Fiscal 2012. The $36.3 million decrease was primarily as a result of acquisitions of $25.6 million and additions to property, plant and equipment in Fiscal 2013, compared to acquisitions of $52.0 million and capital expenditures of $30.0 million in Fiscal 2012.

The effect of foreign exchange on cash and cash equivalents denominated in foreign currencies in Fiscal 2013 was an increase of $5.2 million compared to a decrease of $0.6 million for Fiscal 2012. The change is related to the strengthening of the U.S. dollar against cash and cash equivalents denominated in foreign currencies.

Capital Expenditures

Fiscal 2014 Compared to Fiscal 2013

Total capital expenditures for Fiscal 2014 were $34.6 million compared to $20.1 million for Fiscal 2013, an increase of $14.5 million. Maintenance capital expenditures increased $0.7 million primarily due to the larger size of the Shred-it Group. Capital expenditures relating to growth increased to $8.4 million in Fiscal 2014 compared to $5.5 million in Fiscal 2013. Acquisition, transaction and integration capital expenditures which related to the integration of acquisitions in Fiscal 2014 (principally the Merger) increased to $11.6 million.

Fiscal 2013 Compared to Fiscal 2012

Total capital expenditures for Fiscal 2013 were $20.1 million compared to $30.0 million for Fiscal 2012, a decrease of $9.9 million. Maintenance capital expenditures increased $3.5 million. Capital expenditures relating to growth decreased to $5.5 million in Fiscal 2013 compared to $10.3 million in Fiscal 2012. Acquisition, transaction and integration capital expenditures in Fiscal 2013 were $0.4 million compared to $6.3 million in Fiscal 2012. The expenditures in Fiscal 2012 related to the conversion of branch systems to the Shred-it Group's Enterprise Resource Planning system, SAP.

Working Capital

The Shred-it Group's working capital and current ratio at year end were as follows:

	2014	2013
Working capital[(1)] (in millions of dollars)	$87.7	$19.3
Current ratio[(2)]	2.03 to 1	1.36 to 1

(1) Working capital is calculated as total current assets less total current liabilities

(2) Current ratio is calculated as total current assets divided by total current liabilities

The change in working capital and the current ratio at December 31, 2014 is primarily a result of an increase to cash and cash equivalents and accounts receivables, partially offset by an increase in bank indebtedness, accounts payable and accrued liabilities. The Shred-it Group's cash on hand and positive cash flows in conjunction with the undrawn portions of the Revolving Term facility provide the Shred-it Group with sufficient working capital to meet its financial commitments.

Credit Facilities

At December 31, 2014, the following remained undrawn under the Shred-it Group's lines of credit.

(in millions of dollars)	Maturity	Available	Drawn
Term Facility	April 30, 2019	$410.0	$410.0
Revolving Term Facility	April 30, 2019	250.0	42.0
Bank indebtedness	n/a	n/a	14.3
Letters of credit (included in amount drawn under the Revolving Term)	n/a	50.0	14.7

On April 30, 2014, to finance the Merger, a member of the Shred-it Group entered into the Original Credit Facility and terminated the then existing syndicated Senior Secured Credit Agreement ("**Old Credit Agreement**").

Advances made under the Revolving Term Facility under the Original Credit Facility can be used by a member of the Shred-it Group to finance working capital requirements and to finance letters of credit issued to support pre-existing letters of credit issued pursuant to credit facilities. A member of the Shred-it Group may also use the Revolving Credit Facility to finance acquisitions permitted under the Senior Secured Credit Agreement.

The Term Facility advances were used for the acquisition of the Cintas shredding business and to extinguish term credit amounts outstanding under the Old Credit Agreement.

On May 22, 2015, a member of the Shred-it Group amended the Original Credit Facility to increase the term facility by $190 million and to increase the Shred-it Group's consolidated leverage ratios. On May 27, 2015, the Partnership had drawn the full amount of the increase in the new term facility and had drawn an additional $80 million from its revolving credit facility. The proceeds of approximately $270 million were used as a distribution to unit holders and shareholders of the Shred-it Group.

At December 31, 2014, each of the applicable Shred-it Group borrowers had met all of its debt related covenants and Management believes it will be in compliance with these covenants for the next 12 months.

The Shred-it Group's significant contractual obligations and commitments as at December 31, 2014 (except as noted below), are shown in the following table:

	Contractual cash flows	Year 1	2 to 3 years	4 to 5 years	Thereafter
Bank indebtedness	$ 14,263	$14,263	$ —	$ —	$ —
Accounts payable and accrued liabilities	52,294	52,294	—	—	—
Original term credit facility	410,000	—	—	410,000	—
Original revolving term credit facility	42,000	—	—	42,000	—
Commitments under operating leases	69,689	17,095	14,317	11,255	27,022
	$588,245	**$83,651**	**$14,317**	**$463,255**	**$27,022**

Management believes that the Shred-it Group's operating activities and available borrowing capacity will provide adequate sources of funds to meet short-term requirements.

Off-Balance Sheet Arrangements

Other than operating lease agreements and the outstanding letters of credit disclosed elsewhere in this MD&A, the Shred-it Group does not have any material off-balance sheet arrangements.

Share Capital Outstanding

The share capital included in Parent Equity represents the share capital of the Combined Entities. For a further explanation see the "Basis of Presentation" found in this MD&A.

Related Parties

As previously noted, Cintas received 42% of the Partnership units as part of the April 2014 acquisition. In addition, the Shred-it Group entered into certain transactions with Cintas as part of a Transition Services Agreement ("**TSA**"). These transactions are on the exchange amounts, as agreed upon with Cintas. The purpose of the TSA is for Shred-it to obtain Cintas's support for integration of the acquired Cintas shredding business. The Shred-it Group incurred TSA related costs of $12.6 million, which were recorded in Fiscal 2014. The amounts due to Cintas are based on 30 days terms of repayment.

The Shred-it Group provided shredding services to Cintas and earned revenue of $0.4 million in 2014. Also, Cintas sold other products and services to the Shred-it Group for $1.5 million.

As at December 31, 2013, shareholder loans receivable of $7.9 million were comprised of share purchase financing made by Predecessor SII to certain employees and independent members of the Board of Directors of

Predecessor SII, of which $3 million was provided in Canadian funds and $4.8 million in U.S. funds. The loans were collateralized by 1,380,875 common shares and 12,427,872 special shares of Predecessor SII and were bearing interest at the rate of 4.0% per annum, calculated monthly, with such interest added to the principal amount of the loans. The loans were due at the earlier of the disposition of all of the shares and five years from the date of issue. Interest of $0.3 million was charged by Predecessor SII during the year ended December 31, 2013.

At December 31, 2013 amounts due to shareholders was $287.0 million. As part of the Reorganization in March of 2014, the amounts due to shareholders, and related interest, as well as special shares were exchanged for common shares of Predecessor SII.

As part of the Reorganization, the special and common shares of Predecessor SII were ultimately exchanged for common shares of the Predecessor SII. As well, employees of Predecessor SII elected to receive a cash payment net of applicable withholding taxes and any outstanding Predecessor SII shareholder loans in exchange for the settlement of stock options.

As at December 31, 2014, shareholder loans receivable of $3.3 million were outstanding. These loans were collateralized by 41,732 Boost Holdings Common LP units and bearing interest at the rate of 4.0% per annum, calculated monthly, with such interest added to the principal amount of the loans. The loans are repayable on or before April 30, 2019 and are expected to be repaid in connection with the Offering.

Transactions with Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the Shred-it Group and/or its subsidiaries, directly or indirectly, including any external directors of the Shred-it Group and/or its subsidiaries. Key management personnel may also participate in the Shred-it Group's stock-based compensation plans and the Shred-it Group's defined contribution savings plan.

Remuneration of key management personnel of the Shred-it Group is comprised of the following expenses:

	2014	2013	2012
Salaries and other short-term employee benefits	$6,254	$2,932	$2,654
Stock-based compensation	6,456	138	169
	$12,710	**$3,070**	**$2,823**

There were no additional related party transactions between the Shred-it Group and its key management personnel, or their related parties, including other entities over which they have control.

Risk Factors

In the ordinary course of business, the Shred-it Group is subject to a number of interest rate, credit, liquidity and foreign exchange risks. The Shred-it Group's primary risk management objective is to protect its income and cash flows and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Shred-it Group's risks and the related exposures, are consistent with its business objectives and risk tolerance. See the discussion on "Risk Factors" elsewhere in this prospectus.

Interest Rate Risk

The Shred-it Group's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Shred-it Group to interest rate cash flow risk.

As at December 31, 2014, if interest rates decreased or increased by 1%, with all other variables held constant, loss before income taxes would be impacted by $2.7 million.

Credit Risk

Credit risk represents the financial loss that the Shred-it Group would experience if a counterparty to a financial instrument in which the Shred-it Group has an amount owing from the counterparty failed to meet its obligations in accordance with the terms and conditions of its contracts with the Shred-it Group.

The Shred-it Group's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the combined statements of financial position are net of allowances for doubtful accounts, estimated by the Shred-it Group's management based on prior experience and their assessment of the current economic environment. The Shred-it Group establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of accounts receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures and an overall loss component established based on historical trends. The Shred-it Group believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk associated with the Shred-it Group's accounts receivable.

The Shred-it Group believes that the concentration of credit risk of accounts receivable is limited due to its broad customer base, dispersed across varying industries and geographic locations.

The Shred-it Group has established various internal controls designed to mitigate credit risk and has also established procedures to suspend the availability of services when customers have fully utilized approved credit limits or have violated established payment terms.

While the Shred-it Group's credit controls and processes have been effective in managing credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Shred-it Group's current credit loss experience will not continue.

Liquidity Risk

Liquidity risk is the risk that the Shred-it Group will not be able to meet its financial obligations as they fall due. The Shred-it Group manages liquidity risk through the management of its capital structure and financial leverage to the combined financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Shred-it Group's reputation.

Foreign Exchange Risk

Foreign currency rate risk is the risk that the fair value of future cash flows will fluctuate because of the changes in foreign exchange rates. The Shred-it Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Shred-it Group's operating of the foreign subsidiaries.

The Shred-it Group operates in Canada, the U.S., the U.K., the Eurozone and other foreign markets and is exposed to unpredictable foreign exchange rate changes.

Effective January 1, 2015 management implemented a net investment hedge to minimize the foreign exchange translation impact in the income statement resulting from U.S. dollar denominated bank indebtedness in Shred-it International ULC, which has a functional currency of Canadian dollars. Included in bank indebtedness in Shred-it International ULC was a borrowing which was designated as a hedge of the net investments in the U.S. subsidiary, Shred-it USA JV LLC, which has the U.S. dollar as its functional currency.

As at December 31, 2014, if the following foreign exchange relationships weakened or strengthened by 1% against the U.S. dollar, with all other variables held constant, other comprehensive income (loss) for the year would have been higher or lower as follows:

Canadian dollar	**$2,260**
Pounds sterling	**73**
Euro	**93**

Accounting Standards Implemented in 2014

IFRIC Interpretation 21, Levies (“*IFRIC 21*”)

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Adoption of IFRIC 21 did not have a material financial impact on the combined financial statements.

Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of “currently has a legally enforceable right to set-off” and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments did not have a material impact on the combined financial statements.

Annual Improvements 2010 — 2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to *Fair Value Measurement (IFRS 13)*. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning on January 1, 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 did not have a material financial impact on the combined financial statements.

Future Accounting Standards Not Yet Adopted by the Shred-it Group

Financial Instruments

In November 2013, the IASB issued a revised version of (*IFRS 9), Financial Instruments* which introduces a new chapter on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The revised standard permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity’s own credit risk can be presented in OCI rather than within the combined statements of loss and comprehensive income (loss). The amendments to IFRS 9 remove the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open, pending the finalization of the impairment, classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application. The Shred-it Group does not anticipate early adoption and plans to adopt the standard on its effective date, which the IASB has tentatively decided will be no earlier than January 1, 2018. The Shred-it Group is in the process of reviewing the standard to determine the impact on its combined financial statements.

Revenue Recognition

In May 2014, the IASB released IFRS 15, *Revenue from Contracts with Customers*, which supersedes existing revenue related guidance. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 will be effective for the Shred-it Group’s fiscal year beginning on January 1, 2017, with earlier application permitted. The Shred-it Group has not yet assessed the impact of the adoption of this standard on its combined financial statements.

Critical Accounting Judgments and Estimates

The preparation of the combined financial statements in conformity with IFRS requires management to make various judgments and estimates in applying the Shred-it Group's accounting policies that affect the reported amounts and disclosures made in the Shred-it Group's financial statements and accompanying notes.

Management continually evaluates the estimates and assumptions it uses. These judgements and estimates are based on management's historical experience, knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and assumptions described in this section depend upon subjective or complex judgement that may be uncertain and changes in these estimates and assumptions could materially impact the Shred-it Group's financial statements. The following are the accounting policies that are subject to judgements and estimates.

Impairment of Non-Financial Assets

Management is required to use judgment in determining the grouping of assets to identify their cash generating units ("**CGUs**") for the purposes of testing fixed assets for impairment. Judgment is further required to determine appropriate groupings of CGUs, for the level at which goodwill and intangible assets are tested for impairment. In addition, judgment is used to determine whether a triggering event has occurred requiring an impairment test to be completed.

In determining the net recoverable amount of a CGU, various estimates are employed. The Shred-it Group determines the fair value less costs to sell a particular CGU using estimates such as projected future sales, earnings, capital investments and discount rates. Projected future sales and earnings are consistent with strategic plans provided to the Shred-it Group's Board of Directors. Discount rates are based on an estimate of the Shred-it Group's weighted average cost of capital taking into account external industry information reflecting the risk associated with the specific cash flows.

Provision for Income and Other Taxes

The calculation of current and deferred income taxes requires management to make certain judgments regarding the tax rules in jurisdictions where the Shred-it Group performs activities. Application of judgments is required regarding classification of transactions and in assessing probable outcomes of claimed deductions including expectations of future operating results, the timing and reversal of temporary differences, likelihood of utilizing deferred tax assets and possible audits of income tax and other tax filings to the applicable tax authorities.

Leases

In classifying a lease as either financial or operating, management has to make certain assumptions in estimating the present value of future lease payments and the estimated useful lives of the related assets. These assumptions include the allocation of values between land and building, and discount rates.

Provisions

Management reviews provisions at each balance sheet date utilizing judgments to determine the probability that an expense and outflow will result from the legal or constructive obligation and an estimate of the associated obligation. Due to the judgmental nature of these items, future settlements may differ from amounts recognized.

(i) Restoration costs

In the course of the Shred-it Group's activities, it is expected to have costs associated with restoring the location where assets are situated upon ceasing their use on those premises. The associated cash outflows, which are long-term in nature, are generally expected to occur at the dates of exit of the assets to which they relate.

These restoration costs are calculated on the basis of the identified costs for the current financial year, extrapolated into the future based on management's best estimates of future trends in prices, inflation and other factors, and are discounted to present value at a credit adjusted risk-free rate specifically applicable to the liability. Forecasts of estimated future provisions are revised in light of future changes in business conditions or technological requirements.

The Shred-it Group records these decommissioning and restoration costs as property, plant and equipment and subsequently allocates them to expenses using a systematic and rational method over the asset's useful life, and records the accretion of the liability as a charge to finance costs.

(ii) General insurance liabilities

General insurance liabilities represent the estimated ultimate cost of all asserted and unasserted claims incurred, primarily related to where the Shred-it Group is self-insured in the United States for workers' compensation claims, medical claims, auto liability and other general liability exposure. Workers' compensation, auto liability and general liability provisions are estimated through actuarial procedures of the insurance industry. The principal assumptions underlying the estimates are the past claims development experience and various industry sources to the extent that the Shred-it Group's data is deemed insufficient.

Stock-based Compensation

The accounting for equity-settled stock-based compensation requires management to make an estimate of the fair value, including non-market conditions, of the stock options based on the enterprise value of the Shred-it Group at the time of the grant as well as estimates around forfeitures of vested options.

Q1 2015 Compared to Q1 2014

Revenue from Continuing Operations

Total revenue from continuing operations was $172.4 million for the first quarter of 2015 compared to $86.7 million for same period in 2014, representing an increase of $85.7 million or 98.8%. The increase is primarily the result of the Merger as well as the acquisition of eight franchises and Iron Mountain's shredding business in the UK, Ireland and Australia. Fluctuations caused by the net effect of foreign currency translation on revenues had a negative impact of $5.4 million.

Operating Expenses

Operating expenses were $129.9 million for the first quarter of 2015 compared to $71.8 million for the same period in 2014, representing an increase of $58.1 million or 80.9%. The increase is primarily the result of the Merger as well as other acquisitions in 2014, reflecting the increase in personnel, transportation related expenditures, and occupancy costs. The increase was offset by realized synergies relating to routing efficiencies, savings related to the consolidation of branches and corporate administration. Fluctuations caused by foreign currency translation on operating expenses had a positive impact of $4.8 million.

Depreciation and Amortization

Total depreciation and amortization expense for the first quarter of 2015 increased to $23.1 million compared to $10.9 million for the same period in 2014. The increase is primarily as a result of the Merger and the acquisitions in 2014.

Foreign Exchange

For the first quarter of 2015, the Shred-it Group recognized a loss on foreign exchange of $3.6 million compared to a loss of $1.2 million in the same period in 2014, an increase of $2.4 million. The increase is the result of a strengthening of the U.S. dollar, the Shred-it Group's reporting currency, on the conversion of intercompany balances and cash held by subsidiaries which are denominated in foreign currencies.

Acquisition, Transaction and Integration Costs

Acquisition, transaction and integration costs for the first quarter of 2015 increased to $8.3 million compared to $1.8 million for the same period in 2014. The increase in costs is primarily the result of the Merger and other acquisitions in 2014.

Interest Expense, net

Net interest expense was $3.7 million for the first quarter of 2015 compared to $6.9 million for the same period in 2014, representing a decrease of $3.2 million or 46.4%. The decrease was primarily the result of entering into the Original Credit Facility upon the completion of the Merger which resulted in an increase in interest expense on long-term debt offset by a reduction on interest expense due to shareholders and Class A and B special shares which, through a series of transactions the amounts due to shareholders, were exchanged for Partnership units.

Provision for Income Taxes

Income tax expense for the first quarter of 2015 was $6.4 million, compared to an expense of $2.0 million for the same period in 2014. Taxable income in the U.S. was higher in 2015 due to higher earnings resulting from the Merger, as well as U.S. branch profits tax on its U.S. source income. This increase was offset by a portion of its taxable income not being taxable for U.S. purposes whereby approximately 35% of taxable income in the U.S. is taxed at the partner level, and accordingly is not reflected in the tax expense for the first quarter of 2015.

Net Loss from Continuing Operations

Net losses were $2.7 million for the first quarter of 2015 compared to $7.8 million for the same period of 2014, representing an improvement of $5.1 million. The increase in net earnings was mainly attributed to earnings generated from acquisitions in 2014 (principally the Merger) and the reduction in net interest expenses offset by an increase in acquisition, transaction and integrations costs and the increase in loss on foreign exchange.

Segment Performance

North America

Revenue for North America in the first quarter of 2015 was $143.2 million, an increase of $81.0 million, when compared to the same period in 2014. The increase is largely the result of the Merger as well as the acquisition of eight franchises acquired during 2014. Operating expenses for North America were $94.0 million for the first quarter of 2015 compared to $43.6 million for the same period in 2014. The increase was the result of the acquisitions (principally the Merger).

ROW

For ROW, revenue for the first quarter of 2015 was $28.7 million compared to $22.9 million for the same period in 2014, a $5.8 million increase or 25.3%, and operating expenses were $18.1 million for the first quarter of 2015 compared to $15.5 million for the same period in 2014. The increase is largely the result of organic growth and acquisitions in 2014.

Adjustments and Eliminations

For the first quarter of 2015 the Shred-it Group recorded costs before interest, depreciation and amortization of $29.4 million, compared to $14.1 million for the same period of 2014, an increase of $15.3 million, which is primarily due to the additional costs incurred as a result of the Merger and other acquisitions in 2014 and an increase in the loss on foreign exchange.

Liquidity and Capital Resources

Total assets for the Shred-it Group were $1,137.9 million at March 29, 2015 compared to $1,185.0 million at December 31, 2014, a decrease of $47.1 million. The decrease is largely due to the $39.1 million distribution paid during the first quarter of 2015 offset by working capital movements and amortization.

Accounts receivable increased to $109.7 million at March 29, 2015 from $97.8 million at December 31, 2014 primarily due the timing of collections of receivables partially offset by the impact of foreign exchange on accounts receivables denominated in foreign currencies.

The net book value of the property, plant, and equipment at March 29, 2015 decreased to $216.4 million from the December 31, 2014 balance of $221.8 million, a decrease of $5.4 million. The decrease is primarily the result of acquisitions and capital additions of $28.9 million, offset by depreciation and the impact of foreign exchange on assets and depreciation expense denominated in foreign currencies.

Intangible assets decreased to $364.7 million at March 29, 2015 from the December 31, 2014 balance of $372.4 million as a result of the acquisitions offset by amortization and the impact of foreign exchange on assets and amortization expense denominated in foreign currencies.

Goodwill at March 29, 2015 increased to $409.0 million from the December 31, 2014 balance of $407.4 million with the increase the result of additions to goodwill from acquisitions partially offset by the impact of foreign exchange on goodwill denominated in foreign currencies.

Accounts payable and accrued liabilities at March 29, 2015 were $49.4 million compared to the December 31, 2014 balance of $52.3 million. The decrease reflects the timing of payments and payroll related accruals partially offset by the impact of foreign exchange on accounts payable and accrued liabilities denominated in foreign currencies.

Cash Flows

The Shred-it Group's source of cash includes cash generated from operating activities and available borrowings under the Original Credit Facility and bank indebtedness. The Shred-it Group's primary uses of cash are to fund the operations, working capital requirements, capital expenditures and business acquisitions.

Net cash generated from operating activities before changes in working capital were $27.3 million for the first quarter of 2015 compared to $13.2 million for the same period in 2014. The increase of $14.1 million was primarily the result of cash generated from businesses acquired in 2014.

Net cash used in financing activities were $13.3 million for the first quarter of 2015 compared to $5.8 million, in the same period of 2014. During the first quarter of 2015, the Shred-it Group borrowed $25 million under the Revolving Term Facility.

During the first quarter of 2014 the Shred-it Group paid $5.8 million in amounts due to shareholders.

The sources of cash from the financing activities together with cash generated from operations during the first quarter of 2015 and available cash were utilized for capital additions to property, plant and equipment of $10.5 million, acquisitions of $18.4 million, and a distribution of $39.1 million. The effect of foreign exchange on cash and cash equivalents denominated in foreign currencies in first quarter of 2015 was a decrease of $2.4 million compared to an increase of $0.1 million for same period in 2014 with the decrease due to the strengthening of the U.S. dollar on cash and cash equivalents denominated in foreign currencies.

Capital Expenditures

Total capital expenditures for the first quarter of 2015 were $10.5 million compared to $3.3 million for the same period in 2014, an increase of $7.2 million. Maintenance capital expenditures increased $3.1 million, primarily due to the larger size of the business. Capital expenditures relating to growth increased to $2.5 million in the first quarter of 2015 compared to $1.1 million for the same period in 2014. Acquisition, transaction and integration capital expenditures which related to the integration of acquisitions completed in Fiscal 2014 (principally the Merger) increased to $2.8 million.

Working Capital

	March 29, 2015	December 31, 2014
Working capital[(1)] (in millions of dollars)	$68.1	$87.7
Current ratio[(2)]	1.96 to 1	2.03 to 1

(1) Working capital is calculated as total current assets less total current liabilities

(2) Current ratio is calculated as total current assets divided by total current liabilities

The change in the year is primarily a result of a decrease to cash and cash equivalents and current liabilities offset by an increase in accounts receivable. The Shred-it Group's cash on hand and positive cash flows in conjunction with the undrawn portions of the Revolving Term and bank indebtedness provide the Shred-it Group with sufficient working capital to meet its financial commitments.

Credit Facilities

At March 29, 2015, the following remained undrawn under the Shred-it Group's lines of credit.

(in millions of dollars)	Maturity	Available	Drawn
Term Facility	April 30, 2019	$410.0	$410.0
Revolving Term Facility	April 30, 2019	250.0	66.5
Bank indebtedness	n/a	n/a	10.8
Letters of credit (included in amount drawn under the Revolving Term)	n/a	50.0	14.7

During the first quarter of 2015 a member of the Shred-it Group borrowed an additional $25 million under the Revolving Term Facility to fund two franchise acquisitions and to meet short term cash needs. Advances made under the Revolving Term Facility can be used by a member of the Shred-it Group to finance working capital requirements and to finance letters of credit issued to support pre-existing letters of credit issued pursuant to credit facilities. A member of the Shred-it Group may also use the Revolving Credit Facility to finance acquisitions permitted under the Existing Credit Facility.

The Term Facility advances were used for the Merger and to extinguish term credit amounts outstanding under the Old Credit Agreement. Any portion of the Term Facility that had not been used for the acquisition or to refinance the amounts under the Old Credit Agreement on December 20, 2013, could be used for general corporate purposes, including acquisitions.

On May 22, 2015, a member of the Shred-it Group amended the Original Credit Facility to increase the new term credit facility by $190 million and to increase the consolidated leverage ratios. On May 27, 2015, the Partnership had drawn the full amount of the increase in the new term credit facility and had drawn an additional $80 million from its revolving credit facility. The proceeds of approximately $270 million were used as a distribution to unit holders and shareholders of the Shred-it Group.

At March 29, 2015, each of the applicable Shred-it Group borrowers had met all of its debt related covenants and Management believes it will be in compliance with these covenants for the next 12 months.

Off Balance Sheet Arrangements

Other than operating lease agreements and the outstanding letters of credit disclosed in December 31, 2014 annual MD&A, the Shred-it Group does not have any material off-balance sheet arrangements.

Share Capital Outstanding

The share capital included in Parent Equity of the financial statements represents the share capital of the Combined Entities, for a further explanation see the "Basis of Presentation" found in the December 31, 2014 annual MD&A.

Related Parties

During the period March 29, 2015, the Partnership incurred TSA related costs of $3.9 million, (period ended March 30, 2014 — $ nil). The amounts due to Cintas are based on 30 day terms of repayment.

The Shred-it Group provided shredding services to Cintas and earned revenue of $42 in the first quarter of 2015. Also, Cintas sold other products and services to the Partnership for $345.

As at March 29, 2015, shareholder loans receivable of $2.9 million (December 31, 2014 — $3.3 million) were outstanding. These loans were collateralized by 37,995 Boost Holdings units (December 31, 2014 — 41,732) and bearing interest at the rate of 4.0% per annum, calculated monthly, with such interest added to the principal amount of the loans. The loans are repayable on or before April 30, 2019. Interest income of $31 was recognized in the first quarter of 2015.

As at January 1, 2014, Predecessor SII had amounts Due to shareholders including subordinated Class A promissory grid notes (promissory notes) due to shareholders and Class A and B special shares of Predecessor SII. The promissory notes were denominated in Canadian dollars, bearing interest at fixed rates ranging from non-interest bearing to 13.3% since inception and were to mature upon a liquidation event or in June 2024.

As part of the Reorganization, the promissory notes, and related interest, and special shares of Predecessor SII, were ultimately exchanged for common units of the Partnership. Interest expense of $5,179 was recognized in the first quarter of 2014.

For the period ended March 29, 2015, the Partnership paid $35 (March 30, 2014 — $109) as management fees to Birch Hill Equity Partners Management Inc.

Compensation expense associated with key management and members of the Board of Directors for services was included in employee salaries and benefits as follows:

	March 29, 2015	March 30, 2014
Salaries and other short term employee benefits	$1,564	$733
Stock-based compensation	103	7
	$1,667	$740

Risk Factors

There have been no changes in the Shred-it Group's business risks described in the December 31, 2014 annual MD&A.

Effective January 1, 2015 management implemented a net investment hedge to minimize the foreign exchange translation impact in the income statement resulting from U.S. dollar denominated bank indebtedness in Shred-it International ULC, which has a functional currency of Canadian dollars. Included in bank indebtedness in Shred-it International ULC was a borrowing which was designated as a hedge of the net investments in the U.S. subsidiary, Shred-it USA JV LLC, which has the U.S. dollar as its functional currency.

As at March 29, 2015, if the following foreign exchange relationships weakened or strengthened by 1% against the U.S. dollar, with all other variables held constant, other comprehensive income (loss) for the year would have been higher or lower as follows:

Canadian dollar	$2,707
Pounds sterling	33
Euro	262

Accounting Standards Implemented in Q1 2015

The Shred-it Group did not implement any accounting standards during Q1 2015.

DIVIDEND POLICY

Subject to financial results, capital requirements, available cash flow, corporate law requirements and any other factors that the Board may consider relevant, it is the intention of the Board following Closing to declare a quarterly dividend on an ongoing basis. It is expected that future dividend payments will be made to Shred-it shareholders of record as of the close of business on the last business day of each calendar quarter and that the related payment date will be the fifteenth day of the month following the record date, or if such day is not a business day, the immediately preceding business day.

Initially, the Company anticipates paying quarterly cash dividends, with annualized aggregate dividend payments of approximately C$25 million. The first dividend that would be payable to investors in the Offering would be the dividend for the period beginning on the Closing Date and ending on September 30, 2015. The Company expects the first dividend would be equal to an aggregate amount of approximately C$4 million (or C$ ● per Common Share). Dividends will be declared and paid in arrears. The Company intends to make subsequent quarterly dividends in the estimated amount of C$ ● per Common Share commencing ● 2015. The amount and timing of the payment of any dividends are not guaranteed and are subject to the discretion of the Board. See "The Partnership" and "Risk Factors".

Dividend Reinvestment Plan

Following Closing and subject to the receipt of any required regulatory approvals, the Company intends to adopt a dividend reinvestment plan ("**DRIP**"), pursuant to which resident Canadian holders of Common Shares will be entitled to elect to have all of the cash dividends of the Company payable to such person automatically reinvested in additional Common Shares. Pursuant to the DRIP, cash dividends will be reinvested at a price per Common Share calculated by reference to the volume weighted average of the trading price for the Common Shares on the relevant stock exchange or marketplace for the five trading days immediately preceding the relevant dividend date, less a discount, if any, of up to 5%, at the Company's election. The Company has set the initial discount at 3%. The Company may, subject to the terms of the dividend reinvestment plan, alter or eliminate this discount at any time.

No brokerage commission will be payable in connection with the purchase of Common Shares under the DRIP and all administrative costs will be borne by the Company. Cash undistributed by the Company upon the issuance of additional Common Shares under the DRIP will be invested in the Company to be used for general corporate purposes.

Shareholders who are Non-Residents Holders will not be entitled to participate in the DRIP. Upon becoming a Non-Resident Holder, a shareholder must terminate its participation in the DRIP. Further administrative details, including the date of the first dividend for which securityholders will be entitled to elect to have dividends reinvested under the DRIP, and enrolment documents regarding the DRIP, will be forwarded to securityholders on request.

DESCRIPTION OF SECURITIES

Authorized and Issued Capital upon Closing

Immediately prior to and following the Closing, the Company's authorized share capital will consist of an unlimited number of Common Shares, an unlimited number of preferred shares issuable in series (the "**Preferred Shares**") and an unlimited number of Special Voting Shares. Immediately following Closing, there will be ● Common Shares issued and outstanding, no Preferred Shares issued and outstanding and ● Special Voting Shares issued and outstanding.

Common Shares

Holders of the Common Shares are entitled to one vote in respect of each Common Share held at all meetings of holders of shares, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series. The holders of the Common Shares are entitled to receive any dividend declared by the Company in respect of the Common Shares, subject to the rights of the holders of other classes of shares. The holders of the Common Shares will be entitled to receive, subject to the rights of the holders of other classes of shares, the remaining property and assets of the Company available for distribution, after payment of liabilities, upon the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary. For a description of the Company's dividend policy, see "Dividend Policy" above.

No subdivision or consolidation of the Common Shares or the Special Voting Shares shall occur unless, simultaneously, the shares of the other class are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the Common Shares and Special Voting Shares.

Preferred Shares

The Preferred Shares will be issuable at any time and from time to time in one or more series. The Board will be authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the Preferred Shares of each series. The Preferred Shares of each series will rank on parity with the Preferred Shares of every other series and will be entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to payment of dividends and distribution of any property or assets in the event of the Company's liquidation, dissolution or winding-up, whether voluntary or involuntary. If any cumulative dividends (whether or not declared), non-cumulative dividends declared or amounts payable on a return of capital are not paid in full, the Preferred Shares of all series will participate rateably in accordance with the amounts that would be payable on such Preferred Shares if all such dividends were declared and paid in full or the sums that would be payable on such shares on the return of capital were paid in full, as the case may be. Except as required by the OBCA or in accordance with any voting rights that may from time to time be attached to any series of Preferred Shares by the Board, the holders of Preferred Shares will not be entitled to receive notice of, to attend or to vote at meetings of shareholders.

Special Voting Shares

Special Voting Shares will only be issued to the Cintas Group and are intended to provide the Cintas Group with voting rights in Shred-it proportionate to the number of LP Units held by the Cintas Group, subject to a 19.9% maximum voting entitlement of the Cintas Group (described below). The Special Voting Shares are not transferable except within the Cintas Group. As LP Units are redeemed or exchanged for Common Shares or cash or otherwise acquired by a person that is not a member of the Cintas Group or related thereto, the corresponding number of Special Voting Shares will be cancelled for no consideration. Each Special Voting Share entitles the holder thereof to receive notice of, to attend, and to one vote at all meetings of holders of Common Shares, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series, subject to the Cintas Group's 19.9% maximum voting entitlement (described below). Except for the right to receive notice of, attend and vote at meetings of holders of Common Shares, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series, the Special Voting Shares do not confer upon the holders thereof any other rights. A Special Voting Share does not entitle its holder to any economic interest in the Company, or to any interest or share in the Company, any of its dividends or distributions, if any, or in any of its net assets in the event of the bankruptcy, insolvency, liquidation or winding-up of the Company.

The Special Voting Shares shall entitle the holder thereof to one vote per Special Voting Share, provided that if, at any time, the aggregate number of Common Shares, Special Voting Shares and any other shares carrying voting rights beneficially owned by the Cintas Group or over which the Cintas Group has the power to exercise direct or indirect control or direction exceeds 19.9% of the aggregate number of issued and outstanding Common Shares, Special Voting Shares and any other shares carrying voting rights, the number of votes attached to each Special Voting Share at such time will decrease automatically and without further act or formality, to the greater of: (i) zero; and (ii) the number of votes per Special Voting Share that when aggregated with all of the Special Voting Shares and added to the votes attached to all of the Common Shares and any other shares carrying voting rights beneficially owned by the Cintas Group or over which the Cintas Group has the power to exercise direct or indirect control or direction, equals 19.9% of the total number of votes that may be cast at a meeting of holders of Common Shares, Special Voting Shares and any other shares carrying voting rights. Pursuant to the Liquidity Agreement and the Partnership Agreement, the Cintas Group will not be permitted to redeem any LP Units if such redemption would, if the Company elected to satisfy such redemption in Common Shares, result in the Cintas Group beneficially owning or having the power to exercise direct or indirect control or direction over greater than 19.9% of the issued and outstanding Common Shares.

In addition, the Cintas Group will agree that it will not, and will cause its affiliates not to, vote (or cause to be voted) at any meeting or special meeting of the holders of Common Shares, Special Voting Shares and any other shares carrying voting rights, more than that number of Common Shares, Special Voting Shares and any other shares carrying voting rights beneficially owned by such party or over which such party has the power to exercise direct or indirect control or direction, which, in the aggregate (together with all Common Shares, Special Voting Shares or any other shares carrying voting rights held by such parties or over which such parties have the power to exercise direct or indirect control or direction), represent 19.9%, of the outstanding voting rights in respect of all of the issued and outstanding Common Shares, Special Voting Shares and any other shares carrying voting rights at such time.

Certain Important Provisions of the Company's By-laws

The following describes certain provisions of the Company's by-laws upon Closing. The description of such provisions may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Company's by-laws including as they may be subsequently amended prior to Closing.

Advance Notice Procedures and Shareholder Proposals

Under the OBCA, shareholders may make proposals for matters to be considered at the annual general meeting of shareholders. Such proposals must be sent to us in advance of any proposed meeting by delivering a timely written notice in proper form to the Company's registered office in accordance with the requirements of the OBCA. The notice must include information on the business the shareholder intends to bring before the meeting. The Company's by-laws provide that shareholders seeking to nominate candidates for election as directors must provide timely notice in writing. To be timely, a shareholder's notice must be received at the Company's registered office: (i) in the case of an annual meeting (including an annual and special meeting) of shareholders, not later than the close of business on the 30th day before the date of the annual meeting of shareholders; provided, however, that if the first public announcement made by the Company of the date of the annual meeting (each such date being the "**Notice Date**") is less than 50 days prior to the meeting date, notice by the shareholder may be given not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the Board, not later than the close of business on the 15th day following the Notice Date; provided that in certain circumstances if notice-and-access is used for delivery of proxy related materials in respect of a meeting and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

The Company's by-laws are designed to: (i) facilitate an orderly and efficient annual meeting or, where the need arises, special meeting, process; (ii) ensure that there is adequate notice of director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation. As a whole, these provisions are intended to provide shareholders, directors and management with a clear framework for nominating directors. A failure to comply with the advance notice procedures in the Company's by-laws will disqualify a nominee.

Forum Selection

The Company's by-laws include a provision providing for a forum for adjudication of certain disputes whereby, unless we approve or consent in writing to the selection of an alternative forum, the courts of the Province of Ontario and appellate courts therefrom shall be the sole and exclusive forum for: (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action asserting a claim for breach of a fiduciary duty owed by any director or officer of the Company to the Company; (iii) any action asserting a claim arising pursuant to any provision of the OBCA or the articles or by-laws of the Company (as either may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Company, its affiliates and their respective shareholders, directors and/or officers, but does not include claims related to the business carried on by the Company or such affiliates. Any person or entity owning, purchasing or otherwise acquiring any interest, including without limitation any registered or beneficial ownership thereof, in the securities of the Company shall be deemed to have notice of and consented to the provisions of the by-laws.

DESCRIPTION OF MATERIAL INDEBTEDNESS AND REFINANCING

Credit Facility

On April 30, 2014, concurrent with the Merger, the Partnership and certain of its material subsidiaries entered into a senior secured credit agreement with a syndicate of lenders, including TD Securities Inc. and National Bank Financial Inc., as co-lead arrangers and joint bookrunners (the "**Original Credit Facility**"). The Original Credit Facility was comprised of: (i) a revolving credit facility of $250 million; and (ii) a term loan of $410 million made to the Partnership.

On May 22, 2015, the Partnership and certain of its material subsidiaries entered into an amended and restated senior credit agreement with its lenders, which amended the Original Credit Facility (the "**Existing Credit Facility**"). The Existing Credit Facility is comprised of: (i) a revolving credit facility of $250 million; (ii) a term loan of $410 million made to the Partnership; and (iii) a term loan of $190 million made to Shred-it USA LLC. As at June 10, 2015, approximately $753 million was outstanding under the Existing Credit Facility.

The Existing Credit Facility provides for guarantees by, amongst others, certain of the Partnership's subsidiaries and the General Partner (collectively, the "**Guarantors**"). The Partnership and the Guarantors each provided a first ranking charge over their personal property and assets (subject to customary permitted liens) to collateralize the obligations under the Existing Credit Facility. The guarantees provided by the Partnership, the General Partner and each of the Guarantors which are non-U.S. subsidiaries of the Partnership only guarantee the obligations of the Canadian entities under the Existing Credit Facility, but the guarantees provided by the United States subsidiaries of the Partnership guarantee the obligations of the Canadian entities under the Existing Credit Facility in addition to the obligations of the United States subsidiaries under the Existing Credit Facility. The Partnership and each of the subsidiary Guarantors pledged 100% of the equity interests it held in the capital of any subsidiary of the Partnership or subsidiary Guarantor, and the General Partner pledged 100% of the equity interest it held in the Partnership. Each of the limited partners of the Partnership also provided guarantees of the obligations under the Existing Credit Facility limited in recourse to pledges of their interests in the Partnership. Following the entering into of the Existing Credit Facility, a subsidiary of the Partnership drew down $270 million from the Existing Credit Facility and such amounts were used by the Partnership to fund a cash distribution to its partners (the "**Dividend Recapitalization**").

Concurrent with Closing, the Partnership and certain of its material subsidiaries intend to enter into a further amended and restated credit agreement with its current syndicate of lenders and potentially additional lenders to amend the Existing Credit Facility (the "**New Credit Facility**"). On June 11, 2015, the Partnership entered into an arrangement and commitment letter with Canadian banks that are affiliates of TD Securities Inc. and National Bank Financial Inc. in respect of the New Credit Facility. Commitments from other financial institutions to provide the balance of the New Credit Facility not committed to be provided by affiliates of TD Securities Inc. and National Bank Financial Inc. are expected to be received prior to Closing. The New Credit Facility will be comprised of (i) a revolving credit facility of $400 million with a five year term and an accordion feature of up to $200 million and (ii) a term loan of $600 million with a five year term. Immediately following Closing, it is expected that $ ● will be outstanding under the New Credit Facility. See "Consolidated Capitalization".

The New Credit Facility will bear interest at the effective bankers' acceptance rate/LIBOR rate and/or prime rates plus a spread based on the Partnership's leverage ratio measured at Closing and then at the end of each fiscal quarter thereafter.

The New Credit Facility will contain restrictive covenants customary for credit facilities of this nature, including restrictions on the Partnership's and its subsidiaries' ability to incur indebtedness, grant liens, merge and consolidate with other companies, make investments or acquisitions or provide financial assistance, pay or incur rental expense, enter into interest rate or currency rate hedging agreements, enter into related party transactions, enter into a sale-leaseback transaction, engage in any business other than the business of the Partnership, change its financial year end, issue shares, create a subsidiary or acquire a subsidiary, open foreign bank accounts, amend its organizational documents and change its name. The New Credit Facility will also contain certain financial covenants customary for credit facilities of this nature, including with respect to the Partnership's total leverage. The Partnership will be permitted to make normal course distributions so long as no default (of which the Partnership is aware) or event of default has occurred or would result from the making of the payment. The New Credit Facility will also include representations and warranties, positive covenants and events of default customary for credit facilities of this nature.

The New Credit Facility will provide for guarantees by, amongst others, the Guarantors who provided guarantees and security in respect of the Existing Credit Facility, except that the New Credit Facility will provide that the Partnership, the General Partner and the Canadian subsidiary Guarantors will also guarantee the obligations of the United States subsidiaries under the New Credit Facility. All of the partners of the Partnership will provide guarantees limited in recourse to their respective interests in the Partnership.

Tax Receivable Agreement

The acquisition of interests in the Partnership described under "Corporate Structure and IPO Transactions — IPO Transactions" as well as future redemptions or acquisitions of LP Units are expected to produce favourable tax attributes for the Company. These tax attributes would not be available to Shred-it in the absence of those acquisitions or redemptions from the Cintas Group. As such, on or about Closing, Shred-it will enter into a tax receivable agreement (the "**TRA**") with the Cintas Group that will provide for the payment by Shred-it to the Cintas Group of 85% of the amount of tax savings, if any, that Shred-it actually realizes (or in some circumstances is deemed to realize) as a result of: (i) increases in the tax basis of assets of the Partnership resulting from such redemptions or acquisitions of LP Units; and (ii) certain other tax benefits otherwise accruing to Shred-it related to payments made under the TRA. Pursuant to a separate agreement with the Birch Hill Group, the Cintas Group has agreed to pay 58% of the amount received under the TRA to the Birch Hill Group. See "Principal Shareholders — Tax Receivable Agreement".

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at March 29, 2015, both before and after giving effect to, among other things, the Dividend Recapitalization, the IPO Transactions and the Offering but without giving effect to the exercise of the Over-Allotment Option. This table is presented and should be read in conjunction with the Company's financial statements and the related notes included elsewhere in this prospectus and with the information under "Selected Financial Information", "Use of Proceeds", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "IPO Transactions".

(thousands of U.S. dollars)	As at March 29, 2015	Adjusted for the Dividend Recapitalization, the IPO Transactions and the Offering
Bank Debt[(1)(2)]		
Bank Indebtedness[(3)]	10,842	●
Revolving Credit Facility	66,476	●
Long Term Debt[(3)]	406,758	●
Cash and Cash Equivalents	(15,015)	●
Net Financial Liabilities	**469,061**	●
Capital	296,552	●
Contributed Surplus	2,419	●
Deficit	(120,023)	●
Foreign Currency Translation Reserve	(9,536)	●
Equity Attributable to Owners of the Company	169,412	●
Non-Controlling Interest	331,799	●
Total Equity	**501,211**	●
Total Capitalization	**970,272**	●

Notes:

(1) Shred-it completed the Dividend Recapitalization in May 2015. As part of the Dividend Recapitalization, Shred-it made an incremental draw of $80 million under the existing revolving credit facility and entered into an amended and restated credit facility to permit an extension of the existing credit limit under the term loan from $406.8 million to $596.8 million. As a result, Shred-it established an incremental draw on the term loan of $190 million.

(2) It is anticipated that, prior to Closing, the Partnership will enter into the New Credit Facility to permit an extension of the credit limit under the revolving credit facility from $ ● million to $400 million. Total committed capital, including $600 million term loan, will be $1 billion. See "Description of Material Indebtedness and Refinancing — Credit Facility".

(3) Immediately following Closing it is expected that $ ● million will be outstanding under the New Credit Facility and $ ● million of bank indebtedness.

PRIOR SALES

The Company has not issued any Common Shares, or any securities convertible into or exchangeable for such shares in the 12 months preceding the date of this prospectus. For a discussion of any issuances of LP Units in connection with the IPO Transactions, see "Corporate Structure and IPO Transactions — IPO Transactions".

PRINCIPAL SHAREHOLDERS

As of the date of this prospectus, the Birch Hill Group owns 100 Common Shares of the Company, representing 100% of the issued and outstanding Common Shares. See "Corporate Structure and IPO Transactions — Existing Organizational Structure" for a description of the Principal Shareholders' interests in the Partnership as of the date of this prospectus.

Post-Offering Common Shares

On Closing, it is expected that the Birch Hill Group will have an approximate 39.1% interest in the Company through ownership of or direction or control over ● Common Shares (or an approximate 37.1% interest in the Company if the Over-Allotment is exercised in full) and that the Cintas Group will have an approximate 29.8% effective interest in the Company (subject to the Cintas Group's 19.9% maximum voting entitlement) through ownership of ● Common Shares, ● redeemable LP Units of the Partnership for which the redemption price may be satisfied in Common Shares or cash, at the Company's election, and ● Special Voting Shares (or an approximate 28.2% effective interest in the Company if the Over-Allotment is exercised in full). See "Description of Securities" and "The Partnership".

The following table sets out the shareholders who, immediately following Closing, will, to the Company's knowledge, beneficially own, control or direct, directly or indirectly, voting securities carrying 10% or more of any class of the Company's voting securities.

Name	Type of Ownership	Number of Securities Owned before the Offering and the IPO Transactions(6)	Number of Securities Owned after the Offering and the IPO Transactions	Percentage of Outstanding Securities after the Offering and the IPO Transactions
Birch Hill Group(1)	●	100	● Common Shares	39.1%(2)(3)
Cintas Group	●	—	● Common Shares and ● Special Voting Shares	29.8%(4)(5)

Notes:

(1) The Birch Hill Group is comprised of Birch Hill Equity Partners Management Inc., Birch Hill SII LP, Birch Hill SI (US) LP, Birch Hill SII (Entrepreneurs) LP and the Co-Investors. The general partner of each of Birch Hill SII LP, Birch Hill SI (US) LP and Birch Hill SII (Entrepreneurs) LP is Birch Hill Equity Partners Management Inc., which is owned by Birch Hill Equity Partners Inc., which in turn is owned by the employees of Birch Hill Equity Partners Management Inc. Voting and dispositive powers with respect to the Common Shares which will be held by the Birch Hill Group (including the Co-Investors) upon completion of the Offering and the IPO Transactions will be exercised by Birch Hill Equity Partners Management Inc. pursuant to arrangements entered into among such persons. The board of directors of Birch Hill Equity Partners Management Inc. is comprised of Stephen Dent, John MacIntyre, Michael Salamon and David G. Samuel each of whom disclaims any beneficial ownership of the Common Shares which will be held by the Birch Hill Group upon completion of the Offering and the IPO Transactions.

(2) On a fully diluted basis, assuming full redemption of the LP Units for Common Shares and not cash.

(3) If the Over-Allotment Option is exercised in full, the Birch Hill Group will own ● Common Shares, representing 37.1% of the issued and outstanding Common Shares after the Offering.

(4) On a fully diluted basis, assuming full redemption of the LP Units for Common Shares and not cash.

(5) If the Over-Allotment Option is exercised in full, the Cintas Group will own ● Common Shares and ● redeemable LP Units, representing a 28.2% effective interest in the Company after the Offering. The Cintas Group will be subject to a 19.9% maximum voting entitlement.

(6) See "Corporate Structure and IPO Transactions — Existing Organizational Structure" for a description of the Principal Shareholders' interests in the Partnership as of the date of this prospectus.

Governance Agreement

The Partnership, the Birch Hill Group and the Cintas Group, amongst others, are currently parties to an investors agreement dated April 30, 2014 (the "**Investors Agreement**"). The Investors Agreement will terminate in accordance with its terms upon Closing (subject to the survival of certain customary terms) and be replaced with a governance agreement among Shred-it, the Birch Hill Group and the Cintas Group (the "**Governance Agreement**"), with respect to the Principal Shareholders' respective rights in certain governance matters, registration rights and other matters relating to the Company. The Governance Agreement will provide that the Principal Shareholders will take such actions as are necessary to give effect to the governance arrangements set out below. The description of the Governance Agreement is a summary only and is qualified in its entirety by the full text of the Governance Agreement.

Board of Directors

Shred-it will have a board of seven directors, with the Birch Hill Group entitled to nominate three directors and the Cintas Group entitled to nominate one director. In addition, the Cintas Group will be entitled to appoint one individual to act as a non-voting observer of the Board. At least one of the directors nominated by the Birch Hill Group must be independent within the meaning of section 1.4 of National Instrument 52-110 — *Audit Committees* ("**NI 52-110**"). Under the Governance Agreement, the Birch Hill Group and the Cintas Group have agreed to support each other's nominees on customary terms. The Birch Hill Group's nomination rights will be proportionate to its ownership interest in the Company and both the Birch Hill Group and the Cintas Group will retain the right to nominate one director (and, in Cintas' case, one additional non-voting observer) so long as they hold at least 5% of the issued and outstanding Common Shares (on a fully-diluted basis).

The Birch Hill Group and the Cintas Group will provide the names and biographical and other prescribed information concerning its board nominees to Shred-it at least 75 days prior to a meeting of Shareholders at which directors are to be elected. The Governance, Nominating, Compensation and Safety Committee and the incumbent board will review the information provided and meet with a nominee, as required, and will consider the nomination based upon the same criteria that is applied generally to all other nominees. If either the Governance, Nominating, Compensation and Safety Committee or the Board does not approve a nominee, which approval shall not be unreasonably conditioned, withheld or delayed, that decision will be communicated to the nominating Principal Shareholder at least 50 days prior to the meeting, and that Principal Shareholder will then have the right to designate an alternative nominee, at least 40 days before the shareholder meeting in accordance with the foregoing procedures.

Where a vacancy occurs on the Board, the vacancy shall be filled as soon as possible by the Principal Shareholder that nominated the departed director. The nominee identified to fill a vacancy will be required to submit information and will be reviewed by the Governance, Nominating, Compensation and Safety Committee and the Board in a similar manner.

Board Chair, Procedure and Committees

The Chair of the Board will be appointed and replaced by the Board from time to time. The Chair of the Board will not have a casting vote at meetings of the Board. Decisions of the Board will be approved by majority vote, or by a written instrument signed by all directors.

A quorum at a meeting of the Board consists of a majority of the directors then holding office. If a meeting of directors is adjourned for lack of quorum, it will be reconvened one week later (or at such other date, time and place as the directors in attendance determine), and the directors then present at the reconvened meeting will constitute a quorum.

The Board may establish committees, which shall initially be the Audit Committee and the Governance, Nominating, Compensation and Safety Committee.

Registration Rights

Under the Governance Agreement, the Company will provide demand registration rights to the Principal Shareholders, which will enable the Principal Shareholders to require the Company to qualify by prospectus all or a portion of their Common Shares for a distribution to the public in Canada (the "**Demand Registration**"), provided such Demand Registration will result in a minimum offering size of $50 million. In accordance with the terms of the Governance Agreement, the Company will not be obliged to effect more than one Demand Registration every three months, commencing 180 days after Closing. The Company is entitled to defer, for valid business reasons, any such demand for a period of up to 90 days in certain circumstances and not more than 120 days in any 12 consecutive months.

The Governance Agreement will also provide the Principal Shareholders with incidental, or piggy-back, registration rights. Where the Company proposes to file a preliminary prospectus or shelf prospectus supplement with respect to a distribution of Common Shares in Canada, the Principal Shareholders will have the right to request that all or a portion of their Common Shares be included as a part of such distribution, subject to certain limitations, including customary underwriters' cutbacks. Where a Principal Shareholder exercises one of its Demand Registrations, the other Principal Shareholder will have piggy-back rights to participate in such distribution to the public on a pro rata basis.

Each Principal Shareholder will have Demand Registration rights and piggy-back registration rights until each Principal Shareholder holds, directly or indirectly, in the aggregate less than 3% of the issued and outstanding Common Shares (on a fully-diluted basis).

The Company will pay all distribution expenses in connection with all Demand Registrations and piggy-back registrations, and all expenses incurred by the Principal Shareholders in connection therewith, other than underwriting fees and legal expenses directly attributable to such Principal Shareholder. The Company will provide a customary indemnity to the Principal Shareholders in connection with any sale of securities by the Principal Shareholders under a Demand Registration or a piggyback registration.

Class Votes

In the event that the Special Voting Shares are entitled to a class vote, the holders of Special Voting Shares will agree to vote such Special Voting Shares in respect of such class vote, or to appoint an attorney to vote such Special Voting Shares, in a manner consistent with the votes cast by the holders of the Common Shares and Special Voting Shares (voting together as a single class) provided that the Special Voting Shares' voting rights are not adversely affected in a manner that is different than the voting rights of the holders of the Common Shares.

Future Sales

The Principal Shareholders will agree to cooperate regarding any future sales of securities of the Company other than under a prospectus in order to conduct such sales in an orderly fashion with mutual cooperation and coordination so as to avoid sales of securities that would have a materially negative impact on the price of the Common Shares. In addition, each of the Principal Shareholders will grant the other a tag-along right in respect of sales by such Principal Shareholder of 3% or more of the number of outstanding Common Shares (on a fully-diluted basis) determined at Closing.

Release Agreement

On Closing, the Company, the Partnership and the Principal Shareholders will enter into a mutual release agreement whereby the Company and the Partnership, on the one hand, and the Principal Shareholders, on the other hand, will release and terminate any claims under certain agreements entered into by the parties in connection with the Merger, including the Investors Agreement and the Partnership Agreement, that such parties may now or in the future have against the other parties, provided that the release agreement will in no way derogate from the restrictive covenants contained in such agreements that were intended to survive their termination.

Tax Receivable Agreement

The acquisition of interests in the Partnership described under "Corporate Structure and IPO Transactions — IPO Transactions" as well as future redemptions or acquisitions of LP Units are expected to produce favourable tax attributes for the Company. These tax attributes would not be available to Shred-it in the absence of those acquisitions or redemptions from the Cintas Group. As such, on or about Closing, Shred-it will enter into the TRA with the Cintas Group that will provide for the payment by Shred-it to the Cintas Group of 85% of the amount of tax savings, if any, that Shred-it actually realizes (or in some circumstances is deemed to realize) as a result of: (i) increases in the tax basis of assets of the Partnership resulting from such redemptions or acquisitions of LP Units; and (ii) certain other tax benefits otherwise accruing to Shred-it related to payments made under the

TRA (in each case, such basis increase, the "**Basis Adjustments**"). Shred-it will retain the benefit of the remaining 15% of these tax savings, which may, at the discretion of the Board, be retained by the Company or distributed to shareholders. Pursuant to a separate agreement with the Birch Hill Group, the Cintas Group has agreed to pay 58% of the amount received under the TRA to the Birch Hill Group (which percentage approximates the Birch Hill Group's effective interest in the Partnership prior to the Offering). It is possible that some or all of the tax attributes anticipated to result from acquisitions or redemptions of LP Units, at the time of or subsequent to the IPO Transactions, might not be available absent certain relief from the IRS in connection with entity classification elections made for U.S. federal income tax purposes with respect to certain Subsidiaries of the Partnership. The Company and the Principal Shareholders intend to immediately seek relief from the IRS to confirm that such tax attributes will be available for the Company. If all or a portion of such tax attributes are not available, then it is expected that (i) the Company's liability for U.S. taxes in prior and future periods will increase, (ii) payments under the TRA from the Company to the Principal Shareholders will decrease, and (iii) the Company will not benefit from the remaining 15% of the tax savings attributable to the portion of tax attributes that do not comprise a payment under the TRA. No assurances can be given that the IRS will grant the requested relief and, correspondingly, no assurances can be given with respect to the availability of all or a portion of the tax attributes resulting from the acquisition or redemption of LP Units by the Company. See "Risk Factors".

The payment obligations under the TRA are obligations of Shred-it, not the Partnership, and we expect that the payments we will be required to make under the TRA will be substantial. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the TRA, we expect that the tax savings associated with sales or exchanges of interests in the Partnership in connection with the Offering would aggregate to approximately $88.1 million over 16 years from the date of this offering based upon an assumed Offering Price of C$21.50 per Common Share. Under such scenario we would be required to pay the Cintas Group approximately 85% of such amount, or $74.9 million, over the 16-year period from one year following the date of this Offering. The actual amounts may materially differ from these hypothetical amounts. Our payment obligations under the TRA with respect to interests in the Partnership treated as sold for U.S. federal income tax purposes to us in connection with this Offering are expected to be calculated based on the Offering Price, net of Underwriters' Commission and other Offering related costs. Payments under the TRA are not conditional upon any continued ownership interest in either the Partnership or Shred-it by the Cintas Group. See "Risk Factors" and "Forward-Looking Statements".

The increase in tax basis, as well as the amount and timing of any payments under these agreements, will vary depending upon a number of factors, including the timing of exchanges by the holders of LP Units, the price of Common Shares at the time of the exchange, whether such exchanges are taxable, the amount and timing of the taxable income we generate in the future, the prevailing applicable tax rates and the portion of our payments under the TRA constituting imputed interest. Payments under the TRA are expected to give rise to certain additional tax benefits attributable to either further increases in basis or in the form of deductions for imputed interest, depending on the circumstances. Any such benefits are covered by the TRA and will increase the amounts due thereunder.

The TRA will generally apply to each of Shred-it's taxable years, beginning with the first taxable year ending after Closing. There is no maximum term for the TRA; however, the TRA may be terminated by Shred-it pursuant to an early termination procedure that requires payment of an agreed upon amount equal to the estimated present value of the remaining payments to be made under the TRA (calculated based on certain assumptions, including regarding tax rates and utilization of the Basis Adjustments, and using a discount rate equal to the lesser of (i) LIBOR plus 200 basis points, or (ii) 5%, which may differ from Shred-it's then current cost of capital).

Although the actual timing and amount of any payments that may be made under the TRA will vary, Shred-it expects that the payments that may be required to be made could be substantial. Any payments under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to Shred-it or to the Partnership and, to the extent that payments are unable to be made under the TRA for any reason, the unpaid amounts generally will be deferred and will accrue interest at LIBOR plus a spread until paid. Payments to the Cintas Group will be paid without deduction for withholding taxes, subject to a change in law or the applicale authority successfully asserting that withholding taxes are payable.

Decisions made by Shred-it in the course of running its business, such as with respect to acquisitions, mergers, asset sales, other forms of business combinations or other changes in control, may influence the timing and amount of payments that are payable under the TRA. In addition, the TRA provides that if (i) Shred-it materially breaches any of its material obligations under the TRA; (ii) certain mergers, asset sales, other forms of business combination, or other changes of control were to occur; or (iii) Shred-it elects an early termination of the TRA, then its obligations, or its successor's obligations, under the TRA would accelerate and become immediately due and payable. See "Risk Factors" and "Dividend Policy".

Shred-it will not be reimbursed for any cash payments previously made pursuant to the TRA if any tax benefits initially claimed by Shred-it are subsequently challenged by a taxing authority and ultimately disallowed. Instead, in such circumstances, any excess cash payments made will be netted against any future cash payments that might otherwise be required to be made under the terms of the TRA. However, Shred-it might not determine that it has effectively made an excess cash payment for a number of years following the initial time of such payment and, if Shred-it's tax reporting positions are challenged by a taxing authority, it will not be permitted to reduce any future cash payments under the TRA until any such challenge is finally settled or determined. As a result, it is possible that Shred-it could make cash payments under the TRA that are substantially greater than its actual cash tax savings.

Payments are generally due under the TRA within a specified period of time following the filing of Shred-it's tax return for the taxable year with respect to which the payment obligation arises, although interest on such payments will begin to accrue from the due date (without extensions) of such tax return. Any late payments that may be made under the TRA will continue to accrue interest until such payments are made, including any late payments that Shred-it may subsequently make because it did not have enough available cash to satisfy its payment obligations at the time at which they originally arose.

THE PARTNERSHIP

General

The Partnership is a limited partnership formed under the laws of the Province of Ontario and governed by the Partnership Agreement. Following Closing, Shred-it will operate its business through the Partnership and its subsidiaries. The sole general partner of the Partnership is Boost GP Corp. (the "**General Partner**"), a corporation incorporated under the laws of the Province of Ontario. Immediately following Closing, the General Partner will be a wholly-owned subsidiary of the Company and the board of directors of the General Partner is expected to be comprised of those individuals serving as directors of the Company. Following Closing and the completion of the IPO Transactions, the limited partners of the Partnership will initially be the Company, directly and indirectly through Boost Holdings LP and the General Partner (which will initially own ● % of the LP Units in the aggregate), certain of the Management Shareholders (which will initially own ● % of the LP Units) and the Cintas Group (which will initially own ● % of the LP Units) (collectively with any other limited partners from time to time, the "**Limited Partners**" and, individually, a "**Limited Partner**").

Partnership Units

As part of the IPO Transactions, the limited partnership units currently held by the existing Limited Partners will be redesignated into a single class of common limited partnership units (the "**LP Units**"). Each LP Unit will entitle the holder to a pro rata share of the net profits and net losses and distributions of the Partnership. The General Partner will have a general partner interest in the Partnership (the "**GP Interest**").

Liquidity Agreement and Liquidation Right

On Closing, the Company, the Partnership, the Cintas Group and the Management Shareholders, among others, will enter into a liquidity agreement (the "**Liquidity Agreement**"). The Partnership Agreement and the Liquidity Agreement provide a redemption and liquidity right to holders of LP Units which entitles such holders to have their LP Units redeemed, at the election of each such person, for, at the sole option and discretion of the Company, newly-issued Common Shares on a one-for-one basis or a cash payment per LP Unit equal to the greater of: (i) the five day volume weighted average market price of one Common Share on the TSX prior to the redemption date; and (ii) the closing price of one Common Share on the day of the redemption (subject to customary anti-dilution adjustments). If the Company, acting through the General Partner, decides that the Partnership will make a cash payment, the redeeming Limited Partner has the option to rescind its redemption request within a specified time period. Upon the exercise of the redemption right, (i) the redeeming Limited Partner will surrender its LP Units to the Partnership for cancellation; and (ii) where the redeeming Limited Partner is a member of the Cintas Group, the member of the Cintas Group that holds Special Voting Shares will concurrently surrender an equivalent number of Special Voting Shares to the Company for cancellation for no consideration. The Liquidity Agreement requires that the Company directly or indirectly make available cash or issue Common Shares necessary to effect the redemption and requires that the Partnership issue LP Units to the Company (and its subsidiaries) equal to the number of Common Shares issued in connection with the redemption. In the event a Limited Partner exercises its redemption and liquidity right, Shred-it may, at its option, effect a direct exchange of cash or Common Shares for such LP Units in lieu of such a redemption. Whether by redemption or exchange, the General Partner is obligated to ensure that at all times the number of LP Units that the Company directly or indirectly owns equals the number of Common Shares then issued and outstanding. Subject to certain exceptions, Limited Partners that are Management Shareholders will not be permitted to redeem less than all of the LP Units held by such Limited Partner. This Prospectus also qualifies the grant on the Closing Date of the redemption and liquidity right by the Company in respect of the LP Units outstanding as of the Closing.

The Liquidity Agreement will provide for the right of the Company to require the Cintas Group and the Management Shareholders to redeem their LP Units for Common Shares if: (i) the total number of Common Shares for which all outstanding LP Units held by the Cintas Group are redeemable is less than 1% of the number of LP Units issued on Closing; (ii) an offer, bid or similar process relating to the acquisition of the Common Shares is made to, and accepted by, holders of 90% of the Common Shares outstanding at the applicable time; or (iii) an amalgamation, merger, arrangement, reorganization or sale of all or substantially all of the assets of the Company, or other similar transaction (other than in connection with an internal reorganization or transfer to an affiliate or subsidiary of the Company) has been approved by the shareholders of the Company, and in the case of (ii) or (iii), the Board determines, in good faith and in its sole discretion, that it is not reasonably practicable to substantially replicate the terms and conditions of Cintas Group's or the Management Shareholders' interests in the Partnership in connection with such transaction and that the acquisition or redemption of such interest is necessary to enable the completion of such transaction in accordance with its terms; provided, however, that the holders of the LP Units receive the identical consideration received by the holders of the Common Shares in such transaction.

Where the Cintas Group's or the Management Shareholders' LP Units are not acquired by the Partnership in accordance with their terms or exchanged in accordance with the Liquidity Agreement, the Liquidity Agreement will require the Company, on customary terms and to the extent possible in the circumstances, to expeditiously and in good faith, ensure that Cintas Group and the Management Shareholders can participate in any amalgamation, take-over bid, merger, arrangement, reorganization or sale of all or substantially all of the assets of the Company or other similar transactions, to the same extent and on an economically equivalent basis, without being required to exercise their right to redeem their interest in the Partnership (or, if so required, to ensure that any such redemption will be effective only upon, and will be conditional upon, the successful completion of such transaction). The Liquidity Agreement will also provide for the automatic redemption of LP Units held by the Cintas Group and the Management Shareholders, for which the redemption price is paid by the issuance of Common Shares, in the event of a liquidation, dissolution or winding-up of the Company.

Voting

Except as required by law or the Partnership Agreement, the holders of LP Units will not be entitled to vote at any meeting of the holders of units of the Partnership.

Operation

The business and affairs of the Partnership will be managed and controlled by the General Partner, which, following Closing, will be wholly owned by the Company. The General Partner will carry out its duties in accordance with the terms of the Partnership Agreement, the Liquidity Agreement and the Governance Agreement. The Limited Partners will not be entitled to take part in the management or control of the business or affairs of the Partnership. The Partnership will reimburse the General Partner for all direct costs and expenses incurred by the General Partner in the performance of its duties as the general partner of the Partnership. Similarly, the Partnership will also agree to reimburse the Company and its subsidiaries for all costs and expenses incurred by the Company (other than tax expenses and payments under the TRA), including, without limitation, any fees or commissions payable to agents or underwriters in connection with the sale of securities by the Company, listing fees of applicable stock exchanges and fees of the Company's auditors.

Distributions

The Partnership Agreement will also allow for distributions to be made by the Partnership to the holders of LP Units and to the General Partner in respect of the GP Interest on a *pro rata* basis out of "distributable cash", as that term is defined in the Partnership Agreement. The Company expects the Partnership may make distributions out of distributable cash periodically to the extent permitted by the agreements governing Shred-it's indebtedness in the following order and priority: (i) first, to the General Partner and the Limited Partners, on a *pro rata* basis, in an amount necessary to enable the General Partner and the Limited Partners to satisfy certain tax liabilities, which is expected to enable the Company to satisfy its payment obligations under the TRA; and (ii) second, to the General Partner and the Limited Partners, on a *pro rata* basis, in an amount sufficient to, together with other funds the Company may make available for such purpose, enable the Company to, at the discretion of the Board, make dividend payments, if any, to the holders of Common Shares.

In lieu of receiving all or a portion (the "**Selected Amount**") of a distribution declared by the Partnership from time to time, any Limited Partner may elect to defer receipt of the distribution of the Selected Amount until the first business day following the end of the fiscal year in which such distribution would otherwise have been made. In the event that such an election is made by a Limited Partner, such a holder will be loaned an amount from the Partnership, on the date of such election, equal to the Selected Amount. Each such loan will not bear interest and will be due and payable in full on or before the first business day following the end of the fiscal year during which the loan was made.

Allocation of Partnership Net Income

The net income of the Partnership, determined in accordance with the provisions of the Tax Act, will be allocated at the end of each fiscal year in the following manner: (i) first, to the General Partner in an amount equal to the distributions paid in respect of the GP Interest; and (ii) the balance, among the holders of LP Units based on their proportionate share of distributions received or receivable for such fiscal year.

Transfer of LP Units

The transfer of LP Units will be subject to a number of restrictions, including: (i) no fractional LP Units will be transferable; (ii) no transfer of LP Units will be accepted by the General Partner unless a transfer form, duly completed and signed by the registered holder of such LP Units, as applicable, has been remitted to the registrar and transfer agent of the Partnership; and (iii) (A) such transfer is approved by the board of directors of the General Partner, in its sole and absolute discretion, or (B) the transfer is to an affiliate of the holder, and such transfer would not require the transferee to make an offer to shareholders of the Company to acquire Common Shares on the same terms and conditions under applicable securities laws if such LP Units, and all other outstanding LP Units not held directly or indirectly by the Company, were redeemed and paid for in Common Shares at the then-current redemption ratio in effect under the Liquidity Agreement immediately prior to such transfer. In addition to the restrictions on transfer set-forth above, the Liquidity Agreement will further provide that any offeror, other than an affiliate of the holder, seeking to acquire such LP Units make a contemporaneous and identical offer for Common Shares and acquire any such LP Units along with a proportionate number of Common Shares actually tendered to such identical offer.

In addition, a transferee of LP Units must provide to the General Partner such other instruments and documents as the General Partner may require, in appropriate form, completed and executed in a manner acceptable to the General Partner, acting reasonably. A transferee of LP Units will not become a partner or be admitted to the Partnership and will not be subject to the obligations and entitled to the rights of a partner under the Partnership Agreement until the foregoing conditions are satisfied and such transferee is recorded on the Partnership's register of partners.

Maintenance of One-to-One Ratio of Common Shares and LP Interests Owned Directly or Indirectly by Shred-it

The Liquidity Agreement and the Partnership Agreement will require that: (i) the Company (directly or indirectly) at all times maintain a ratio of one LP Unit owned by it for each Common Share then issued and outstanding; and (ii) the Partnership at all times maintain (A) a one-to-one ratio between the number of Common Shares then issued and outstanding and the number of LP Units directly or indirectly owned by the Company and (B) a one-to-one ratio between the number of Special Voting Shares and the number of LP Units owned by the Cintas Group or over which the Cintas Group exercises direction or control. This construct is intended to result in the Cintas Group having a voting interest in Shred-it through its ownership of Special Voting Shares, that is identical to the Cintas Group's percentage economic interest in the Partnership (subject to its 19.9% maximum voting entitlement).

Amendments to the Partnership Agreement

Following Closing, the Partnership Agreement may be amended by the General Partner, except for certain amendments which require unanimous approval of holders of LP Units, including: (i) changing the liability of any Limited Partner; (ii) changing the right of a Limited Partner to vote at any meeting of holders of LP Units; and (iii) changing the Partnership from a limited partnership to a general partnership. No amendment to the Partnership Agreement that would adversely impact the Cintas Group is permitted without their prior approval. The General Partner may also make amendments to the Partnership Agreement without the approval or consent of the Limited Partners to reflect, among other things: (i) a change in the name of the Partnership or the location of the principal place of business or registered office of the Partnership; (ii) the admission, substitution, withdrawal or removal of Limited Partners in accordance with the Partnership Agreement; (iii) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under applicable laws; (iv) a change that, as determined by the General Partner, is reasonable and necessary or appropriate to enable the Partnership to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; (v) creating or issuing one or more new classes or series of additional partnership units ancillary to the issuance of Preferred Shares by the Company; or (vi) a change to amend or add any provision, or to cure any ambiguity or to correct or supplement any provisions contained in the Partnership Agreement which may be defective or inconsistent with any other provision contained in the Partnership Agreement or which should be made to make the Partnership Agreement consistent with the disclosure set out in this prospectus. Notwithstanding the foregoing: (i) no amendment which would adversely affect the rights and obligations of the General Partner, as a general partner, may be made without the consent of the General Partner; and (ii) no amendment which would adversely affect the rights and obligations of any class of limited partner may be made without the consent of such class.

DIRECTORS AND MANAGEMENT OF THE COMPANY

At closing, the Board will consist of seven directors, three of whom are nominees of the Birch Hill Group and one of whom is a nominee of the Cintas Group. The directors will be elected by shareholders at each annual meeting of the Company's shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed and will be eligible for re-election or re-appointment. The nominees for election by shareholders as directors will be determined by the Governance, Nominating, Compensation and Safety Committee in accordance with the provisions of applicable corporate law, the Governance Agreement and the charter of the Governance, Nominating, Compensation and Safety Committee.

The following table sets forth information regarding the directors and executive officers of the Company at Closing. As of the date of this prospectus, only Messrs. Samuel, Galloway, Reed and Fortier are directors of the Company. The other individuals designated as directors of the Company are not currently directors of the Company. Each such individual has agreed to become a director of the Company and it is expected that such individuals will be appointed to the Board on or prior to Closing. As such individuals are not members of the Board at the time of this prospectus, the Company does not believe any of such individuals has any liability for the contents of this prospectus in such capacity under the applicable securities laws of the provinces and territories of Canada.

Name and Province or State and Country of Residence	Age	Position / Title	Independent	Committees	Principal Occupation
David G. Samuel . . . . Ontario, Canada	50	Chairman (Since March 2014)	Yes		Managing Partner of Birch Hill Equity Partners
David A. Galloway . . . . Ontario, Canada	71	Director (Since May 2014)	Yes	Governance, Nominating, Compensation and Safety Committee (Chair) & Audit Committee	Corporate Director
Roderick F. Barrett . . . . Ontario, Canada	64	Director	Yes		Partner at Stikeman Elliott LLP
Geoff Reed . . . . British Columbia, Canada	55	Director (Since May 2014)	Yes	Audit Committee (Chair)	Chairman of Creation Technologies Inc.
David Pollak, Jr. . . . . Ohio, U.S.	67	Director	Yes	Governance, Nominating, Compensation and Safety Committee	Senior Vice President of Cintas Corp.
Andrew Fortier . . . . Ontario, Canada	39	Director (Since March 2014)	Yes	Governance, Nominating, Compensation and Safety Committee & Audit Committee	Principal of Birch Hill Equity Partners
Vincent R. De Palma . . . . . Ontario, Canada	58	Director, President and Chief Executive Officer	No		President and Chief Executive Officer of Shred-it
Jim Rudyk . . . . Ontario, Canada	48	Chief Financial Officer and Executive Vice President			Chief Financial Officer and Executive Vice President of Shred-it
Karen Carnahan . . . . Ohio, U.S.	60	Chief Operating Officer			Chief Operating Officer of Shred-it
Robert Guice . . . . London, United Kingdom	48	Executive Vice President, EMEA			Vice President, EMEA of Shred-it
Bruce Andrew . . . . Ontario, Canada	55	Executive Vice President, Marketing and Customer Experience			Executive Vice President, Marketing and Customer Experience of Shred-it
Edward Delamater . . . . New Hampshire, U.S.	46	Executive Vice President, Eastern U.S.			Executive Vice President, Eastern U.S. of Shred-it
Brenda Frank . . . . New York, U.S.	45	General Counsel, Executive Vice President, Human Resources and Franchise Relations and Corporate Secretary			General Counsel and Executive Vice President, Human Resources and Franchise Relations of Shred-it
Dan Galbraith . . . . Florida, U.S.	34	Executive Vice President, Sales			Executive Vice President, Sales of Shred-it
Gary Gonsalves . . . . Colorado, U.S.	58	Executive Vice President U.S. West, U.S. Central and U.S. Southeast			Executive Vice President U.S. West, U.S. Central and U.S. Southeast of Shred-it
Shawn Lanthier . . . . Ontario, Canada	40	Executive Vice President, Corporate Strategy and Integration			Executive Vice President, Corporate Strategy and Integration of Shred-it
Colette Raymond, ... Québec, Canada	51	Executive Vice President, Canada, U.S. North and Northwest and SMS			Executive Vice President, Canada, U.S. North and Northwest and SMS of Shred-it

Biographies

The following are brief profiles of the directors and executive officers of the Company, including a description of each individual's principal occupation within the past five years.

Directors

David G. Samuel, Chair of the Board

Mr. Samuel joined Birch Hill Equity Partners in 2005 and is currently a managing partner. He is also the Chair of the Board of Shred-it and Distinction Group Inc. He serves on the board of directors of AquaTerra Corporation, Creation Technologies LP and Softchoice, and previously served as a director for Emerging Information Systems, Inc. Prior to joining Birch Hill Equity Partners, Mr. Samuel had over 15 years of experience in private equity, operations, consulting and investment banking. Mr. Samuel holds a Masters of Business Administration from Harvard Business School and a Bachelor of Business Administration (Honours) from the Richard Ivey School of Business, University of Western Ontario.

David A. Galloway, Director

From 1998 to 2012, Mr. Galloway was a member of the board of directors of a Schedule I Canadian Bank and was appointed Chairman of its board of directors on May 1, 2004. While at the bank, he served on the Risk Review Committee and the Human Resources and Management Compensation Committee. He was also a director of Harris Financial Corp. and served on its Risk Oversight Committee. Mr. Galloway is the former President and CEO of Torstar Corporation, a position he held from 1988 to 2002. He joined Torstar in 1981 and became the President and CEO for Harlequin Worldwide in 1982. Prior to joining Torstar, he was a founding partner of the Canada Consulting Group, a leading strategic management consulting firm that was acquired by the Boston Consulting Group. He has previously served on the following boards: (i) Shell Canada Ltd.; (ii) Cognos Incorporated; (iii) Abitibi-Consolidated; (iv) Hudson's Bay Company; (v) Clearnet Communications Inc.; (vi) Corel Corporation; (vii) Torstar Corporation; (viii) Visible Genetics Inc.; and (ix) Westburne Inc. Today, Mr. Galloway is retired but currently sits on the boards of Toromont Industries Ltd.; and Scripps Network Interactive, Inc. Mr. Galloway holds a bachelor's degree (Honours) in political science and economics from the University of Toronto and a Masters of Business Administration from Harvard Business School.

Roderick F. Barrett, Director

Mr. Barrett is a senior partner in the Corporate Group of Stikeman Elliott LLP and was the former managing partner of Stikeman Elliott LLP's Toronto office between 1999-2013. Mr. Barrett's legal practice focuses on business law with an emphasis on private equity, including fund formation, mergers and acquisitions, both public and private, debt and equity financing and general commercial matters. Mr. Barrett holds a Bachelor of Laws from Osgoode Hall Law School and a Bachelor of Science from the University of Western Ontario.

Geoff Reed, Director

Mr. Reed is a founder of Creation Technologies Inc. and currently serves as its chairman of the board. He also serves on the board of Alive Magazine and Shred-it, as well as on the board of numerous charities including Youth Unlimited, Bulembu and Banqueting Table. Mr. Reed holds a Masters Degree in Accounting from the University of Waterloo and a Bachelor of Religious Education from Briercrest Bible College.

David Pollak Jr., Director

Mr. Pollak is the Senior Vice President of business strategy, marketing, and emerging businesses at Cintas. Prior to joining Cintas over 20 years ago, Mr. Pollak spent 23 years with the DuPont Company, primarily in polymers and plastics. His experience included heading operations for a division in Europe and leading DuPont's first Six Sigma effort. Mr. Pollak has a Masters of Business Administration and Bachelor of Science in Industrial Engineering from Cornell University.

Andrew Fortier, Director

Mr. Fortier is a Principal at Birch Hill Equity Partners. Prior to joining Birch Hill Equity Partners in 2011, he was a Vice President at Audax Group, a mid-market private equity firm based in Boston. Previously, Mr. Fortier was an Analyst in the mergers and acquisitions group at Morgan Stanley. Mr. Fortier holds a Masters of Business Administration from Harvard Business School and an Honours Business Administration from the Richard Ivey School of Business at the University of Western Ontario.

Executive Officers

Vincent R. De Palma, Director, President and Chief Executive Officer

Mr. De Palma joined Shred-it in August 2009, bringing over 26 years of executive experience to the Company. Mr. De Palma became well acquainted with business to business services in his past roles as President of Pitney Bowes Management Services, and as President of Automatic Data Processing (ADP) Benefit Services. Mr. De Palma has also held senior management positions at Petroleum Heat & Power Company and McKinsey & Company. He currently sits on the board of directors of the Fleetmatics Group PLC (NYSE: FLTX). Mr. De Palma holds a Bachelor of Science degree in Chemical Engineering from Lafayette College and a Masters of Business Administration in Finance from The Wharton School of Business at the University of Pennsylvania.

Jim Rudyk, Chief Financial Officer and Executive Vice President

Mr. Rudyk joined Shred-it in November 2009 and is currently responsible for setting the financial direction for the Company as Chief Financial Officer and Executive Vice President. Mr. Rudyk has over 20 years of executive experience. Prior to joining Shred-it, Mr. Rudyk held numerous executive roles in various mid to large sized growth orientated organizations, including Canada Cartage Systems, Dynamic Tire Corporation and Dell Canada Inc. Mr. Rudyk is an accomplished senior executive with a proven track record of business success in demanding and fast-paced environments, with extensive experience in financial reporting and management, operational management and mergers and acquisitions execution. Mr. Rudyk holds a Masters of Accounting from the University of Waterloo and also has a Chartered Professional Accountant designation.

Karen Carnahan, Chief Operating Officer

Ms. Carnahan joined Shred-it in May 2014 as Chief Operating Officer when Cintas' Document Management Division completed its merger with Shred-it. During her previous 35 years at Cintas, Ms. Carnahan held the positions of Vice President and Treasurer, and Vice President of Corporate Development (Mergers and Acquisitions). In 2008, Ms. Carnahan assumed the role of President and Chief Operating Officer of the Document Management Division of Cintas. Ms. Carnahan and her family are proud to be a Founding Family of the Community Foundation of West Chester, Liberty, which seeks to carry on the works of charitable giving and improve the quality of life in the West Chester, Liberty area. Ms. Carnahan was also a founding member of the Women's Giving Circle of the CFWCL. Ms. Carnahan holds a Bachelor of Science in Business Administration from Ohio State University.

Robert Guice, Executive Vice President, EMEA

Mr. Guice joined Shred-it in 2004. As Executive Vice President of EMEA, Mr. Guice is responsible for overseeing Shred-it's sales, services and operations in the European and Middle Eastern markets, which includes operations in seven European countries, as well as the Middle East and Africa regions. Prior to joining Shred-it, Mr. Guice worked as a Sales and Marketing Director for the UK business of Iron Mountain and, prior to that, for Marconi Software Solutions and Fujitsu in sales leadership roles in Europe and Africa.

Bruce Andrew, Executive Vice President, Marketing and Customer Experience

Mr. Andrew joined Shred-it in April 2010 and is the Executive Vice President of Marketing and Customer Experience. Mr. Andrew oversees global marketing efforts including marketing, advertising, promotion, public relations and brand management, as well as the customer acquisition and retention programs. He is also responsible for providing oversight on customer experience. Mr. Andrew has over 35 years of sales and marketing experience in direct sell organizations. Mr. Andrew is a Certified Sales Professional and a certified Examiner for the Canadian Professional Sales Association, as well as a past member of the board of directors for NAID (Global Board). He holds a Masters of Business Administration from the University of Guelph.

Edward Delamater, Executive Vice President, Eastern U.S.

Mr. Delamater joined Shred-it in May 2014 as Executive Vice President, Eastern U.S. following completion of the Merger. During his 14 year tenure with Cintas, Mr. Delamater held various senior operational positions, including General Manager and Regional Business Director. At the time of the Merger, Mr. Delamater was the Vice President of all Document Management Operations in the U.S. and Canada. Prior to joining Shred-it and Cintas, Mr. Delamater held various sales roles at Nalco Chemical Company and is also a former US Navy submarine officer and nuclear power plant operator. Mr. Delamater holds a Bachelor of Engineering degree in Electrical Engineering from the State University of New York Maritime College, a Third Assistant Engineers license with the U.S. Coast Guard and he has completed graduate level courses in Nuclear Engineering at the Naval Officer Nuclear Power School.

Brenda Frank, General Counsel and Executive Vice President, Human Resources and Franchise Relations

Ms. Frank joined Shred-it in February 2010. As General Counsel, Ms. Frank provides corporate governance and legal service for all Company initiatives. In addition, Ms. Frank is accountable for setting the strategic direction for all human resources functions, as well as being responsible for Shred-it's franchise system. Prior to joining Shred-it, Ms. Frank held numerous executive and legal roles in various North American and global organizations, including ITOCHU International Inc., Pitney Bowes Inc., 2Bridge Software and Wilson Sonsini Goodrich & Rosati. Ms. Frank holds a Bachelor of Science in Accounting from the State University of New York Albany and a Juris Doctor from the New York University School of Law.

Dan Galbraith, Executive Vice President, Sales

Mr. Galbraith joined Shred-it in May 2014 as Executive Vice President of Sales following completion of the Merger. Mr. Galbraith is responsible for overseeing Shred-it's sales organization including national accounts and sales strategy for all field sales roles. During his previous 11 years at Cintas Corporation, Mr. Galbraith held various strategic positions in both sales and operations including Regional Business Director (Southeast Region) and most recently, as the Vice President of Sales (North America) for the Document Management Division. Mr. Galbraith holds a Bachelor of Arts in Government with an Economics Minor from Cornell University.

Gary Gonsalves, Executive Vice President U.S. West, U.S. Central and U.S. Southeast

Mr. Gonsalves joined Shred-it in January 2011. He has over twenty years of experience in helping organizations achieve superior top and bottom line results. In his role as an Executive Vice President, Mr. Gonsalves is responsible for overseeing Shred-it's sales, services and operations in the U.S. West, U.S. Central and U.S. Southeast markets. Mr. Gonsalves most recently held the position of Executive Vice President Sales, North America. Prior to joining Shred-it, Mr. Gonsalves was the Chief Operating Officer of National Eco Wholesale Inc. from 2010 to 2011, and prior to that, Senior Vice President of Sales with Corporate Express. His tenure at Corporate Express spanned 15 years in various strategic roles including Region President and Division President. Mr. Gonsalves holds a Bachelor of Science degree in Business Administration from San Diego State University.

Shawn Lanthier, Executive Vice President, Corporate Strategy and Integration

Mr. Lanthier joined Shred-it in August 2010 as Vice President, Strategy & Corporate Development responsible for Shred-it's corporate development group, including its global acquisition program and various strategic projects. When Shred-it completed the Merger, Mr. Lanthier became Executive Vice President, Corporate Strategy & Integration, primarily responsible for leading the integration of the two respective businesses. Prior to joining Shred-it, Mr. Lanthier was Executive Director, Investment Banking, at CIBC World Markets within the Diversified Industries group covering the retail, consumer products, automotive and industrial verticals. Prior to CIBC World Markets, Mr. Lanthier held several roles within industry, private equity and investment banking, including with Canada Cartage and Teachers' Private Capital. Mr. Lanthier holds an

Honours Business Administration (HBA) degree from the Richard Ivey School of Business, University of Western Ontario.

Colette Raymond, Executive Vice President, Canada / U.S. North and Northwest

Ms. Raymond joined Shred-it in 2000 as General Manager. Over the last 15 years she has held various positions with the Company, including Regional Manager, Eastern Canada and was the Company's first expatriated Regional Manager in France. Ms. Raymond most recently held the position of Executive Vice President Operations, North America. She is currently responsible for overseeing Shred-it's sales, services and operations in Canada and the U.S. North and Northwest. Prior to joining Shred-it, Ms. Raymond served as Director of Operations for Loomis Armored Car Ltd., a secure transportation and cash management company, for 10 years. She began her career as Manager at the head office of a Schedule I Canadian Bank.

Ownership Interest

As of the date of this prospectus, the Birch Hill Group owns 100 Common Shares of the Company, representing 100% of the issued and outstanding Common Shares.

Corporate Cease Trade Orders

None of our directors or executive officers has, within the 10 years prior to the date of this prospectus, been a director, chief executive officer or chief financial officer of any company (including us) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days.

Corporate Bankruptcies

Other than as described below, none of our directors or executive officers has, within the 10 years prior to the date of this prospectus, become bankrupt, been a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or comprise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Fortier was a director of Cover-All Building Systems Inc. when it filed for an assignment in bankruptcy on July 22, 2010 following default under its senior credit facility, among other things. Pricewaterhouse Coopers Inc. was appointed as trustee of the estate of Cover-All Buildings Systems Inc. The Court of Queen's Bench of Alberta in Bankruptcy and Insolvency approved an order discharging the trustee on October 12, 2011.

Shareholder Cease Trade Orders and Bankruptcies

No shareholder holding a sufficient number of securities to affect materially the control of our Company is, as at the date of this prospectus, or has been within 10 years before the date of this prospectus, a director or executive officer of any company (including us) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No shareholder holding a sufficient number of securities to affect materially the control of our Company has, within the 10 years before the date of this prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No director or executive officer of the Company or shareholder holding sufficient securities of the Company to affect materially the control of the Company has:

- been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

Conflicts of Interest

To the best of our knowledge, there are no known existing or potential conflicts of interest among us and our directors, officers or other members of management as a result of their outside business interests except that certain of our directors and officers, including David G. Samuel and Andrew Fortier who are directors of Birch Hill Equity Partners and David Pollak Jr. who is an officer of Cintas, serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

Indemnification and Insurance

The Company will implement a director and officer insurance program to be effective on Closing. The Company will also obtain a prospectus liability insurance policy providing coverage to itself, its directors and officers, the Birch Hill Group and the Cintas Group, subject to certain limits, deductibles and other terms and conditions. Purchasers of Common Shares under this prospectus will not have any contractual rights under such prospectus liability insurance policy or otherwise against the Birch Hill Group and the Cintas Group. Purchasers will, however, have certain statutory rights of action against the Company and, if the Over-Allotment Option is exercised and to the extent such exercise constitutes a secondary offering, the Birch Hill Group under applicable securities laws. See "Purchasers' Statutory Rights of Withdrawal and Rescission". In addition, following the completion of the Offering, the Company will enter into indemnification agreements with each of its directors and officers. The indemnification agreements will generally require that the Company indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Company as directors and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in or not opposed to the Company's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defense expenses to the indemnitees by the Company.

CORPORATE GOVERNANCE

The Board of Directors

Independence

At Closing, the Board will consist of seven directors, six of whom, being David G. Samuel, David A. Galloway, Roderick F. Barrett, Geoff Reed, David Pollak Jr. and Andrew Fortier, are considered "independent" under Canadian securities laws. The Chair of the Board will initially be an independent director. Mr. Vincent R. De Palma is not considered to be "independent" within the meaning of applicable securities laws as a result of his relationship with the Company.

Pursuant to NI 52-110, an independent director is one who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. The independent members of the Board shall meet in the absence of members of management and the non-independent directors at each regularly scheduled board meeting. Open and candid discussion among the independent directors is facilitated by the small size of the board. All independent directors are encouraged by the Chair of the Board to have open and candid discussions with the Chair and other members of the Board.

Certain members of the Company's Board are also members of the boards of other public companies. See "Directors and Management of the Company — Biographies".

Other Board Memberships

Certain members of our Board are also members of the boards of other public companies. See "Directors and Management of the Company". The Governance, Nominating, Compensation and Safety Committee monitors interlocking board and committee memberships among all directors. Board interlocks exist when two directors of one company sit on the board of another company. The Board does not restrict board interlocks. Only two of the Company's directors sit on the same board of an outside reporting issuer. The Governance, Nominating, Compensation and Safety Committee does not believe that this common board membership impacts the ability of these directors to act in the best interests of the Company. Currently, the following members sit on the boards of the following public companies:

Company	Director	Committee Membership
Scripps Networks Interactive, Inc.	David A. Galloway	Compensation Committee
GDI Integrated Facility Services Inc.	David A. Galloway	Human Resources and Governance Committee (Chair)
Toromont Industries Ltd.	David A. Galloway	Corporate Governance Committee (Chair), Human Resources & Compensation Committee (Member)
GDI Integrated Facility Services Inc.	David G. Samuel	—
Fleetmatics Group plc	Vincent R. De Palma	Nominating and Corporate Governance Committee (Member)

Mandate of the Board

The mandate of the Board, substantially in the form set out under Appendix A to this prospectus, is to provide governance and stewardship to the Company and its business. In fulfilling its mandate, the Board has adopted a written charter setting out its responsibility for, among other things: (i) adopting a strategic planning process for the Company; (ii) identifying risks and overseeing that procedures are in place for managing those risks; (iii) reviewing and approving annual operating plans, budgets and business and investment objectives; (iv) corporate social responsibility, ethics and integrity; (v) succession planning; (vi) delegations and general approval guidelines for management; (vii) monitoring and evaluating financial results and reporting and management; (viii) monitoring internal control and management information systems; (ix) corporate disclosure and communications; (x) determining criteria for evaluating performance; (xi) reviewing and approving the Company's financial statements, related MD&A, annual information form and management proxy circular; (xii) adopting measures for receiving feedback from stakeholders; (xiii) approving securities issuances and requirements; (xiv) approving the nomination of directors; (xv) determining the amount and timing of dividends payable to shareholders, if any; and (xvi) adopting key corporate policies with respect to integrity and ethics of the Company and its directors, officers and employees.

Position Descriptions

The Board will adopt, prior to Closing, a written position description for the Chair of the Board, which sets out the Chair's key responsibilities, including, as applicable, duties relating to setting Board meeting agendas, chairing Board and shareholder meetings, director development and communicating with shareholders and regulators. The Board will also adopt, prior to Closing, a written position description for each of the committee chairs which sets out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The Board will also adopt, prior to Closing, a written position description for the Chief Executive Officer which sets out the key responsibilities of the Chief Executive Officer including duties relating to the Company's strategic planning and operational direction, Board interaction, succession planning and communication with shareholders. The primary functions of the Chief Executive Officer will be to lead management of the business and affairs of the Company, to lead the implementation of the resolutions and the policies of the Board, to supervise day to day management and to communicate with shareholders and regulators. The Chief Executive Officer position description will be considered by the Board for approval annually.

Orientation and Continuing Education

Following Closing, the Company will implement an orientation program for new directors under which a new director will meet separately with the Chair of the Board and members of the senior executive team. A new director will be presented with a director manual that contains Board policies and procedures, the Company's current strategic plan, financial plan and capital plan, the most recent annual and quarterly reports and materials relating to key business issues.

The chair of each committee will be responsible for coordinating orientation and continuing director development programs relating to the committee's mandate. Each of the committee chairs will also be responsible for instituting a learning program that focuses on topics relevant to each committee's mandate.

Code of Conduct

The Company will also adopt, prior to Closing, a written code of conduct (the "**Code of Conduct**") that applies to all directors, officers, and management of the Company and its subsidiaries. The objective of the Code of Conduct is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Company and its subsidiaries. The Code of Conduct addresses conflicts of interest, protection of the Company's assets, confidentiality, fair dealing with securityholders, competitors and employees, insider trading, compliance with laws and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Company's best interests or that may give rise to real, potential or the appearance of conflicts of interest. The Board will have ultimate responsibility for the stewardship of the Code of Conduct and it will oversee management's systems and practices for monitoring compliance through the Governance, Nominating, Compensation and Safety Committee. The Code of Conduct will be filed with the Canadian securities regulatory authorities on SEDAR.

The Company does not impose term limits on its directors as it takes the view that term limits are an arbitrary mechanism for removing directors which can result in valuable, experienced directors being forced to leave the Board solely because of length of service. Instead, the Company believes that directors should be assessed based on their ability to continue to make a meaningful contribution. The Company's annual performance review of directors assesses the strengths and weaknesses of directors and, in the Board's view, is a more meaningful way to evaluate the performance of directors and to make determinations about whether a director should be removed due to under-performance.

Nomination of Directors

The Governance, Nominating, Compensation and Safety Committee identifies candidates to the Board and management of the Company that bring needed skills, expertise and experience to the Board and management and the Company is focused on continually increasing diversity within the Company.

The Governance, Nominating, Compensation and Safety Committee believes that having a diverse Board and senior management offers a depth of perspective and enhances Board and management operations. The Governance, Nominating, Compensation and Safety Committee does not specifically define diversity, but values diversity of experience, perspective, education, race, gender and national origin as part of its overall annual evaluation of director nominees for election or re-election as well as candidates for management positions. Gender and geography are of particular importance to the Company in contributing to diversity within the Board and management. Recommendations concerning director nominees are, foremost, based on merit and performance, but diversity is taken into consideration, as it is beneficial that a diversity of backgrounds, views and experiences be present at the Board and management levels.

The Company attempts to recruit and select board and management candidates that represent both gender diversity and business understanding and experience. However, the Board does not support fixed percentages for any selection criteria, as it is ultimately the skills, experience, character and behavioral qualities that are most important to determining the value which an individual could bring to the Board or management of the Company.

At the senior management level of the Company, 21% of the members of Shred-it's leadership team are women. There are currently no directors that are women. The Company does not have a formal policy on the representation of women on the Board or senior management of the Company. The Governance, Nominating, Compensation and Safety Committee already takes gender into consideration as part of its overall recruitment and selection process in respect of its Board and senior management and will continue to do so following Closing. However, the Board does not believe that quotas or strict rules set forth in a formal policy necessarily result in the identification or selection of the best candidates. As such, the Company does not see any meaningful value in adopting a formal policy in this respect at this time as it does not believe that it would enhance the recruitment and selection process currently carried out by the Governance, Nominating, Compensation and Safety Committee.

The Board is mindful of the benefit of diversity on the Board and management of the Company and the need to maximize the effectiveness of the Board and management and their respective decision-making abilities. Accordingly, in searches for new directors, the Governance, Nominating, Compensation and Safety Committee will consider the level of female representation and diversity on the Board and management and this will be one of several factors used in its search process. This will be achieved through continuously monitoring the level of female representation on the Board and in senior management positions and, where appropriate, recruiting qualified female candidates as part of the Company's overall recruitment and selection process to fill Board or senior management positions, as the need arises, through vacancies, growth or otherwise.

Committees of the Board

The Board has established two committees: (i) the Audit Committee and (ii) the Governance, Nominating, Compensation and Safety Committee. All members of the Audit Committee will be persons determined by the Board to be Independent directors. A majority of the members of each committee will be residents of Canada. All members of the Board are permitted to attend meetings of the Audit Committee and the Governance, Nominating, Compensation and Safety Committee as guests.

Audit Committee

The Audit Committee consists of three directors, all of whom are persons determined by the Company to be both independent directors and financially literate within the meaning of NI 52-110 and a majority of whom are residents of Canada. The Audit Committee will be comprised of Geoff Reed (Chair), David A. Galloway and Andrew Fortier. Each of the Audit Committee members has an understanding of the accounting principles used to prepare the Company's financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see "Directors and Management of the Company — Biographies".

The Board has adopted a written charter for the Audit Committee, in the form set out under Appendix B to this prospectus, which sets out the Audit Committee's responsibilities. The Audit Committee's responsibilities will include: (i) reviewing the Company's procedures for internal control with the Company's auditors and Chief Financial Officer; (ii) making recommendations for the appointment or reappointment of the auditors; (iii) reviewing annual and quarterly financial statements and all other material continuous disclosure documents, including the Company's annual information form and management's discussion and analysis; (iv) assessing the Company's accounting policies; (v) reviewing the Company's risk management procedures; (vi) reviewing any significant transactions outside the Company's ordinary course of business and any legal matters that may significantly affect the Company's financial statements; (vii) overseeing the work and confirming the independence of the external auditors and assess the professional skepticism of the auditors; and (viii) overseeing the internal control procedures that are implemented and maintained by management. The Board intends to delegate to the Audit Committee the approval of the Company's quarterly results, as permitted by applicable securities legislation.

The Audit Committee will have direct communication channels with the Chief Financial Officer and the external auditors of the Company to discuss and review such issues as the Audit Committee may deem appropriate.

External Auditor Service Fee

In Fiscal 2014 and Fiscal 2013, the Company was billed the following fees by its external auditor, Ernst & Young LLP:

	Fiscal year ended December 31, 2014	**Fiscal year ended December 31, 2013**
	(in thousands)	
Audit Fees[(1)]	$2,214,119	$440,500
Tax Fees[(2)]	$ 107,900	$ 65,300
All Other Fees[(3)]	$1,573,791	$ 40,000
Total Fees Paid	$3,895,810	$545,800

Notes:

(1) Fees for audit services.

(2) Fees for tax compliance, tax advice and tax planning.

(3) All other fees not included above, including fees in connection with Shred-it's acquisition of Iron Mountains' document destruction business outside of North America and Latin America.

Governance, Nominating, Compensation and Safety Committee

The Governance, Nominating, Compensation and Safety Committee is comprised of three directors, one of whom is a person determined by the Board to be an independent director and a majority of whom are residents of Canada, and will be charged with reviewing, overseeing and evaluating the corporate governance, compensation and nominating policies of the Company. The Governance, Nominating, Compensation and Safety Committee will be comprised of David A. Galloway (Chair), David Pollak, Jr. and Andrew Fortier. No member of the Governance, Nominating, Compensation and Safety Committee is an officer of the Company, and as such, the Board feels that the Governance, Nominating, Compensation and Safety Committee will be able to conduct its activities in an objective manner.

The Board will adopt, prior to Closing, a written charter for the Governance, Nominating, Compensation and Safety Committee setting out its responsibilities for: (i) assessing the effectiveness of the Board, each of its committees and individual directors; (ii) overseeing the recruitment and selection of candidates as directors; (iii) organizing an orientation and education program for new directors; (iv) considering and approving proposals by the directors to engage outside advisors on behalf of the Board as a whole or on behalf of the independent directors; (v) reviewing and making recommendations to the Board concerning any change in the number of directors composing the Board; (vi) considering questions of management succession; (vii) administering any purchase plan of the Company and any other compensation incentive programs; (viii) assessing the performance of management of the Company; (ix) reviewing and approving the compensation paid by the Company, to the directors and officers of the Company; (x) approving share ownership guidelines; (xi) director and officer indemnification and insurance; (xii) overseeing succession planning for the Board and the roles of the Chair and the Board and Committee chairs; (xiii) reviewing the independence of any compensation advisor; (xiv) overseeing the Company's approach to corporate governance; and (xiv) developing and monitoring the approach of the Company with respect to safety matters.

Following Closing, it is expected that the Governance, Nominating, Compensation and Safety Committee will put in place an orientation program for new directors under which a new director will meet with the Chair of the Board and members of the executive management team of the Company. It is anticipated that a new director will be provided with comprehensive orientation and education as to the nature and operation of the Company and its business, the role of the Board and its committees, and the contribution that an individual director is expected to make. The Governance, Nominating, Compensation and Safety Committee will be responsible for coordinating development programs for continuing directors to enable the directors to maintain or enhance their skills and abilities as directors as well as ensuring that their knowledge and understanding of the Company and its business remains current.

The Governance, Nominating, Compensation and Safety Committee will be responsible, along with the Chair of the Board, for establishing and implementing procedures to evaluate the effectiveness of the Board, committees of the Board and the contributions of individual board members. The Governance, Nominating, Compensation and Safety Committee will also take reasonable steps to evaluate and assess, on an annual basis, directors' performance and effectiveness of the Board, Board committees, individual members, the Chair of the Board and committee Chairs. The assessment will address, among other things, individual director independence, individual director and overall Board skills, and individual director financial literacy. The Board will receive and consider the recommendations from the Governance, Nominating, Compensation and Safety Committee regarding the results of the evaluation of the performance and effectiveness of the Board, Board committees and individual members.

The directors believe that the members of the Governance, Nominating, Compensation and Safety Committee individually and collectively possess the requisite knowledge, skill and experience in governance, compensation and safety matters, including human resource management, executive compensation matters and general business leadership, to fulfill the committee's mandate. All members of the Governance, Nominating, Compensation and Safety Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and on the boards of other entities.

EXECUTIVE COMPENSATION

Introduction

The following discussion describes the significant elements of the Company's executive compensation program, with particular emphasis on the process for determining compensation payable to the CEO and the CFO and, other than the CEO and the CFO, each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity (collectively, the "**NEOs**"). The NEOs are:

- Vincent R. De Palma, Chief Executive Officer;
- Jim Rudyk, Chief Financial Officer;
- Karen Carnahan, Chief Operating Officer;
- Brenda Frank, General Counsel and Executive Vice President, Human Resources and Franchise Relations; and
- Robert Guice, Executive Vice President, EMEA.

Compensation Discussion and Analysis

Overview

The Governance, Nominating, Compensation and Safety Committee, in consultation with the Chief Executive Officer, will be responsible for establishing, reviewing and overseeing the compensation policies of the Company and compensation of the NEOs. The Company's executive compensation program is designed to attract, retain and motivate highly qualified executives while also aligning the interests of the executives with the Company's shareholders.

It is anticipated that the Chief Executive Officer will make recommendations to the Governance, Nominating, Compensation and Safety Committee each year with respect to the compensation for NEOs in consideration of the executive's performance during the year as well as the performance of the Company. The Governance, Nominating, Compensation and Safety Committee will review the recommendations of the Chief Executive Officer in determining whether to make a recommendation to the Board or recommend any further changes to compensation for the executives. In addition, the Governance, Nominating, Compensation and Safety Committee will annually review and make recommendations to the Board regarding the compensation for the Chief Executive Officer.

Compensation Risk

In reviewing the compensation policies and practices of the Company each year, the Governance, Nominating, Compensation and Safety Committee will seek to ensure the executive compensation program provides an appropriate balance of risk and reward consistent with the risk profile of the Company. The Governance, Nominating, Compensation and Safety Committee will also seek to ensure the Company's compensation practices do not encourage excessive risk-taking behaviour by the executive team. The Company's long-term incentive plan has been designed to focus on the long-term performance of the Company, which discourages executives from taking excessive risks in order to achieve short-term, unsustainable performance.

All of the Company's executives, including the NEOs, directors and employees will be subject to the Company's insider trading and blackout period policy, which will prohibit trading in the securities of the Company while in possession of material undisclosed information about the Company. Under this policy, such individuals will also be prohibited from entering into hedging transactions involving the securities of the Company, such as short sales, puts and calls. Furthermore, the Company will permit executives, including the NEOs, to trade in the Company's securities, including the exercise of options, only during prescribed trading windows.

Principal Elements of Compensation

The compensation of the NEOs consist primarily of the following three elements: (i) base salary; (ii) short-term incentives, consisting of an annual cash bonus; and (iii) long-term equity incentives, consisting of performance share units ("**PSUs**") granted from time to time under the Company's performance share unit plan (the "**PSU Plan**"). Perquisites and personal benefits are not a significant element of compensation of the NEOs.

Base Salary

A primary element of the Company's compensation program is base salary. The Company's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. The amount payable to an NEO is determined based on the scope of their responsibilities, competencies and prior relevant experience, while taking into account competitive market compensation and overall market demand for such executives at the time of hire. An NEO's base salary is determined by taking into consideration the NEO's total compensation package and the Company's overall compensation philosophy.

Base salaries are reviewed annually and may be increased for merit reasons based on the executive's success in meeting or exceeding Company and individual objectives. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

Short-Term Incentives

The Company's compensation program includes eligibility for annual cash bonuses. Annual bonuses are designed to motivate executive officers to meet the Company's business objectives generally and the Company's annual financial performance targets in particular. Annual cash bonuses are earned and measured with reference to targets for revenue, EBITDA, growth in service locations and meeting integration goals set by the Board at the beginning of each year. In addition, certain NEOs have individual goals specific to his or her role. For example, a portion of the CFO's bonus is driven by net income targets. Annual cash bonus targets are set as a percentage of the relevant individuals' base salary and can increase if maximum financial performance targets are achieved. For example, in the case of the Chief Executive Officer, the annual bonus target is set at 150% of base salary and can increase up to 195% of base salary if maximum financial performance targets are achieved. The Company sets targets in connection with the annual budget process to ensure that bonus targets will only be achieved if results are at or above budget.

Long-Term Incentives

Prior to Closing, the Company will adopt the PSU Plan, under which new grants of equity-based awards may be made. In connection with the completion of the Offering, the Company intends to award grants to the

NEOs of PSUs under the PSU Plan. These grants are described below under "Outstanding Share-Based Awards". The key features of the PSU Plan are described under "PSU Plan". An executive or employee of the Company who also serves as a director is not entitled to receive board fees or other compensation for their service as a director.

PSU Plan

The named executive officers, along with other employees, will be eligible to participate in the PSU Plan. The purpose of the PSU Plan is to promote greater alignment of interests between employees and shareholders and to support the achievement of the Company's performance objectives. The PSU Plan is administered by the Board, which has the authority to determine the eligible full time employees to whom PSUs may be granted and the number of PSUs to be granted to plan participants. PSUs may be awarded annually and additional PSUs are credited to reflect dividends paid on the Common Shares based on the number of PSUs in a participant's PSU account and the fair market value (the "**Market Value**") of the Common Shares on the dividend payment date. Under the PSU Plan, the Market Value of a Common Share on a particular date is the volume-weighted average trading price of a Common Share during the five trading days immediately preceding that date.

The maximum number of Common Shares that may be reserved for issuance under the PSU Plan is up to 10% of the total number of Common Shares issued and outstanding from time to time.

PSUs will generally vest on the third anniversary of their grant, following which a participant is entitled to receive an amount equal to the product achieved by multiplying: (i) the number of vested PSUs in the participant's PSU account; (ii) the Market Value of a Common Share on the third anniversary of the date of grant; and (iii) a performance adjustment factor (the "**Adjustment Factor**") of between 0.5 and 1.5 which is determined based on growth in notional equity value over the three-year performance period between the grant date and the vesting date of the PSUs (the "**Performance Period**"). This amount will be settled by the issuance of Common Shares from treasury. The thresholds set for any Performance Period will be established by the Board at the time the PSUs are granted. The administration and operation of the PSU Plan may be delegated by the Board to a committee thereof.

Unless otherwise permitted by the Board, upon termination of a participant's employment for any reason (including termination with or without cause, voluntary resignation, retirement or death) other than following a change of control, all unvested PSUs held by the participant as at the termination date will be forfeited.

If a participant's employment is terminated or if a participant resigns for "good reason", in either case, within 12 months following a change of control of the Company, all PSUs credited to such participant's account automatically vest and are paid out based on the Market Value and an Adjustment Factor that is the greater of 1.0 and such other Adjustment Factor as may be determined by the Board acting in good faith.

The Board may, in its discretion, following a grant date but prior to the vesting date, designate an earlier vesting date for the vesting of all or any portion of the PSUs then outstanding and granted to a participant.

Summary Compensation Table

The following table sets out information concerning the expected fiscal 2015 compensation to be earned by, paid to, or awarded to the NEOs.

Name and Principal Position	Year	Salary(1) ($)	Share-based Awards ($)(2)	Non-equity Incentive Plan Compensation ($) Annual incentive plan ($)(3)	Non-equity Incentive Plan Compensation ($) Long-term incentive plans	All Other Compensation ($)(4)	Total Compensation ($)
Vincent R. De Palma, *President and Chief Executive Officer*	2015	500,000	750,000	750,000	—	17,300	2,017,300
Jim Rudyk, *Chief Financial Officer and Executive Vice President*	2015	333,333	256,042	256,042	—	36,850	882,267(5)
Karen Carnahan, *Chief Operating Officer*	2015	400,000	255,500	255,500	—	12,020	923,020
Brenda Frank, *General Counsel and Executive Vice President, Human Resources and Franchise Relations*	2015	280,000	260,000	260,000	—	62,730	862,730
Robert Guice, *Executive Vice President, EMEA*	2015	280,000	260,000	260,000	—	4,960	804,960(6)

Notes:

(1) Amounts reflect the current annualized base salary for each NEO. The actual base salary paid to each NEO in respect of fiscal 2015 will be a pro-rated portion of such amount from the Closing Date until December 31, 2015.

(2) On Closing, the Company expects to grant the following PSUs to the NEOs: (i) Vincent R. De Palma — 41,861 PSUs; (ii) Jim Rudyk — 14,291 PSUs; (iii) Karen Carnahan — 14,261 PSUs; (iv) Brenda Frank — 14,512 PSUs; and (v) Robert Guice — 14,512 PSUs. The Company does not plan to grant any additional PSUs in 2015 to the NEOs. The dollar values presented in the table represent the grant date fair value of the PSUs awarded to the NEOs on the Closing Date. The grant date fair value is based on the share price on the date of grant. This value has not been, and may never be, realized by the NEOs. The actual amount payable, if any, in respect of the PSUs will depend on, among other things, the Adjustment Factor, the Market Value of the Common Shares on the vesting date and the Company's performance during the Performance Period. PSUs may be awarded annually and additional PSUs are credited to reflect dividends paid on the Common Shares based on the number of PSUs in a participant's PSU account and the fair market value of the Common Shares on the dividend payment date. See "Executive Compensation — Long-Term Incentives."

(3) Amounts reflect the projected annual bonus for the NEO assuming 100% of the 2015 target objectives are achieved.

(4) Amounts reported include the approximate cost of the other benefits provided to all employees, including short and long term disability insurance and group life insurance. For each of Mr. Rudyk and Ms. Frank, the amounts reported include the maximum amount available under the executive medial reimbursement plan of $10,000 for each member of the NEO's family ($33,333 for Mr. Rudyk and $50,000 for Ms. Frank).

(5) NEO's pay is denominated in Canadian dollars and converted to U.S. dollars at a rate of $0.83.

(6) NEO's pay is denominated in Pounds Sterling and converted to U.S. dollars at a rate of £1.55.

Employment Agreements, Termination and Change of Control Benefits

The Company has written employment agreements with each of the NEOs and each executive is entitled to receive compensation established by the Company as well as other benefits in accordance with plans available to other executives (including health, dental, life insurance, vacation time, car allowance, and participation in the pension plans, as applicable). For termination and change of control related provisions relating to the long-term incentive plans, please refer to the relevant section under the heading "Compensation Discussion & Analysis".

Each executive employment agreement provides that the Company may terminate an NEO's employment at any time, without cause, by providing the NEO with notice of termination. If the NEO's employment is terminated by the Company without cause, Messrs. De Palma, Rudyk, Guice and Ms. Carnahan (also if she resigns for good reason) shall be entitled to: (i) accrued and unpaid based salary and vacation pay up to the date of termination; (ii) a pro-rated performance bonus based on the average of the yearly performance bonus amounts paid to the NEO in the last two fiscal years ended immediately preceding the date of termination; and (iii) in the case of Ms. Carnahan, an amount equal to her base salary in the event the date of termination is after the second anniversary but before the third anniversary of the date of her employment agreement. With respect to Ms. Frank, if her employment is terminated without cause or resignation, she is entitled to: (i) 24 months' base salary and (ii) two times annual bonus based on the average bonus paid to her in the two completed years immediately preceding the termination date.

In addition, in the case of termination without cause, (i) Mr. De Palma is entitled to receive a payment in the amount equal to the greater of (A) two times his base salary, and (B) his base salary plus the lesser of the performance bonus he received in the 12 month period ending at the end of the month immediately prior to the date of termination or a specified amount; and (ii) Messrs. Rudyk and Guice are entitled to receive a payment in an amount equal to the sum of his base salary plus the lesser of the performance bonus received by the NEO in the 12 month period ending at the end of the month immediately prior to the date of termination and a specified amount. For Ms. Carnahan, in the case of termination without cause or resignation for good reason after the three year anniversary of the date of her employment agreement, Ms. Carnahan is entitled to a payment in an amount equal to the sum of her base salary plus the average yearly performance bonus received by her in the last two calendar years immediately preceding the date of termination. In certain circumstances, such termination payments to the NEOs are to be paid as a lump sum following termination. The NEOs are also entitled to the continuation of medical, dental, disability and life insurance benefits for one year (two years in the case of Ms. Frank) following the termination date.

The employment agreements of Messrs. De Palma, Rudyk, Guice and Ms. Frank do not contain change of control provisions. Under Ms. Carnahan's employment agreement, she is entitled to resign for good reason at any time following a change of control of the Company.

If the NEO is terminated on the basis of frustration due to disability or death, his or her estate, as applicable, will be entitled to accrued but unpaid based salary and vacation pay earned up to the date of termination and a pro-rated performance bonus.

The following table sets out the estimated amounts that would be payable by the Company to each NEO if his/her employment was terminated without cause, or in the case of Ms. Carnahan, also if she resigns with good reason:

	Termination Without Cause/With Good Reason			**Termination following Change of Control**
Name	**Base Salary and AIP ($)**	**Acceleration of Equity-Based Awards ($)[(1)]**	**Total ($)**	**($)**
Vincent R. De Palma, *President and Chief Executive Officer*	1,250,000	750,000	2,000,000	Nil
Jim Rudyk, *Chief Financial Officer and Executive Vice President*	589,375	256,042	845,417	Nil
Karen Carnahan, *Chief Operating Officer*	655,500	255,500	911,000	655,500
Brenda Frank, *General Counsel, Executive Vice President, Human Resources and Franchise Relations*	1,080,000	260,000	1,340,000	Nil
Robert Guice, *Executive Vice President, EMEA*	540,000	260,000	800,000	Nil

(1) Assumes full vesting of PSUs at the time of Closing.

The NEOs' employment agreements also contain customary confidentiality covenants and certain restrictive covenants that will continue to apply following the termination of his or her employment, including non-solicitation and non-competition provisions which are both in effect during the NEOs' employment and for a period of one year following the termination of his or her employment.

Outstanding Share-Based Awards

The following table sets forth details of all awards that the Company expects will be outstanding for each NEO following the completion of the Offering.

	Share-based Awards		
Name and principal position	**Number of PSUs that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**	**Market or payout value of vested share-based awards not paid out or distributed ($)**
Vincent R. De Palma, *President and Chief Executive Officer*	41,861	750,000	Nil
Jim Rudyk, *Chief Financial Officer and Executive Vice President*	14,291	256,042	Nil
Karen Carnahan, *Chief Operating Officer*	14,261	255,500	Nil
Brenda Frank, *General Counsel and Executive Vice President, Human Resources and Franchise Relations*	14,512	260,000	Nil
Robert Guice, *Executive Vice President, EMEA*	14,512	260,000	Nil

Director Compensation

The Board, through the Governance, Nominating, Compensation and Safety Committee will be responsible for reviewing and approving the directors' compensation arrangements and any changes to those arrangements.

Following Closing, the Governance, Nominating, Compensation and Safety Committee will establish the compensation arrangements for each director that is not an employee of the Company or one of its affiliates. The directors' compensation program will be designed to attract and retain the most qualified individuals to serve on the Board. It is expected that non-employee directors will be paid an annual retainer of $40,000 (which may, at the Board's discretion, be paid in cash or in some combination of cash, Common Shares and PSUs) and that they will be reimbursed for their reasonable out-of-pocket expenses incurred in serving as directors. Directors who are employees of, and who receive a salary from, the Company or one of its affiliates or subsidiaries will not be entitled to receive any remuneration for serving as directors, but will be entitled to reimbursement of their reasonable out-of-pocket expenses incurred in serving as directors. The Company does not expect to pay meeting fees or any additional retainer to directors for service on a committee of the Board.

Common Share Ownership Requirements

Shred-it believes in the importance of share ownership and its compensation programs are designed to encourage share ownership by executive officers and directors.

For executive officers, a minimum share ownership level has been set for each position as a multiple of annual base salary as set forth in the table below:

Position	**x Base Salary**
Chief Executive Officer	3x
Other NEOs	1x

Executive officers must meet their target within five years of Closing. Until such requirement is met, executives have no right to sell Common Shares owned or acquired through settlement of after-tax PSUs (if settled in Common Shares). Net after-tax Common Shares received upon PSU settlement shall count towards the achievement of share ownership requirements.

Directors are required to hold five times their annual retainer in Common Shares or PSUs within five years of election to the Board. Directors will receive between 50% and 100% of their annual cash retainer in PSUs or Common Shares until the ownership requirement is met.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Other than as described below, none of the directors, executive officers, employees, former directors, former executive officers or former employees of the Company or any of its subsidiaries, and none of their respective associates, is or has within 30 days before the date of this prospectus or at any time since the beginning of the most recently completed financial year been indebted to the Company or any of its subsidiaries or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or any of its subsidiaries.

As of June 12, 2015, Shred-it International ULC, made interest bearing loans to certain Management Shareholders in connection with equity incentive plans that will terminate on or before Closing. All such loans will be repaid in connection with the IPO Transactions, such that there will be no amount outstanding immediately following Closing.

	Aggregated Indebtedness	
Purpose	To the Company or its Subsidiaries	To Another Entity
Equity Incentive Plan (U.S.$ loans)	$2,033,654.9	—
Equity Incentive Plan (C$ loans)	$1,166,621.5	—

PLAN OF DISTRIBUTION

General

Pursuant to the Underwriting Agreement dated ● , 2015 between the Company, the Birch Hill Group, the Cintas Group and the Underwriters, the Company has agreed to sell and the Underwriters have agreed to severally purchase on ● , 2015 (or such later date as the Company and the Underwriters agree, but not later than ● , 2015) ● Common Shares at a price of $ ● per Common Share, for aggregate gross consideration of C$ ● payable in cash to the Company against delivery of the Common Shares. The Offering Price of the Common Shares has been determined by negotiation between the Company and the Joint Bookrunners. The Joint Bookrunners and National Bank Financial Inc., Barclays Capital Canada Inc., RBC Dominion Securities Inc., Credit Suisse Securities (Canada), Inc., Wells Fargo Securities Canada, Ltd., GMP Securities L.P. and Raymond James Ltd. are Underwriters for the Offering. It is estimated that the total expenses of the Offering, not including the Underwriters' Commission, will be approximately C$ ● .

Pursuant to the Underwriting Agreement, the Company and the Birch Hill Group have granted the Underwriters an Over-Allotment Option to cover over-allotments, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters, in whole or in part, for a 30 day period following the Closing and entitles the Underwriters to purchase from the Company and the Birch Hill Group up to ● Common Shares in the aggregate at the Offering Price (being approximately 15% of the aggregate number of Common Shares offered hereunder). If the Over Allotment Option is exercised in full, the total price to the public will be C$ ● , the Underwriters' Commission will be C$ ● , the net proceeds to the Company will be C$ ● and the net proceeds to the Birch Hill Group will be C$ ● in the aggregate, respectively. The Cintas Group has granted the Company a right to purchase from it LP Units in connection with the exercise of the Over-Allotment Option. The Offering will only constitute a secondary offering if the Over-Allotment Option is exercised, and then only to the extent that Common Shares are purchased from the Birch Hill Group.

The Offering is being made in each of the provinces and territories of Canada. The Common Shares will be offered in each of the provinces and territories of Canada through those Underwriters or their affiliates who are registered to offer the Common Shares for sale in such provinces and territories and such other registered dealers as may be designated by the Underwriters. Subject to applicable law and the provisions of the Underwriting Agreement, the Underwriters may offer the Common Shares outside of Canada.

The Common Shares offered hereby have not been, and will not be, registered under the U.S. Securities Act or any state securities laws, and may not be offered or sold within the United States absent registration or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, except to the extent permitted by the Underwriting Agreement, the Common Shares may not be offered or sold within the United States. The Underwriting Agreement provides that the Underwriters may re-offer and re-sell the Common Shares that they have acquired pursuant to the Underwriting Agreement to qualified institutional buyers in the United States in accordance with Rule 144A under the U.S. Securities Act. The Underwriting Agreement also provides that the Underwriters may offer and sell the Common Shares outside the United States in accordance with Regulation S under the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer is made pursuant to an exemption from registration under the U.S. Securities Act.

In connection with the Offering, certain of the Underwriters or securities dealers may distribute the prospectus electronically.

Upon completion of the Offering, assuming no exercise of the Over-Allotment Option, the Company expects to have a total of ● outstanding Common Shares, which includes the ● Common Shares sold in the Offering.

The Company has applied to have the Common Shares listed on the TSX. Listing of the Common Shares on the TSX is subject to approval by the TSX of the Company's listing application and fulfillment by the Company of all the initial requirements and conditions of the TSX. The TSX has not conditionally approved the listing of the Common Shares and there is no assurance that the TSX will approve the Company's listing application.

There is currently no market through which the Common Shares may be sold and purchasers may not be able to resell the Common Shares purchased under this prospectus. Closing of the Offering is conditional on the Common Shares being approved for listing on the TSX.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint or joint and several), are subject to certain closing conditions and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any Common Shares are purchased under the Underwriting Agreement. In consideration for their services in connection with the Offering, the Company has agreed to pay the Underwriters a fee equal to C$ ● per Common Share with respect to the Offering. The Company and the Birch Hill Group will pay the Underwriters Commission, pro rata, in respect of Common Shares sold with respect to the Over-Allotment Option. The Underwriters are entitled under the Underwriting Agreement to indemnification by, among others, the Company against certain liabilities and expenses.

Pricing of the Offering

Prior to the Offering, there was no public market for the Common Shares. The Offering Price has been negotiated between the Company and the Underwriters. Among the factors considered in determining the Offering Price of the Common Shares were the following:

- prevailing market conditions;
- historical performance and capital structure of the Company;
- estimates of the business potential and earnings prospects of the Company;
- availability of comparable investments;
- an overall assessment of the Company's management; and
- the consideration of these factors in relation to market valuation of companies in related businesses.

The Underwriters propose to offer the Common Shares initially at the Offering Price stated on the cover page of this prospectus. After the Underwriters have made a reasonable effort to sell all of the Common Shares offered by this prospectus at that price, the initially stated Offering Price may be decreased, and further changed from time to time, by the Underwriters to an amount not greater than the initially stated Offering Price and, in such case, the compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Common Shares is less than the gross proceeds paid by the Underwriters to the Company.

Price Stabilization, Short Positions and Passive Market Making

In connection with the Offering, the Underwriters may over-allocate or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market, including:

- stabilizing transactions;
- short sales;
- purchases to cover positions created by short sales;
- imposition of penalty bids; and
- syndicate covering transaction.

Stabilizing transactions consist of bids or purchases made for the purpose of preventing or retarding a decline in the market price of the Common Shares while the Offering is in progress. These transactions may also include making short sales of the Common Shares, which involve the sale by the Underwriters of a greater number of Common Shares than they are required to purchase in the Offering. Short sales may be "covered short sales", which are short positions in an amount not greater than the Over-Allotment Option, or may be "naked short sales", which are short positions in excess of that amount.

The Underwriters may close out any covered short position either by exercising the Over-Allotment Option, in whole or in part, or by purchasing Common Shares in the open market. In making this determination, the Underwriters will consider, among other things, the price of Common Shares available for purchase in the open market compared with the price at which they may purchase Common Shares through the Over-Allotment Option.

The Underwriters must close out any naked short position by purchasing Common Shares in the open market. A naked short position is more likely to be created if the Underwriters are concerned that there may be downward pressure on the price of the Common Shares in the open market that could adversely affect investors who purchase in the Offering. Any naked short sales will form part of the Underwriters' over-allocation position.

In addition, in accordance with rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period of distribution, bid for or purchase Common Shares. The foregoing restriction is, however, subject to exceptions where the bid or purchase is not made for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable regulatory authorities and the applicable stock exchange, including the Universal Market Integrity Rules for Canadian Marketplaces, relating to market stabilization and market balancing activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution.

As a result of these activities, the price of the Common Shares may be higher than the price that otherwise might exist in the open market. If these activities are commenced, they may be discontinued by the Underwriters at any time. The Underwriters may carry out these transactions on any stock exchange on which the Common Shares are listed, in the over-the-counter market, or otherwise.

Over-Allotment Option

The Company and the Birch Hill Group have granted to the Underwriters an Over-Allotment Option, exercisable, in whole or in part, at the sole discretion of the Underwriters (subject to the condition that the Common Shares subject to the Over-Allotment Option are listed on the TSX at the time of closing the Over-Allotment Option), for a period of 30 days from the date of the Closing, to purchase from the Company and the Birch Hill Group up to an aggregate of ● additional Common Shares (representing approximately 15% of the Common Shares offered hereunder), at the Offering Price, payable in cash against delivery of such additional shares. The Over-Allotment Option is exercisable in whole or in part only for the purpose of covering over-allotments, if any, made by the Underwriters in connection with the Offering and for market stabilization purposes. The Company and the Birch Hill Group will pay the Underwriters' Commission in respect of Common Shares sold under the Over-Allotment Option if the Over-Allotment Option is exercised. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Commission, net proceeds to the Company and net proceeds to the Birch Hill Group, before deducting other expenses of the Offering, will be ●, C$ ●, C$ ● and C$ ●, respectively. This prospectus qualifies the grant of the Over-Allotment Option and up to ● Common Shares to be sold by the Company and the Birch Hill Group upon exercise of the Over-Allotment Option. A purchaser who acquires Common Shares forming part of the Over Allotment Option acquires those shares under this prospectus, regardless of whether the position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Lock-Up Arrangements

Pursuant to the Underwriting Agreement, the Company has agreed that it will not, directly or indirectly, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld, issue, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any equity securities of the Company, or securities convertible or exchangeable into equity securities of the Company for a period commencing on the Closing Date and ending 180 days after the Closing Date, subject to certain exceptions. Birch Hill Group and the Cintas Group have each agreed that for a period commencing on the Closing Date and ending 180 days after the Closing Date, it will not, directly or indirectly, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld, (i) offer, sell, contract to sell, secure, pledge or grant any option, right or warrant to purchase or otherwise lend, transfer or dispose of any Common Shares or LP Units owned by such holder; or (ii) make any short sale, engage in any hedging transaction, or enter into any swap, monetization, securitization or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of the Common Shares or LP Units owned by it, subject to certain exceptions.

It is a condition of Closing that each of the Company's directors and the Management Shareholders will execute a letter agreeing that, for a period commencing on the Closing Date and ending 180 days after the Closing Date, in the case of the directors, and 360 days after the Closing Date, in the case of the Management Shareholders, the holder will not, directly or indirectly, without the prior written consent of the Underwriters, such consent not to be unreasonably withheld, (i) offer, sell, contract to sell, secure, pledge or grant any option, right or warrant to purchase or otherwise lend, transfer or dispose of any Common Shares owned by such holder; or (ii) make any short sale, engage in any hedging transaction, or enter into any swap, monetization, securitization or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of the Common Shares owned by such holder, subject to certain exceptions.

Registration of Common Shares

Registration of interests in and transfers of Common Shares held through CDS, or its nominee, will be made electronically through the non-certificated inventory system. On Closing, Shred-it will, via its transfer agent, electronically deliver the Common Shares registered to CDS or its nominee. Common Shares held in CDS must be purchased or transferred through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of shareholders who hold Common Shares in CDS must be exercised through, and all payments or other property to which such shareholders are entitled will be made or delivered by CDS, or the CDS participant through which the shareholder holds such Common Shares. A shareholder holding his, her or its Common Shares in the non-certificated inventory system will not be entitled to a certificate or other instrument from us or our transfer agent on Closing evidencing that person's interest in or ownership of Common Shares, nor, to the extent applicable, will such shareholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

RELATIONSHIP BETWEEN THE COMPANY AND CERTAIN UNDERWRITERS

TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., RBC Dominion Securities Inc. and Raymond James Ltd. are affiliates of banks that are members of a syndicate of lenders that have made credit facilities available to the Company. Accordingly, in connection with the Offering and pursuant to applicable securities legislation, the Company may be considered a "connected issuer" of TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., Scotia Capital Inc., National Bank Financial Inc., RBC Dominion Securities Inc. and Raymond James Ltd. for the purposes of securities regulations in certain provinces and territories of Canada.

None of the lenders were involved in the decision of the Offering or were involved in the determination of the terms of the Offering, including structure and pricing. As a consequence of the Offering, the Underwriters will receive a commission in respect of the Common Shares sold through the Underwriters. See "Use of Proceeds".

Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Company, for which they received or will receive customary fees.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Underwriters, the following is a general summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who acquires Common Shares pursuant to this Offering. This summary only applies to a holder who, for the purposes of the Tax Act and at all relevant times: (i) deals at arm's length and is not affiliated with the Company, and (ii) holds the Common Shares as capital property (a "**Holder**"). The Common Shares will generally be considered to be capital property to a Holder unless they are held in the course of carrying on a business of trading or dealing in securities or were acquired in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is based upon: (i) the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force as of the date hereof; (ii) all specific proposals (the "**Tax Proposals**") to amend the Tax Act or the Regulations that have been publicly announced by, or on behalf of, the Minister of Finance (Canada) prior to the date hereof; and (iii) counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (the "**CRA**"). This summary assumes that all such Tax Proposals will be enacted in the form currently proposed but no assurance can be given that they will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, administrative policy or assessing practice, whether by legislative, regulatory, administrative, governmental or judicial decision or action, nor does it take into account the tax laws of any province or territory of Canada or of any jurisdiction outside of Canada.

This summary is not applicable to: (i) a Holder that is a "specified financial institution" within the meaning of the Tax Act; (ii) a Holder an interest in which is a "tax shelter investment" within the meaning of the Tax Act; (iii) a Holder that is a "financial institution" within the meaning of section 142.2 of the Tax Act; (iv) a Holder that reports its "Canadian tax results" within the meaning of the Tax Act in a currency other than Canadian currency; (v) a Holder that enters into, with respect to their Common Shares, a "derivative forward agreement" within the meaning of the Tax Act; or (vi) a Holder that is a corporation and is, or becomes as part of a transaction or event or series of transactions or events that includes the acquisition of the Common Shares, controlled by a non-resident corporation for the purposes of section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to an investment in Common Shares.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. Accordingly, Holders are urged to consult their own tax advisors about the specific tax consequences to them of acquiring, holding and disposing of Common Shares in their particular circumstances.

Residents of Canada

This section of the summary applies to a Holder who, for the purposes of the Tax Act and at all relevant times, is, or is deemed to be, resident in Canada (a "**Resident Holder**"). Certain Resident Holders whose Common Shares do not otherwise qualify as capital property may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act the effect of which may be to deem to be capital property any Common Shares (and any other "Canadian security", as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years. Resident Holders should consult their own tax advisors as to whether an election under subsection 39(4) of the Tax Act is available and/or advisable in their particular circumstances.

Dividends on Common Shares

A Resident Holder will be required to include in computing its income for a taxation year any taxable dividends received or deemed to be received on the Common Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividend will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations. Taxable dividends received from a taxable Canadian corporation that are designated by the corporation as "eligible dividends" will be subject to an enhanced gross-up and tax credit regime in accordance with the rules in the Tax Act. In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally be deductible in computing its income for that taxation year.

Dispositions of Common Shares

A Resident Holder who disposes of or is deemed for the purposes of the Tax Act to have disposed of a Common Share will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition are greater (or are less) than the total of: (i) the adjusted cost base to the Resident Holder of the Common Share immediately before the disposition or deemed disposition; and (ii) any reasonable costs of disposition. The adjusted cost base to a Resident Holder of Common Shares acquired pursuant to this Offering will be determined by averaging the cost of such Common Shares with the adjusted cost base of all other Common Shares (if any) held by the Resident Holder as capital property at that time.

A Resident Holder will generally be required to include in computing its income for the taxation year of disposition, one-half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder will generally be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in the taxation year of disposition against taxable capital gains realized in the same taxation year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such taxation years, to the extent and under the circumstances specified in the Tax Act.

If a Resident Holder is a corporation, any capital loss realized on a disposition or deemed disposition of Common Shares may, in certain circumstances, be reduced by the amount of any dividends which have been received or which are deemed to have been received on such Common Shares. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares directly or indirectly through a partnership or a trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Other Taxes

A Resident Holder that is a "private corporation" or a "subject corporation", as defined in the Tax Act, will generally be liable to pay a refundable tax of 33⅓% under Part IV of the Tax Act on dividends received on the Common Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. This tax will generally be refunded to the corporation at a rate of $1.00 for every $3.00 of taxable dividends paid while it is a private corporation or a subject corporation.

A Resident Holder that is throughout the relevant taxation year a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of $6\frac{2}{3}\%$ on its "aggregate investment income" (as defined in the Tax Act) for the year, including taxable capital gains realized on the disposition of Common Shares.

Capital Gains and taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the Tax Act. Resident Holders that are individuals should consult their own tax advisors in this regard.

Non-Resident Holders

This section of the summary applies to a Holder who, for the purposes of the Tax Act and at all relevant times: (i) is not, and is not deemed to be, resident in Canada; and (ii) does not use or hold, and will not be deemed to use or hold, the Common Shares in the course of carrying on a business in Canada (a "**Non-Resident Holder**"). This summary does not apply to a Non-Resident Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere and such Holders should consult their own tax advisors.

Dividends on Common Shares

Dividends paid or credited or deemed under the Tax Act to be paid or credited by the Company to a Non-Resident Holder on the Common Shares will generally be subject to Canadian non-resident withholding tax at the rate of 25% of the gross amount of the dividend, subject to any reduction in the rate of withholding to which the Non-Resident Holder is entitled under any applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident. For example, where the Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the Canada United States Income Tax Convention (1980) (the "**Convention**") and is the beneficial owner of the dividends, the applicable rate of Canadian withholding tax is generally reduced to 15%. Not all persons who are residents of the United States will qualify for the benefits of the Convention. A Non-Resident Holder who is a resident of the United States is advised to consult its tax advisor in this regard.

Dispositions of Common Shares

A Non-Resident Holder who disposes of or is deemed to have disposed of a Common Share will not be subject to income tax under the Tax Act unless, at the time of disposition: (i) the Common Share is, or is deemed to be, "taxable Canadian property" of the Non-Resident Holder; and (ii) the Non-Resident Holder is not entitled to an exemption under an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share acquired pursuant to this Offering will not constitute taxable Canadian property to a Non-Resident Holder at a particular time provided that the Common Shares are listed at that time on a designated stock exchange (which includes the TSX), unless at any particular time during the 60-month period that ends at that time (1) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal with at arm's length (within the meaning of the Tax Act), partnerships whose members include, either directly or indirectly through one or more partnerships, the Non-Resident Holder or persons that do not deal at arm's length with the Non-Resident Holder, or the Non-Resident Holder together with all such persons, has owned 25% or more of the issued shares of any class or series of the capital stock of the Company and (2) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from one or any combination of: (i) real or immovable properties situated in Canada; (ii) "Canadian resource properties" (as defined in the Tax Act); (iii) "timber resource properties" (as defined in the Tax Act); and (iv) options in respect of, or interests in, or for civil law rights in, property in any of the foregoing whether or not the property exists. Non-Resident Holders for whom the Common Shares are, or may be, taxable Canadian property should consult their own tax advisors.

In the case of a Non-Resident Holder that is: (i) a resident of the United States; and (ii) fully entitled to the benefits of the Convention, any capital gain realized by the Non-Resident Holder on a disposition of a Common Share that would otherwise be subject to tax under the Tax Act will be exempt from Canadian income tax pursuant to the Convention provided that the value of such Common Share is not derived principally from real property situated in Canada (within the meaning of the Convention).

In the event that a Common Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act pursuant to an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident, then the income tax consequences discussed above for Resident Holders, under "Dispositions of Common Shares" will generally apply to the Non-Resident Holder but any such Non-Resident Holder should consult its own tax advisor in this regard.

RISK FACTORS

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this prospectus, and all other information contained in this prospectus before purchasing Common Shares, including the consolidated financial statements and accompanying notes. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of the Common Shares could be materially and adversely affected. In all these cases, the trading price of the Common Shares could decline, and you could lose all or part of your investment.

Risks Related to Our Business

Damage to our reputation could adversely affect our business, financial condition and results of operations.

Our reputation for providing secure information destruction services is critical to the success of our business — existing and potential customers have a high expectation that we will adequately protect their confidential information. Our reputation and, specifically, the trust our customers place in us, could be negatively affected in the event of perceived or actual failures by us to handle information securely. For example, events such as a security breach, could negatively affect our relationship with our customers and our reputation. A significant breach of customer, employee or company data could attract a substantial amount of media attention and/or damage our customer relationships and reputation, particularly if such incidents result in adverse publicity, governmental investigations or litigation. Damage to our reputation could make us less competitive, which could in turn adversely affect our business, financial condition and results of operations.

Failure to protect our customers' information against security breaches could result in monetary damages against us and could otherwise damage our reputation, and adversely affect our business, financial condition and results of operations.

The protection of customer, employee, and company data is critical to the Company. The regulatory environment in Canada and the United States surrounding information security and privacy is increasingly demanding, with the frequent imposition of new and constantly changing requirements. Certain legislation, including the *Fair and Accurate Credit Transactions Act*, the *Health Insurance Portability and Accountability Act*, and the *Economic Espionage Act* in the United States and the *Personal Information Protection and Electronic Documents Act* in Canada, require documents to be securely destroyed to avoid identity theft and inadvertent leakage of confidential and sensitive information. A significant breach of customer, employee, or company data could attract a substantial amount of media attention, damage our customer relationships and reputation and result in lost sales, fines, regulatory investigations or lawsuits. In addition, an increasing number of countries have introduced and/or increased enforcement of comprehensive privacy laws, or are expected to do so. The continued emphasis on information security as well as increasing concerns about government surveillance may lead customers to request us to take additional measures to enhance security and/or assume higher liability under our contracts. As a result of legislative initiatives and customer demands, we may have to modify our operations to further improve data security. Any such modifications may result in increased expenses and operational complexity, and adversely affect our business, financial condition and results of operations.

Customer cost sensitivities could adversely affect our business, financial condition and results of operations.

We have experienced pricing pressure in recent years as some of our large customers are becoming increasingly cost conscious with respect to their expenditures with respect to secure information destruction services in an effort to reduce overall costs. Furthermore, the inability to increase pricing over time or to sustain our current level of annual price increases, particularly in the SMB market, could adversely affect our business, financial condition and results of operations.

Changes in customer behavior with respect to information destruction could adversely affect our business, financial condition and results of operations.

We compete with our current and potential customers' internal destruction capabilities, such as a desk side shredder. We can provide no assurance that customers will continue to use a third party service provider for their future information destruction service needs or that they will use us to provide these services. Some customers have taken actions designed to reduce costs associated with the retention of documents, including reducing the volume of paper used, the volume of documents they store and adopting less secure information destruction practices. A change in customer behaviour with respect to information destruction could adversely affect our business, financial condition and results of operations.

Competitive pressures could adversely affect our business, financial condition and results of operations.

We operate in a highly competitive industry and compete with national, regional and local service providers on various elements, including quality of services, security standards, efficiency, innovation and price. In situations where local or regional competitors are considered to be at parity with national competitors for reliability and quality of service, price is often a critical factor in winning and retaining customers. The secure information destruction industry presents an opportunity for new market entrants given the limited capital requirements and opportunities for a positive return. There are limited barriers to entry for competitors. If existing or future competitors seek to gain or retain market share, including by reducing prices, we may be required to lower prices, which would adversely affect our results of operations. All of the above competitive pressures could adversely affect our business, financial condition and results of operations.

Fluctuations in the price we receive for the sale of paper may adversely affect our operating revenues and results of operations.

Sorted office paper is marketed as a commodity and is subject to significant price fluctuations beyond the control of the Company. A portion of the Company's revenue is derived from the sale of shredded paper and a reduction in the market price for this shredded material may negatively impact the Company's revenue, profitability and cash flow. The Company's results of operations may be affected by fluctuations in the price of shredded paper.

Demand for our services is susceptible to long-term decline in use of paper by our current and prospective customers.

The demand for our services is dependent on the use of paper by our current and prospective customers. The use of paper competes with various forms of electronic and digital document storage alternatives. As the use of these alternatives grows, the use of paper is likely to decrease. Any declines in the use of paper by our customers may adversely affect the Company's business, results of operations and financial position.

A portion of the Company's revenues are dependent on demand for recycled paper which is based on general market conditions in the pulp and paper industry.

The Company sells almost all of the shredded paper to paper companies and recycled paper brokers. The Company's results of operations may be affected by fluctuating demand for recycled paper and general market conditions of the pulp and paper industry. Historically, economic and market shifts, fluctuations in capacity and changes in foreign currency exchange rates have created cyclical changes in prices, sales volume and margins for pulp and paper products. The length and magnitude of industry cycles have varied over time and by product, but generally reflect changes in macroeconomic conditions and levels of industry capacity. The overall levels of demand for the pulp and paper products, and consequently its sales and profitability, reflect fluctuations in levels of end-user demand, which depend in part on general macroeconomic conditions in North America and worldwide, as well as the threat of digitization. As a result, the market demand for recycled paper can be volatile due to factors beyond the Company's control. Lack of demand for the Company's shredded material could adversely affect the Company's business, financial condition and results of operations.

Fluctuations in fuel and energy costs may adversely affect our financial condition and results of operations.

The price of fuel needed to run our fleet of trucks and equipment is unpredictable and fluctuates based on events beyond our control, including geopolitical developments, supply and demand for oil and gas, actions by OPEC and other oil and gas producers, war and unrest in oil producing countries, regional production patterns, limits on refining capacities, natural disasters and environmental concerns. While we attempt to mitigate our exposure to fluctuating fuel and energy costs through fuel surcharges, we may not be able to pass through all of the increased costs to our customers due to limitations under the terms of our customer contracts and prevailing market conditions. Increases in fuel and energy costs could adversely affect our business, financial condition and results of operations.

We may not realize the synergies and growth opportunities that are anticipated from the Merger or other acquisitions.

The benefits we expect to achieve as a result of the Merger or other acquisitions that we complete or may complete in the future will depend, in part, on our ability to realize targeted synergies and anticipated growth opportunities. Our success in realizing these synergies and growth opportunities, and the timing of this realization, depends on the successful integration of other business and operations (including the business formerly owned by Cintas) with our pre-existing business and operations. For example, it is necessary to convert the Cintas branch network onto the Shred-it SAP system in order to realize the cost savings arising from the Merger and there is no assurance that the integration will be successful and/or completed within the expected timeframe. Even if we are able to integrate these businesses and operations successfully, this integration may not result in the realization of the full benefits of the synergies and growth opportunities we currently expect within the anticipated time frame or at all. While we anticipate that certain expenses will be incurred, such expenses are difficult to estimate accurately, and may exceed current estimates. Accordingly, the benefits from the Merger or other acquisitions may be offset by unexpected costs incurred or delays in integrating the companies, which could cause our financial estimates to be inaccurate.

Failure to manage our growth may impact operating results.

If we succeed in expanding our existing businesses, or in moving into new areas of business, that expansion may place increased demands on our management, operating systems, internal controls and financial and physical resources. If not managed effectively, these increased demands may adversely affect the services we provide to customers. In addition, our personnel, systems, procedures and controls may be inadequate to support future operations, particularly with respect to operations in countries outside of North America or in new lines of business. Consequently, in order to manage growth effectively, we may be required to increase expenditures to increase our physical resources, expand, train and manage our employee base, improve management, financial and information systems and controls, or make other capital expenditures. Our results of operations and financial condition could be harmed if we encounter difficulties in effectively managing the budgeting, forecasting and other process control issues presented by future growth.

If we are unable to attract and retain qualified and skilled employees, our ability to implement our growth strategies may be impaired which could adversely affect our business, financial condition and results of operations.

Our business depends on attracting and retaining a large number of qualified and skilled employees who reflect our reputation and culture. A significant portion of our workforce consists of roles that are entry level or physically demanding and historically have high turnover rates. If we are unable to hire, train and retain employees capable of consistently providing quality service to our customers, we may not be able to maintain our competitive strength as a secure information destruction service provider, which could lead to decreased sales, as well as to increased costs associated with hiring and training new employees.

In addition, our ability to meet our labour needs while controlling the costs associated with hiring and training new employees is subject to external factors such as unemployment levels, prevailing wage rates, minimum wage legislation and changing demographics. Changes that adversely impact our ability to attract and retain quality employees could adversely affect our business, financial condition and results of operations.

We may not be able to successfully implement our growth and business strategy.

The Company may not be able to fully implement its business strategies or realize, in whole or in part within the expected timeframes, the anticipated benefits of its various growth or other initiatives. The Company's various business strategies and initiatives, including growth from new customers, growth from existing customers, growth through adding adjacencies and growth through acquisitions, are subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the Company's control. If the Company is unable to successfully implement its business strategy, this could adversely affect its business, results of operations or financial condition.

In addition, the Company may incur certain costs to achieve efficiency improvements and growth in its business and may not meet anticipated implementation timetables or stay within budgeted costs. As these efficiency improvement and growth initiatives are undertaken, the Company may not fully achieve its expected cost savings and efficiency improvements or growth rates, or these initiatives could adversely impact its customer retention or operations. Also, the Company's business strategies may change from time to time in light of its ability to implement its new business initiatives, competitive pressures, economic uncertainties or developments, or other factors, which in turn could adversely affect the Company's business, results of operations or financial condition.

The estimated market for secure document destruction services included in this prospectus may prove to be inaccurate, and even if the markets estimates are accurate, we cannot assure you our business will be able to capture our share of the unvended market.

Market estimates are subject to significant uncertainty and are based on assumptions and estimates which may not prove to be accurate. The estimates in this prospectus relating to the size of the secure document destruction market, including in the case of the North American Market, the breakdown between the vended and unvended market may prove to be inaccurate. Even if these markets experience the forecasted growth described in this prospectus, we may not grow our business at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

We may not be successful in penetrating the unvended market.

There is no guarantee that we will be successful in penetrating the unvended market, despite our track record of being able to do so in the past. We face the risk that our potential customers may decide to perform certain information destruction services in-house instead of outsourcing these services to us. Inability to successfully penetrate the unvended market could adversely affect growth and consequently our business, financial condition and results of operations.

We may encounter a slowdown in acquisition activity and/or the price for acquisitions may increase.

A significant portion of our historical growth has been through acquisitions and we expect to continue to acquire companies in the future. A slowdown in acquisitions could lead to a slower growth rate. Also, there can be no assurance that (i) future acquisitions will take place on acceptable terms; (ii) newly acquired companies will be successfully integrated into our operations; (iii) we will fully realize the synergies anticipated from an acquisition; or (iv) the acquired companies will reach a level of operational efficiency similar to the Company. Our inability to accomplish any of these goals following an acquisition could adversely affect our business, results of operations or financial condition. Additionally, our failure to continue to implement our growth strategy through future acquisitions may result in excess, underutilized capacity at our plants and the loss of value of past capital expenditures.

We compete with our competitors for acquisition targets, which can increase the price of acquisitions and reduce the number of available acquisition targets. If we complete acquisitions at higher purchase prices, this could adversely affect our business, results of operations or financial condition.

Failure to successfully integrate acquired operations could negatively impact our balance sheet and results of operations.

Acquisitions are an important element of our growth strategy and the success of any acquisition we make depends in part on our ability to integrate the acquired company and realize targeted synergies. The process of integrating acquired businesses, particularly in new markets, may involve unforeseen difficulties, such as loss of key employees, and may require a disproportionate amount of our management's attention and our financial and other resources. We can give no assurance that we will ultimately be able to effectively integrate and manage the operations of any acquired business or realize anticipated synergies. The failure to successfully integrate the cultures, operating systems, procedures and information technologies of an acquired business could have an adverse effect on our balance sheet and results of operations.

We may be unable to continue our international expansion.

An important part of our growth strategy involves expanding operations in International Markets, including in markets where we currently do not operate. Europe and Asia have been our primary areas of focus for international expansion, and we have expanded into Australia to a lesser extent. We may also expand into new countries/markets where we currently do not operate.

This growth strategy involves risks. We may be unable to pursue this strategy in the future at the desired pace or at all. For example, we may be unable to:

- identify suitable companies to acquire or invest in;
- complete acquisitions on satisfactory terms;
- successfully expand our infrastructure and sales force to support growth;
- achieve satisfactory returns on acquired companies, particularly in countries where we do not currently operate;
- incur additional debt necessary to acquire suitable companies if we are unable to pay the purchase price out of working capital, common stock or other equity securities; or
- enter into successful business arrangements for technical assistance or management expertise outside of North America.

We also compete with other service providers in the physical information management industry for companies to acquire. Some of our competitors may possess substantial financial and other resources. If any such competitor were to devote additional resources to pursue such acquisition candidates or focus its strategy on our International Markets, the purchase price for potential acquisitions or investments could rise, competition in International Markets could increase and our results of operations could be adversely affected.

Risks from our international operations could impair our ability to expand in certain International Markets and adversely affect our business, financial condition and results of operations.

We have over 200 facilities in 18 countries in North America, Europe, the Middle East, Africa, Asia and Australia. As part of our growth strategy, we expect to continue to expand our geographic footprint by acquiring or investing in secure information destruction businesses in foreign markets, including countries where we do not currently operate. International operations are subject to numerous risks, including:

- economic trends in International Markets;
- cultural differences and differences in business practices and operating standards;
- legal and regulatory changes, and our costs of compliance with such laws;
- compliance with ethical and safe business practices;
- foreign currency fluctuations;
- political unrest, terrorism and economic instability;
- unforeseen liabilities, particularly within acquired businesses;
- increase and volatility in labour costs;
- the risk that business partners upon whom we depend on for technical assistance or management and acquisition expertise will not perform as expected; and
- difficulties attracting and retaining local management and key employees to operate our business in certain countries.

Any of the foregoing or other factors associated with doing business abroad could adversely affect our business, financial condition and results of operations.

We depend on a limited number of key personnel who would be difficult to replace.

Our committed and experienced management team has been crucial to the growth and ongoing expansion of our business. We believe our continued success and the execution of our strategic initiatives will depend, in part, on the continued service of our management team. The loss of the technical knowledge, management expertise and knowledge of our operations of one or more members of our team could result in a diversion of management resources and negatively affect our ability to develop and pursue our growth strategy, which could adversely affect our business, financial condition and results of operations.

Our customer contracts may not always adequately protect our liability, may be terminated by our customers and may contain terms that could lead to disputes in contract interpretation.

Our SMB customers generally have standard contracts. A standard contract is typically for a term of three or five years and contains provisions limiting our liability with respect to a data breach. There is no guarantee that the limitation of liability provisions will be enforceable in all instances or, if enforceable, that they would otherwise protect us from liability. Even though we have a diversified customer base, a significant number of contract terminations, failure to renew existing contracts or to find new customers in a timely manner could adversely affect our business, financial condition and results of operations. In addition, our customers may dispute the interpretation of various provisions in their contracts, introducing uncertainty in the contractual relationship. In the past, we have had relatively few disputes with our customers regarding the terms of their contracts, and most disputes to date have not been material, but there is no assurance that we will not have material disputes in the future. Although we maintain a comprehensive insurance program, there is no assurance that we will be able to maintain insurance policies on acceptable terms in order to cover losses arising from customer contract disputes.

Parties with whom we do business with may be subject to insolvency risks or may otherwise become unable or unwilling to fulfill their obligations to us.

The Company is a party to contracts, transactions and business relationships with various third parties, including customers, suppliers, service providers, lenders and participants in joint ventures, strategic alliances and other commercial relationships, pursuant to which such third parties have performance, payment and other obligations to the Company. Current economic, industry and market conditions could result in increased risks to the Company associated with the potential financial distress or insolvency of such third parties. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, the rights and benefits of the Company in relation to its contracts, transactions and business relationships with such third parties could be terminated, modified in a manner adverse to the Company, or otherwise impaired. There is no assurance that the Company would be able to arrange for alternate or replacement contracts, transactions or business relationships on terms as favorable as the Company's existing contracts, transactions or business relationships, if at all. Any inability on our part to do so could adversely affect our business, financial condition and results of operations.

Fluctuations in foreign exchange rates could adversely affect our financial condition and results of operations.

Our functional and reporting currency is the U.S. dollar. We conduct business operations in many jurisdictions which report results of operations in their respective local currencies. Those local currencies are translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements. The Company does not currently employ any foreign exchange hedging programs. The results of operations, and certain of our intercompany balances, are exposed to foreign exchange rate fluctuations, and as we continue to expand our international operations, our exposure to exchange rate fluctuations will likely increase. Upon translation, operating results may differ materially from expectations, and significant shifts in foreign currencies can adversely impact our short-term results, as well as our long-term forecasts and targets.

Unexpected events could disrupt our operations and adversely affect our reputation and results of operations.

Unexpected events beyond our control, including fires or explosions at our facilities, natural disasters such as hurricanes and earthquakes, war or terrorist activities, unplanned power outages, supply disruptions and failure of equipment or information systems, could adversely affect our reputation and results of operations. Our customers rely on us to securely destroy their critical information, and these unexpected events could result in customer service disruptions which could negatively impact our reputation and results of operations.

We face risks relating to our size and scale.

We have over 200 facilities in 18 countries. The sheer size of our operations exposes us to the risk that systems and practices will not be implemented uniformly throughout the Company and that information will not be shared across the locations and countries in a timely and appropriate manner. Any misalignment in strategic initiatives and/or difficulties or delays in transmission of information could adversely affect our business, financial condition and results of operations.

Inability to innovate and take advantage of technological advancements could adversely affect our business, financial condition and results of operations.

We are subject to the risk of not being able to optimize innovations in our services, processes and commercial solutions, which may adversely affect our ability to exploit growth opportunities and our business, financial condition and results of operations. In particular, technology continues to evolve rapidly, leading to alternative methods for document and electronic data destruction. Failure to respond to and develop new customer solutions to leverage technological advancements could adversely affect the Company's business, financial condition and results of operations.

Deterioration in labour relations could disrupt our business operations and increase costs, which could decrease liquidity and profitability.

The maintenance of a productive and efficient labour environment and, in the event of unionization of our employees, the successful negotiation of collective bargaining agreements, cannot be assured. Protracted and extensive work stoppages or labour disruptions such as strikes or lockouts could have an adverse effect on our business and results of operations.

Change in workers' compensation rates could lead to higher than expected labour insurance costs.

In order to ensure that its insurance reserves are appropriate, Shred-it uses both internal and external assessments to assess estimated claim costs and liabilities in regard to its workers' compensation programs on a regular basis. Shred-it's workers' compensation rates and costs are positively correlated with historic employee claims. In Canada, workers' compensation rates and costs are generally determined provincially, while in the U.S. they are privately insured and rates are generally determined by state rating agencies and modified based on actual claims experience. Because Shred-it bases its pricing in part on its estimated labour insurance costs, Shred-it's margins in existing contracts could be higher or lower than they otherwise might be depending on workers' compensation claims filed by its employees, and could result in reduced margins or unprofitable contracts if the number of workers' compensation claims results in the labour insurance costs being higher than estimated by Shred-it, which could adversely affect Shred-it's business, results of operations or financial condition.

Failure to comply with federal, state and provincial regulations to which we are subject could result in penalties or costs that could adversely affect our results of operations.

Our business is subject to complex and stringent state, provincial and/or federal regulations, including employment laws and regulations, minimum wage requirements, overtime requirements, working condition requirements, citizenship requirements, transportation and other laws and regulations. We have incurred, and will continue to incur, capital and operating expenditures and other costs in the ordinary course of our business in complying with such laws and regulations to which we are subject. Changes in laws, regulations and the related interpretations may alter the landscape in which we do business and may affect our costs of doing business. The impact of new laws and regulations cannot be predicted. Compliance with new laws and regulations may increase our operating costs or require significant capital expenditures. Any failure to comply with applicable laws or regulations could result in substantial fines by government authorities, payment of damages to private litigants, or possible revocation of our authority to conduct our operations, which could adversely affect our ability to service customers and our consolidated results of operations.

Compliance with U.S. federal health care reform legislation could result in increased costs.

In March 2010, the *Patient Protection and Affordable Care Act* and the *Health Care and Education Reconciliation Act of 2010* were signed into law in the U.S. (collectively, the "**Health Care Reform Laws**" or "**HCRL**"). The HCRL include a number of health-related provisions, including requiring most individuals to have health insurance and establishing new regulations on health plans. Although the HCRL do not mandate that employers offer health insurance, beginning in 2015, penalties will be assessed on employers which do not offer health insurance that meets certain affordability or benefit requirements. Providing such additional health insurance benefits to Shred-it's employees, or the payment of penalties if such coverage is not provided, would increase Shred-it's expenses. If Shred-it is unable to raise the rates it charges to its clients to cover this expense, such increases in expense could reduce Shred-it's profitability. In addition, under the HCRL, employers will have to file a significant amount of additional information with the Internal Revenue Service. These requirements as well as other requirements related to compliance under the HCRL could result in increased costs, expansion of liability exposure and other changes in the way Shred-it provides healthcare and other benefits to its employees.

Failure to comply with certain regulatory and contractual requirements under our government contracts could adversely affect our revenues, operating results and financial position.

Selling our services to government customers subjects us to certain regulatory and contractual requirements. Failure to comply with these requirements could subject us to investigations, price reductions, up to treble damages, and civil penalties. Non-compliance with certain regulatory and contractual requirements could also result in us being suspended or barred from future government contracting.

We may not be able to enforce our intellectual property rights.

The ability of the Company to maintain or increase its revenue may depend on its ability to maintain "brand equity", including through the use of the Company's trademarks. If the Company fails to enforce or maintain any of its intellectual property rights, the Company may be unable to capitalize on its efforts to establish brand equity. All of our registered trademarks can be challenged pursuant to provisions of applicable laws governing trademarks. If any Company trademarks are ever successfully challenged, this could have an adverse impact on the Company.

The Company owns a number of trademarks in the jurisdictions in which we operate. However, we may not own identical and similar trademarks in other jurisdictions or there may be similar or competing trademarks owned by third parties in the jurisdictions in which we operate or in other jurisdictions. Use of trademarks similar to our trademarks in the jurisdictions in which we operate or in other jurisdiction could be used in a manner that diminishes the value of our trademarks. If this occurs, the value of the Company's trademarks may suffer and the results of operations of the Company could be impacted. Similarly, negative publicity or events associated with the Company may negatively affect the image and reputation of the Company in Canada, resulting in an adverse effect on the Company.

We may be subject to claims that our technology violates the intellectual property rights of a third party.

Third parties may have legal rights (including ownership of patents, trade secrets, trademarks and copyrights) to ideas, materials, processes, names or original works that are the same or similar to those we use. Third parties may bring claims, or threaten to bring claims, against us that allege that their intellectual property rights have been violated by our use of intellectual property. Litigation or threatened litigation could be costly and distract management from operating our business. If we cannot establish our right or obtain the right to use the intellectual property on reasonable terms, we may be required to develop alternative intellectual property at our own expense to mitigate potential harm.

Disruptions in or attacks on our information technology systems could damage our reputation, harm our businesses and adversely affect our results of operations.

Our reputation for secure handling of customer information is critical to the success of our business. We rely heavily on information systems, including SAP, ARP software and point-of-sale systems. Although we have implemented safeguards and taken steps to prevent potential security breaches, our information technology and network infrastructure may be vulnerable to attacks by hackers or breaches due to employee error, malfeasance, cyber-attacks, computer viruses, power outages, natural disasters, acts of terrorism or other disruptions. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until launched against a target, we may be unable to prevent these techniques or to implement adequate preventative measures. A successful breach of the security of our information systems could lead to theft or misuse of our customers' proprietary or confidential information and result in third party claims against us and reputational harm, all of which could adversely affect our businesses, financial condition or results of operations. Further, an actual or perceived security breach affecting one of our competitors even if no confidential information of our customers is compromised, may adversely affect the market perception of our security measures and we could lose potential sales and existing customers.

Our management depends on relevant and reliable information for decision making purposes, including key performance indicators and financial reporting. A lack of relevant and reliable information could preclude us from optimizing our overall performance. Any significant loss of data, failure to maintain reliable data, disruptions affecting our information systems, or delays or difficulties in transitioning to new systems could adversely affect our business, financial condition and results of operations. In addition, our ability to continue to operate our businesses without significant interruption in the event of a disaster or other disruption depends in part on the ability of our information systems to operate in accordance with our disaster recovery and business continuity plans. If the Company's information systems fail and its redundant systems or disaster recovery plans are not adequate to address such failures, or if the Company's business interruption insurance does not sufficiently compensate the Company for any losses that it may incur, the Company's revenues and profits could be reduced and the reputation of its brands and its business could be adversely affected. In addition, remediation of such problems could result in significant, unplanned capital investments.

We are subject to litigation risks that could adversely affect our business, financial condition and results of operations.

In the normal course of our operations, we may become involved in, whether directly or indirectly, named as a party to or the subject of various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to our franchisees, personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined in a manner adverse to the Company and, as a result, could have an impact on our reputation and ultimately, an adverse effect on our business and results of operations. Even if the Company prevails in any such legal proceeding, the proceedings could be costly which could have an adverse effect on our business, financial condition and results of operations.

Changing fire and safety standards may result in significant expenses in certain jurisdictions.

We operate over 200 facilities including 57 with plant-based shredding facilities globally. Many of these facilities were built and outfitted by third parties and added to our portfolio as a result of various acquisitions. Some of these facilities may contain fire suppression and safety features that are different from our current specifications and standards for new facilities even though we believe that all of our facilities were constructed, in all material respects, in compliance with applicable laws and regulations. Nevertheless, local authorities may take the position that the fire suppression and safety features in a particular facility are insufficient and require additional measures to be installed. If additional fire safety and suppression measures beyond our current operating plan were required at a large number of our facilities, the expense required for compliance could adversely affect our business, financial condition or results of operations.

There are potential environmental liabilities relating to our leased real property.

As an operator of leasehold real property, we face certain risks, including: uninsured losses or damage to our facilities due to an inability to obtain full insurance coverage on a cost-effective basis for some casualties, such as fires, earthquakes, or any coverage for certain losses, such as losses from riots or terrorist activities; inability to use our facilities effectively and costs associated with vacating or consolidating facilities if the demand for secure information destruction were to diminish because our customers choose other options or because competitors attract our customers; and liability under environmental laws for the costs of investigation and cleanup of contaminated real estate leased by us, whether or not we know of, or were responsible for, the contamination, or the contamination occurred while we leased the property. The failure to remove or remediate such substances could result in claims against us.

Unfavourable changes in taxation laws could adversely affect our financial position

Variation in the taxation laws in the jurisdictions in which we operate or are otherwise subject to taxation laws could materially affect our financial performance. The interpretation of taxation laws could also change, leading to a change in taxation treatment of investments or activities. Consistent with other companies of comparable size, financing complexity and diversity, we may be the subject of periodic information requests, investigations and audit activities by tax or revenue collection authorities.

Challenges to tax filing positions could have an adverse effect on our business.

The business and operations of Shred-it and its predecessors are complex and the predecessors have, over the course of their history, undertaken a number of significant financings, reorganizations, acquisitions and other material transactions. In addition, Shred-it's business and operations are expected to continue in this manner. The computation of taxes payable as a result of these operations and transactions involves many complex factors including the interpretation of relevant tax legislation and regulations. While management of Shred-it believes that the provision for taxes is adequate and in accordance with IFRS and applicable legislation and regulations, tax filing positions are subject to review and adjustment by the tax authorities who may challenge Shred-it's interpretation of the applicable tax legislation and regulations. If any challenge to such tax filing positions were to succeed, it could result in a reassessment of taxes or otherwise have an adverse effect on Shred-it's tax position.

Absence of operating history as a public company could adversely affect our business.

To operate effectively, we will be required to continue to implement changes in certain aspects of our business, improve our information systems and develop, manage and train management level and other employees to comply with ongoing public company requirements. Failure to take such actions, or delay in implementation thereof, could adversely affect our business, financial condition, liquidity and results of operations and, more specifically, could result in regulatory penalties, market criticism or the imposition of cease trade orders in respect of the Common Shares.

Failure to maintain adequate financial and management processes and controls could adversely affect our business, financial condition and results of operations.

We are responsible for establishing and maintaining adequate internal controls over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As a result of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may result in a decline in our share price, harm our ability to raise capital or otherwise adversely affect the Company.

Our substantial indebtedness could adversely affect our cash flow, ability to pay dividends and financial condition and prevent us from fulfilling our obligations under our various debt instruments.

Our significant indebtedness could have important consequences to our current and potential investors. These risks include:

- inability to satisfy our obligations under various debt instruments;
- dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, joint ventures, dividends, share repurchases and development or other corporate purposes;
- limits on our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- limits on our flexibility in planning for, or reacting to, changes in our business and the industry;
- restrictions on our ability to refinance our indebtedness on commercially reasonable terms;
- loss of customers and reduced effectiveness in attracting new customers due to concerns over our debt levels; and
- limits on our ability to declare dividends on our Common Shares.

We may recognize impairment charges, which could adversely affect our financial condition and results of operations.

We assess our goodwill and other intangible assets and our long-lived assets for impairment when required by applicable accounting principles. These accounting principles require that we record an impairment charge if circumstances indicate that the asset carrying values exceed their estimated fair values. The estimated fair value of these assets is impacted by general economic conditions in the locations in which we operate. Deterioration in these general economic conditions may result in: declining revenue which can lead to excess capacity and declining operating cash flow; reductions in management's estimates for future revenue and operating cash flow growth; and increases in borrowing rates and other deterioration in factors that impact our weighted average cost of capital. If our assessment of goodwill, other intangible assets or long-lived assets indicates an impairment of the carrying value for which we recognize an impairment charge, this may adversely affect our consolidated financial condition and consolidated results of operations.

The limits imposed by our insurance policies may adversely affect our business and results of operations.

We maintain directors and officers insurance, liability insurance, business interruption and property insurance and our insurance coverage reflects deductibles, self-insured retentions, limits of liability and similar provisions. However, there is no guarantee that our insurance coverage will be sufficient, or that insurance proceeds will be paid in a timely manner to us. In addition, there are types of losses we may incur but against which we cannot be insured or which we believe are not economically feasible to insure, such as losses due to acts of war and certain natural disasters. If we incur these losses, and they are material, this could adversely affect our business and results of operations.

We may have insufficient insurance coverage.

The Company will maintain insurance at levels that it believes are reasonable and that are typical for its industry's insurance coverage. However, the Company cannot give any assurances that its insurance coverage is adequate for any given risk or liability, that such insurance will continue to be available on commercially reasonable terms, that all events that could give rise to a loss or liability are insured or reasonably insurable or that its insurers would be capable of honouring their commitments if an unusually high number of claims were made against their policies. Certain losses, including certain environmental liabilities and business interruption losses, are not covered by insurance.

Adverse credit and financial market events and conditions may create problems for our business and operations.

Disruptions in credit or financial markets could, among other things, make it more difficult for us to obtain, or increase its cost of obtaining, financing for our operations or investments or to refinance our indebtedness, cause our lenders to depart from prior credit industry practice and not give technical or other waivers under our credit facilities, to the extent we may seek them in the future, thereby causing us to be in default under such facilities.

We may need to raise additional funds to pursue our growth strategy or continue our operations, and we may be unable to raise capital when needed or on acceptable terms.

From time to time, we may seek additional equity or debt financing to fund our growth, enhance our platform, respond to competitive pressures or make acquisitions or other investments. Our business plans may change, general economic, financial or political conditions in our markets may deteriorate or other circumstances may arise, in each case that have an adverse effect on our cash flows and the anticipated cash needs of our business. Any of these events or circumstances could result in significant additional funding needs, requiring us to raise additional capital. We cannot predict the timing or amount of any such capital requirements at this time. If financing is not available on satisfactory terms, or at all, we may be unable to expand our business at the rate desired and our results of operations may suffer. Financing through issuances of equity securities would be dilutive to holders of Common Shares.

Restrictive debt covenants may limit our ability to pursue our growth strategy.

Our subsidiaries' credit facilities contain covenants restricting or limiting our ability to, among other things, incur additional indebtedness, pay dividends or make other restricted payments, make asset dispositions, create or permit liens; and make acquisitions and other investments. Our ability to comply with such covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. A failure by us to comply with our contractual obligations (including restrictive, financial and other covenants) or to pay our indebtedness and fixed costs or to obtain a necessary waiver in connection therewith could result in a variety of adverse effects, including the acceleration of our indebtedness and the exercise of remedies by our creditors, and such defaults could trigger additional defaults under other indebtedness or agreements. Also, the lenders under the financing arrangements could foreclose upon all or substantially all of our assets which secure our obligations.

Despite our substantial indebtedness level, we may be able to incur substantially more indebtedness, which may further exacerbate the risks to our financial condition described above.

The Company expects to be able to incur substantial additional indebtedness in the future. Although the terms of the Company's indebtedness contains restrictions on the incurrence of additional indebtedness and additional liens, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial.

Servicing debt and funding other obligations requires a significant amount of cash, and our ability to generate sufficient cash depends on many factors, some of which are beyond our control.

Our ability to make payments on and refinance our indebtedness and to fund our operations and capital expenditures depends on our ability to generate cash flow and secure financing in the future. Our ability to generate future cash flow depends, among other things, upon:

- future operating performance;
- general economic conditions;
- competition;
- legislative and regulatory factors affecting our operations and business; and
- obligations under the transition services agreement.

Some of these factors are beyond our control. There is no assurance that our business will generate cash flow from operations or that future debt or equity financings will be available to us to enable us to pay our indebtedness or to fund other needs. As a result, we may need to refinance all or a portion of our indebtedness on or before maturity. There is no assurance that we will be able to refinance any of our indebtedness on favorable terms, or at all. Any inability to generate sufficient cash flow or refinance our indebtedness on favorable terms could have an adverse effect on our financial condition.

Risks Related to this Offering

Our Common Shares have no prior public market and our share price may decline after the Offering.

Before this Offering, there has been no public market for our Common Shares, and an active public market for our Common Shares may not develop or be sustained after this Offering. If an active public market does not develop, the liquidity of your investment may be limited, and our share price may decline below its initial public Offering Price. The Offering Price has been determined by negotiation between us and the representatives of the Underwriters and may bear no relationship to the price that will prevail in the public market.

The market price of the Common Shares may be volatile, and the value of your investment could materially decline.

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- analysts' forecasts, expectations, reports and recommendations;
- changes in estimates of our future results of operations by us or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Company;
- change of the Company's executive officers and other key personnel;
- release or other transfer restrictions on outstanding Common Shares;
- sales or perceived sales of additional Common Shares;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Common Shares by those institutions, which could adversely affect the trading price of the Common Shares. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted and the trading price of the Common Shares may be adversely affected.

The future sales of Common Shares by our significant shareholders could significantly impact the share price.

Subject to compliance with applicable securities laws, our officers, directors, significant shareholders and their affiliates may sell some or all of their Common Shares in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by our officers, directors, significant shareholders and their affiliates, or the perception that such sales could occur, could adversely affect prevailing market prices for the Common Shares.

The declaration of dividends is at the discretion of the Board.

The declaration and payment of future dividends will be at the discretion of the Board. The Board will have discretion to consider whatever factors it deems relevant. There can be no assurance that the Board will continue to authorize and approve the payment of dividends at the same rate (or at all) in the future.

Our principal asset after the completion of this Offering will be our interest in the Partnership, and, accordingly, we will depend on distributions and other payments from the Partnership to pay dividends as well as pay our taxes and expenses, including payments under the TRA. The Partnership's ability to make such payments and distributions may be subject to various limitations and restrictions.

On Closing we will be a holding company and will have no material assets other than our direct and indirect ownership of LP Units. As such, Shred-it International Inc. will have no independent means of generating revenue or cash flow, and our ability to pay our taxes and operating expenses or declare and pay dividends in the future, if any, will be dependent upon the financial results and cash flows of the Partnership and its subsidiaries and distributions and other payments we receive from the Partnership. There can be no assurance that our subsidiaries will generate sufficient cash flow to distribute or otherwise pay funds to us or that applicable legal and contractual restrictions, including negative covenants in our debt instruments, will permit such distributions.

The Partnership will continue to be treated as a partnership for Canadian income tax purposes and, as such, will not be subject to any Canadian income tax. Instead, taxable income will be allocated to holders of LP Units, including us. Accordingly, we will incur income taxes on our allocable share of any net taxable income of the Partnership. In addition to tax expenses, we will also incur expenses related to our operations, including payments under the TRA, which we expect could be significant. We intend to cause the General Partner to cause the Partnership to make cash distributions to or otherwise make payments to the owners of LP Units in an amount sufficient to (i) fund all or part of their tax obligations in respect of taxable income allocated to them and (ii) cover our operating expenses, including payments under the TRA. However, the Partnerships' ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which the Partnership is then a party, including debt agreements, or any applicable law, or that would have the effect of rendering the Partnership insolvent. If we do not have sufficient funds to pay tax or other liabilities or to fund our operations, we may have to borrow funds, which could adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such lenders. To the extent that we are unable to make payments under the TRA for any reason, such payments generally will be deferred and will accrue interest until paid; provided, however, that nonpayment for a specified period may constitute a material breach of a material obligation under the TRA and therefore accelerate payments due under the TRA. See "Principal Shareholders — Tax Receivable Agreement". In addition, if the Partnership does not have sufficient funds to make distributions, our ability to declare and pay cash dividends will also be restricted or impaired.

The TRA requires the making of cash payments in respect of certain tax benefits to which we may become entitled, and we expect that the payments required will be substantial.

Upon Closing, we will be a party to the TRA. Under the TRA, cash payments will be required to be made in an amount equal to 85% of the tax benefits, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (i) the increases in the tax basis of assets of the Partnership resulting from any redemptions or acquisitions of LP Units as described under "Principal Shareholders — Tax Receivable Agreement" or certain prior sales of interests in the Partnership (including as a result of our purchase of LP Units from the Cintas Group in connection with the Offering) and (ii) certain other tax benefits related to payments made under the TRA. We expect that the amount of the cash payments that will be required to be made under the TRA will be substantial. Any payments made by us under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us. Furthermore, the future obligation to make payments under the TRA could make us a less attractive target for an acquisition, particularly in the case of an acquirer that cannot use some or all of the tax benefits that are the subject of the TRA. For more information, see "Principal Shareholders — Tax Receivable Agreement." Payments under the TRA are not conditioned on any Principal Shareholders' continued ownership of LP Units or our Common Shares after this offering.

The actual Basis Adjustments, as well as any amounts paid to the Cintas Group under the TRA, will vary depending on a number of factors, including:

- *the timing of any subsequent redemptions or acquisitions* — for instance, the increase in any tax deductions will vary depending on the fair value, which may fluctuate over time, of the depreciable or amortizable assets of the Partnership at the time of each redemption or exchange;
- *the price of Common Shares at the time of redemptions or acquisitions* — the Basis Adjustments, as well as any related increase in any tax deductions, is directly related to the price of Common Shares at the time of each redemption or exchange;
- *the extent to which such redemptions or acquisitions are taxable* — if a redemption or exchange is not taxable for any reason, increased tax deductions will not be available;

- *the amount and timing of Shred-it's income and the tax rate then applicable* — the TRA generally will require the payment of 85% of the tax benefits as and when those benefits are treated as realized under the terms of the TRA. If Shred-it does not have taxable income, payments will generally not be required (absent a change of control or other circumstances requiring an early termination payment) under the TRA for that taxable year because no tax benefits will have been actually realized. However, any tax benefits that do not result in realized tax benefits in a given taxable year will likely generate tax attributes that may be utilized to generate tax benefits in previous or future taxable years. The utilization of any such tax attributes will result in payments under the TRA; and
- *the portion of payments under the TRA that are treated as imputed interest* — this would generally result in a deduction.

In certain cases, payments under the TRA may be accelerated or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the TRA.

The TRA provides that upon certain mergers, asset sales, other forms of business combinations or other changes of control or if, at any time, we elect an early termination of the TRA, then our obligations, or our successor's obligations, under the TRA to make payments thereunder would be based on certain assumptions, including an assumption that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the TRA.

As a result of the foregoing, (i) we could be required to make payments under the TRA that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the TRA and (ii) we would be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the TRA, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, our obligations under the TRA could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will be able to fund or finance our obligations under the TRA.

If Shred-it were to elect to terminate the TRA immediately after Closing of the Offering, based on the Offering price of C$21.50 per Common Share, full exchange of the remaining interests in the Partnership, and a discount rate equal to 2.77%, Shred-it estimates that it would be required to pay $236.8 million in the aggregate under the TRA.

The IRS could challenge all or a portion of the tax attributes for which we made payments under the TRA and we will not be reimbursed for any payments made under the TRA in the event that any tax benefits are disallowed.

Payments under the TRA will be based on the tax reporting positions that we determine. The IRS or another tax authority may challenge all or part of the tax basis increases, as well as other related tax positions we take, and a court could sustain such challenge. If the outcome of any such challenge would reasonably be expected to materially affect a recipient's payments under the TRA, then we will not be permitted to settle or fail to contest such challenge without the consent (not to be unreasonably withheld or delayed) of the Cintas Group. We will not be reimbursed for any cash payments previously made under the TRA in the event that any tax benefits initially claimed by us and for which payment has been made are subsequently challenged by a taxing authority and are ultimately disallowed. Instead, any excess cash payments made will be netted against any future cash payments that might otherwise be required to be made under the terms of the TRA. However, we might not determine that we have effectively made an excess cash payment for a number of years following the initial time of such payment and, if any of our tax reporting positions are challenged by a taxing authority, we will not be permitted to reduce any future cash payments under the TRA until any such challenge is finally settled or determined. As a result, payments could be made under the TRA that substantially exceed the tax savings that we realize in respect of the tax attributes with respect to a Principal Shareholder that are the subject of the TRA.

Shred-it is controlled by the Principal Shareholders whose interests may differ from those of other shareholders.

Immediately following the Offering and the application of net proceeds from this offering, the Principal Shareholders will have an approximate ● % effective interest in the Common Shares and an approximate ● % voting interest (taking into account the Cintas Group's 19.9% maximum voting entitlement). The Principal Shareholders will, for the foreseeable future, have significant influence over corporate management and affairs, and will be able to control virtually all matters requiring shareholder approval. The Principal Shareholders are able to, subject to applicable law, elect a majority of the members of our Board and control actions to be taken by us and our Board, including amendments to our certificate of incorporation and bylaws and approval of significant corporate transactions, including acquisitions, mergers and sales of substantially all of our assets. The directors so elected will have the authority, subject to the terms of our indebtedness and applicable rules and regulations, to issue additional shares, implement share repurchase programs, declare dividends and make other decisions. It is possible that the interests of the Principal Shareholders may in some circumstances conflict with our interests and the interests of our other shareholders. For example, the Principal Shareholders may have different tax positions from us, especially in light of the TRA, that could influence their decisions regarding whether and when to dispose of assets, whether and when to incur new or refinance existing indebtedness, and whether and when Shred-it should terminate the TRA and accelerate its obligations thereunder. In addition, the determination of future tax reporting positions, the structuring of future transactions and the handling of any future challenges by any taxing authority to our tax reporting positions may take into consideration these Principal Shareholders' tax or other considerations, which may differ from the considerations of us or our other shareholders. See "Principal Shareholders — Tax Receivable Agreement".

In addition, certain of the Principal Shareholders are in the business of making or advising on investments in companies and may hold, and may from time to time in the future acquire interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or the business of our suppliers.

U.S. Tax Consequences of the IPO Transactions

It is possible that the IRS could challenge the anticipated U.S. tax amortization deductions of Shred-it in tax years ending after the date of the Offering, thereby increasing the amount of U.S. Federal and State income taxes payable by Shred-it in such years. While these potential increases in Shred-it's U.S. federal and state income taxes may reduce or eliminate the amounts payable under the TRA, the amount of potential additional U.S. taxes payable by Shred-it resulting from the IPO Transactions and the operation of the TRA may exceed the amount by which payments under the TRA may be reduced. Such additional taxes may reduce the amount of cash flow available to pay distributions on the Common Shares.

Our Board, and not shareholders, are responsible for setting Company policies.

Our Board acting in the best interests of the Company, determines our major policies, including policies and guidelines relating to our investments, acquisitions, leverage, financing, growth, operations and dividends to our shareholders. Our Board may amend or revise these and other policies and guidelines from time to time without the vote or consent of our shareholders. Accordingly, our shareholders will have limited control over changes in our policies, and any such changes could adversely affect our financial condition, results of operations, the market price of our common shares and our ability to pay dividends to our shareholders.

We incur certain expenses to maintain our public company status.

We incur significant legal, accounting, insurance and other expenses as a result of being a public company, which may have an adverse effect on our business and results of operations. Compliance with applicable securities laws and the rules of the TSX substantially increases our expenses, including our legal and accounting costs, and make some activities more time consuming and costly.

LEGAL PROCEEDINGS

We are from time to time involved in legal proceedings of a nature considered normal to our business. We believe that none of the litigation in which we are currently involved, or have been involved since the beginning of the most recently completed financial year is, individually or in the aggregate, material to our combined financial condition or results of operations.

LEGAL MATTERS

Certain Canadian legal matters relating to the Offering will be passed upon on our behalf by Stikeman Elliott LLP, on behalf of Cintas Group by Goodmans LLP and on behalf of the Underwriters by Osler, Hoskin & Harcourt LLP. The partners and associates of Stikeman Elliott LLP, collectively, beneficially own, directly and indirectly, (i) less than 1% of the issued and outstanding Common Shares; and (ii) less than 1% of the issued and outstanding common shares of any of our affiliates or associates. The partners of Goodmans LLP collectively, beneficially own, directly and indirectly, (i) less than 1% of the issued and outstanding Common Shares; and (ii) less than 1% of the issued and outstanding common shares of any of our affiliates or associates. The partners and associates of Osler, Hoskin & Harcourt LLP, collectively, beneficially own, directly and indirectly, (i) less than 1% of the issued and outstanding Common Shares; and (ii) less than 1% of the issued and outstanding common shares of any of our affiliates or associates.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as noted below and elsewhere in this prospectus, there are no material interests, direct or indirect, of any director or executive officer of the Company, any shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of the Company's outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three years before the date hereof that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

On Closing, through the IPO Transactions, the Company will acquire, directly or indirectly, interests in the Partnership from the Birch Hill Group, the Cintas Group and the Management Shareholders and will enter into certain agreements with such parties. In addition, both the Birch Hill Group and the Cintas Group will hold a significant effective interest in the Company following Closing. See "Corporate Structure and IPO Transactions", "Description of Material Indebtedness and Refinancing — Credit Facility", "Principal Shareholders", "The Partnership", "Directors and Management of the Company" and "Risk Factors".

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Company's auditor is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants of Toronto, Ontario located at 222 Bay Street, P.O. Box 251, Toronto, Ontario M5K 1J7. Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, has confirmed that it is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares will be Computershare Investor Services Inc. at its principal office in Toronto.

MATERIAL CONTRACTS

The following are the only material contracts, other than those contracts entered into in the ordinary course of business, which the Company has entered into since the beginning of the last financial year before the date of this prospectus, entered into prior to such date but which contract is still in effect, or to which the Company is or will become a party on or prior to the Closing:

- the Underwriting Agreement;
- the Partnership Agreement;
- the Liquidity Agreement;

- the New Credit Facility;
- the Release Agreement;
- the TRA; and
- Governance Agreement.

Copies of the above material agreements, if not already entered into then once executed, may be inspected during ordinary business hours at the Company's principal executive offices located at 2794 South Sheridan Way, Oakville, Ontario, L6J 7T4 during the period of distribution of the Common Shares or may be viewed on SEDAR at http://www.sedar.com.

EXPERTS

No person or company whose profession or business who is named as having prepared or certified a report, valuation, statement or opinion described or included in the prospectus, or whose profession or business gives authority to a report, valuation, statement or opinion described or included in the prospectus, holds any registered or beneficial interest, direct or indirect, in any of our securities or other property of our company or one of our associates or affiliates and no such person or company, or a director, officer or employee of such person or company, is expected to be elected, appointed or employed as one of our directors, officers or employees or as a director, officer or employee of any of our associates or affiliates and no such person is one of our promoters or the promoter of one of our associates or affiliates. Our auditors are Ernst & Young LLP. Ernst & Young LLP has informed us that it is independent with respect to the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

ELIGIBILITY FOR INVESTMENT

In the opinion of Stikeman Elliott LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Underwriters, on the date of the Offering, provided that the Common Shares acquired by investors pursuant to this Offering (the "**Offered Shares**") are then listed on a "designated stock exchange" for the purposes of the Tax Act, which currently includes the TSX, the Offered Shares will, on that date, be qualified investments under the Tax Act for trusts governed by registered retirement savings plans ("**RRSPs**"), registered retirement income funds ("**RRIFs**"), registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts ("**TFSAs**").

Notwithstanding the foregoing, if an Offered Share is a "prohibited investment" for a RRSP, RRIF or TFSA, the annuitant under the RRSP or RRIF or the holder of the TFSA (as applicable) may be subject to a penalty tax under the Tax Act. An Offered Share will not be a "prohibited investment" for these purposes unless: (i) the annuitant under the RRSP or RRIF or the holder of the TFSA (as applicable) does not deal at arm's length with the Company for purposes of the Tax Act; or (ii) the holder or annuitant (as applicable) has a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the Company. In addition, an Offered Share will generally not be a "prohibited investment" for a RRSP, RRIF or TFSA if the Offered Share is an "excluded property" (as defined in the Tax Act) for such RRSP, RRIF or TFSA. Holders of a TFSA and annuitants of an RRSP or RRIF should consult their own tax advisors as to whether Offered Shares will be prohibited investments in their particular circumstances.

ENFORCEMENT OF LEGAL RIGHTS

Certain of our current directors and officers reside outside of Canada. The persons named below have appointed the following agent for service of process:

Name	Name and Address of Agent
David Pollak Jr., Director	Shred-it International Inc., 2794 South Sheridan Way, Oakville, Ontario, L6J 7T4.

Purchasers are advised that it may not be possible for them to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

EXEMPTIONS

Pursuant to a pre-filing application made to the Ontario Securities Commission, as principal regulator, the Company has applied for exemptive relief from Section 32.2 of Form 41-101F1 as prescribed under National Instrument 41-101 — *General Prospectus Requirements*, with respect to certain historical financial statements relating to the Merger and the acquisition of Iron Mountain's shredding operations in the United Kingdom, Ireland and Australia in December 2014 and a series of smaller franchise acquisitions (together with the Iron Mountain acquisition, collectively referred to as the "**Non-Significant Acquisitions**"), which may be considered a primary business pursuant to Section 32.1(b) of Form 41-101F1. The treatment of the acquired businesses as a primary business would require the Company to include in the prospectus audited financial statements for such businesses for up to three years prior to the date of the prospectus.

The Company has applied for exemptive relief (i) with respect to the Merger, from the requirement to include audited carve-out financial statements of Cintas for the five months ended May 31, 2012, being the period necessary to constitute disclosure for the full third year prior to the date of the prospectus; and (ii) with respect to the Non-Significant Acquisitions, from the requirement to include audited financial statements relating to such acquisitions for up to three years prior to the date of the prospectus. The exemptions requested will be evidenced by the issuance of a receipt for this prospectus. In the pre-filing application, the Company made, among others, the following submissions:

- The audited annual combined financial statements and the unaudited interim combined financial statements of the Company proposed to be included in this prospectus incorporate the financial and operating results following the Merger for a sufficiently substantial period of time.
- Following the Merger, Cintas has been substantially integrated into the operations of the Company through consolidation, joint management, cross-utilization of assets, harmonized compensation and coordinated sales and marketing strategies. As a result, the financial statements included in the prospectus provide the more appropriate historical financial information regarding the combined operations of the Company.
- The Non-Significant Acquisitions are not significant or otherwise material having regard to the overall size and value of the Company's business and operations. Including the financial statements with respect to the Non-Significant Acquisitions would be confusing to investors and not add any additional meaningful disclosure.
- Since the Non-Significant Acquisitions have been integrated into the operations of the Company, the combined financial statements of the Company are the more appropriate financial statements for the purposes of allowing investors to form a reasonable judgment regarding the Company and the securities offered under the prospectus.
- Based on the foregoing, the Company does not believe that the financial statements in respect of which the relief was requested are necessary for the prospectus to contain full, true and plain disclosure of all material facts with respect to the Common Shares.

GLOSSARY OF TERMS

"**acquisition, transaction and integration capital expenditures**" means expenditures incurred in connection with purchases of assets relating to acquisition and integration activities.

"**Adjustment Factor**" has the meaning ascribed thereto under "Executive Compensation — Principal Elements of Compensation — PSU Plan".

"**allowable capital loss**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Residents of Canada — Dispositions of Common Shares".

"**ARP**" means automated route planning.

"**Audit Committee**" means the audit committee of the Company, as further described under the heading "Corporate Governance — Committees of the Board — Audit Committee".

"**Basis Adjustments**" has the meaning ascribed thereto under "Principal Shareholders — Tax Receivable Agreement".

"**Birch Hill Group**" means, collectively, unless the context otherwise requires, Birch Hill Equity Partners Management Inc., Birch Hill SII LP, Birch Hill SI (US) LP, Birch Hill SII (Entrepreneurs) LP and the Co-Investors.

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

"**CAGR**" means compound annual growth rate.

"**CDS**" means CDS Clearing and Depository Services Inc.

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**Cintas**" means, collectively, unless the context otherwise requires, Cintas Corporation, together with its affiliates and subsidiaries.

"**Cintas Group**" means, collectively, unless the context otherwise requires, Cintas, CC Shredding Holdco LLC and CC Dutch Shredding Holdco BV.

"**Closing**" means the closing of the Offering.

"**Closing Date**" means ● , 2015, or such later date as the Company and the Underwriters may agree, but in any event not later than ● , 2015.

"**Code of Conduct**" has the meaning set out under the heading "Corporate Governance — The Board of Directors — Code of Conduct".

"**Co-Investors**" means, collectively, unless the context otherwise requires, ASP SI Holdings Luxembourg S.a.r.l., Conscindo Limited, Presidio Investments Inc., Smitham Holding S.a.r.l., The Manufacturers Life Insurance Company, Turnia Limited and Westerkirk Capital Inc.

"**Common Shares**" means the common shares of the Company.

"**Company**" or "**Shred-it**" means Shred-it International Inc. and, unless the context otherwise requires, its direct and indirect subsidiaries and predecessors or other entities controlled by them.

"**connected issuer**" means the term defined in securities legislation.

"**Convention**" means the Canada United States Income Tax Convention (1980).

"**CRA**" means Canada Revenue Agency.

"**CSR**" means customer security representatives of the Company.

"**Demand Registration**" has the meaning ascribed thereto under "Principal Shareholders — Governance Agreement — Registration Rights".

“**Dividend Recapitalization**” has the meaning ascribed thereto under “Description of Material Indebtedness and Refinancing — Credit Facility”.

“**DRIP**” means dividend reinvestment plan of the Company.

“**EBITDA Margin**” has the meaning ascribed thereto under “Non-IFRS Measures”.

“**EMEA**” means Europe, Middle East and Africa.

“**Existing Credit Facility**” has the meaning ascribed thereto under “Description of Material Indebtedness and Refinancing — Credit Facility”.

“**FCF**” means free cash flow.

“**Fiscal 2012**” has the meaning ascribed thereto under “Presentation of Financial Information and Other Information”.

“**Fiscal 2013**” has the meaning ascribed thereto under “Presentation of Financial Information and Other Information”.

“**Fiscal 2014**” has the meaning ascribed thereto under “Presentation of Financial Information and Other Information”.

“**Gartner**” means Gartner Inc.

“**General Partner**” means Boost GP Corp., the general partner of the Partnership and incorporated under the laws of the Province of Ontario.

“**Global Market**” has the meaning ascribed thereto under “Industry Overview — Secure Information Destruction Market — Secure Document Destruction Market”.

“**Governance Agreement**” has the meaning ascribed thereto under “Principal Shareholders — Governance Agreement”.

“**GP Interest**” has the meaning ascribed thereto under “The Partnership — Partnership Units”.

“**Gross FCF Conversion**” has the meaning ascribed thereto under “Non-IFRS Measures”.

“**growth capital expenditures**” means expenditures incurred in connection with purchases of assets to support revenue and profit growth.

“**Guarantors**” has the meaning ascribed thereto under “Description of Material Indebtedness and Refinancing — Credit Facility”.

“**Holder**” has the meaning ascribed thereto under “Certain Canadian Federal Income Tax Considerations”.

“**IFRS**” means International Financial Reporting Standards.

“**Independent Market Analysis**” has the meaning ascribed thereto under “Market and Industry Data”.

“**International Markets**” has the meaning ascribed thereto under “Industry Overview — Secure Information Destruction Market — Secure Document Destruction Market”.

“**Investors Agreement**” has the meaning ascribed thereto under “Principal Shareholders — Governance Agreement”.

“**IPO Transactions**” means the transactions described under “Corporate Structure and IPO Transactions — IPO Transactions.

“**Iron Mountain**” means Iron Mountain Inc.

“**Joint Bookrunners**” means, collectively, TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Scotia Capital Inc.

“**Limited Partner**” or “**Limited Partners**” has the meaning ascribed thereto under “The Partnership — General”.

"**Liquidity Agreement**" has the meaning ascribed thereto under "The Partnership — Liquidity Agreement and Liquidation Right".

"**LP Units**" means common units in the capital of the Partnership.

"**maintenance capital expenditures**" means purchases of assets that either replace or extend the useful life of existing assets and are necessary to maintain current revenues and profits.

"**Management Shareholders**" means, collectively, unless the context otherwise requires, the NEOs and certain other employees and members of management of the Company.

"**Market Value**" has the meaning ascribed thereto under "Executive Compensation — Principal Elements of Compensation — PSU Plan".

"**Merger**" has the meaning ascribed thereto under "Industry Overview — Physical Information Management Industry".

"**NEO**" means the Company's CEO and CFO and the next three next most highly compensated executive officers of the Company who are currently serving as executive officers.

"**New Credit Facility**" has the meaning ascribed thereto under "Description of Material Indebtedness and Refinancing — Credit Facility".

"**New GP**" has the meaning ascribed thereto under "Corporate Structure and IPO Transactions — Existing Organizational Structure".

"**NI 52-110**" has the meaning set out under the heading "Principal Shareholders — Corporate Governance — Board of Directors".

"**Non-Resident Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Non-Resident Holders".

"**Non-Significant Acquisitions**" has the meaning ascribed thereto under "Exemptions".

"**North American Market**" has the meaning ascribed thereto under "Industry Overview — Secure Information Destruction Market — Secure Document Destruction Market".

"**Notice Date**" has the meaning ascribed thereto under "Description of Securities — Certain Important Provisions of the Company's By-laws — Advance Notice Procedures and Shareholders Proposals".

"**OBCA**" means the Business Corporations Act (Ontario), as amended, and the regulations promulgated thereunder.

"**Offering**" means this initial public offering of Common Shares.

"**Offering Price**" means the price of each Common Share that will be issued pursuant to the Offering.

"**Offered Shares**" means the Common Shares acquired by investors pursuant to the Offering.

"**off-site**" means the secure destruction of documents or other information at a plant-based destruction system.

"**on-site**" means the secure destruction of documents or other information at the customer's location in a shredding truck.

"**Operating EBITDA**" has the meaning ascribed thereto under "Non-IFRS Measures".

"**Operating EBITDA Margin**" has the meaning ascribed thereto under "Non-IFRS Measures".

"**Option Shares**" has the meaning ascribed thereto under "Corporate Structure and IPO Transactions — Existing Organizational Structure".

"**Original Credit Facility**" has the meaning ascribed thereto under "Description of Material Indebtedness and Refinancing — Credit Facility".

"**Over-Allotment Option**" means the option granted by the Company and the Birch Hill Group to the Underwriters to purchase up to ● additional Common Shares at the Offering Price, exercisable for a period of 30 days from the Closing.

"**Partnership**" means Shred-it JV LP, a limited partnership formed under the laws of the Province of Ontario.

"**Partnership Agreement**" means the amended and restated limited partnership agreement to be dated as of Closing governing the Partnership.

"**Performance Period**" has the meaning ascribed thereto under "Executive Compensation — Principal Elements of Compensation — PSU Plan".

"**Preferred Shares**" means the preferred shares of the Company.

"**Principal Shareholders**" means collectively, the Birch Hill Group and the Cintas Group.

"**Pro Forma Operating EBITDA**" means has the meaning ascribed thereto under "Non-IFRS Measures".

"**Pro Forma Revenue**" means has the meaning ascribed thereto under "Non-IFRS Measures".

"**PSU Plan**" has the meaning ascribed thereto under "Executive Compensation — Principal Elements of Compensation".

"**PSUs**" means performance share units.

"**Q1 2014**" has the meaning ascribed thereto under "Presentation of Financial Information and Other Information".

"**Q1 2015**" has the meaning ascribed thereto under "Presentation of Financial Information and Other Information".

"**Recall**" means Recall Holdings Limited.

"**Regulations**" means the Tax Act and the regulations promulgated thereunder.

"**Resident Holder**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Residents of Canada".

"**RISI**" means Resources Information Systems Inc.

"**ROW**" means rest of the world other than North America.

"**RRIF**" means registered retirement income fund.

"**RRSP**" means registered retirement savings plans.

"**SAP**" means systems, applications and products.

"**Shred-it Group**" has the meaning ascribed thereto in note 1 to the audited combined financial statements for the Company for the years ended December 31, 2014, December 31, 2013 and December 31, 2012, and includes the entities whose financial results comprise such combined financial statements.

"**SMB**" means small to medium sized businesses, which Shred-it defined as a customer or potential customer that would require fewer than 20 containers for shredding services.

"**SOP**" means sorted office paper.

"**Synergy Report**" has the meaning ascribed thereto under "The Business of Shred-it — Merger with Cintas' Document Destruction Business — Background to Estimated Synergies".

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Proposals**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations".

"**taxable capital gain**" has the meaning ascribed thereto under "Certain Canadian Federal Income Tax Considerations — Residents of Canada — Disposition of Common Shares".

"**TFSA**" means tax-free savings account.

"**TRA**" has the meaning ascribed thereto under "Description of Material Indebtedness and Refinancing — Tax Receivable Agreement".

"**TSX**" means the Toronto Stock Exchange.

"**U.S.**" means United States of America.

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

"**Underwriters**" means, collectively, the Joint Bookrunners and National Bank Financial Inc., Barclays Capital Canada Inc., RBC Dominion Securities Inc., Credit Suisse Securities (Canada), Inc., Wells Fargo Securities Canada, Ltd., GMP Securities L.P. and Raymond James Ltd.

"**Underwriting Agreement**" means the underwriting agreement dated ● , 2015 between the Company, the Birch Hill Group, the Cintas Group and the Underwriters.

"**unvended market**" has the meaning ascribed thereto under "Industry Overview — Secure Information Destruction Market — Secure Document Destruction Market".

"**vended market**" has the meaning ascribed thereto under "Industry Overview — Secure Information Destruction Market — Secure Document Destruction Market".

APPENDIX A — BOARD MANDATE

1.0 Introduction

The board of directors (the "**Board**") of Shred-it International Inc. ("**Shred-it**") is elected by the shareholders of Shred-it and is responsible for the stewardship of Shred-it. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

2.0 Chairman of the Board

The chairman of the Board (the "**Chairman**") will be appointed by the Board, after considering the recommendation of the Governance, Nominating, Compensation and Safety Committee, for such term as the Board may determine.

3.0 Independence

The Board will be comprised of a majority of independent directors, as established by applicable laws and the rules of any stock exchange on which Shred-it's securities are listed, including Section 1.4 of National Instrument 52-110 — *Audit Committees*.

Where the Chairman is not independent, the independent directors will select one of their number to be appointed lead director of the Board for such term as the independent directors may determine. If Shred-it has a non-executive, independent Chairman, then the role of the lead director will be filled by the non-executive Chairman. The lead director or non-executive Chairman will chair regular meetings of the independent directors and assume other responsibilities that the independent directors as a whole have designated.

4.0 Role and Responsibilities of the Board

The role of the Board is to act honestly and in good faith and act in the best interests of Shred-it. Each member of the Board must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board is ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of Shred-it. The responsibilities of the Board include:

- adopting a strategic planning process;
- risk identification and ensuring that procedures are in place for the management of those risks;
- review and approve annual operating plans and budgets and business and investment objectives;
- corporate social responsibility, ethics and integrity;
- succession planning, including the appointment, training and supervision of management;
- delegations and general approval guidelines for management;
- monitoring and evaluating financial results and reporting and management;
- monitoring internal control and management information systems;
- corporate disclosure and communications;
- determines criteria to evaluate performance;
- reviewing and approving Shred-it's financial statements, related MD&A, annual information form and management proxy circular;
- adopting measures for receiving feedback from stakeholders;
- approving securities issuances and requirements;
- approving the nomination of directors;

- determining the amount and timing of dividends payable to shareholders, if any; and
- adopting key corporate policies designed to ensure that Shred-it, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct their business ethically and with honesty and integrity.

Meetings of the Board will be held at least quarterly, with additional meetings to be held depending on the state of Shred-it's affairs and in light of opportunities or risks which Shred-it faces. In addition, separate, regularly scheduled meetings of the independent directors of the Board will be held at which members of management are not present.

The Board will delegate responsibility for the day-to-day management of Shred-it's business and affairs to Shred-it's senior officers and will supervise such senior officers appropriately.

The Board may delegate certain matters it is responsible for to Board committees, presently consisting of the Audit Committee and the Governance, Nominating, Compensation and Safety Committee.

5.0 Strategic Planning Process and Risk Management

The Board will adopt a strategic planning process to establish objectives and goals for Shred-it's business and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of Shred-it's business and affairs.

The Board, in conjunction with management, will identify the principal risks of Shred-it's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

6.0 Corporate Social Responsibility, Ethics and Integrity

The Board will provide leadership to Shred-it in support of its commitment to corporate social responsibility, set the ethical tone for Shred-it and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

7.0 Succession Planning, Appointment and Supervision of Management

The Board will approve the succession plan for Shred-it, including the selection, appointment, supervision and evaluation of the Chief Executive Officer or any person acting in such capacity and the other senior officers of Shred-it, and will also approve the compensation of the Chief Executive Officer or any person acting in such capacity, and the other senior officers of Shred-it.

8.0 Delegations and Approval Authorities

The Board will delegate to the Chief Executive Officer, or any person acting in such capacity, and senior management authority over the day-to-day management of the business and affairs of Shred-it. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

9.0 Corporate Disclosure and Communications

The Board will seek to ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which Shred-it's securities are listed and the Corporate Disclosure Policy. In addition, the Board will adopt procedures that seek to ensure the Board receives feedback from security holders and security holders who have direct access to independent directors in order to provide them with feedback on material issues.

10.0 Corporate Policies

The Board will adopt and monitor compliance of the policies and procedures designed to ensure that Shred-it, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct Shred-it's business ethically and with honesty and integrity. Principal policies consist of:

- Code of Conduct and Ethics;
- Corporate Disclosure Policy;
- Corporate Governance Guidelines;
- Foreign Corrupt Practices Policy;
- Share Ownership Policy for Directors and Officers;
- Securities Trading and Reporting Policy; and
- Whistleblower Policy.

11.0 Review of Mandate

The Governance, Nominating, Compensation and Safety Committee will annually review and assess the adequacy of this mandate and recommend any proposed changes to the Board for consideration. The Board may, from time to time, permit departures from the terms of this Mandate, either prospectively or retrospectively. The terms of this Mandate are not intended to give rise to civil liability on the part of the Company or its directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

APPENDIX B — AUDIT COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Shred-it International Inc. ("**Shred-it**").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of Shred-it; and
- external and internal audit processes.

The Committee is also responsible for establishing procedures to receive and investigate, or direct the investigation of, complaints regarding accounting, internal auditing controls and auditing matters and for the confidential, anonymous submission by employees and others of concerns regarding questionable accounting or auditing matters.

2.0 Composition and Membership

(a) The Board will appoint the members ("**Members**") of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of Shred-it or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three directors. Each Member will meet the criteria for independence established by Shred-it's Standards of Director Independence. At least one Member will be financially literate. In addition, each Member will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.

(c) The Board will appoint one of the Members to act as the chair of the Committee (the "**Chair**"). The secretary of Shred-it (the "**Secretary**") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Secretary is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Member to act as the secretary of that meeting. The Board will adopt and approve a position description for the Chair which sets out his or her responsibilities.

3.0 Meetings

(a) Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than three (3) times per year. Five (5) business days' advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.

(b) The Chair, if present, will act as the chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee the Members in attendance may select one of their numbers to act as chair of the meeting.

(c) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

(d) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee.

(e) The Chair will establish the agenda for Meetings in consultation with the other Members. To the extent possible, the agenda and meeting materials will be circulated to the Members in advance to ensure sufficient time for study prior to the meeting. The Committee will report to the Board at the next meeting of the Board following each Committee meeting. The Committee may require officers and employees of Shred-it to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

(f) Between meetings, and subject to any applicable law, the Chair or any Member designated for this purpose may, if required in the circumstance, exercise any power delegated by the Committee. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

4.1 Financial Reporting

(a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, and all financial reports, with such documents to indicate whether such information has been reviewed by the Board or the Committee. The Committee will also review all news releases relating to annual and interim financial results prior to their public release. The Committee will also consider, establish, and periodically review policies with respect to the release or distribution of any other financial information, including earnings guidance and any financial information provided to ratings agencies and analysts, and review that information prior to its release;

(b) review all other financial statements of Shred-it that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities. The Committee will review the Annual Information Form and Management Proxy Circular of Shred-it prior to its filing;

(c) review with management of Shred-it, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under international financial reporting standards ("**IFRS**"), all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Shred-it's financial position and the results of its operations in accordance with IFRS;

(d) seek to ensure that adequate procedures are in place for the review of Shred-it's disclosure of financial information extracted or derived from Shred-it's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

(e) regularly review with management, and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on Shred-it's financial statements;

4.2 Internal Controls and Audit

(a) review the adequacy and effectiveness of Shred-it's system of internal control and management information systems through discussions with management, the internal audit department and the external auditor to ensure that Shred-it maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Shred-it's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud;

(b) satisfy itself, through discussion with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;

(c) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Shred-it's risk management policies and procedures with regard to identification of Shred-it's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Shred-it;

(d) monitor and assess, on an ongoing basis, significant financial, operational and other risks faced by Shred-it and mitigating activities, as appropriate;

(e) recommend the appointment, or if necessary, the dismissal of the head of Shred-it's internal audit process;

(f) on an annual basis, assess the independence, effectiveness and compensation of and adequacy of resources available to Shred-it's internal audit department, including the head of Shred-it's internal audit process;

4.3 External Audit

(a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of Shred-it;

(b) ensure the external auditors report directly to the Committee on a regular basis;

(c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;

(d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;

(e) review the audit plan of the external auditors prior to the commencement of the audit;

(f) establish and maintain a direct line of communication with Shred-it's external and internal auditors;

(g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present;

(h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the members, including the lead partner of the independent auditors team;

(i) oversee the work of the external auditors appointed by the members of Shred-it with respect to preparing and issuing an audit report or performing other audit, review or attest services for Shred-it, including the resolution of issues between management of Shred-it and the external auditors regarding financial disclosure;

(j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Shred-it, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

(k) discuss with the external auditors on an ongoing basis their perception of Shred-it's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

(l) review with the Board any issues that arise with respect to the performance and independence of the independent auditor and, where issues arise, make recommendations about whether Shred-it should continue with that independent auditor;

(m) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board;

(n) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues;

4.4 Associated Responsibilities

(a) review and approve Shred-it's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of Shred-it;

4.5 Non-Audit Services

(a) pre-approve all non-audit services to be provided to Shred-it or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services, pursuant to a policy predetermined by the Committee, but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

5.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Shred-it's financial statements are complete and accurate or comply with IFRS, and other applicable requirements. These are the responsibilities of Management, the internal auditors and the external auditors. The Committee is to provide broad oversight of the financial, risk and control related activities of Shred-it, and is specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation.

6.0 Reporting

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

7.0 Access to Information and Advisors

The Committee will be granted unrestricted access to all information regarding Shred-it that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Shred-it's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

8.0 Committee Evaluation

The performance of the Committee will be evaluated by the Governance, Nominating, Compensation and Safety Committee as part of its annual evaluation of the Board committees.

9.0 Review of Charter

The Governance, Nominating, Compensation and Safety Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

APPENDIX C — MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following Management's Discussion and Analysis ("**MD&A**") for Cintas Shredding Business ("we", "us", "our", "**Cintas Shredding**" or the "**Company**") provides information concerning the Company's financial condition and results of operations. This MD&A should be read in conjunction with the Cintas Shredding Business Combined Carve-Out Financial Statements. Some of the information contained in this MD&A contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors" for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those indicated or underlying forward-looking statements as a result of various factors, including those described in "Risk Factors" and elsewhere in this MD&A.

Basis of Presentation

Prior to April 30, 2014, Cintas Shredding was not a separate legal entity and its results were included in the consolidated financial information of Cintas Corporation ("**Cintas**" or the "**Parent**") as part of the Document Management Operating Segment. As such, management has prepared the combined financial statements of the Company on a carve-out basis from the consolidated financial information of the Parent.

The combined carve-out financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Company's first combined carve-out financial statements and the Company applied IFRS 1, *First-time Adoption of International Financial Reporting Standards*. A reconciliation of how the transition to IFRS has affected the Company's combined carve-out financial position, performance and cash flows has not been presented as the Company has not presented combined carve-out financial statements in previous years under previous U.S. generally accepted accounting principles ("**GAAP**").

The combined carve-out financial statements include entities related to the document destruction business of certain subsidiaries which were wholly owned by the Parent. The following table provides the information about those subsidiaries:

Name of Entity	Country of Incorporation
Cintas Corporation No. 2	U.S.A
Cintas Canada Ltd.	Canada
Cintas Document Management Netherlands BV (Netherlands)	Netherlands
Cintas Document Management Germany GmbH (Germany)	Germany

Effective April 30, 2014, Cintas entered into a partnership transaction with the shareholders of Shred-it International Inc. (now Shred-it International ULC) ("**Shred-it**") to combine Cintas' document destruction business with Shred-it's information destruction business ("**Shred-it Transaction**"). Subsequent to that transaction, Cintas no longer operated a document destruction business. As a result, the combined carve-out financial statements present the results of operations for the eleven month period ended April 30, 2014 ("**Fiscal 2014**") and for the year ended May 31, 2013 ("**Fiscal 2013**").

In addition, the combined carve-out financial statements of the Company include accounts of certain entities which were created for the purposes of the partnership with Shred-it. These wholly owned subsidiaries are CC Shredding Holdco LLC (US), CC Shredding LLC (US), CDD LLC (US), CC Dutch Shredding Holdco BV (Netherlands), CC Canada Shredding ULC (Canada), and CC Dutch Shredding BV (Netherlands). For the period ending April 30, 2014, there were no activities in these entities other than relating to their formation.

Forward-Looking Statements

This MD&A contains forward-looking statements. When used in this MD&A, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "project", "expect" and similar expressions are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Such statements reflect the Company's then current views with respect to future events based on certain material facts and assumptions and are subject to certain risks and uncertainties, including without limitation changes in the risk factors described under the heading "Risk Factors". The forward-looking information is based on certain key expectations and assumptions made by the Company, including expectations and assumptions concerning availability of capital resources, business performance, market conditions, and customer demand. Although the Company believes that the expectations and assumptions on which such forward-looking information are based are reasonable, undue reliance should not be placed on the forward-looking information since no assurance can be given that they will prove to be correct.

Many factors could cause the Company actual results, performance or achievements to vary from those described in this MD&A, including without limitation those listed above, those described under "Risk Factors" as well as the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this MD&A as intended, planned, anticipated, believed, sought, proposed, estimated or expected, and such forward-looking statements should not be unduly relied upon. The Company does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this MD&A are expressly qualified by these cautionary statements.

Forward-looking information contained in this MD&A about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on the Company's management's assessment of the relevant information currently available. Readers are cautioned that outlook information contained in this MD&A should not be used for the purposes other than for which it is disclosed herein or therein, as the case may be.

Business Strategy

The Company provides secure information destruction services to a broad range of customers throughout North America, as well as Germany and the Netherlands. The Company is a significant provider in North America of information destruction services. Our strategy is to achieve revenue growth for our services by increasing our penetration of existing customers, broadening our customer base by selling into the unvended market and continuing to execute our acquisition strategy.

To pursue the strategy of increasing penetration, we have a talented and diverse team of service professionals visiting our customers on a regular basis. This frequent contact with our customers enables us to develop close personal relationships which provide a platform from which we can launch additional products and services.

We pursue the strategy of broadening our customer base in several ways. The Company has a national sales organization introducing our services to potential customers in all market segments, including those we have not historically served.

Factors Affecting Cintas Results of Operations

Acquisitions

The market for secure information destruction is fragmented with numerous regional and local competitors. Management believes the industry will undergo further consolidation. We evaluate strategic acquisitions as opportunities arise.

Organic Growth

Management believes organic growth for the Company will be derived from existing customers and from customers who do not utilize a third party secure information destruction service provider or do not securely destroy documents.

Recycling of Shredded Materials

After the paper collected from its customers is securely destroyed, it is sold to various paper brokers, under contract, which is then sold to paper mills and used as a pulp substitute to produce tissue paper products such as toilet paper, paper towels and napkins.

Revenue

Revenue is primarily generated from the collection and secure destruction and disposal of sensitive documents from our diverse customer base across a variety of sectors including, government, healthcare, financial and professional services, retail, government, telecommunication, business services and other. In addition to revenue generated by shredding activities, the Company also generates revenue from the sale of shredded paper to third-party recyclers, the price of which can fluctuate from period to period.

The Company may be affected by adverse or unusual weather which may impact the collection of materials from our customers and result in lower volumes.

Operating Expenses

Operating expenses for the Company consist primarily of employments costs, facility occupancy costs (including rent and utilities), transportation and maintenance expenses (including vehicle leases and fuel), general administrative and other equipment costs and supplies. Employment costs, facility occupancy costs and transportation and maintenance costs are the most significant operating expenses and are influenced by changes in the overall business. Increases in employment costs are impacted by headcount and compensation levels, achievement of incentive compensation targets, workforce productivity and variability in costs associated with medical insurance and workers' compensation. Trends in facility occupancy costs are impacted by the total number of facilities occupied under operating leases, fluctuations in per square foot occupancy costs, and the levels of utilization of these properties.

In addition, these costs include an allocation of Parent overhead costs for the Company's share of employee costs, selling and administrative expenses and share-based compensation.

Depreciation and Amortization Expense

Depreciation and amortization charges for the Company relate to capital-investments. The principal components of depreciation relate to containers located at the customer's site, trucks, building and leasehold improvements, and computer systems hardware and software.

Amortization relates primarily to the costs relating to the acquisition of customer relationships and is impacted by the nature and timing of acquisitions.

Foreign Exchange

The combined carve-out financial statements of the Company are presented in U.S. dollars, the Company's functional currency. The Company determines the functional currency of each subsidiary based on the primary economic environment in which the subsidiary operates.

Foreign exchange gains/losses arising on transactions occurring in a currency other than a subsidiary's functional currency are included in income or loss for the period.

Assets and liabilities of subsidiaries with different functional currencies are translated to U.S. dollars at the fiscal year-end rates of exchange, and revenue and expense items are translated at the average rate of exchange during the period. Exchange gains or losses arising from the translation of the results of operations of these subsidiaries are included as part of other comprehensive income (loss).

Income Taxes

The Company's earnings are subject to federal and state income taxes in jurisdictions in which it conducts business. The combined domestic U.S. tax rate was based on a federal rate of 35% plus various applicable state rates. Foreign taxes are based on the applicable taxes in each subsidiary's jurisdiction. Income tax expense is comprised of current and deferred taxes.

Capital Expenditures

Capital expenditures are primarily incurred by the Company for purchases of trucks, property, plant and equipment, information technology and other infrastructure, containers at customer sites, office equipment and leasehold improvements.

The following table summarizes the results of Cintas Shredding's operations for the eleven months ended April 30, 2014 and the fiscal year ended May 31, 2013:

Selected Combined Carve-Out Statements of Income data:

(U.S.$ thousands unless otherwise stated)	For the 11 months ended April 30, 2014	For the year ended May 31, 2013
Revenue	**276,043**	**278,176**
Expenses:		
Operating expenses	236,624	233,467
Depreciation and amortization	32,030	32,320
Loss (gain) on disposal of property, plant and equipment	255	(373)
Stock-based compensation	1,789	917
Operating Income	**5,345**	**11,845**
Interest on parent company debt and other, net	623	655
Earnings from continuing operations before income taxes	**4,722**	**11,190**
Provision for income taxes	1,962	4,345
Net income	**2,760**	**6,845**

Selected Combined Carve-Out Statement of Cash Flows data:

(U.S.$ thousands unless otherwise stated)	For the 11 months ended April 30, 2014	For the year ended May 31, 2013
Cash from (used in)		
Operating activities of continuing operations, before changes in working capital	39,919	44,301
Changes in working capital	(4,044)	(4,367)
Investing activities	(31,317)	(76,776)
Financing activities	(3,812)	35,772
Effect of foreign exchange on cash and cash equivalents	(1,050)	1,066

Selected Combined Carve-Out Statement of Financial Position data:

(U.S.$ thousands unless otherwise stated)	April 30, 2014	May 31, 2013
Cash and cash equivalents	687	991
Accounts receivable	39,833	37,319
Property, plant and equipment	105,106	101,534
Goodwill	268,823	268,370
Intangibles	25,644	29,188
Total assets	**441,050**	**438,506**
Accounts payable and accrued liabilities	27,514	27,401
Net parent equity	—	9,751
Total liabilities	76,106	82,659
Total equity	**364,944**	**355,847**

Fiscal 2014 Compared to Fiscal 2013

Revenue

Total revenue decreased $2.2 million to $276.0 million for the 11 months ended April 30, 2014 ("Fiscal 2014") when compared to $278.2 million for the 12 months ended May 31, 2013 ("Fiscal 2013"), a 0.8% decrease. The decrease is the result of only 11 months of revenue being included in Fiscal 2014 compared to 12 months in Fiscal 2013 (due to the merger transaction with Shred-it) and the impact of lower paper prices, which was partially offset by increases in revenue from organic growth and acquisitions.

Operating Expenses

Operating expenses for Fiscal 2014 were $236.6 million compared to $233.5 million for Fiscal 2013, an increase of $3.1 million or 1.3%. Operating expenses for Fiscal 2014 include 11 months of expenses compared to 12 months for Fiscal 2013. The decrease in operating expenses resulting from the difference in number of months was more than offset by increases in employment costs, in particular selling commissions, and increases in rent and other facility related expenses due to the additional investment in plant-based shredding facilities.

Stock-based Compensation

Stock-based compensation expense for Fiscal 2014 was $1.8 million compared to $0.9 million for Fiscal 2013, an increase of $0.9 million. This increase can be attributed to positive overall company performance as well as the increase in Cintas' stock price.

Depreciation and Amortization

Depreciation and amortization expense for Fiscal 2014 was $32.0 million compared to $32.3 million for Fiscal 2013, with the $0.3 million decrease primarily the result of only 11 months of depreciation and amortization being reflected for Fiscal 2014 compared to 12 months for Fiscal 2013 offset by the increase in depreciation and amortization expense resulting from acquisitions and capital expenditures in Fiscal 2014.

Interest on Parent Company Debt and Other, net

The Parent company debt and interest was capitalized on March 25, 2014.

Income Taxes

For Fiscal 2014 income taxes were $2.0 million, a decrease of $2.3 million compared to Fiscal 2013 taxes of $4.3 million. The decrease is the result of a decrease in net income due to lower revenue and increases in operating expenses.

Liquidity and Capital Resources

Total assets for the Company were $441.1 million at April 30, 2014 compared to $438.5 million at May 31, 2013, an increase of $2.6 million. The increase is largely due to the completion of acquisitions during Fiscal 2014 offset by depreciation and amortization of property, plant and equipment.

Accounts receivable increased to $39.8 million at April 30, 2014 from $37.3 million at May 31, 2013 primarily due to increased revenue related to service.

The net book value of the property, plant, and equipment at April 30, 2014 increased to $105.1 million from the May 31, 2013 balance of $101.5 million, an increase of $3.6 million. The increase is the result of the completion of acquisitions and capital expenditures incurred during Fiscal 2014.

Intangible assets decreased to $25.6 million at April 30, 2014 from the May 31, 2013 balance of $29.2 million as a result of continuing amortization and the impact of foreign exchange on intangible assets denominated in foreign currencies. This was offset by Fiscal 2014 acquisition activity.

Goodwill at April 30, 2014 increased to $268.8 million from the May 31, 2013 balance of $268.4 million due to additions to goodwill from Fiscal 2014 acquisitions, which were offset by the negative impact of foreign exchange on goodwill denominated in foreign currencies.

Accounts payable and accrued liabilities at April 30, 2014 were $27.5 million compared to the May 31, 2013 balance of $27.4 million.

Financial Condition

The Company generates positive cash flows from operations. As the Company is a carve out business of Cintas, financial support required to fund acquisitions and additions to property, plant and equipment is provided by the Parent.

Off Balance Sheet Arrangements

Other than operating lease agreements for items such as buildings, the Company does not have any material off-balance sheet arrangements at April 30, 2014 or May 31, 2013, or subsequent to April 30, 2014.

Share Capital Outstanding

The Parent equity disclosed in the financial statements represents the net investment of the Parent in the combined entities. For a further explanation see the “Basis of Presentation” found in this MD&A.

Related Parties

The Company utilizes centralized functions of the Parent to support its operations, and in return, the Parent allocates certain of its expenses to the Company. Such expenses represent costs related, but not limited to treasury, legal, accounting, insurance, information technology, payroll administration, human resources and other services. These costs, together with an allocation of Parent overhead costs, are included within employee costs, selling and administrative expenses and share-based compensation captions of the combined carve-out statements of income and comprehensive income (loss). The Parent allocates the cost of these centralized functions based on the Company’s revenue as a percentage of the Parent’s revenue. The allocation percentage was 4.17% for the year ended May 31, 2013, and 4.86% for the 11 months ended April 30, 2014.

The Company provides document shredding services to certain entities related to the Parent, for which the revenues are included in the combined carve-out statement of income and comprehensive income. For the 11 months period ended April 30, 2014 and the year ended May 31, 2013 the related party revenue was $0.6 million for each period.

All services provided by the Company are billed at arm’s length prices irrespective of any relationship that may exist with customers that are companies included in the Parent’s group.

Critical Accounting Policies and Estimates

Allowance for Doubtful Accounts

The Company establishes an allowance for doubtful accounts. This allowance includes an estimate based on historical rates of collections and allowances for specific accounts identified as uncollectible. The allowance that is an estimate based on the Company's historical rates of collections is recorded for overdue amounts, beginning with a nominal percentage and increasing substantially as the account ages.

Quantitative and Qualitative Disclosures About Market Risk

In the ordinary course of business, the Company is subject to a number of credit, liquidity and foreign exchange risks. The Company's primary risk management objective is to protect its income and cash flows. Risk management strategies, as discussed below, are designed and implemented to ensure the Company's risks and the related exposures are consistent with its business objectives and risk tolerance.

Credit Risk

Credit risk represents the financial loss that the Company would experience if a counterparty to a financial instrument, in which the Company has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Company.

The Company's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the combined statements of financial position are net of allowances for doubtful accounts. As at April 30, 2014, May 31, 2013 and June 1, 2012, the Company had accounts receivable of $39,833, $37,319, and $33,827 respectively. These amounts are net of an allowance for doubtful accounts of $2,778, $2,031, and $1,886. The Company believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk associated with the Company's accounts receivable.

The Company believes that the concentration of credit risk of accounts receivable is limited due to its broad customer base, wihch is dispersed across geographic locations.

The Company has established various internal controls designed to mitigate credit risk and has also established procedures to suspend the availability of services when customers have exceeded approved credit limits or have violated established payment terms.

While the Company's credit controls and processes have been effective in managing credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Company's current credit loss experience will not continue.

Foreign Currency Rate Risk

Foreign currency rate risk is the risk that the fair value of future cash flows will fluctuate because of the changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the functional currency and the Company's net investments in foreign subsidiaries).

The Company operates in Canada, U.S., and Europe and is exposed to unpredictable foreign exchange rate changes.

The Company does not employ a foreign currency derivative hedging program and, therefore, foreign currency translation may have a significant impact on comprehensive income (loss) during periods of fluctuating exchange rates.

Management believes that if foreign currencies weakened or strengthened by 1% against the U.S. dollar, with all other variables held constant, the impact on other comprehensive income (loss) would be not be material.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also mitigates this risk through the Parent continuing to provide financial support to satisfy any external financial obligations.

Interest Rate Risk

The interest rates of the Company's borrowings are fixed. Accordingly, the Company is not subject to risk from floating interest rate borrowings.

Accounting Standards and Amendments Issued but Not Yet Adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the combined carve out financial statements are as following:

IFRS 9 'Financial Instruments'

IFRS 9 replaces the guidance in IAS 39 'Financial Instruments: Recognition and measurement'. The standard includes requirements on the classification and measurement of financial assets and liabilities. It also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The new standard is effective January 1, 2018. The Company is currently evaluating the impact of the above standard on its combined financial statements.

IFRS 15, 'Revenue from Contracts with Customers'

IFRS 15, issued by the IASB in May 2014, is applicable to all revenue contracts and provides a model for the recognition and measurement of gains or losses from sales of some non-financial assets. The core principle is that revenue is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively for example, service revenue and contract modifications and improve guidance for multiple-element arrangements. IFRS 15 is effective for annual periods beginning on or after January 1, 2018 and is to be applied retrospectively, with earlier adoption permitted. Entities will transition following either a full or modified retrospective approach. The Company is currently evaluating the impact of the above standard on its combined financial statements.

IFRIC Interpretation 21, Levies ("IFRIC 21")

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Adoption of IFRIC 21 will not have a material financial impact on the combined financial statements.

Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments will not have a material impact on the combined financial statements.

Annual Improvements 2010 — 2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13, Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning on January 1, 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 will not have a material financial impact on the combined financial statements.

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INDEPENDENT AUDITORS' REPORT

To the Directors of
Shred-it International Inc.

We have audited the accompanying combined financial statements of Shred-it Group which comprise the combined statements of financial position as at December 31, 2014 and 2013, and the combined statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years ended December 31, 2014, 2013 and 2012, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Shred-it Group as at December 31, 2014 and 2013, and its financial performance and its cash flows for the years ended December 31, 2014, 2013 and 2012 in accordance with International Financial Reporting Standards.

Toronto, Canada
June ● , 2015

Shred-it Group

COMBINED STATEMENTS OF FINANCIAL POSITION

(in thousands of U.S. dollars unless otherwise stated)

As at December 31,	2014	2013
ASSETS		
Current		
Cash and cash equivalents *(note 5)*	**56,211**	13,423
Accounts receivable	**97,792**	50,813
Due from Cintas Corporation *(note 7a)*	**6,208**	—
Due from joint venture	**—**	43
Current portion of shareholder loans receivable *(note 7b)*	**—**	3,126
Inventories *(note 6)*	**1,027**	1,025
Prepaid expenses and other assets	**8,886**	4,484
Income taxes recoverable	**3,111**	665
Total current assets	**173,235**	73,579
Investment in a joint venture *(note 3)*	**952**	1,470
Long-term prepaid expenses	**4,097**	3,000
Deferred financing fees *(note 14c)*	**1,732**	—
Shareholder loans receivable *(note 7b)*	**3,307**	4,736
Property, plant and equipment, net *(note 8)*	**221,838**	96,221
Goodwill *(notes 9 and 11)*	**407,436**	125,039
Intangible assets, net *(note 10)*	**372,356**	202,668
Total assets	**1,184,953**	506,713
LIABILITIES AND EQUITY		
Current		
Bank indebtedness *(note 5)*	**14,263**	5,602
Accounts payable and accrued liabilities *(note 13)*	**52,294**	26,533
Due to Cintas Corporation *(note 7a)*	**10,252**	—
Current portion of provisions *(note 12)*	**8,169**	3,985
Current portion of long-term debt *(note 14)*	**—**	18,000
Deferred revenue	**557**	156
Total current liabilities	**85,535**	54,276
Provisions *(note 12)*	**13,505**	7,796
Revolving credit facility *(note 14)*	**41,646**	—
Long-term debt *(note 14)*	**406,586**	183,696
Deferred tax liabilities *(note 16)*	**77,792**	26,998
Other liabilities	**1,476**	1,425
Due to shareholders *(note 7c)*	**—**	287,020
Total liabilities	**626,540**	561,211
Commitments and contingent liabilities *(note 18)*		
Equity (deficiency)		
Parent	**222,446**	(54,498)
Non-controlling interests	**335,967**	—
Total equity	**558,413**	(54,498)
Total liabilities and equity	**1,184,953**	506,713

Shred-it Group

COMBINED STATEMENT OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(in thousands of U.S. dollars unless otherwise stated)

For the years ended December 31,	2014	2013	2012
Revenue	**575,083**	347,301	324,202
Expenses			
Operating expenses *(note 23)*	**445,609**	281,410	275,370
Depreciation and amortization *(note 8, 10)*	**79,829**	46,657	45,145
Loss on disposal of property, plant & equipment	**222**	369	98
Stock-based compensation *(note 19b)*	**914**	241	407
Loss (gain) on foreign exchange	**9,516**	5,226	(1,443)
Acquisition, transaction and integration costs *(note 24)*	**37,635**	4,862	9,516
Share of income of a joint venture *(note 3)*	**(511)**	(530)	(339)
Operating income (loss)	**1,869**	9,066	(4,552)
Interest expense, net *(note 7c, 14)*	**16,178**	31,490	31,012
(Loss) before income taxes	**(14,309)**	(22,424)	(35,564)
Provision for (recovery of) income taxes *(note 16)*			
Current	**6,723**	2,029	(2,919)
Deferred	**(2,139)**	(3,007)	(6,423)
	4,584	(978)	(9,342)
Loss from continuing operations	**(18,893)**	(21,446)	(26,222)
Attributable to:			
Parent equity	**(20,778)**	(21,446)	(26,222)
Non-controlling interests	**1,885**	—	—
	(18,893)	(21,446)	(26,222)
Discontinued operations ***(note 21)***			
Net income from discontinued operations	**4,345**	4,619	2,763
Gain on sale of discontinued operations	**20,879**	—	—
Net income (loss)	**6,331**	(16,827)	(23,459)
Consolidated statement of other comprehensive income			
Other comprehensive income (loss)			
Foreign currency translation	**(7,730)**	23,306	677
Other comprehensive income (loss) from continuing operations	**(7,730)**	23,306	677
Other comprehensive (loss) from discontinued operations	**(353)**	(632)	—
Total other comprehensive income (loss)	**(8,083)**	22,674	677
Attributable to:			
Parent equity from continuing operations	**(5,812)**	23,306	677
Parent equity from discontinued operations	**(353)**	(632)	—
Non-controlling interests equity	**(1,918)**	—	—
	(8,083)	22,674	677
Total comprehensive income (loss)	**(1,752)**	5,847	(22,782)

Shred-it Group

COMBINED STATEMENTS OF CHANGES IN EQUITY

(in thousands of U.S. dollars unless otherwise stated)

For the years ended December 31,	Capital	Contributed surplus	Foreign currency translation	Deficit	Total Parent Equity	Non-controlling interests	Total equity
As at December 31, 2011	13,533	1,496	(18,919)	(34,453)	(38,343)	—	(38,343)
Loss from continuing operations	—	—	—	(26,222)	(26,222)	—	(26,222)
Income from discontinued operations	—	—	—	2,763	2,763	—	2,763
Other comprehensive income from continuing operations	—	—	677	—	677	—	677
Issuance of capital	347	—	—	—	347	—	347
Redemptions	(35)	—	—	(115)	(150)	—	(150)
Stock-based compensation	—	369	—	—	369	—	369
As at December 31, 2012	13,845	1,865	(18,242)	(58,027)	(60,559)	—	(60,559)
Loss from continuing operations	—	—	—	(21,446)	(21,446)	—	(21,446)
Income from discontinued operations	—	—	—	4,619	4,619	—	4,619
Other comprehensive income from continuing operations	—	—	23,306	—	23,306	—	23,306
Other comprehensive loss from discontinued operations	—	—	(632)	—	(632)	—	(632)
Issuance of capital	96	—	—	—	96	—	96
Redemptions	(26)	—	—	(47)	(73)	—	(73)
Stock-based compensation	—	191	—	—	191	—	191
As at December 31, 2013	**13,915**	**2,056**	**4,432**	**(74,901)**	**(54,498)**	**—**	**(54,498)**
Loss from continuing operations	—	—	—	(20,778)	(20,778)	1,885	(18,893)
Income from discontinued operations	—	—		4,345	4,345	—	4,345
Gain on sale of discontinued operations	—	—	1,021	20,879	21,900	—	21,900
Other comprehensive loss from continuing operations	—	—	(5,812)	—	(5,812)	(1,918)	(7,730)
Other comprehensive loss from discontinued operations	—	—	(353)	—	(353)	—	(353)
Issuance of capital	283,393	—	—	—	283,393	—	283,393
Shredding Transaction *(note 4)*	—	—	—	—	—	336,000	336,000
Redemptions	(756)	—	—	(379)	(1,135)	—	(1,135)
Stock-based compensation	—	196	—	(4,812)	(4,616)	—	(4,616)
As at December 31, 2014	**296,552**	**2,252**	**(712)**	**(75,646)**	**222,446**	**335,967**	**558,413**

Shred-it Group

COMBINED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars unless otherwise stated)

Years ended December 31	2014	2013	2012
OPERATING ACTIVITIES			
Loss from continuing operations	**(18,893)**	(21,446)	(26,222)
Income from discontinued operations	**25,224**	4,619	2,763
Net income (loss)	**6,331**	(16,827)	(23,459)
Add (deduct) non-cash items			
Depreciation and amortization	**79,829**	46,657	45,145
Depreciation and amortization from discontinued operations *(note 21)*	**964**	1,655	1,453
Unrealized gain on interest rate swap	**—**	—	(2,681)
Gain on sale of discontinued operations	**(20,879)**	—	—
Loss on disposal of property, plant, and equipment	**222**	369	98
Stock-based compensation	**3,092**	241	407
Unrealized foreign exchange loss (gain)	**6,973**	5,099	(932)
Non-cash interest	**5,127**	23,295	22,144
Share of income of a joint venture	**(511)**	(530)	(339)
Deferred income taxes	**(2,139)**	(3,007)	(6,423)
	79,009	56,952	35,413
Net change in working capital balances related to operations *(note 17)*	**1,004**	2,407	(17,199)
Cash provided by operating activities	**80,013**	59,359	18,214
INVESTING ACTIVITIES			
Purchases of property, plant, and equipment	**(34,620)**	(20,107)	(29,985)
Business acquisitions (net of cash of $979 (2013 — $1,652; 2012 — 1,266) *(note 4)*	**(281,305)**	(25,582)	(51,966)
Dividends received	**1,029**	—	—
Dividends received from discontinued operations	**9,468**	—	—
Proceeds from sale of discontinued operations	**28,223**	—	—
Capital contribution to discontinued operations	**(6,818)**	—	—
Cash used in investing activities	**(284,023)**	(45,689)	(81,951)
FINANCING ACTIVITIES			
Proceeds from long-term debt, net of deferred financing costs	**406,095**	47,945	333,841
Proceeds from revolver loan	**39,619**	—	—
Repayment of long-term debt	**(202,500)**	(82,385)	—
Share redemption	**—**	(71)	(257,245)
Stock option cash settlement	**(826)**	—	—
Issuance of Parent equity	**—**	80	400
Cash provided by (used in) financing activities	**242,388**	(34,431)	76,996
Effect of exchange rate changes on cash and cash equivalents	**(4,251)**	5,220	(601)
Net increase (decrease) in cash and cash equivalents during the year	**34,127**	(15,541)	12,658
Cash and cash equivalents, beginning of year	**7,821**	23,362	10,704
Cash and cash equivalents, end of year	**41,948**	7,821	23,362
Supplemental cash flow information			
Interest paid	**10,546**	7,033	9,700
Income taxes paid	**7,027**	1,149	(1,446)
Cash and cash equivalents	**56,211**	13,423	23,312
Bank indebtedness	**(14,263)**	(5,602)	50
Cash and cash equivalents, end of year	**41,948**	7,821	23,362

See accompanying notes

1. CORPORATE REORGANIZATION

Shred-it International Inc. (the "Company" or "Shred-it"), one of the entities within the group of entities comprising the "Shred-it Group", which the Birch Hill Group collectively controls, took steps to complete an initial public offering (the "Offering") of common shares of the Company.

Prior to the Offering, various transactions will be consummated by the entities that comprise the Shred-it Group, including the Company (formerly Shred-it International GP Inc. ("SII GP")), Boost Holdings LP ("Boost Holdings"), Boost GP Corp. ("Boost GP") and Shred-it JV LP (the "Partnership"), that will result in the Company being the parent entity for the Shred-it Group.

The combined financial statements have been prepared in connection with the Offering and include the financial results of SII GP, Boost Holdings, Boost GP and the Partnership (individually, the "Combined Entities"). Prior to a reorganization that took place in March 2014 (the "Reorganization"), the Shred-it Group operated through a predecessor entity, Shred-it International Inc. (now Shred-it International ULC) ("Predecessor SII") and its wholly-owned subsidiaries. Accordingly, prior to the Reorganization, the combined financial statements include the consolidated results of Predecessor SII. SII GP, Boost Holdings, Boost GP and the Partnership were formed in connection with the Reorganization and Predecessor SII was transferred to the Partnership.

The Partnership provides secure information destruction services.

As part of the Reorganization, in April 2014, Secure-it Records Management Inc. ("RM"), a newly formed subsidiary of the Partnership, was distributed to Boost Holdings. RM was sold by Boost Holdings on December 1, 2014. RM is presented as discontinued operations as explained further in note 21.

These combined financial statements were approved by the Board of Directors of the Company and authorized for issue on June ● , 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The combined financial statements of the Shred-it Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The combined financial statements have been prepared on a historical cost basis. All amounts are expressed in U.S. dollars, unless otherwise specified, rounded to the nearest thousand.

As the former shareholders of Predecessor SII retained control over the Shred-it Group subsequent to the Reorganization, these combined financial statements are prepared on a continuity of interest basis, whereby the assets and liabilities of Predecessor SII that were transferred over to the Partnership are recorded at historical cost. The financial information of the Shred-it Group represents the consolidated financial results of SII prior to the Reorganization in March 2014 and the combined financial results of the Shred-it Group subsequent to the Reorganization.

Subsequent to the Reorganization, the Partnership acquired the document destruction, recycling, and ancillary services businesses of Cintas Corporation ("Cintas") (the "Shredding transaction") in exchange for cash and a 42% interest in the Partnership. This transaction has been recorded as an acquisition *(note 4)* with the acquired assets and liabilities assumed of the Cintas document shredding business recorded at fair value.

The accompanying combined financial statements of the Shred-it Group reflect only the assets, liabilities and results of operations of the entities being combined and their wholly-owned subsidiaries. They do not include any other assets, liabilities, revenue or expenses of the non-controlling equity partner. No provision has been made in the combined financial statements for interest on capital, fees or salaries unless otherwise noted. These combined financial statements do not provide for certain income tax amounts as they are the responsibility of the partners.

Basis of combination

Prior to the Reorganization, the consolidated financial statements included the accounts of Predecessor SII and its wholly-owned subsidiaries: Shred-it US, Inc., Artech USA Inc., Shred-it America Inc., Shred-it Limited, Artech Reduction Technologies Limited, Shred-it East of Scotland Ltd., Celb Ltd., Shred-it ROI Ltd., Shred-it ROI (Holdings) Ltd., Shred-it GmbH, Shred-it France SAS, Mobile Shredding Luxembourg SA, Shred-it LLC, Shred-it Singapore Pte. Ltd., Shred-it Belgium S.A., Shred-it South Africa Pty Ltd., Shred-it Insurance Ltd., Secure Shredding Limited, Shred-it Glasgow Limited, and, Document Destruction Co. Limited.

As a continuation under common control, subsequent to the Reorganization, the combined financial statements of Shred-it Group include the accounts of SII GP, Boost GP, Boost Holdings and the Partnership and its wholly-owned subsidiaries: Shred-it

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

International ULC, Shred-it US Holdco Inc., Shred-it USA JV LLC, CDD LLC, Shred-it USA LLC, Artech USA LLC, Shred-it America LLC, Shred-it Limited, Artech Reduction Technologies Limited, Shred-it East of Scotland Ltd., Celb Ltd., Shred-it ROI Ltd., Shred-it ROI (Holdings) Ltd., Shred-it GmbH, Shred-it France SAS, Mobile Shredding Luxembourg SA, Shred-it Singapore Pte. Ltd., Shred-it Belgium S.A., Shred-it South Africa Pty Ltd., Shred-it Insurance Ltd., Secure Shredding Limited, Shred-it Glasgow Limited, CC Dutch Shredding BV, Shred-it LLC, Document Destruction Co. Limited and Shred-it Australia (PTY) Limited.

The combined financial statements include the financial results of these entities since incorporation or since their respective dates of acquisition by the controlling shareholders of the Company. All intercompany transactions, profits and balances have been eliminated.

The Combined Entities of the Shred-it Group control an investee if and only if the entity has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Shred-it Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when it obtains control over the subsidiary and ceases when it loses control of the subsidiary. Assets, liabilities, revenue and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of loss and comprehensive income (loss) from the date it gains control until the date it ceases to control the subsidiary.

Investment in joint venture

An affiliate is an entity over which the Shred-it Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control, are similar to those necessary to determine control over subsidiaries.

Shred-it Group's investment in its joint venture, Shred-it LLC, a limited liability company in accordance with the laws in force in the Emirate of Dubai, United Arab Emirates ("UAE"), is accounted for using the equity method.

Under the equity method, the investment in a joint venture is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of the net assets of the joint venture since the acquisition date.

The combined statements of income (loss) and comprehensive income (loss) reflect the Shred-it Group's share of the results of operations of the joint venture. Any changes in other comprehensive income ("OCI") of the joint venture are presented as part of the Shred-it Group's OCI. In addition, when there has been a change recognized directly in the equity of the joint venture, the Shred-it Group recognizes its share of any changes, when applicable, in the combined statements of changes in equity. Unrealized gains and losses resulting from transactions between the Shred-it Group and the joint venture are eliminated to the extent of the interest in the joint venture. The aggregate of the Shred-it Group's share of income of a joint venture is shown on the combined statements of income (loss) and comprehensive income (loss).

The financial statements of the joint venture are prepared for the same reporting period as the Shred-it Group.

After application of the equity method, the Shred-it Group determines whether it is necessary to recognize an impairment loss on its investment in the joint venture. At each reporting date, the Shred-it Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognizes the loss as "Share of income of a joint venture" in the combined statements of income (loss) and comprehensive income (loss).

Cash and cash equivalents

Cash and cash equivalents in the combined statements of financial position comprise cash at banks and on hand and highly liquid temporary investments with maturities of three months or less as at the date of acquisition.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Inventories

Finished goods are valued at the lower of cost, determined on a first-in, first-out basis, and net realizable value. Parts and supplies inventories are valued at the lower of cost determined on a weighted average basis, and net realizable value.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization.

Amortization is provided at the following rates and bases:

Equipment	10 years straight-line
Truck power train	25% declining balance
Truck body	25% declining balance
Truck chassis	25% declining balance
Truck shredder	25% declining balance
Consoles	3 years straight-line
Office equipment	30% declining balance
Leasehold improvements	Straight-line over the term of the lease plus one renewal period
Computer software and hardware	30% declining balance

Amortization of property, plant and equipment begins when assets are available for their intended use.

Internally developed computer software is carried at cost less any accumulated amortization. Amortization of the asset begins when development is complete and the asset is available for use.

Depreciation methods, rates and residual values are reviewed annually and revised if the current method, estimated useful life or residual value is different from that estimated previously. The effect of such changes is recognized prospectively in the combined statements of income (loss) and comprehensive income (loss).

Intangible assets

Intangible assets acquired in a business combination are recorded at their fair values. Intangible assets with finite useful lives are amortized over their estimated useful lives. Useful lives, residual values and amortization methods for intangible assets with finite useful lives are reviewed at least annually. Intangible assets having an indefinite life are not amortized but are tested for impairment on an annual basis, as described in note 11. The determination of these assets' indefinite lives is based on an analysis of all relevant factors, including the expected usage of the asset, the typical life cycle of the asset and anticipated changes in the market demand for the products and services that the asset helps generate.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives as follows:

Customer relationships	10 years straight-line
Brand name	Indefinite life
Non-competition agreements	Straight-line over the term of the agreement typically 3 to 5 years
Franchise rights	Straight-line over the remaining contractual term

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Shred-it Group's share of the net identifiable assets of the acquired business or equity method investee at the date of acquisition. If purchase consideration is lower than the fair value of the net assets acquired, the difference is recognized in the combined statements of income (loss) and comprehensive income (loss). After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill acquired in a business combination is allocated to each of the Shred-it Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Any gain or loss on the disposal of goodwill is recognized in the combined statements of income (loss) and comprehensive income (loss).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment

(a) Intangible assets with indefinite life

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually, or when there is an indication that the asset may be impaired either individually or at the cash-generating unit ("CGU") level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable; if not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognized in the combined statements of income (loss) and comprehensive income (loss) when the asset is derecognized.

(b) Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized at the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purposes of assessing impairment, assets are grouped into CGUs at the lowest levels for which there are separately identifiable independent cash flows. Non-financial assets, other than goodwill, that suffer impairment are reviewed for possible reversal of the impairment whenever reversal indicators exist.

(c) Goodwill

Goodwill is deemed to have an indefinite life and is tested annually for impairment or when there is an indicator of impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The recoverable amount of the CGU is the higher of the fair value less costs to sell and value in use. The recoverable amount is compared to the carrying amount of the CGU and an impairment loss is recorded at the amount that the carrying amount exceeds the recoverable amount.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition costs incurred are expensed and included in other expenses in the combined statements of income (loss) and comprehensive income (loss). When the Shred-it Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognized in accordance with IAS 39, *Financial Instruments: Recognition and Measurement* in the combined statements of income (loss) and comprehensive income (loss). Reacquired rights, as an exception to fair value, in business combinations, are recognized as an intangible asset based on the remaining contractual term of the related contract regardless of whether market participants would consider potential contractual renewals when measuring its fair value.

Disposal of business

In general, when a disposal transaction causes the Shred-it Group to relinquish control over a business the Shred-it Group records a gain or loss on disposal at the disposal date. The gain or loss is calculated as the difference between the fair value of the consideration received and the carrying amounts of the derecognized net assets, adjusted by amounts previously recognized in OCI in relation to that business.

Discontinued operations

Discontinued operations are reported when a component of an entity being disposed of comprises operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the entity, if the component either (1) represents a major line of business or geographical area of operations or (2) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations. In the combined statements of income (loss) and comprehensive income (loss), results from discontinued operations are reported separately from revenue and expenses from continuing operations and prior periods are presented on a comparative basis. Cash flows for discontinued operations are presented separately in note 21. In order to present the financial effects of the continuing operations and discontinued operations, revenue and expenses from intercompany transactions have been eliminated, except for expenses that are considered to continue after the disposal of the discontinued operation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Provisions

Provisions are recognized when a present obligation as a result of a past event will lead to a probable outflow of economic resources from the Shred-it Group and the amount of that outflow can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events (for example, legal disputes or onerous contracts). Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Revenue recognition

Shredding and records management revenue is recognized upon completion of service.

Recycling revenue is recognized upon the delivery of recycled materials to the customer.

Royalties are recognized as earned and are based on a percentage of the revenue of the franchisees.

Truck and container sales are recognized upon transfer of title to the customer.

Stock-based compensation

The Shred-it Group records compensation expense in the combined financial statements for stock options granted to employees and directors using an option valuation technique that is compliant with IFRS 2, *Share-based Payments.* The fair value of stock options classified as equity instruments that vest over time are recognized in stock-based compensation expense over the vesting period for each tranche of options.

Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Shred-it Group is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the combined statements of income (loss) and comprehensive income (loss).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Shred-it Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an operating expense in the combined statements of income (loss) and comprehensive income (loss) on a straight-line basis over the lease term.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the date of the combined statements of financial position. Management periodically evaluates positions taken in the tax returns for situations in which applicable tax regulations are subject to interpretation and establish provisions where appropriate. Current and deferred tax relating to items recognized directly in equity is also recognized in equity.

Deferred tax liabilities are provided for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that the deductions and tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each date of the combined statements of financial position and reduced to the extent it is no longer probable that the deferred or income tax assets will be recovered. Unrecognized deferred tax assets are reassessed at each reporting date and are

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to prevail in the period when the asset is realized or the liability settled, based on the tax rates and laws that have been enacted or substantively enacted at the dates of the combined statements of financial position.

Deferred tax liabilities are generally recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries and investments subject to significant influence, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority and on the same taxable entity.

Effective May 1, 2014, the 35.2% of the US-based taxable income is not taxed within the Shred-it Group due to the relevant entities electing to be disregarded for tax purposes.

Current and deferred income taxes are recorded based on the accounting records of the Combined Entities that are included within the Shred-it Group (note 1). No additional allocation of income taxes from parent entities was considered necessary. The combined financial statements do not include any tax consequences of the series of transactions that will be consummated prior to the Offering.

Foreign currency translation

The combined financial statements are presented in U.S. dollars, the Combined Entities' functional currency. Each subsidiary consolidated by the Shred-it Group determines its own functional currency based on the primary economic environment in which the subsidiary operates.

Foreign exchange gains/losses arising on transactions occurring in a currency other than an operation's functional currency are included in income or loss for the period.

Assets and liabilities of subsidiaries with different functional currencies are translated into U.S. dollars at the year-end rates of exchange and revenue and expense items are translated at the average rate of exchange during the period where these approximate actual rates. Exchange gains or losses arising from the translation of these subsidiaries are included as part of OCI.

Financial and derivative instruments

Financial assets and liabilities

The Shred-it Group classifies its financial assets and liabilities into the following categories:

- Financial assets available for sale;
- Financial assets and liabilities at fair value through income or loss;
- Loans and receivables; and
- Other financial liabilities.

Appropriate classification of financial assets and liabilities is determined at the time of initial recognition or when reclassified on the combined statements of financial position. Financial instruments classified as fair value through income or loss are recognized on the trade date, which is the date that the Shred-it Group commits to purchase or sell the asset.

(a) Financial assets available for sale

The Shred-it Group had no financial assets available for sale at December 31, 2014 and 2013.

(b) Financial assets and liabilities at fair value through income or loss

The Shred-it Group had no financial assets or liabilities, other than cash, at fair value through income or loss at December 31, 2014 and 2013.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Loans and receivables

Loans and receivables are initially measured at fair value plus transaction costs directly attributable to the acquisition of the financial asset and subsequently carried at amortized cost using the effective interest method less any impairment, with changes recorded through combined statements of income (loss) and comprehensive income (loss). Assets in this category include receivables and are classified as current assets on the combined statements of financial position with the gains and losses impacting operations.

(d) Other financial liabilities

All of the Shred-it Group's non-derivative financial liabilities are classified as other financial liabilities and are initially measured at fair value less transaction costs that are directly attributable to the issue of the financial liability. Subsequent to the initial recognition and measurement, these non-derivative financial liabilities are measured at amortized cost using the effective interest method. Such liabilities include bank advances, accounts payable and accrued liabilities, long-term debt, promissory notes payable and Class A and B special shares of Predecessor SII.

(e) Determination of fair value

The Shred-it Group categorizes its fair value measurements according to a three-level fair value hierarchy. The hierarchy prioritizes the inputs used by the Shred-it Group's valuation techniques. A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 — Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs which are supported by little or no market activity.

(f) Impairment of financial assets

The Shred-it Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the receivables or a group of receivables is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortized cost, the Shred-it Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Shred-it Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

Summary of estimates, judgments and assumptions

The preparation of combined financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

these estimates. Key areas of estimation where management has made difficult, complex or subjective judgments, often as a result of matters that are inherently uncertain, are as follows:

(a) Income taxes

Current and deferred tax liabilities must be estimated for the Shred-it Group, including an assessment of temporary differences. Any temporary differences will generally result in the recognition of deferred tax assets and liabilities in the combined financial statements. Based on management's judgment, deferred tax assets are not set up in situations where it is not probable that taxable income will be available against which deductible temporary differences can be utilized. Management must also determine the manner in which deferred tax balances will be realized as well as the tax rate that will apply when the balance is expected to be utilized. Estimating the rate requires an assessment of the allocation of taxable income amongst jurisdictions within certain countries (state or provincial allocation factors).

(b) Impairment of non-financial assets

The impairment test on CGUs is carried out by comparing the carrying amount of the CGU and its recoverable amount. The recoverable amount of a CGU is the higher of its fair value, less costs to sell and its value-in-use. The complex valuation process used to determine value-in-use considers discounted cash flows method, which includes significant assumptions relating to future cash flows, discount and terminal growth rates.

(c) Provisions

Considerable judgment is used in measuring and recognizing provisions and the exposure to contingent liabilities.

(i) Restoration costs

In the course of the Shred-it Group's activities, it is expected to have costs associated with restoring the location where assets are situated upon ceasing their use on those premises. The associated cash outflows, which are long-term in nature, are generally expected to occur at the dates of exit of the assets to which they relate.

These restoration costs are calculated on the basis of the identified costs for the current financial year, extrapolated into the future based on management's best estimates of future trends in prices, inflation and other factors, and are discounted to present value at a credit adjusted risk-free rate specifically applicable to the liability. Forecasts of estimated future provisions are revised in light of future changes in business conditions or technological requirements.

The Shred-it Group records these decommissioning and restoration costs as property, plant and equipment and subsequently allocates them to expenses using a systematic and rational method over the asset's useful life, and records the accretion of the liability as a charge to finance costs.

(ii) General insurance liabilities

General insurance liabilities represent the estimated ultimate cost of all asserted and unasserted claims incurred, primarily related to where the Shred-it Group is self-insured in the United States for workers' compensation claims, medical claims, auto liability and other general liability exposure. Workers' compensation, auto liability and general liability provisions are estimated through actuarial procedures of the insurance industry. The principal assumptions underlying the estimates are the past claims development experience and various industry sources to the extent that the Shred-it Group's data is deemed insufficient.

(d) Stock options, share units and share purchase plans

Assumptions, such as volatility, expected life of an award, risk-free interest rate, forfeiture rate vesting period, probability of reaching market conditions and dividend yield, are used in the underlying calculation of fair values of the Shred-it Group's stock options. Details of the assumptions used are included in note 19. Significant changes in the assumptions, including those with respect to future business plans and cash flows, could materially change the recorded carrying amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Determination of CGUs

The determination of CGUs was made through identifying the smallest group of assets that generates cash inflows largely independent of the cash flows from other assets or groups of assets. On this basis the CGUs were determined to be the countries in which the Shred-it Group operates given the Shred-it Group's national customer base. This determination is also consistent with how the Shred-it Group operates and makes decisions about continuing or disposing of assets or operations.

Changes in accounting policies and disclosures

New and amended standards and interpretations

IFRIC Interpretation 21, *Levies* ("IFRIC 21")

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Adoption of IFRIC 21 did not have a material financial impact on the combined financial statements.

Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments did not have a material impact on the combined financial statements.

Annual Improvements 2010 — 2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to *Fair Value Measurement (IFRS 13)*. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning on January 1, 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 did not have a material financial impact on the combined financial statements.

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the combined financial statements are disclosed below. The Shred-it Group intends to adopt these standards when they become effective.

Financial Instruments

In November 2013, the IASB issued a revised version of *Financial Instruments* (*IFRS 9),* which introduces a new chapter on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The revised standard permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in OCI rather than within the combined statements of loss and comprehensive income (loss). The amendments to IFRS 9 remove the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open, pending the finalization of the impairment, classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application. The Shred-it Group does not anticipate early adoption and plans to adopt the standard on its effective date, which the IASB has tentatively decided will be no earlier than January 1, 2018. The Shred-it Group is in the process of reviewing the standard to determine the impact on its combined financial statements.

Revenue Recognition

In May 2014, the IASB released IFRS 15, Revenue from contracts with customers, which supersedes existing revenue related guidance. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

(in thousands of U.S. dollars unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IFRS 15 will be effective for the Shred-it Group's fiscal year beginning on January 1, 2017, with earlier application permitted. The Shred-it Group has not yet assessed the impact of the adoption of this standard on its combined financial statements.

3. INTEREST IN A JOINT VENTURE

The Shred-it Group has a 49% interest (50% voting rights) in Shred-it LLC, a jointly controlled entity involved in document preservation and shredding activities in the UAE. As a result of its 50% voting rights the Shred-it Group is entitled to 50% of the income in Shred-it LLC. The Shred-it Group's interest in Shred-it LLC is accounted for using the equity method in the combined financial statements. Summarized financial information of the joint venture, based on its IFRS financial statements, and reconciliation with the carrying amount of the investment in its combined financial statements are set out below:

	2014	2013
	$	$
Cash and cash equivalents	**1,182**	1,816
Accounts receivable	**536**	727
Prepaid expenses and other assets	**106**	75
Total current assets	**1,824**	2,618
Property, plant and equipment	**444**	541
Total assets	**2,268**	3,159
Accounts payable and current liabilities	**116**	135
Due to Shred-it International	**248**	84
Total liabilities	**364**	219
Shareholders' equity	**1,904**	2,940
Proportion of the Shred-it Group's ownership	**50%**	50%
Carrying amount of the investment	**952**	1,470

Summarized statement of income of Shred-it LLC

	2014	2013	2012
	$	$	$
Revenue (shredding and recycling)	**2,560**	2,350	2,296
Expenses:			
Employment costs	**768**	717	708
Transportation and maintenance	**154**	137	123
Rent and occupancy	**50**	48	46
Subcontractor and other expenses	**370**	163	456
Depreciation and amortization	**196**	225	285
Net income for the year	**1,022**	1,060	678
Shred-it Group's share of net income for the year	**511**	530	339

The joint venture has no contingent liabilities or capital commitments as at December 31, 2014 and 2013. Shred-it LLC paid $1,029 in dividends to the Partnership during the year.

4. ACQUISITIONS

(a) 2014 business acquisitions

Cintas acquisition

On April 30, 2014, the Partnership acquired the Cintas document shredding business which has been accounted for as a business acquisition. As consideration, the Partnership issued 14,900 Class A Common LP units and 18,700 Class B Common LP Units, valued at

(in thousands of U.S. dollars unless otherwise stated)

4. ACQUISITIONS (Continued)

$336,000, representing 42% of the Partnership's units and $186,755 in cash. As part of the transaction, the Partnership and Cintas entered into an Investors Agreement which specifies that if a qualified monetizing event of the Partnership has not occurred within five years of the date of the agreement, i.e. April 30, 2014, Cintas has the right to sell all but not less than all of the Partnership units owned by it to the other investors at fair market value. The Partnership does not have a liability associated with this put option as they are not required to purchase the Cintas units. If the other investors reject the put offer the Partnership is responsible for initiating the sale process only and is under no obligation to acquire Cintas's share in the event the put option is exercised.

Franchise acquisitions

The following franchise acquisitions were completed in 2014:

On June 16, 2014, the Partnership acquired 100% of the assets Virginia Shredders Inc. based in Norfolk and Richmond, Virginia.

On September 3, 2014, the Partnership acquired 100% of the assets of Prudence Corporation based in Baltimore, Maryland.

On September 22, 2014, the Partnership acquired 100% of the assets of Boyer-Kansas Inc. located in Kansas City and Springfield, Missouri.

On September 29, 2014, the Partnership acquired 100% of the assets of Charlotte Shredders based in Charlotte, North Carolina.

On October 6, 2014, the Partnership acquired 100% of the assets of Linden Data Industries, located in Las Vegas, Nevada.

On October 27, 2014, the Partnership acquired 100% of the assets of Rod Ben International Corp. located in the Commonwealth of Puerto Rico.

On December 15, 2014, the Partnership acquired 100% of the assets of Environmental Security Inc. located in Cheshire, Connecticut.

On December 30, 2014, the Partnership acquired 100% of the assets of North Florida Shredding Inc. located in Tallahassee, Florida.

Iron Mountain acquisition

On December 1, 2014, the Partnership acquired 100% of the shares of Iron Mountain Incorporated's ("Iron Mountain") shredding operations located in the United Kingdom, Ireland and Australia, in exchange for cash consideration.

Summary of acquisitions

The fair value of the assets acquired and liabilities assumed, relating to Cintas, franchise and Iron Mountain acquisition completed in 2014 are summarized as follows:

	Cintas	Franchises	Iron Mountain	Total
	$	$	$	$
Cash	**632**	**—**	**347**	**979**
Accounts receivable	**42,964**	**2,615**	**67**	**45,646**
Prepaid expenses	**930**	**91**	**97**	**1,118**
Property, plant and equipment	**130,994**	**7,018**	**10,104**	**148,116**
Customer lists	**171,000**	**21,439**	**8,675**	**201,114**
Franchise rights	**—**	**4,542**	**—**	**4,542**
Other intangibles	**—**	**—**	**2,622**	**2,622**
Goodwill	**253,040**	**32,226**	**8,048**	**293,314**
Brand name	**1,000**	**—**	**—**	**1,000**
Provisions and accrued liabilities	**(26,485)**	**—**	**(1,286)**	**(27,771)**
Deferred income taxes	**(51,320)**	**—**	**(2,055)**	**(53,375)**
	522,755	**67,931**	**26,619**	**617,305**

All acquisitions were accounted for as business combinations using the acquisition method with the results of operations consolidated with those of the Partnership from the date of acquisition. The Partnership acquired these businesses as they provide similar document destruction and recycling services.

(in thousands of U.S. dollars unless otherwise stated)

4. ACQUISITIONS (Continued)

Allocation of the purchase price for the Iron Mountain acquisition was based on preliminary estimates of the fair value of net assets acquired and is subject to adjustment as additional information becomes available to the Partnership. The purchase price allocation of this acquisition is subject to finalization of the assessment of fair value of the intangible assets (primarily customer relationships intangible assets), property, plant and equipment, contingencies and income taxes (primarily deferred income taxes).

As at December 31, 2014, there was $185 of net contingent consideration receivable primarily related to customer retention with respect to the Iron Mountain acquisition completed on December 1, 2014.

An estimate at the acquisition date of acquired accounts receivable not expected to be collected is $2,778 (2013 — $48).

Goodwill represents the expected operational synergies with the acquiree and/or intangible assets that do not qualify for separate recognition. Generally goodwill arising from asset acquisitions is deductible for tax.

From the date of acquisition, the above acquisitions have contributed to revenue and income before income tax as follows:

	Cintas	Franchises	Iron Mountain
	$	$	$
Revenue	**190,047**	**9,964**	**1,421**
Income before income tax	**64,142**	**2,410**	**275**

If the business combinations had taken place at the beginning of the year, the above acquisitions would have contributed to revenue and income before income tax to the Partnership as follows:

	Cintas	Franchises	Iron Mountain
	$	$	$
Revenue	**285,070**	**39,596**	**17,054**
Income before income tax	**96,213**	**7,926**	**3,299**

(b) 2013 business acquisitions

The following franchise acquisitions were completed in 2013:

(i) On January 23, 2013, Predecessor SII acquired 100% of the shares of Legap Limited based in the Republic of Ireland.

(ii) On January 23, 2013, Predecessor SII acquired 100% of the assets of DMG 2010 Limited based in Northern Ireland.

(iii) On June 6, 2013, Predecessor SII acquired 100% of the shares of Shred-it (East of Scotland) Limited based in Edinburgh, Scotland.

(iv) On July 19, 2013, Predecessor SII acquired 100% of the shares of CELB based in Bristol, United Kingdom.

The fair values of the assets acquired and liabilities assumed, relating to the acquisitions completed in 2013, are summarized as follows:

	$
Accounts receivable	2,405
Prepaid expenses	115
Property, plant and equipment	3,437
Customer lists	11,428
Franchise rights	3,771
Goodwill	9,637
Accrued liabilities	(2,314)
Deferred income taxes	(2,897)
	25,582

(in thousands of U.S. dollars unless otherwise stated)

4. ACQUISITIONS (Continued)

All acquisitions were accounted for as a business combination using the acquisition method with the results of operations consolidated with those of SII from the date of acquisition. Predecessor SII acquired these businesses as they provide similar document destruction and recycling services.

As at December 31, 2014, there was no contingent consideration with respect to acquisitions completed in 2013.

Goodwill represents the expected operational synergies with the acquiree and/or intangible assets that do not qualify for separate recognition and is tax deductible.

An estimate at the acquisition date of acquired accounts receivable not expected to be collected is $48.

From the date of acquisition, the above acquisitions contributed $9,780 of revenue and $2,707 of income before income tax to SII in 2013.

(c) 2012 business acquisitions

(i) On January 6, 2012, Predecessor SII acquired 100% of the shares of Confidential Destruction Services (Proprietary) Limited based in South Africa.

(ii) On January 23, 2012, Predecessor SII acquired 100% of the assets of Home Locators, Inc. based in Jacksonville, Florida.

(iii) On February 6, 2012, Predecessor SII acquired 100% of the shares of Security Shredders PTE LTD based in Singapore.

(iv) On May 1, 2012, Predecessor SII acquired 100% of the assets of Inland Empire Shred-it, Inc. based in San Bernardino, California. Additional consideration can be payable over the 24 month period immediately following the acquisition date resulting from the actual selling price of recycled paper and tonnage of paper shredded over a certain pre-determined threshold.

(v) On May 15, 2012, Predecessor SII acquired 100% of the shares of Shred-it Glasgow Limited based in Glasgow, Scotland.

(vi) On August 23, 2012, Predecessor SII acquired 100% of the shares of Secure Shredding Limited located in London, United Kingdom.

(vii) On September 10, 2012, Predecessor SII acquired 100% of the assets of Pacific Shredco, LLC, based in Seattle, Washington. Consideration can be payable over the 24 month period immediately following the acquisition date resulting from the actual selling price of recycled paper and tonnage of paper shredded over a certain pre-determined threshold. In addition, there is consideration contingently payable on the renewal of a specific customer contract.

(viii) On September 11, 2012, Predecessor SII acquired 100% of the shares of Super Shred Mobile Record Destruction Inc. based in Toronto, Ontario. Additional consideration can be payable over the 12 month period immediately following the acquisition date relating to the revenue of specific customers as compared to a pre-determined threshold.

(ix) On November 7, 2012, Predecessor SII acquired 100% of the shares of Document Destruction Company Limited located in West Yorkshire, United Kingdom.

The fair value of the assets acquired and liabilities assumed, relating to the acquisitions completed in 2012 are summarized as follows:

	$
Accounts receivable	2,918
Prepaid expenses	109
Property, plant and equipment	6,295
Customer lists	23,228
Franchise rights	3,861
Non-competition agreements	527
Goodwill	21,680
Accrued liabilities	(1,288)
Deferred income taxes	(4,331)
	52,999

(in thousands of U.S. dollars unless otherwise stated)

4. ACQUISITIONS (Continued)

All acquisitions were accounted for as a business combination using the acquisition method with the results of operations consolidated with those of Predecessor SII from the date of acquisition. Predecessor SII acquired these businesses as they provide similar document destruction and recycling services resulting in growth of the Shred-it Group.

From the date of acquisition, the above acquisitions contributed $12,040 of revenue and $1,381 of income before tax to Predecessor SII in 2012.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	2014	2013
	$	$
Cash	**56,211**	13,423
Bank indebtedness	**(14,263)**	(5,602)
	41,948	7,821

6. INVENTORIES

Inventories consist of the following:

	2014	2013
	$	$
Finished goods	**233**	180
Parts and supplies	**794**	845
	1,027	1,025

7. RELATED PARTY TRANSACTIONS

(a) As previously noted, Cintas received 42% of the Partnership units as part of the Shredding transaction. During the course of 2014, the Partnership entered into certain transactions with Cintas, as part of the Transition Services Agreement ("TSA") which expires July 3, 2015. These transactions are recorded at the exchange amounts as agreed upon with Cintas. The purpose of the TSA is for the Partnership to obtain Cintas's support for integration of the acquired Cintas shredding business. The Partnership incurred TSA related costs of $12,562, which were recorded in employment costs, transportation and maintenance, rent and occupancy, administrative, subcontractor and other expenses. The amounts due to/due from Cintas are based on 30-day terms of repayment.

The Partnership provided shredding services to Cintas and earned revenue of $422 in 2014 (2013 — nil; 2012 — nil). Also, Cintas sold other products and services to the Partnership for $1,492.

As at December 31, 2014, amounts due from Cintas was $6,208 and amounts due to Cintas was $10,252 (2013 — nil; 2012 — nil).

(b) As at December 31, 2013, shareholder loans receivable of $7,862 ($3,126 which is classified as current and $4,736 is classified as long-term) were comprised of share purchase financing made by Predecessor SII to certain employees and independent members of the Board of Directors of Predecessor SII, of which $3,050 was provided in Canadian funds and $4,812 in U.S. funds. The loans were collateralized by 1,380,875 common shares and 12,427,872 special shares of Predecessor SII and were bearing interest at the rate of 4.0% per annum, calculated monthly, with such interest added to the principal amount of the loans. The loans were due at the earlier of the disposition of all of the shares and five years from the date of issue. Interest of $338 was charged by Predecessor SII during the year ended December 31, 2013 (2012 — $329).

As part of the Reorganization, the special and common shares of Predecessor SII were exchanged for common units of the Partnership. As well, employees of Predecessor SII elected to receive a cash payment net of applicable withholding taxes and any outstanding Predecessor SII shareholder loans in exchange for the settlement of stock options.

As at December 31, 2014, shareholder loans receivable of $3,307 were outstanding. These loans were collateralized by 41,732 Boost Holdings common LP units and bearing interest at the rate of 4% per annum, calculated monthly, with such interest added to the principal amount of the loans. The loans are repayable on or before April 30, 2019. Interest income of $147 was recognized in 2014.

(in thousands of U.S. dollars unless otherwise stated)

7. RELATED PARTY TRANSACTIONS (Continued)

(c) As at December 31, 2013, the line item titled due to shareholders included the entire amount of $193,154 of subordinated Class A promissory grid notes (promissory notes) due to shareholders and $93,866 of Class A and B special shares of Predecessor SII. The promissory notes were denominated in Canadian dollars, bearing interest at fixed rates ranging from non-interest bearing to 13.3% since inception, with an effective interest rate of 8.75% in 2013, and were to mature upon a liquidation event or in June 2024. Interest expense of $15,843 was recognized in 2013 (2012 — $15,058).

As part of the Reorganization, the promissory notes, and related interest, and special shares of Predecessor SII, were exchanged for common units of the Partnership. Interest expense of $5,127 was recognized in 2014.

(d) During the year, the Partnership paid $180 (2013 — $471; 2012 — 479) as management fees to BHEPMI, which is a sole shareholder of Boost GP.

(e) The compensation expense associated with key management and members of the Partnership's Board of Directors for services was included in employee salaries and benefits as follows:

	2014	2013	2012
	$	$	$
Salaries and other short-term employee benefits	**6,254**	2,932	2,654
Stock-based compensation	**6,456**	138	169
	12,710	3,070	2,823

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	2014		
	Cost	Accumulated amortization	Net book value
	$	$	$
Equipment	**44,757**	**3,526**	**41,231**
Trucks	**198,285**	**92,515**	**105,770**
Consoles	**58,489**	**28,993**	**29,496**
Office equipment	**5,955**	**2,730**	**3,225**
Leasehold improvements	**21,205**	**7,071**	**14,134**
Computer software and hardware	**64,389**	**36,407**	**27,982**
	393,080	**171,242**	**221,838**

	2013		
	Cost	Accumulated amortization	Net book value
	$	$	$
Equipment	22,934	8,991	13,943
Trucks	115,084	66,501	48,583
Consoles	23,154	17,544	5,610
Office equipment	3,668	2,244	1,424
Leasehold improvements	14,334	8,660	5,674
Computer software and hardware	53,432	32,445	20,987
	232,606	136,385	96,221

Depreciation expense of property, plant and equipment from continuing operations for the year ended December 31, 2014 amounted to $48,094 (2013 — $29,756; 2012 — $31,057).

(in thousands of U.S. dollars unless otherwise stated)

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

Additions from continuing operations excluding acquisitions, to property, plant and equipment for the year ended December 31, 2014 amounted to $34,425 (2013 — $19,738; 2012 — $26,970).

Changes in the net carrying amounts of property, plant and equipment can be summarized as follows:

	2013 Net book value	Additions	Acquisitions	Amortization	Disposals	Foreign exchange	2014 Net book value
	$	$	$	$	$	$	$
Equipment	13,943	**2,671**	**33,616**	**(4,252)**	**(4,369)**	**(378)**	**41,231**
Trucks	48,583	**12,236**	**71,319**	**(24,467)**	**(217)**	**(1,684)**	**105,770**
Consoles	5,610	**5,450**	**29,243**	**(10,425)**	**(2)**	**(380)**	**29,496**
Office equipment	1,424	**357**	**2,399**	**(877)**	**(24)**	**(54)**	**3,225**
Leasehold improvements	5,674	**1,262**	**8,252**	**(1,882)**	**(410)**	**1,238**	**14,134**
Computer software and hardware	20,987	**12,644**	**3,287**	**(7,155)**	**(17)**	**(1,764)**	**27,982**
	96,221	**34,620**	**148,116**	**(49,058)**	**(5,039)**	**(3,022)**	**221,838**

	2012 Net book value	Additions	Acquisitions	Amortization	Disposals	Foreign exchange	2013 Net book value
	$	$	$	$	$	$	$
Equipment	14,783	1,554	364	(2,551)	—	(207)	13,943
Trucks	51,622	10,343	2,168	(14,501)	(369)	(680)	48,583
Consoles	6,960	2,371	378	(4,213)	—	114	5,610
Office equipment	1,678	112	164	(503)	—	(27)	1,424
Leasehold improvements	5,875	1,171	363	(1,577)	—	(158)	5,674
Computer software and hardware	25,504	4,556	—	(8,066)	—	(1,007)	20,987
	106,422	20,107	3,437	(31,411)	(369)	(1,965)	96,221

9. GOODWILL

Goodwill consists of the following:

	$
Balance at December 31, 2012	116,158
Goodwill related to 2013 acquisitions *(note 4(b))*	9,637
Effect of change in currency translation rates	(756)
Balance, December 31, 2013	125,039
Goodwill related to 2014 acquisitions *(note 4(a))*	293,314
Sale of RM business *(note 21)*	(2,866)
Effect of change in currency translation rates	(8,051)
Balance, December 31, 2014	**407,436**

(in thousands of U.S. dollars unless otherwise stated)

10. INTANGIBLE ASSETS

Intangible assets consist of the following:

	2014		
	Cost	Accumulated amortization	Net book value
	$	$	$
Customer relationships	**347,627**	**73,869**	**273,758**
Brand name	**84,357**	**—**	**84,357**
Brand name — Cintas	**1,000**	**667**	**333**
Franchise rights	**16,122**	**5,131**	**10,991**
Non-competition agreements	**3,712**	**795**	**2,917**
	452,818	**80,462**	**372,356**

	2013		
	Cost	Accumulated amortization	Net book value
	$	$	$
Customer relationships	153,444	50,420	103,024
Brand name	90,478	—	90,478
Franchise rights	11,822	3,249	8,573
Non-competition agreements	1,172	579	593
	256,916	54,248	202,668

Amortization expense on intangible assets for the year ended December 31, 2014 amounted to $30,244 (2013 — $16,733; 2012 — $14,057).

Additions to intangible assets are solely attributable to acquisitions.

	2013 Net book value	Acquisitions	Amortization	Foreign exchange	2014 Net book value
	$	$	$	$	$
Customer relationships	103,024	**201,114**	**(23,001)**	**(7,379)**	**273,758**
Brand name	90,478	**—**	**—**	**(6,121)**	**84,357**
Brand name — Cintas	—	**1,000**	**(667)**	**—**	**333**
Franchise rights	8,573	**4,542**	**(6,312)**	**4,188**	**10,991**
Non-competition agreements	593	**2,622**	**(264)**	**(34)**	**2,917**
	202,668	**209,278**	**(30,244)**	**(9,346)**	**372,356**

	2012 Net book value	Acquisitions	Amortization	Foreign exchange	2013 Net book value
	$	$	$	$	$
Customer relationships	106,447	11,428	(14,471)	(380)	103,024
Brand name	90,836	—	—	(358)	90,478
Franchise rights	6,071	3,771	(2,023)	754	8,573
Non-competition agreements	852	—	(239)	(20)	593
	204,206	15,199	(16,733)	(4)	202,668

(in thousands of U.S. dollars unless otherwise stated)

11. GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSET IMPAIRMENT

The Shred-it Group tests CGUs with allocated goodwill and indefinite life intangible assets for impairment annually. In assessing whether or not there has been impairment, the Shred-it Group compares the higher of value-in-use or fair value less costs to sell to the carrying value of the CGU.

To calculate the value-in-use approach, the Shred-it Group estimates the discounted future cash flows for an initial period of four years. The future cash flows include consideration for expected future operating results, economic conditions and a general outlook for the industry. Value beyond the initial period is derived from applying a terminal value multiple to the final year of the initial projection period. The terminal value multiple is a function of the discount rate and the estimated terminal growth rate. The estimated terminal growth rate is not to exceed the long-term average growth rate (inflation rate) of the markets in which the CGUs operate.

The Shred-it Group has made certain assumptions for the discount and terminal growth rates to reflect variations in expected future cash flows. These assumptions may differ or change quickly depending on economic conditions or other events.

Based on impairment testing, the carrying amounts of goodwill in the CGUs were fully recoverable.

A summary of the goodwill allocation by CGU is presented as follows:

	2014	2013
	$	$
Canada	**34,957**	28,428
United States	**343,095**	73,876
United Kingdom	**15,077**	15,608
Other international countries	**14,307**	7,127
	407,436	125,039

Brand with an indefinite life is tested for impairment at the consolidated Partnership level.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for all CGUs is most sensitive to the following assumptions:

(a) Revenue growth rates

(b) Pre-tax discount rates

(c) Terminal growth value

(d) Gross margin

(e) Capital expenditures

(a) Revenue growth rates — Growth rates ranging from 5% to 8% were used for the periods covered in the financial projections and are based on historical results and expectations for the forecasted periods.

(b) Pre-tax discount rates — Pre-tax discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The pre-tax discount rate calculation is based on the specific circumstances of the CGU and range from 10% to 14%.

(c) Terminal growth value — The cash flows beyond the initial period are extrapolated using a 2% growth rate. Rates are based on market and industry trends researched and identified by management.

(d) Gross margin — Gross margin ranges from 61% to 68.3% and margins are based on average values achieved in historical results and expectations for the forecasted period specific to each CGU.

(e) Capital expenditures — The cash flow forecasts for capital expenditures are based on past experience and include the ongoing capital expenditures required to build infrastructure in emerging markets. Capital expenditures include cash outflows for the purchase of property, plant and equipment.

(in thousands of U.S. dollars unless otherwise stated)

11. GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSET IMPAIRMENT (Continued)

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the CGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGU to exceed its recoverable amount.

12. PROVISIONS

	Restoration costs[a]	General insurance liabilities[b]	Total
	$	$	$
Balance, December 31, 2012	763	7,423	8,186
Additions	141	12,646	12,787
Adjustments	334	—	334
Amounts used	(1)	(9,525)	(9,526)
Balance, December 31, 2013	1,237	10,544	11,781
Additions	3	17,695	17,698
Acquisitions	1,346	10,469	11,815
Adjustments	(129)	(1,078)	(1,207)
Amounts used	31	(18,444)	(18,413)
Balance, December 31, 2014	**2,488**	**19,186**	**21,674**

Of the balance at December 31, 2014, $8,169 is considered to be current (2013 — $3,985) and $13,505 non-current (2013 — $7,796).

(a) In the course of the Shred-it Group's activities, a number of sites and other property, plant and equipment assets are utilized that are expected to have costs associated with exiting and cessation of use. The associated decommissioning and restoration obligation cash outflows are generally expected to occur at the date of exit of the asset to which they relate, which are long-term in nature. The extent of restoration work that will be ultimately required for these sites is uncertain.

(b) General insurance liabilities represent the estimated ultimate cost of all asserted and unasserted claims incurred, primarily related to where the Shred-it Group is self-insured in the United States for workers' compensation claims, medical claims, auto liability and other general liability exposure. Workers' compensation, auto liability and general liability provisions are estimated through actuarial procedures of the insurance industry. The principal assumptions underlying the estimates are the past claims development experience and various industry sources to the extent that the Shred-it Group's data is deemed insufficient. The Shred-it Group records an increase or decrease in employment costs related to development of prior claims, higher claims activity and other factors in the period in which it becomes known. These changes in estimates may be material to the combined financial statements.

13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

(a) Based on the agreement between the Shred-it Group and the franchisees, contributions are to be made to the advertising funds based on a proportion of the shredding and recycling revenue. Any surplus or deficit in the advertising funds is allocated to the Shred-it Group's corporate branches and the franchisees in the proportion of the fees paid to the advertising funds. As at December 31, 2014 and 2013, there was no surplus.

(b) Shred-it Insurance Ltd. is a captive insurance company established under the Insurance Act of Barbados. Effective April 1, 2008, all of the workers' compensation, general liability automobile liability, and commercial general liability insurance contracts underwritten by Shred-it Insurance Ltd. were cancelled, and Shred-it Insurance Ltd. was put into run-off. As at December 31, 2014, Shred-it Insurance Ltd. had claims provisions of $1,261 (2013 — $1,460), determined by an actuary using a discount rate of 1.0%, and assets collected from premiums of $632 (2013 — $982).

(in thousands of U.S. dollars unless otherwise stated)

14. LONG-TERM DEBT

On April 30, 2014, to assist in the financing required to complete the Shredding transaction, the Partnership entered into a new senior secured credit agreement (the "New Credit Agreement") and terminated the existing Predecessor SII syndicated senior secured credit agreement originally entered into on June 5, 2009 and subsequently amended on November 12, 2010, July 29, 2011, and September 28, 2012 (the "Old Credit Agreement"). The extinguishment of debt under the Old Credit Agreement resulted in $704 of deferred financing fees being expensed for the year ended December 31, 2014. Transaction costs of $6,286 were incurred as deferred financing fees related to the New Credit Agreement. The New Credit Agreement consists of a revolving credit facility (the "Revolving credit facility") and a term credit facility (the "New term credit facility").

	2014	2013
	$	$
New term credit facility due April 30, 2019 (net of deferred financing fees of $3,414)[(a)(c)]	**406,586**	—
Old term credit facility due September 28, 2017 (net of deferred financing fees of $274 on December 31, 2013)[(d)(f)]	**—**	202,226
Revolving credit facility (net of deferred financing fees of $354)[(c)]	**41,646**	—
Revolving credit commitment (net of deferred financing fees of $530 on December 31, 2013)[(e)(f)]	**—**	(530)
	448,232	201,696
Less current portion	**—**	18,000
	448,232	183,696

(a) The New term credit facility of $410,000 is due April 30, 2019. The New term credit facility bears interest at LIBOR plus an applicable margin, ranging from 1.25% to 2.25%. As at December 31, 2014, the interest rate on the New term credit facility was 2.49% (the effective interest rate at inception was 2.70%).

The Partnership can designate the basis for the interest rate to be applied to the New term credit facility based on its Total Leverage Ratio.

As collateral, the Partnership has provided a general security agreement over all of its assets and pledged shares of all of its subsidiaries.

(b) The New revolving credit facility has $250,000 of available credit that can be drawn on in U.S. dollars, revolving advances bearing interest at the Bankers' Acceptance rates, Canadian prime rate, Eurodollar rate, Canadian base rate, Euro LIBOR rate, Sterling LIBOR rate plus a margin or U.S. dollar revolving advances bearing interest at the Eurodollar rate, Alternate base rate (greater of: the rate of interest for loans in U.S. dollars in the United States to U.S. borrowers; and, the Federal Funds Rate plus 50 basis points per annum), Euro LIBOR rate, Sterling LIBOR plus a margin.

(c) At December 31, 2014, there was $2,381 of deferred financing costs, net of accumulated amortization of $296, related to the Revolving credit facility. As at December 31, 2014, there were deferred financing fees of $3,905, net of accumulated interest accretion of $491 related to the New term credit facility. Deferred financing fees of $354 have been presented as net against the drawn portion of the revolver loan and $1,732 has been presented as a deferred financing fees asset to represent the undrawn portion.

(d) The Old Credit Agreement included a $225,000 old term credit facility that was subject to principal payments per year with the balance due on maturity on September 28, 2017. The Old term credit facility was bearing interest at LIBOR plus a margin. As at December 31, 2013, the interest rate on the Old term credit facility was 2.75%. The effective interest rate at inception was 3.18%. At the beginning of each quarter, Predecessor SII could designate the basis for the interest rate to be applied based on: (i) Canadian prime rate; (ii) Canadian base rate (defined as the greater of: the rate of interest for loans in U.S. dollars in Canada to Canadian borrowers; and, the Federal Funds Rate plus 50 basis points per annum); (iii) Alternate base rate (defined as the greater of: the rate of interest for loans in U.S. dollars in the United States to U.S. borrowers; and, the Federal Funds Rate plus 50 basis points per annum); and (iv) LIBOR.

(e) The Old Credit Agreement included a $150,000 revolving credit commitment, and was available in either Canadian dollar revolving loans bearing interest at the Canadian prime rate, Bankers' Acceptance rates, Eurodollar rate, Base Rate (Canada), Euro LIBOR or Sterling LIBOR rate plus a margin or U.S. dollar revolving loans bearing interest at the Eurodollar rate, Alternate base rate, Euro LIBOR or Sterling LIBOR rate plus a margin. Principal amounts under the revolving credit commitment were due and payable in full at maturity.

14. LONG-TERM DEBT (Continued)

(f) During the normal course of business, standby letters of credit are provided to secure facilities from service providers. As at December 31, 2014, standby letters of credit amounting to approximately $14,722 (2013 — $11,927) had been provided reducing the revolving credit commitment availability.

(g) Transaction costs as of December 31, 2013 related to the revolving credit commitment consisted of deferred financing costs of $530 which were net of accumulated amortization of $166. The net deferred financing fees were recorded against the revolving credit commitment. As at December 31, 2013, the transaction costs relating to the old term credit facility consisted of deferred financing fees of $274, net of accumulated amortization accretion of $122 which had been recorded against the old term credit facility and were accreted as interest expense using the effective interest rate method.

(h) Interest expense includes $8,635 for the year ended December 31, 2014 (2013 — $8,039; 2012 — $10,534) relating to long-term debt.

(i) As at December 31, 2014, fair value of the New term credit facility was $405,890 and revolving credit facility was $41,579. As at December 31, 2013, the fair values of the Old term credit facility and revolving term loan commitment approximated their carrying values.

Capital management

The Shred-it Group's objectives when managing capital are to provide the Shred-it Group with the necessary capital to continue as a going concern, so that it can provide products and services to its customers and returns to its partners. The Shred-it Group defines capital that it manages as the aggregate of its equity and interest bearing debts net of cash and cash equivalents.

The Shred-it Group manages its capital in a manner to ensure that the Shred-it Group can make its required interest and principal payments. For the year ended December 31, 2014, the Shred-it Group's cash on hand, cash flow and availability under its revolving credit facility were sufficient to enable it to make its required interest payments.

The Shred-it Group monitors capital using consolidated leverage and interest coverage ratios. Under the Partnership's New Credit Agreement, the Partnership is required to maintain: (a) a consolidated leverage ratio of less than 4.0 for all quarters ending up to and including March 31, 2016 and less than 3.5 for all quarters ended thereafter; and, (b) a consolidated interest coverage ratio not less than 2.0.

The consolidated leverage ratio is the consolidated total debt of the Partnership divided by the last four quarters' adjusted consolidated earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA"). Consolidated total debt excludes the contingent debt related to letters of credit. Adjusted EBITDA is operating income before interest, depreciation, amortization and taxes adjusted to exclude non-recurring items, unusual items and include the pro-forma impact of acquisitions permitted in calculating covenant compliance under the term credit facility. The consolidated interest coverage ratio is the last four quarters' Adjusted EBITDA divided by consolidated cash interest expense.

The Shred-it Group monitors capital using consolidated leverage and interest coverage ratios as part of the management of liquidity to sustain future development of the business and maintain these ratios under the New Credit Agreement.

As at December 31, 2014, the Shred-it Group is in compliance with these covenants.

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial instruments

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Shred-it Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The Shred-it Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

For assets and liabilities that are recognized in the combined financial statements on a recurring basis, the Shred-it Group determines whether transfers have occurred between the levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Shred-it Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained in note 2.

(b) Risk overview

The Shred-it Group is exposed to credit risk, liquidity risk, interest rate risk and foreign currency rate risk. The Shred-it Group's primary risk management objective is to protect its income and cash flows and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Shred-it Group's risks and the related exposures are consistent with its business objectives and risk tolerance.

(i) Credit risk

Credit risk represents the financial loss that the Shred-it Group would experience if counterparty to a financial instrument, in which the Shred-it Group has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Shred-it Group.

The Shred-it Group's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the combined statements of financial position are net of allowances for doubtful accounts, estimated by the Shred-it Group's management based on prior experience and their assessment of the current economic environment. The Shred-it Group establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of accounts receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures and an overall loss component established based on historical trends. As at December 31, 2014, the Shred-it Group had accounts receivable of $103,002 (2013 — $53,432) gross of an allowance for doubtful accounts of $5,210 (2013 — $2,619). As at December 31, 2014, $12,201 (2013 — $9,375) of accounts receivable are considered past due. The believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk associated with the Shred-it Group's accounts receivable.

The Shred-it Group believes that the concentration of credit risk of accounts receivable is limited due to its broad customer base, dispersed across varying industries and geographic locations.

The Shred-it Group has established various internal controls designed to mitigate credit risk and has also established procedures to suspend the availability of services when customers have fully utilized approved credit limits or have violated established payment terms.

While the Shred-it Group's credit controls and processes have been effective in managing credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Shred-it Group's current credit loss experience will not continue.

(ii) Liquidity risk

Liquidity risk is the risk that the Shred-it Group will not be able to meet its financial obligations as they fall due. The Shred-it Group manages liquidity risk through the management of its capital structure and financial leverage, as outlined in note 14 to the combined financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Shred-it Group's reputation. As at December 31, 2014, the undrawn portion of the Shred-it Group's Revolving credit facility was approximately $208,000 (2013 — $138,028), excluding letters of credit of $14,722 (2013 — $11,927).

(in thousands of U.S. dollars unless otherwise stated)

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (Continued)

The table below summarizes the maturity profile of the Shred-it Group's financial liabilities based on contractual undiscounted payments as at December 31, 2014:

	Contractual cash flows	Year 1	2 to 3 years	4 to 5 years	Thereafter
	$	$	$	$	$
Bank indebtedness	**14,263**	**14,263**	**—**	**—**	**—**
Accounts payable and accrued liabilities	**52,294**	**52,294**	**—**	**—**	**—**
New term credit facility	**410,000**	**—**	**—**	**410,000**	**—**
Revolving credit facility	**42,000**	**—**	**—**	**42,000**	**—**
	518,557	**66,557**	**—**	**452,000**	**—**

(iii) Interest rate risk

The Shred-it Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Shred-it Group to interest rate cash flow risk.

As at December 31, 2014, if interest rates decreased or increased by 1%, with all other variables held constant, loss before income taxes would be impacted by $2,733.

(iv) Foreign currency rate risk

Foreign currency rate risk is the risk that the fair value of future cash flows will fluctuate due to changes in foreign exchange rates. The Shred-it Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Shred-it Group's operating activities (when revenue or expenses are denominated in a different currency from the functional currency and the Shred-it Group's net investments in foreign subsidiaries).

The Shred-it Group operates in the Canadian, U.S., U.K., Eurozone, South African, Singapore, Australian and UAE markets and is exposed to unpredictable foreign exchange rate changes.

The Shred-it Group does not employ a foreign currency derivative hedging program and, therefore, foreign currency translation can have a significant impact on total comprehensive income (loss) during periods of fluctuating exchange rates.

As at December 31, 2014, if the following foreign exchange relationships weakened or strengthened by 1% against the U.S. dollar, with all other variables held constant, total comprehensive income (loss) for the year would have been higher or lower as follows:

	$
Canadian dollar	**2,260**
Pounds sterling	**73**
Euro	**93**

(in thousands of U.S. dollars unless otherwise stated)

16. INCOME TAXES

(a) The major components of income tax expense (recovery) is as follows:

	2014	2013	2012
	$	$	$
Current income tax expense (recovery)			
Based on taxable income of the current year	**4,493**	1,963	743
Adjustments in respect of prior years	**1,779**	(97)	(4,049)
Other	**451**	163	387
	6,723	2,029	(2,919)
Deferred tax expense (recovery)			
Origination and reversal of temporary differences	**(9,847)**	(2,046)	(4,048)
Impact of change in tax rates/new tax laws	**(227)**	63	62
Adjustments in respect of prior years	**1,885**	(1,181)	(789)
Changes to unrecognized tax benefits	**(1,242)**	157	(1,648)
Change in outside basis of partnership interest	**7,292**	—	—
	(2,139)	(3,007)	(6,423)
Income tax expense (recovery)	**4,584**	(978)	(9,342)

(b) Reconciliation of effective tax rate:

	2014	2013	2012
	$	$	$
Loss before income taxes	**(14,309)**	(22,424)	(35,564)
Combined statutory Canadian federal and provincial rate	**26.42%**	26.39%	26.36%
Income tax recovery based on statutory rate	**(3,781)**	(5,918)	(9,375)
Increase (decrease) in income taxes resulting from			
Permanent differences	**382**	776	(279)
Foreign rate differential	**3,553**	611	(960)
Foreign exchange	**(308)**	(302)	331
Adjustments in respect of prior years	**3,402**	(1,297)	(698)
Rate differences related to origination and reversal of temporary differences	**(81)**	87	348
Recognition of deferred tax assets not previously recognized	**(433)**	4,893	939
Income not subject to tax	**1,421**	—	—
Other	**429**	172	352
Income tax expense (recovery)	**4,584**	(978)	(9,342)

(in thousands of U.S. dollars unless otherwise stated)

16. INCOME TAXES (Continued)

(c) Deferred taxes

(i) Deferred taxes relate to the following:

	2014	2013
	$	$
Deferred tax assets		
Property, plant and equipment	**348**	462
Accrued liabilities	**3,513**	5,454
Loss carryforwards	**8,146**	6,929
Other	**4,158**	3,576
	16,165	16,421
Deferred tax liabilities		
Property, plant and equipment	**(9,461)**	(7,970)
Intangible assets	**(77,128)**	(35,449)
Partnership outside basis	**(7,368)**	—
	(93,957)	(43,419)
Net deferred tax liabilities	**(77,792)**	(26,998)

Deferred tax movement in the combined statements of income (loss) and comprehensive income (loss) is as follows:

	2014	2013	2012
	$	$	$
Expense (recovery)			
Property, plant and equipment	**(3,773)**	(871)	(974)
Accrued liabilities	**(289)**	(686)	6
Intangible assets	**(5,404)**	(5,660)	(3,595)
Loss carryforwards	**(2,063)**	2,517	(3,040)
Outside basis — Partnership Interest	**7,310**	—	—
Other	**2,080**	1,693	1,180
Net deferred tax recovery	**(2,139)**	(3,007)	(6,423)

Effective from May 1, 2014, 35.2% of U.S. based taxable income is not taxed within the corporate group due to the relevant entities electing to be disregarded for US tax purposes. During the year, $53,375 of deferred tax liabilities were recognized in respect of business combinations.

(ii) The following unused tax losses and temporary differences have not been recognized as it is not probable that taxable incomes will be available against which they can be utilized. The tax losses expire as follows:

	2014	2013	2012
	$	$	$
Loss carryforwards — Canada (expiry 2023 — 2032)	**3,567**	31,487	38,636
Loss carryforwards — Foreign subsidiaries (expiry — indefinite)	**36,681**	42,611	34,986
Deductible temporary differences	**14,425**	11,575	3,555
	54,673	85,673	77,177

(d) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, for which a deferred tax liability has not been recognized, totaled $5,506 (2013 — $4,987).

(e) The Shred-it Group has ongoing regular tax audits concerning open income tax years. Adequate provisions for all open tax years have been foreseen and are recorded in income taxes payable.

(in thousands of U.S. dollars unless otherwise stated)

17. NET CHANGE IN WORKING CAPITAL BALANCES RELATED TO OPERATIONS

The net change in working capital balances related to operations consists of the following:

	2014	2013	2012
	$	$	$
Accounts receivable	**(2,216)**	3,351	(13,759)
Due from Cintas	**(6,208)**	—	—
Due from joint venture	**43**	32	747
Inventories	**(57)**	251	961
Prepaid expenses and other assets	**(4,968)**	(408)	(108)
Income taxes recoverable	**(2,446)**	2,248	(2,474)
Accounts payable and accrued liabilities	**9,706**	(2,639)	(2,833)
Movements in provisions *(note 12)*	**(1,922)**	—	—
Due to Cintas	**10,252**	—	—
Other	**(1,180)**	(428)	267
	1,004	2,407	(17,199)

18. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Operating leases

The Shred-it Group has future minimum operating lease commitments related to its rental of facilities and premises leases with certain leases, including renewal options and escalation clauses. These future commitments, excluding certain operating costs for which it may be responsible, are as follows:

	$
2015	17,095
2016	14,317
2017	11,255
2018	8,678
2019	6,334
Thereafter	12,010
	69,689

(b) Contingent liabilities

During the normal course of business, various proceedings and threats of claims are instituted by and against the Shred-it Group, primarily concerning employee termination, protection and defense of trademark rights and claims, enforcement of non-competition agreements with third parties and compliance with contract terms. No material accrual for the settlement of any likely claims has been made in these combined financial statements. If the Shred-it Group incurs any additional loss as a result of these claims, that loss would be recorded in the period it is probable and estimable.

The amount of loss, if any, for certain compliance with contract terms proceedings and threats of claims is indeterminable, but could have an adverse effect if the outcomes are unfavorable to the Shred-it Group.

19. STOCK-BASED COMPENSATION

(a) Introduction:

This note describes in part (b) Stock-Based Compensation, plans that previously existed and were exercised in 2014, in Predecessor SII ("Original Plan" and "SII Director Option Plan") and the New Option Plans created and issued in the Partnership and Boost GP.

(in thousands of U.S. dollars unless otherwise stated)

19. STOCK-BASED COMPENSATION (Continued)

(b) Stock-Based Compensation

(i) Predecessor SII

Original Plan

Predecessor SII had an employee stock option plan (the "Original Plan") whereby eligible employees were granted options at fair value at the grant date over such number of Class C special shares of Predecessor SII. These stock options were to vest in equal annual amounts over five years on each anniversary of the date of grant. Each vested option exercised entitled the option holder to receive one Class C special share to be issued by Predecessor SII. The expense related to these options was recognized in income using a graded vesting approach over the vesting period. In addition, Predecessor SII Directors had the choice (under the "Director Option Plan") to purchase Class A special shares and Class A common shares of Predecessor SII on a one-for-one basis. The term of each Director's option was four to seven years and the options were 100% vested on the grant date. The exercise price for the Directors' options were equal to the per share fair value of the Class A special shares and Class A common shares on the grant date. The shares were authorized when granted. The expense related to Directors' options was recognized when granted.

As part of the Reorganization, Predecessor SII accelerated the vesting of all options then outstanding under the Original Plan and settled each option outstanding under the Original Plan. The option holders received consideration for their disposal of the options. The Board of Directors of Boost GP, approved two new stock option plans (the "New Option Plans") whereby eligible employees, directors, managers and consultants of the Partnership or its affiliates, may be granted options (the "New Options") at fair value over such number of Class C or Class D special shares of Boost GP, as the Board of Directors of Boost GP decides, and the Board of Directors of the Partnership and Boost GP approved two new management equity incentive plans (the "New ME Plans") whereby eligible employees, directors, managers and consultants of the Partnership or its affiliates may be granted Class C or Class D units (the "MEP units") of the Partnership as the Board of Directors of Boost GP decides. The New Options and the MEP units included an already vested component which was expensed in the year ended December 31, 2014. The expense related to the unvested component will be recognized using a graded vesting approach over the vesting period.

In September 2009, the Directors of Predecessor SII approved an employee stock option plan. Predecessor SII may grant to eligible employees options at fair value at the grant date over such number of Class C special shares as the Board of Directors of Predecessor SII decide. These stock options were to vest in equal annual amounts over five years on each anniversary date of the date of grant. Each vested option was exercisable upon a deemed qualifying event and entitled the option holder to receive one Class C special share to be issued by Predecessor SII. As part of the Reorganization, the Board of Directors of Predecessor SII immediately vested all unvested stock options, and all employees elected to receive a cash payment in exchange for their stock options (representing the in-the-money amount based on the implied transaction value, net of applicable withholdings and any outstanding shareholder loan indebtedness) as opposed to receiving shares in the capital of Predecessor SII.

The following tables summarize the stock option activity of Predecessor SII from January 1, 2012 with the weighted average exercise share prices stated in dollars:

	Class C Special Shares	Weighted average exercise price
Outstanding at January 1, 2012	887.5	1,118
Granted	25	2,581
Forfeited	(87.5)	1,107
Outstanding at December 31, 2012	825	1,142
Granted	37.5	1,372
Forfeited	(47.5)	2,509
Outstanding at December 31, 2013	815	1,088
Granted	151.5	7,363
Exercised	(966.5)	2,074
Outstanding at December 31, 2014	—	—

The fair value of each employee stock option was estimated on the date of grant using the Black-Scholes option-pricing model. The following is the range of assumptions that were used for employee stock options granted. As Predecessor SII was a non-public enterprise, the expected volatility was determined based on publicly traded competitors in similar industries.

(in thousands of U.S. dollars unless otherwise stated)

19. STOCK-BASED COMPENSATION (Continued)

The following assumptions were used for options granted during the years ended December 31, 2014, 2013 and 2012:

	2014	2013	2012
Risk-free rate	**1.8% — 2.72%**	1.8% — 2.72%	1.8% — 2.72%
Expected dividend yield	**0%**	0%	0%
Expected volatility (based on publicly traded competitors)	**20.75% — 23.4%**	20.75% — 23.4%	20.75% — 23.4%

The compensation expense relating to employee stock options under the Original Plan during the year ended December 31, 2014 was $840 (2013 — $191; 2012 — $369).

SII Director Option Plan

Options to purchase Class A special shares and Class A common shares of Predecessor SII on a one-for-one basis were granted to the Directors of Predecessor SII. The term of each option was 4 to 7 years and the options were 100% vested on the grant date. The exercise price for the options was equal to the per share fair value of the Class A special shares and Class A common shares on the grant date. The expense related to Directors' options was recognized when granted. As part of the Reorganization, Predecessor SII cash settled (representing the in-the-money amount based on the implied transaction value, net of applicable withholdings) the Directors' options.

As at December 31, 2014, a summary of the SII Director Option Plan is as follows:

	Class A Special	Weighted average exercise price	Class A Common	Weighted average exercise price
		$		$
Outstanding at January 1, 2012	469,080	1.04	52,120	3.48
Granted	116,262	1.1	12,918	5.92
Outstanding at December 31, 2012	585,342	1.05	65,038	3.96
Granted	193,096	1.17	21,454	0.01
Outstanding at December 31, 2013	778,438	1.08	86,492	2.98
Exercised	(778,438)	1.08	(86,492)	2.98
Outstanding at December 31, 2014	—	—	—	—

The compensation expense relating to Directors' options during the year ended December 31, 2014 was nil (2013 and 2012 — $50).

In addition, due to the settlement of stock options under the Original Plan and SII Director Option Plan, $4,812 was recognized as a reduction in equity (Deficit) for the year ended December 31, 2014, representing the excess of the payment upon exercise over the fair value of the grants.

(ii) Partnership and Boost GP

New Option Plans

On September 5, 2014, Boost GP issued, under the New Option Plans, options to acquire 6,430 Class D special shares ("Options") in Boost GP, and the Partnership issued, under the management equity incentive plans (the "MEP Plans"), 4,450 Class C and 3,535 Class D units of the Partnership ("Units") to employees of the Partnership. The Options and the Units included an already vested component which was expensed in the year ended December 31, 2014. The expense related to the unvested component will be recognized as follows: (i) for 4,875 Options and 3,125 Class D units, over the vesting period; (ii) 500 Options and 4,450 Class C units, in annual amounts over five years on each anniversary date of April 30, 2014 using a graded vesting approach; and (iii) for 1,055 Options and 410 Class D units, in annual amounts over five years on each anniversary date of May 1, 2014 using a graded vesting approach. Each vested Option is exercisable upon a deemed qualifying event and will entitle the holder to receive one Class D special share of Boost GP, which mirrors the fair value of a Class D unit of the Partnership at that date. Each vested Unit is exercisable upon a deemed qualifying event and will entitle the holder to receive one Class C or Class D unit of the Partnership, respectively.

(in thousands of U.S. dollars unless otherwise stated)

19. STOCK-BASED COMPENSATION (Continued)

The following table summarizes the activity of the New Option and MEP Plans with the share prices stated in dollars:

	Class D Options for Special Shares of Boost GP Corp.	Class C Units of the Partnership	Class D Units of the Partnership
Outstanding at December 31, 2013	—	—	—
Granted	6,430	4,450	3,535
Outstanding at December 31, 2014	**6,430**	**4,450**	**3,535**
Exercisable at December 31, 2014	**4,372**	**293**	**2,469**

The fair value of each Option and Unit was estimated on the date of grant using the binomial option-pricing model.

The following table summarizes the assumptions that were used for Options and Units granted. As Boost GP and the Partnership were non-public enterprises, the expected volatility was determined based on publicly traded competitors in similar industries:

For Options and Units granted during the year ended December 31, 2014:

	Class D Options for Special Shares of Boost GP Corp.	Class C Units of the Partnership	Class D Units of the Partnership
Risk-free rate	0.52%	0.52%	0.52%
Expected dividend yield	0%	0%	0%
Expected volatility (based on publicly traded competitors)	18.6%	18.6%	18.6%
Expected life (in years)	2	2	2
Fair value	$237/share	$436/unit	$334/unit

The compensation expense recorded relating to New Options and Units during the year ended December 31, 2014 was $2,252. In addition, due to the accelerated vesting and the exchange of stock options under the Original Plan and SII Director Option Plan as noted below, an additional $840 was recognized as an expense and $4,812 as a reduction in equity (deficit) for the year ended December 31, 2014.

Of the $840 and $2,252 of stock-based compensation expense under the Original Plan and New Option Plans, respectively, $914 is disclosed as Stock-based compensation and the balance of $2,178 is included in Acquisition, transaction and integration costs in the combined statement of income (loss) and comprehensive income (loss).

20. DEFINED CONTRIBUTION BENEFIT PLAN

The Shred-it Group has a defined contribution benefit plan covering substantially all employees. During the year ended December 31, 2014, contributions charged to income under the plan totaled approximately $1,898 (2013 — $1,520; 2012 — $1,437).

21. DISCONTINUED OPERATIONS

On March 14, 2014, Shred-it Group identified RM as an asset held for sale and sold RM to Iron Mountain Canada Operations ULC (the "buyer") on December 1, 2014 for approximately $30,000, resulting in a Gain on sale of discontinued operations of $20,879. Approximately $1,300 of the proceeds have been placed into escrow until December 2, 2015 to address any indemnification claims made by the buyer and is included in prepaid expenses and other assets.

(in thousands of U.S. dollars unless otherwise stated)

21. DISCONTINUED OPERATIONS (Continued)

A summary of operational results of the RM business are presented below:

	2014	2013	2012
	$	$	$
Records management revenue	**14,249**	15,578	15,045
Operating expenses	**8,565**	9,304	10,829
Depreciation and amortization	**964**	1,655	1,453
Income from discontinued operations	**4,720**	4,619	2,763
Income tax expense	**375**	—	—
Net income from discontinued operations	**4,345**	4,619	2,763
Other comprehensive loss	**(353)**	(632)	—
Total comprehensive income from discontinued operations	**3,992**	3,987	2,763
Cash provided by operating activities	**5,264**	6,274	4,216
Cash used in investing activities	**(195)**	(369)	(3,015)
Cash provided by financing activities	**(2,454)**	—	—

22. SEGMENT INFORMATION

The Company's segment information is presented on the same basis as internal management reporting to the CEO (the chief operating decision maker) and reflects how Shred-it Group is organized and managed. Shred-it Group has two reportable segments: North America and Rest of World ("ROW").

The North American business segment provides secure information destruction services throughout the United States and Canada.

The ROW business segment offers provides secure information destruction services throughout the United Kingdom, France, Germany, Netherlands, South Africa, Singapore, Australia, Belgium, Luxembourg, Republic of Ireland, Austria and United Arab Emirates.

The USA and Canada operating segments are combined into a single reportable segment (North America) because they show a similar long-term economic performance, have comparable services, delivery processes and customer industries, operate in similar regulatory environment, and are steered and monitored together. For similar reasons, the UK operating segment is combined with the ROW into a single reportable segment.

The reconciliation of adjustments and eliminations comprise expenses relating to centralized services, such as executive management, treasury, finance, information technology, human resources, marketing, national accounts administration, legal and risk management, which benefit the enterprise as a whole. It also includes the costs related to stock-based employee compensation associated with all stock options, restricted stock, restricted stock units, performance units and shares of stock issued under our employee stock purchase plan. Revenue shown in this reconciliation represents franchise royalties, fees and truck and container sales.

Discontinued operations were previously included in the North American operating segment.

Inter-segment revenue is eliminated on consolidation.

(in thousands of U.S. dollars unless otherwise stated)

22. SEGMENT INFORMATION (Continued)

The following tables present the revenue and income of the Shred-it Group's operating segments:

2014	North America	ROW	Adjustments and Eliminations	Total
	$	$	$	$
Revenue from external customers	470,200	98,817	6,066	575,083
Operating expenses	313,830	64,490	67,289	445,609
Loss on disposal of property, plant & equipment	—	—	222	222
Stock-based compensation	—	—	914	914
Share of income from a joint venture	—	(511)	—	(511)
Earnings before the undernoted	156,370	34,838	(62,359)	128,849
Acquisition, transaction and integration costs	—	—	37,635	37,635
Loss/(gain) on foreign exchange	—	—	9,516	9,516
	156,370	34,838	(109,510)	81,698
Depreciation and amortization	—	—	79,829	79,829
Net interest expense	—	—	16,178	16,178
Earnings before taxes and discontinued operations	156,370	34,838	(205,517)	(14,309)

2013	North America	ROW	Adjustments and Eliminations	Total
	$	$	$	$
Revenue from external customers	258,430	80,932	7,939	347,301
Operating expenses	181,782	55,360	44,268	281,410
Loss on disposal of property, plant & equipment	—	—	369	369
Stock-based compensation	—	—	241	241
Share of income from a joint venture	—	(530)	—	(530)
Earnings before the undernoted	76,648	26,102	(36,939)	65,811
Acquisition, transaction and integration costs	—	—	4,862	4,862
Loss/(gain) on foreign exchange	—	—	5,226	5,226
	76,648	26,102	(47,027)	55,723
Depreciation and amortization	—	—	46,657	46,657
Net interest expense	—	—	31,490	31,490
Earnings before taxes and discontinued operations	76,648	26,102	(125,174)	(22,424)

2012	North America	ROW	Adjustments and Eliminations	Total
	$	$	$	$
Revenue from external customers	247,102	67,593	9,507	324,202
Operating expenses	185,161	49,052	41,157	275,370
Loss on disposal of property, plant & equipment	—	—	98	98
Stock-based compensation	—	—	407	407
Share of income from a joint venture	—	(339)	—	(339)
Earnings before the undernoted	61,941	18,880	(32,155)	48,666
Acquisition, transaction and integration costs	—	—	9,516	9,516
Loss/(gain) on foreign exchange	—	—	(1,443)	(1,443)
	61,941	18,880	(40,228)	40,593
Depreciation and amortization	—	—	45,145	45,145
Net interest expense	—	—	31,012	31,012
Earnings before taxes and discontinued operations	61,941	18,880	(116,385)	(35,564)

(in thousands of U.S. dollars unless otherwise stated)

22. SEGMENT INFORMATION (Continued)

Geographic information

Revenue from external customers

	2014	2013	2012
	$	$	$
Canada	**64,921**	59,406	59,066
USA	**405,875**	199,024	188,037
UK	**62,958**	53,474	44,966
Other international countries	**41,329**	35,397	32,133
Total	**575,083**	347,301	324,202

Non-current operating assets:

	2014	2013
	$	$
Canada	**251,519**	215,610
USA	**635,506**	134,856
UK	**64,972**	59,970
Other international countries	**53,730**	16,492
Total	**1,005,727**	426,928

23. OPERATING EXPENSES

	2014	2013	2012
	$	$	$
Employment costs	**275,541**	175,844	176,957
Transport costs	**75,262**	47,487	42,882
Rent and occupancy	**27,497**	16,295	15,751
General administrative and other expenses	**67,309**	41,784	39,780
Total operating expenses	**445,609**	281,410	275,370

24. ACQUISITION, TRANSACTION AND INTEGRATION COSTS

The Shred-it Group incurred legal, professional and other costs relating to various business acquisitions. In addition, the Shred-it Group incurred costs relating to the integration activities of the acquired businesses. The activities included the closure of redundant facilities, rebranding and marketing, legal and professional fees, and the conversion to the Shred-it Group's financial information systems.

25. SUBSEQUENT EVENTS

On January 26, 2015, the Partnership acquired 100% of the assets of Southeastern New England Data Destruction LLC, located in Providence, Rhode Island.

On March 16, 2015, the Partnership acquired 100% of the assets of Rod Inc. and United Baling Inc., located in Burlington, North Carolina.

On April 27, 2015, the Partnership acquired 100% of the assets of Drake Wisconsin, LLC, based in Madison, Wisconsin.

On May 22, 2015, the Partnership amended the New credit agreement ("*Amended and Restated Credit Agreement") to increase the new term credit facility by $190,000 and to increase the consolidated leverage ratios. On May 27, 2015, the Partnership had drawn the full amount of the increase in the New term credit facility and had drawn an additional $80,000 from its existing New revolving credit facility. The proceeds of approximately $270,000 were used as a distribution to parent equity holders of the Shred-it Group. The terms of the Amended and Restated Credit Agreement are not substantially different from the New credit agreement. The Partnership will adjust the carrying amount of the New term credit facility to adjust for the additional loan amount of $190,000 and fees and transaction costs incurred and no gain or loss will be recognized. Difference in present value arising as a result of the modification will be recognized as an adjustment to the effective interest rate and amortized over the remaining life of the modified New term credit facility.

Shred-it Group

COMBINED STATEMENTS OF FINANCIAL POSITION

(in thousands of U.S. dollars unless otherwise stated)

As at	March 29, 2015	December 31, 2014
	(Unaudited)	
ASSETS		
Current		
Cash and cash equivalents	**15,015**	56,211
Accounts receivable	**109,661**	97,792
Due from Cintas Corporation	**5,771**	6,208
Inventories	**1,975**	1,027
Prepaid expenses and other assets	**6,372**	8,886
Income taxes recoverable	**69**	3,111
Total current assets	**138,863**	173,235
Investment in a joint venture	**1,098**	952
Long-term prepaid expenses	**3,562**	4,097
Deferred financing fees	**1,429**	1,732
Shareholder loans receivable *(note 6b)*	**2,879**	3,307
Property, plant and equipment, net	**216,397**	221,838
Goodwill *(note 7, 8)*	**409,020**	407,436
Intangible assets, net	**364,686**	372,356
Total assets	**1,137,934**	1,184,953
LIABILITIES AND EQUITY		
Current		
Bank indebtedness *(note 9)*	**10,842**	14,263
Accounts payable and accrued liabilities	**49,442**	52,294
Due to Cintas Corporation	**2,206**	10,252
Current portion of provisions	**8,001**	8,169
Deferred revenue	**310**	557
Total current liabilities	**70,801**	85,535
Provisions	**12,622**	13,505
Revolving credit facility *(note 9)*	**66,476**	41,646
Long-term debt *(note 9)*	**406,758**	406,586
Deferred tax liabilities	**78,408**	77,792
Other liabilities	**1,658**	1,476
Total liabilities	**636,723**	626,540
Commitments and contingent liabilities		
Equity		
Parent equity	**169,412**	222,446
Non-controlling interests	**331,799**	335,967
Total equity	**501,211**	558,413
Total liabilities and equity	**1,137,934**	1,184,953

Shred-it Group

COMBINED STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(in thousands of U.S. dollars unless otherwise stated)

For the period ended	March 29, 2015	March 30, 2014
	(Unaudited)	
Revenues	**172,395**	86,748
Expenses		
Operating expenses *(note 12)*	**129,941**	71,818
Depreciation and amortization	**23,120**	10,856
Gain on disposal of property, plant and equipment	**(63)**	(1)
Stock-based compensation	**167**	63
Loss on foreign exchange	**3,645**	1,202
Acquisition, transaction and integration costs *(note 13)*	**8,279**	1,835
Share of income of a joint venture	**(149)**	(92)
Operating income	**7,455**	1,067
Interest expense, net	**3,691**	6,860
Income (loss) before income taxes	**3,764**	(5,793)
Provision for (recovery of) income taxes *(note 10)*		
Current	**5,452**	2,506
Deferred	**965**	(483)
	6,417	2,023
Loss from continuing operations	**(2,653)**	(7,816)
Attributable to:		
Parent equity	**(4,875)**	(7,816)
Non-controlling interests	**2,222**	—
	(2,653)	(7,816)
Discontinued operations		
Net income from discontinued operations	**—**	1,314
Loss on sale of discontinued operations *(note 11)*	**(373)**	—
Net loss for the period	**(3,026)**	(6,502)
Combined statement of other comprehensive income		
Other comprehensive income (loss)		
Foreign currency translation	**(15,214)**	7,032
Other comprehensive income (loss) from continuing operations	**(15,214)**	7,032
Other comprehensive loss from discontinued operations	**—**	(447)
Total other comprehensive income (loss)	**(15,214)**	6,585
Attributable to:		
Parent equity	**(8,824)**	6,585
Non-controlling interests	**(6,390)**	—
	(15,214)	6,585
Total comprehensive income (loss)	**(18,240)**	83

Shred-it Group

COMBINED STATEMENTS OF CHANGES IN EQUITY

(in thousands of U.S. dollars unless otherwise stated)

For the period ended March 30, 2014 and March 29, 2015	Capital	Contributed surplus	Foreign currency translation	Deficit	Total Parent Equity	Non-controlling interests	Total equity
			(Unaudited)				
As at December 31, 2013	13,915	2,056	4,432	(74,901)	(54,498)	—	(54,498)
Loss from continuing operations	—	—	—	(7,816)	(7,816)	—	(7,816)
Income from discontinued operations	—	—	—	1,314	1,314	—	1,314
Other comprehensive loss from continuing operations	—	—	7,032	—	7,032	—	7,032
Other comprehensive loss from discontinued operations	—	—	(447)	—	(447)	—	(447)
Stock-based compensation expense	—	63	—	—	63	—	63
As at March 30, 2014	**13,915**	**2,119**	**11,017**	**(81,403)**	**(54,352)**	**—**	**(54,352)**
As at December 31, 2014	**296,552**	**2,252**	**(712)**	**(75,646)**	**222,446**	**335,967**	**558,413**
Loss from continuing operations	—	—	—	(4,875)	(4,875)	2,222	(2,653)
Loss on sale of discontinued operations *(note 11)*	—	—	—	(373)	(373)	—	(373)
Other comprehensive loss from continuing operations	—	—	(8,824)	—	(8,824)	(6,390)	(15,214)
Stock-based compensation	—	167	—	—	167	—	167
Distribution paid	—	—	—	(39,129)	(39,129)	—	(39,129)
As at March 29, 2015	**296,552**	**2,419**	**(9,536)**	**(120,023)**	**169,412**	**331,799**	**501,211**

Shred-it Group

COMBINED STATEMENTS OF CASH FLOWS

(in thousands of U.S. dollars unless otherwise stated)

For the period ended	March 29, 2015	March 30, 2014
	(Unaudited)	
OPERATING ACTIVITIES		
Loss for the period from continuing operations	**(3,026)**	(7,816)
Income for the period from discontinued operations	**—**	1,314
Net loss after tax	**(3,026)**	(6,502)
Add (deduct) non-cash items		
Depreciation and amortization	**23,120**	10,856
Depreciation and amortization — discontinued operations	**—**	314
Gain on disposal of property, plant and equipment	**(63)**	(1)
Stock-based compensation	**167**	63
Unrealized foreign exchange loss	**6,266**	3,915
Non-cash interest	**(31)**	5,178
Share of income of a joint venture	**(149)**	(92)
Deferred income taxes	**965**	(483)
	27,249	13,248
Net change in non-cash working capital balances related to operations	**(20,443)**	12,187
Cash provided by operating activities	**6,806**	25,435
INVESTING ACTIVITIES		
Purchases of property, plant and equipment	**(10,480)**	(3,293)
Business acquisitions *(note 4)*	**(18,447)**	—
Cash (used in) investing activities	**(28,927)**	(3,293)
FINANCING ACTIVITIES		
Proceeds from revolver loan	**25,000**	—
Repayment of shareholder loans receivable	**842**	—
Due to shareholders	**—**	(5,806)
Distribution paid	**(39,129)**	—
Cash (used in) financing activities	**(13,287)**	(5,806)
Effect of exchange rate changes on cash and cash equivalents	**(2,367)**	94
Net increase (decrease) in cash and cash equivalents during the period	**(37,775)**	16,430
Cash and cash equivalents, beginning of period	**41,948**	7,821
Cash and cash equivalents, end of period	**4,173**	24,251
Supplemental cash flow information		
Interest paid	**3,603**	222
Income taxes paid	**1,917**	40
Cash and cash equivalents	**15,015**	25,740
Bank indebtedness	**(10,842)**	(1,489)
Cash and cash equivalents, end of period	**4,173**	24,251

1. CORPORATE REORGANIZATION

Shred-it International Inc. (the "Company" or "Shred-it"), one of the entities within the group of entities comprising the "Shred-it Group", which the Birch Hill Group collectively controls, took steps to complete an initial public offering (the "Offering") of Common Shares of the Company.

Prior to the Offering, various transactions will be consummated by the entities that comprise the Shred-it Group, including the Company (prior to June 2, 2015 formerly Shred-it International GP Inc. ("SII GP")), Boost Holdings LP ("Boost Holdings"), Boost GP Corp. ("Boost GP") and Shred-it JV LP (the "Partnership"), that will result in the Company being the parent entity for the Shred-it Group.

The combined financial statements have been prepared in connection with the Offering and include the financial results of SII GP, Boost Holdings, Boost GP and the Partnership (individually, the "Combined Entities"). Prior to a reorganization that took place in March 2014 (the "Reorganization"), the Shred-it Group operated through a predecessor entity, Shred-it International Inc. (now Shred-it International ULC) ("Predecessor SII") and its wholly-owned subsidiaries. Accordingly, prior to the Reorganization, the combined financial statements include the consolidated results of Predecessor SII. SII GP, Boost Holdings, Boost GP and the Partnership were formed in connection with the Reorganization and Predecessor SII was transferred to the Partnership.

The Partnership provides secure information destruction services.

As part of the Reorganization, in April 2014, Secure-it Records Management Inc. ("RM"), a newly formed subsidiary of the Partnership, was distributed to Boost Holdings. RM was sold by Boost Holdings on December 1, 2014. RM is presented as discontinued operations as explained further in note 11.

These combined financial statements were approved by the Board of Directors of the Company and authorized for issue on June ● , 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The interim condensed combined financial statements for the period ended March 29, 2015 and March 30, 2014 have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34").

The interim condensed combined financial statements, notes and tabular amounts are presented in US dollars and all values are rounded to the nearest thousand (000s) unless otherwise indicated.

The interim condensed combined financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Shred-it Group's annual financial statements for the year ended December 31, 2014.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed combined financial statements are consistent with those followed in the preparation of the Shred-it Group's annual combined financial statements for the year ended December 31, 2014.

In addition as noted in note 9(iv), the Shred-it Group has designated certain long-term debt as a hedge of its net investments in a foreign operation. The portion of gains or losses on the hedging instrument that is determined to be an effective hedge is recognized in other comprehensive loss, while the ineffective portion is recorded in net loss. The amounts recognized in other comprehensive loss are reclassified in net loss when corresponding exchange gains or losses arising from the translation of the foreign operations are recorded in net income.

(in thousands of U.S. dollars unless otherwise stated)

3. SEGMENT REPORTING

The following tables present revenue and earnings information for the Shred-it Group's operating segments for the period ended March 29, 2015 and revenue and earnings information for the period ended March 30, 2014, respectively:

2015	North America	ROW	Adjustments and Eliminations	Total
	$	$	$	$
Revenue from external customers	143,191	28,742	462	172,395
Operating expenses	93,984	18,117	17,840	129,941
Gain on disposal of property, plant & equipment	—	—	(63)	(63)
Stock options	—	—	167	167
Income from a joint venture	—	(149)	—	(149)
Earnings before the undernoted	49,207	10,774	(17,482)	42,499
Acquisition, transaction and integration costs	—	—	8,279	8,279
Loss on foreign exchange	—	—	3,645	3,645
	49,207	10,774	(29,406)	30,575
Depreciation and amortization	—	—	23,120	23,120
Interest expense and other-net	—	—	3,691	3,691
Earnings before taxes and discontinued operations	49,207	10,774	(56,217)	3,764

2014	North America	ROW	Adjustments and Eliminations	Total
	$	$	$	$
Revenue from external customers	62,185	22,925	1,638	86,748
Operating expenses	43,556	15,548	12,714	71,818
Gain on disposal of property, plant & equipment	—	—	(1)	(1)
Stock options	—	—	63	63
Income from a joint venture	—	—	(92)	(92)
Earnings before the undernoted	18,629	7,378	(11,046)	14,960
Acquisition, transaction and integration costs	—	—	1,835	1,835
Loss on foreign exchange	—	—	1,202	1,202
	18,629	7,378	(14,084)	11,923
Depreciation and amortization	—	—	10,856	10,856
Interest expense and other, net	—	—	6,860	6,860
Earnings before taxes and discontinued operations	18,629	7,378	(31,800)	(5,793)

4. ACQUISITIONS

Franchise acquisitions

The following franchise acquisitions were completed in the first quarter of 2015:

On January 26, 2015, the Partnership acquired 100% of the assets of Southeastern New England Data Destruction, LLC. based in Providence, Rhode Island.

On March 16, 2015, the Partnership acquired 100% of the assets of Rod Inc. and United Baling, Inc. based in Burlington, North Carolina

(in thousands of U.S. dollars unless otherwise stated)

4. ACQUISITIONS (Continued)

The fair value of the assets acquired and liabilities assumed, relating to the franchise acquisitions noted above are summarized as follows:

	$
Accounts receivable	697
Prepaid expenses	6
Property, plant and equipment	2,070
Customer lists	6,332
Franchise rights	2,441
Goodwill	6,797
	18,343

All acquisitions were accounted for as business combinations using the acquisition method with the results of operations consolidated with those of the Partnership from the date of acquisition. The Partnership acquired these businesses as they provide similar document destruction and recycling services.

Allocation of purchase price for the franchise acquisitions was based on preliminary estimates of the fair value of the net assets acquired and is subject to adjustment as additional information becomes available to the Partnership. The purchase price allocation of the franchises is subject to finalization of the assessment of the fair value of the intangible assets and Goodwill.

Goodwill represents the expected operational synergies with acquiree and/or intangible assets that do not qualify for separate recognition. Generally goodwill arising from asset acquisitions are deductible for tax purposes.

There were no acquisitions for the period ended March 30, 2014.

5. PROPERTY, PLANT AND EQUIPMENT

During the period ended March 29, 2015, the Shred-it Group has acquired property, plant and equipment with a cost of $10,480, excluding property, plant and equipment acquired through a business combination (note 4) (period ended March 30, 2014 — $3,293)

During the period ended March 29, 2015, the Shred-it Group disposed of property, plant and equipment of $nil (period ended March 30, 2014 — $nil). There was no impairment charge recorded.

6. RELATED PARTY TRANSACTIONS

(a) On April 30, 2014, the Partnership acquired Cintas Corporation's ("Cintas") document shredding business and in return Cintas received 42% of the Partnership units among other consideration. As well, the Partnership entered into certain transactions with Cintas, as part of the Transition Services Agreement ("TSA") which expires July 3, 2015. These transactions are at the exchange amounts, as agreed upon with Cintas. The purpose of the TSA is for the Partnership to obtain Cintas's support for integration of the acquired Cintas shredding business. During the period March 29, 2015, the Partnership incurred TSA related costs of $3,910, (period ended March 30, 2014 — $nil). The amounts due to Cintas are based on 30 day terms of repayment.

The Partnership provided shredding services to Cintas and earned revenue of $42 in the first quarter of 2015. Also, Cintas sold other products and services to the Partnership for $345.

(b) As at January 1, 2014, shareholder loans receivable were comprised of share purchase financing made by Predecessor SII to certain employees and independent members of the Board of Directors of Predecessor SII, which was provided in a mix of Canadian funds and U.S. funds. The loans were collateralized by common shares and special shares of Predecessor SII and were bearing interest at the rate of 4% per annum, calculated monthly, with such interest added to the principal amount of the loans. The loans were due at the earlier of the disposition of all of the shares and five years from the date of issue.

As part of the Reorganization, the special and common shares of Predecessor SII were ultimately exchanged for common units of the Partnership. As well, employees elected to receive a cash payment net of applicable withholding taxes and any outstanding Predecessor SII shareholder loans in exchange for the settlement of stock options.

As at March 29, 2015, shareholder loans receivable of $2,879 (December 31, 2014 — $3,307) were outstanding. These loans were collateralized by 37,995 Boost Holdings units (December 31, 2014 — 41,732) and bearing interest at the rate of 4% per annum,

(in thousands of U.S. dollars unless otherwise stated)

6. RELATED PARTY TRANSACTIONS (Continued)

calculated monthly, with such interest added to the principal amount of the loans. The loans are repayable on or before April 30, 2019. Interest income of $31 was recognized in the first quarter of 2015.

(c) As at January 1, 2014, Predecessor SII had amounts Due to shareholders including subordinated Class A promissory grid notes (promissory notes) due to shareholders and Class A and B special shares of Predecessor SII. The promissory notes were denominated in Canadian dollars, bearing interest at fixed rates ranging from non-interest bearing to 13.3% since inception and were to mature upon a liquidation event or in June 2024.

As part of the Reorganization, the promissory notes, and related interest, and special shares of Predecessor SII, were ultimately exchanged for common units of the Partnership. Interest expense of $5,179 was recognized in the first quarter of 2014.

(d) For the period ended March 29, 2015, the Partnership paid $35 (March 30, 2014 — $109) as management fees to Birch Hill Equity Partners Management Inc.

(e) The compensation expense associated with key management and members of the Board of Directors for services was included in employee salaries and benefits as follows:

	March 29, 2015	March 30, 2014
	$	$
Salaries and other short term employee benefits	**1,564**	733
Stock-based compensation	**103**	7
	1,667	740

7. GOODWILL

Goodwill consists of the following:

	$
Balance at December 31, 2014	407,436
Goodwill related to 2015 acquisitions	6,797
Effect of change in currency translation rates	(5,213)
Balance at March 29, 2015	409,020

8. GOODWILL AND INDEFINITE LIFE INTANGIBLE ASSET IMPAIRMENT

The Partnership performed its annual impairment test in December and when circumstances indicate the carrying value may be impaired. The Partnership's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual combined financial statements for the year ended December 31, 2014. There were no indicators of impairment since December 2014.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use there are no significant changes to the sensitivity information disclosed in the annual combined financial statements for the year ended December 31, 2014.

9. FINANCIAL RISK MANAGEMENT

Risk overview

The Shred-it Group is exposed to credit risk, liquidity risk, interest rate risk and foreign currency rate risk. The Shred-it Group's primary risk management objective is to protect its income and cash flows and, ultimately, shareholder value. Risk management strategies, as discussed below, are designed and implemented to ensure the Shred-it Group's risks and the related exposures are consistent with its business objectives and risk tolerance.

(in thousands of U.S. dollars unless otherwise stated)

9. FINANCIAL RISK MANAGEMENT (Continued)

(i) Credit risk

Credit risk represents the financial loss that the Shred-it Group would experience if a counterparty to a financial instrument, in which the Shred-it Group has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Shred-it Group.

The Shred-it Group's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the combined statements of financial position are net of allowances for doubtful accounts, estimated by the Shred-it Group's management based on prior experience and their assessment of the current economic environment. The Shred-it Group establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of accounts receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures and an overall loss component established based on historical trends. As at March 29, 2015, the Shred-it Group had accounts receivable of $115,397 (December 31, 2014 — $103,002) gross of an allowance for doubtful accounts of $5,736 (December 31, 2014 — $5,210). As at March 29, 2015, $10,983 (December 31, 2014 — $12,201) of accounts receivable are considered past due. The Shred-it Group believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk associated with the Shred-it Group's accounts receivable.

The Shred-it Group believes that the concentration of credit risk of accounts receivable is limited due to its broad customer base, dispersed across varying industries and geographic locations.

The Shred-it Group has established various internal controls designed to mitigate credit risk and has also established procedures to suspend the availability of services when customers have fully utilized approved credit limits or have violated established payment terms.

While the Shred-it Group's credit controls and processes have been effective in managing credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Shred-it Group's current credit loss experience will not continue.

(ii) Liquidity risk

Liquidity risk is the risk that the Shred-it Group will not be able to meet its financial obligations as they fall due. The Shred-it Group manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Shred-it Group's reputation. As at March 29, 2015, the undrawn portion of the Shred-it Group's Revolving credit facility was approximately $183,000 (December 31, 2014 — $208,000), excluding letters of credit of $14,722 (December 31, 2014 — $14,722).

The table below summarizes the maturity profile of the Shred-it Group's financial liabilities based on contractual undiscounted payments as at March 29, 2015:

	Carrying amount	Contractual cash flows	Yr 1	2-3 yrs	4-5 yrs	Thereafter
Bank indebtedness	10,842	10,842	10,842	—	—	—
Accounts payable and accrued liabilities	49,442	49,442	49,442	—	—	—
New term credit facility	410,000	410,000	—	—	410,000	—
New revolving credit facility	67,000	67,000	—	—	67,000	—
	537,284	**537,284**	**60,284**	**—**	**477,000**	**—**

(iii) Interest rate risk

The Shred-it Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Shred-it Group to cash flow interest rate risk.

As at March 29, 2015, if interest rates decreased or increased by 1%, with all other variables held constant, income before income taxes would be impacted by $1,193.

(in thousands of U.S. dollars unless otherwise stated)

9. FINANCIAL RISK MANAGEMENT (Continued)

(iv) Foreign currency rate risk

Foreign currency rate risk is the risk that the fair value of future cash flows will fluctuate because of the changes in foreign exchange rates. The Shred-it Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Shred-it Group's operating activities, specifically, when revenue or expense is denominated in a different currency from the functional currency and the Shred-it Group's net investments in foreign subsidiaries.

The Shred-it Group operates in the Canadian, U.S., U.K., Eurozone, South African, Singapore, Australian and the United Arab Emirates markets and is exposed to unpredictable foreign exchange rate changes.

Effective January 1, 2015 management implemented a net investment hedge to minimize the foreign exchange translation impact in the income statement resulting from US dollar ("USD") denominated bank indebtedness in Shred-it International ULC, which has a functional currency of Canadian dollars. Included in bank indebtedness in Shred-it International ULC, at March 29, 2015, was a borrowing of $65,577, which was designated as a hedge of the net investments in the US subsidiary, Shred-it USA JV LLC, which has the USD as its functional currency. During the period ended March 29, 2015, a loss of $5,077 on the translation of this borrowing was transferred to other comprehensive income to offset the losses on translation of the net investment in these subsidiaries.

As at March 29, 2015, if the following foreign exchange relationships weakened or strengthened by 1% against the U.S. dollar, with all other variables held constant, other comprehensive income (loss) for the period ended March 29, 2015 would have been higher or lower as follows:

	$
Canadian dollar	2,707
Pounds sterling	33
Euro	262

10. INCOME TAXES

The Shred-it Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed statement of profit or loss are:

	March 29, 2015	March 30, 2014
	$	$
Current income tax expense:		
Based on taxable income of the current year	**2,356**	2,504
US branch tax	**3,096**	
Other, if applicable	**—**	2
	5,452	2,506
Deferred income tax expense (recovery):		
Origination and reversal of temporary differences	**(2,321)**	658
Impact of change in tax rates/new tax laws	**—**	63
Adjustments in respect of prior years	**—**	(1,204)
Change in realizability of deferred tax assets	**444**	—
Change in outside basis of partnership interest	**2,842**	—
	965	(483)
Income tax expense	**6,417**	2,023

11. DISCONTINUED OPERATIONS

During the period ended March 29, 2015, the Shred-it Group made a payment to Iron Mountain Canada Operations ULC as part of a working capital adjustment pursuant to the sale of the RM business on December 1, 2014. The payment is shown as a loss on sale of discontinued operations.

(in thousands of U.S. dollars unless otherwise stated)

12. OPERATING EXPENSES

	March 29, 2015	March 30, 2014
	$	$
Employment costs	**82,454**	44,255
Transport costs	**20,911**	11,285
Rent and occupancy	**8,296**	4,240
General administrative and other expenses	**18,280**	12,038
Total operating expenses	**129,941**	71,818

13. ACQUISITION, TRANSACTION AND INTEGRATION COSTS

The Shred-it Group incurred legal, professional and other costs relating to various business acquisitions. In addition, the Shred-it Group incurred costs relating to the integration activities of the acquired businesses. The activities included the closure of redundant facilities, rebranding and marketing, legal and professional fees, and the conversion to the Shred-it Group's financial information systems.

14. SUBSEQUENT EVENTS

On April 27, 2015, the Partnership acquired 100% of the assets of Drake Wisconsin, LLC, based in Madison, Wisconsin.

On May 22, 2015, the Partnership amended the New credit agreement ("*Amended and Restated Credit Agreement*") to increase the new term credit facility by $190,000 and to increase the consolidated leverage ratios. On May 27, 2015, the Partnership had drawn the full amount of the increase in the New term credit facility and had drawn an additional $80,000 from its existing New revolving credit facility. The proceeds of approximately $270,000 were used as a distribution to parent equity holders of the Shred-it Group. The terms of the Amended and Restated Credit Agreement are not substantially different from the New credit agreement. The Partnership will adjust the carrying amount of the New term credit facility to adjust for the additional loan amount of $190,000 and fees and transaction costs incurred and no gain or loss will be recognized. Difference in present value arising as a result of the modification will be recognized as an adjustment to the effective interest rate and amortized over the remaining life of the modified New term credit facility.

INDEPENDENT AUDITORS' REPORT

To the Directors of
Shred-it International Inc.

We have audited the accompanying combined carve-out financial statements of Cintas Shredding Business (the "Company", as defined in note 3 to the combined carve-out financial statements), which comprise the combined carve-out statements of financial position as at April 30, 2014, May 31, 2013 and June 1, 2012 and the combined carve-out statements of income and comprehensive income, statements of changes in invested equity and statements of cash flows for the 11 month period ended April 30, 2014 and the year ended May 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Combined Carve-Out Financial Statements

Management is responsible for the preparation and fair presentation of these combined carve-out financial statements in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board and for such internal control as management determines is necessary to enable the preparation of combined carve-out financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined carve-out financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards and auditing standards generally accepted in the United States. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the combined carve-out financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined carve-out financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined carve-out financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined carve-out financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined carve-out financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined carve-out financial statements present fairly, in all material respects, the financial position of the Cintas Shredding Business as at April 30, 2014, May 31, 2013 and June 1, 2012, and its financial performance and its cash flows for the 11 month period ended April 30, 2014 and the year ended May 31, 2013, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Cincinnati, Ohio
June ● , 2015

CINTAS SHREDDING BUSINESS

COMBINED CARVE-OUT STATEMENT OF FINANCIAL POSITION

(In thousands of U.S. dollars, unless otherwise stated)

	April 30, 2014	May 31, 2013	June 1, 2012
Assets			
Non-current assets			
Property and equipment *(note 4)*	$105,106	$101,534	$ 85,101
Intangible assets *(note 5)*	25,644	29,188	10,690
Goodwill *(note 6)*	268,823	268,370	258,487
Other assets	28	44	128
	399,601	**399,136**	**354,406**
Current assets			
Cash and cash equivalents	687	991	995
Accounts receivable, net *(note 8)*	39,833	37,319	33,827
Prepaid expenses	929	1,060	1,768
	41,449	**39,370**	**36,590**
Total assets	**441,050**	**438,506**	**390,996**
Liabilities and net parent investment			
Liabilities			
Non-current liabilities			
Parent company debt *(note 10)*	—	9,751	9,340
Deferred tax liabilities *(note 9)*	48,592	45,507	40,915
	48,592	**55,258**	**50,255**
Current liabilities			
Accounts payable & accrued liabilities *(note 11)*	13,310	15,790	16,485
Current tax liabilities	—	2	—
Accrued compensation and related liabilities	14,204	11,609	11,077
	27,514	**27,401**	**27,562**
Total liabilities	**76,106**	**82,659**	**77,817**
Net parent investment			
Parent equity	364,944	355,847	313,179
Total liabilities and net parent investment	**$441,050**	**$438,506**	**$390,996**

The combined carve-out financial statements were approved by ● on ● , 2015.

See accompanying notes.

CINTAS SHREDDING BUSINESS

COMBINED CARVE-OUT STATEMENT OF INCOME AND COMPREHENSIVE INCOME

(In thousands of U.S. dollars, unless otherwise stated)

	For the 11 months period ended April 30, 2014	For the year ended May 31, 2013
Revenue	$276,043	$278,176
Expenses		
Employee costs *(note 12)*	136,569	134,461
Transportation and maintenance	40,898	42,241
Rent and occupancy	9,095	8,710
Selling and administrative expenses	50,062	48,055
Stock-based compensation *(note 13)*	1,789	917
Depreciation and amortization *(note 4 and 5)*	32,030	32,320
Interest on parent company debt and other, net *(note 10)*	623	655
Loss (gain) on disposal of property, plant and equipment	255	(373)
Net income before income taxes	4,722	11,190
Provision for (recovery of) income taxes		
Current *(note 9)*	(1,312)	(241)
Deferred *(note 9)*	3,274	4,586
	1,962	4,345
Net income	2,760	6,845
Other comprehensive income (OCI), that will be subsequently reclassified to net income		
Foreign currency translation adjustments	(186)	51
Other comprehensive income	(186)	51
Total comprehensive income	$ 2,574	$ 6,896

See accompanying notes.

CINTAS SHREDDING BUSINESS

COMBINED CARVE-OUT STATEMENT OF CHANGES IN INVESTED EQUITY

(In thousands of U.S. dollars, unless otherwise stated)

	Net parent investment	Foreign currency translation difference	Net income/ (loss)	Total net parent investment
Balance as at June 1, 2012	**$313,179**	**$ —**	**$ —**	**$313,179**
Net income	—	—	6,845	6,845
Contribution by parent	35,772	—	—	35,772
OCI — foreign currency translation	—	51	—	51
Balance as at May 31, 2013	**348,951**	**51**	**6,845**	**355,847**
Net income	—	—	2,760	2,760
Contribution by parent	6,523	—	—	6,523
OCI — foreign currency translation	—	(186)	—	(186)
Balance as at April 30, 2014	**$355,474**	**$(135)**	**$9,605**	**$364,944**

See accompanying notes.

CINTAS SHREDDING BUSINESS

COMBINED CARVE-OUT STATEMENT OF CASH FLOWS

(In thousands of U.S. dollars, unless otherwise stated)

	For the 11 months period ended April 30, 2014	For the year ended May 31, 2013
Cash flows from operating activities:		
Net income	$ 2,760	$ 6,845
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	32,030	32,320
Loss (gain) on sale of asset	255	(373)
Stock-based compensation	1,789	917
Deferred income taxes	3,085	4,592
Change in current assets and liabilities, net of acquisitions of businesses:		
Accounts receivable, net	(2,514)	(3,492)
Prepaid expenses	131	96
Other assets	16	84
Accounts payable	(2,480)	(1,282)
Accrued compensation and related liabilities	805	(384)
Current tax liability	(2)	611
Net cash provided by operating activities	**35,875**	**39,934**
Cash flows from investing activities:		
Acquisitions, net of cash acquired (note 18)	(607)	(13,614)
Purchases of property, plant, and equipment	(30,595)	(41,015)
Purchase of intangible assets (note 18)	(1,084)	(23,149)
Proceeds from sale of property, plant, and equipment	969	1,002
Net cash investing activities	(31,317)	(76,776)
Cash flows from financing activities:		
(Distribution to)/Contribution by parent	(3,812)	35,772
Net cash (used in) provided by financing activities	**(3,812)**	**35,772**
Net increase (decrease) in cash and cash equivalents	746	(1,070)
Cash and cash equivalents at beginning of period/year	991	995
Effect of exchange rate changes on cash and cash equivalents	(1,050)	1,066
Cash and cash equivalents at end of period/year	**$ 687**	**$ 991**
Supplemental cash flow information:		
Income taxes recovered	(1,312)	(241)

See accompanying notes.

1. COMPANY INFORMATION

Cintas Shredding Business ("Cintas Shredding" or the "Company") provides document destruction and recycling services through corporate-owned branches. Prior to April 30, 2014, Cintas Shredding was not an existing legal entity and its results were included in the consolidated financial statements of Cintas Corporation ("Cintas Corporation" or the "Parent") under the Document Management Segment. Cintas Corporation is established under the laws of, and domiciled in, Ohio, United States of America with its registered office located at 6800 Cintas Boulevard, Cincinnati, Ohio 45262-5737, United States of America. Management has prepared these combined financial statements on a carve-out basis from the financial information of the Parent.

2. BASIS OF PRESENTATION

These combined carve-out financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These are the Company's first carve-out financial statements and the Company applied IFRS 1, First-time Adoption of International Financial Reporting Standards. A reconciliation of how the transition to IFRS has affected the Company's carve-out financial position, performance and cash flows has not been presented as the Company has not presented carve-out financial statements in previous years under previous GAAP.

IFRS 1 allows first-time adopters certain exemptions from the general requirements contained in IFRS. The Company opted to apply the following exemptions to the retrospective application of IFRS:

1. IFRS 3 Business Combinations: The Company has elected to apply IFRS 3, Business Combinations, prospectively. Therefore, business combinations occurring prior to June 1, 2012 were not restated.
2. Currency translation of foreign operations was reset to zero on June 1, 2012. Going forward, amounts recognized on translation of foreign operations are recorded in a separate foreign currency translation reserve in net parent investment.

The combined carve-out financial statements are presented as at and for the 11 months period ended April 30, 2014, the year ended May 31, 2013 and as at June 1, 2012. The combined carve-out financial statements contain comparative information which is not entirely comparable, as April 30, 2014 is the last day before Shred-it JV LP, the Ontario, Canada based partnership acquired control of Cintas Shredding and as such, represents management's closing date.

Since these financial statements have been prepared on a combined carve-out basis, it is not meaningful to show share capital or provide an analysis of reserves. Therefore, amounts which reflect the carrying value of investments of the Parent in the Company are disclosed as "Net parent investment." In addition, as the combined entities have no historical capital structure since the Company was not an existing legal entity during the periods presented, earnings per share as required by IAS 33, Earnings per Share have not been presented.

The combined carve-out statements of cash flows have been prepared under the indirect method in accordance with IAS 7, Cash Flow Statements. Foreign currency transactions are translated at the average exchange rate for the year, in those cases where the currency differs from the presentation currency of the Company. The net change in cash and cash equivalents reflects the movement in the corresponding year, with the beginning balances for each year taking into account the impact of differences arising from the translation of foreign currency balances using the aforementioned translation method.

The Company believes that the assumptions and estimates used in preparation of the underlying combined carve-out financial statements are reasonable. However, the combined carve-out financial statements herein do not necessarily reflect what the Company's financial position, results of operations or cash flows would have been if the Company had operated as a separate entity during the periods presented. As a result, historical financial information is not necessarily indicative of the Company´s future results of operations, financial position or cash flows.

The figures in these combined carve-out financial statements are expressed in thousands of U.S. dollars unless otherwise indicated. These combined carve-out financial statements have been prepared on a historical cost basis.

a. Intercompany Transactions with Parent

The combined carve-out financial statements include allocations of certain Parent corporate expenses as described further in "Relationship with Parent". The expense and cost allocations have been determined on the basis that management considers to be a reasonable reflection of the utilization of services provided or the benefits received by the Company during the periods presented. The financial information in these combined carve-out financial statements does not include all the expenses that would have been incurred had the Company operated as a separate, stand-alone entity, and accordingly, may not reflect the Company's results of operations, financial position and cash flows had the Company been a stand-alone company during the periods presented.

(In thousands of U.S. dollars, unless otherwise stated)

2. BASIS OF PRESENTATION (Continued)

The Parent uses a centralized approach to cash management and financing its operations. Transactions between Parent and the Company are accounted for through the net Parent investment account. Accordingly, none of the Parent cash, cash equivalents, investment, debt, or related interest income/expense at the corporate level has been assigned to the Company in the combined carve-out financial statements.

b. Relationship with Parent

The Company utilizes centralized functions of the Parent to support its operations, and in return, the Parent allocates certain of its expenses to the Company. Such expenses represent costs related, but not limited to treasury, legal, accounting, insurance, information technology, payroll administration, human resources and other services. These costs, together with an allocation of Parent overhead costs, are included within employee costs, the selling and administrative expenses and share-based compensation captions of the combined carve-out statements of income and comprehensive income. The Company allocates the cost of these centralized functions based on the Company's revenue as a percentage of the Parent's revenue. The allocation percentage was 4.17% for the year ended May 31, 2013, and 4.86% for the 11 months ended April 30, 2014.

Where it is possible to specifically attribute such expenses to activities of the Company, these amounts have been charged or credited directly to the Company without allocation or apportionment. Allocation of all other such expenses is based on a reasonable reflection of the utilization of service provided or benefits received by the Company during the periods presented on a consistent basis.

The Company supports the methods used in allocating expenses and believes these methods to be reasonable estimates. However, resulting expenses may not represent the amounts that would have been incurred had such transactions been entered into with third parties at "arm's length."

c. Income Taxes

These combined carve-out financial statements include a theoretical income tax calculation as if the entities were separate legal entities preparing income taxes at the Company level. However, the Company's operations have historically been included in the Parent's U.S. federal and state tax returns or non-U.S. jurisdictions tax returns. The Parent's global tax model has been developed based on its entire portfolio of businesses. Accordingly, the Company's tax results as presented are not necessarily reflective of the results that the Company would have generated on a stand-alone basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies used in preparing the combined carve-out financial statements are as follows:

Basis of Combination

The combined carve-out financial statements include accounts related to the shredding business of certain subsidiaries which are wholly owned by Cintas Corporation. The following table provides the information about those subsidiaries:

Name of Entity	Country of Incorporation
Cintas Corporation No. 2	U.S.A
Cintas Canada Ltd.	Canada
Cintas Document Management Netherlands BV (Netherlands)	Netherlands
Cintas Document Management Germany GmbH (Germany)	Germany

As at April 30, 2014, the combined carve-out financial statements also comprise accounts of certain shell entities which were created for the purposes of the partnership with Shred-it International Inc. described in note 21. These wholly owned subsidiaries are CC Shredding Holdco LLC (US), CC Shredding LLC (US), CDD LLC (US), CC Dutch Shredding Holdco BV (Netherlands), CC Canada Shredding ULC (Canada), and CC Dutch Shredding BV (Netherlands). As at April 30, 2014, there was no activity in these entities.

All intercompany transactions and accounts between the Company's combined entities have been eliminated.

(In thousands of U.S. dollars, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents in the Statements of financial position comprise cash at banks and on hand and highly liquid temporary investments with a maturity of three months or less at the date of acquisition.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis, and the useful lives are as follows:

	Useful lives
Building	40 years
Land and building improvements	10 — 20 years
Leasehold improvement	3 — 20 years
Equipment	3 — 10 years

Leasehold Improvements are the shorter of the lease terms or the useful life. Depreciation of property and equipment begins when assets are available for their intended use. Depreciation methods, rates and residual values are reviewed annually and revised if the current method, estimated useful life or residual value is different from that estimated previously. The effect of such changes is recognized prospectively in the combined carve-out statements of income and comprehensive income.

Property and equipment which are classified construction in progress are not depreciated.

Intangible assets

Intangible assets acquired in a business combination are recorded at their fair values. Subsequently, intangible assets are recorded at cost less accumulated amortization. Intangible assets with finite useful lives are amortized over their estimated useful lives. Useful lives, residual values and amortization methods for intangible assets with finite useful lives are reviewed at least annually.

Intangible assets with finite useful lives are amortized on a straight-line basis over their estimated useful lives as follows:

Assets	Rates and bases
Service contracts,	10 years
Non-compete agreements	2-5 years

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of net identifiable assets of the acquired business at the date of the acquisition. If purchase consideration is lower than the fair value of net assets acquired, the difference is recognized in the combined carve-out statements of income and comprehensive income. After initial recognition, goodwill is measured at cost less accumulated impairment losses.

Goodwill acquired in a business combination is allocated to each of the identified cash generating units ("CGU") or group of CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The Company performs goodwill impairment tests on an annual basis, which were conducted as follows: April 30, 2014, May 31, 2013 and June 1, 2012. In addition, if the Company identifies an indicator of impairment at an earlier date, goodwill is tested for impairment at that time. If the carrying value of the CGU or group of CGUs to which goodwill is assigned exceeds its recoverable amount, an impairment loss is recognized. Goodwill impairment losses are not reversed. The recoverable amount of a CGU or group of CGUs is measured as the higher of value in use and fair value less costs of disposal.

For purposes of goodwill impairment, the Company has concluded that goodwill is monitored and recovered at the following levels: North America, Germany and Netherlands.

The accompanying combined carve-out statement of financial position include goodwill of shredding business as of the opening balance sheet date of June 1, 2012 as previously carried in the consolidated financial statements of Cintas Corporation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of long-lived assets

Long-lived assets that are subject to depreciation or amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with an indefinite life are tested annually for impairment or when there is an indicator of impairment and carried at cost less accumulated impairment losses.

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to dispose and its value-in-use.

The Company determines the recoverable amount of an asset or CGU as the higher of fair value less cost to sell calculation or a value-in use calculation. Fair value is 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. The value-in-use calculation uses cash flow projections based on financial budgets approved by management. The recoverable amount is compared to the carrying amount of the CGU and an impairment loss is recorded at the amount that the carrying amount exceeds the recoverable amount.

For the purposes of assessing impairment, assets are assessed individually or they are grouped into CGUs at the lowest levels for which there are separately identifiable independent cash inflows.

Non-financial assets, other than goodwill, that suffer impairment are reviewed for possible reversal of the impairment whenever reversal indicators exist.

Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Company's other components. The operating segment's operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Revenue recognition

The Company earns revenue from providing shredding and information destruction services to clients. Shredding and information destruction service revenue is recorded when the service has been performed, the Company has provided a certificate of destruction, and collections are reasonably assured.

Recycling revenue is recognized when the collected paper has been delivered to the recycling facility and collections are reasonably assured.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. Acquisition costs incurred are expensed and included in selling and administrative expenses in the consolidated statements of loss and comprehensive income. When Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability will be recognized in accordance with IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39") in the combined statement of loss and comprehensive income. Reacquired rights, as an exception to fair value, in business combinations, are recognized as an intangible asset based on the remaining contractual term of the related contract regardless of whether market participants would consider potential contractual renewals when measuring its far value.

Employee benefits

a. Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Share-based compensation

The fair value of stock-based compensation is determined using the Black-Scholes option pricing model, which requires the Company to estimate the expected volatility of Cintas Corporation's stock price, the expected life of the share-based awards and forfeiture rates.

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognized as an expense over the vesting period of the stock options, with a corresponding increase in equity. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and is recognized as an expense with a corresponding increase to equity on the grant date.

Income taxes

Current tax assets and liabilities are measured at the amount expected to be paid to tax authorities, net of recoveries based on the tax rates and laws enacted or substantively enacted at the date of the combined statements of financial position. Management periodically evaluates positions taken in the tax returns for situations in which applicable tax regulations are subject to interpretation and establish provisions where appropriate. Current and deferred tax relating to items recognized directly in equity is also recognized in equity.

Deferred tax liabilities are provided for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that the deductions and tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each date of the combined statements of financial position and reduced to the extent it is no longer probable that the deferred or income tax assets will be recovered. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to prevail in the period when the asset is realized or the liability settled, based on the tax rates and laws that have been enacted or substantively enacted at the dates of the consolidated statements of financial position.

Deferred tax liabilities are generally recognized for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries and investments subject to significant influence, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority and on the same taxable entity.

Foreign currency translation

The combined carve-out financial statements are presented in U.S. dollars, the Company's functional currency. Each subsidiary consolidated by the Company determines its own functional currency based on the primary economic environment in which the subsidiary operates.

Foreign exchange gains/losses arising on transactions occurring in a currency other than an operation's functional currency are included in income or loss for the period.

Assets and liabilities of subsidiaries with different functional currencies are translated into U.S. dollars at the year-end rates of exchange and revenue and expense items are translated at the average rate of exchange during the period where these approximate actual rates. Exchange gains or losses arising from the translation of these subsidiaries are included as part of OCI.

Financial instruments

Financial assets and liabilities

The Company classifies its financial assets and liabilities into the following categories:

• Financial assets available for sale;

• Held to maturity investments

(In thousands of U.S. dollars, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Financial assets and liabilities at fair value through income or loss;
- Loans and receivables; and
- Other financial liabilities.

Appropriate classification of financial assets and liabilities is determined at the time of initial recognition or when reclassified on the statements of financial position. Financial instruments classified as fair value through income or loss are recognized on the trade date, which is the date that the Company commits to purchase or sell the asset.

a. Financial assets available for sale

The Company has no financial assets available for sale as at April 30, 2014, May 31, 2013, and June 1, 2012.

b. Held to maturity investments

The Company has no held to maturity investments as at April 30, 2014, May 31, 2013, and June 1, 2012.

c. Financial assets and liabilities at fair value through income or loss

A financial asset is classified as fair value through profit or loss ("FVTPL") if it classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including interest or dividend income are recognized in profit or loss.

d. Loans and receivables

Loans and receivables are initially measured at fair value plus transaction costs directly attributable to the acquisition of the financial asset and subsequently carried at amortized cost using the effective interest method less any impairment, with changes recorded through the statements of income and comprehensive income.

e. Other financial liabilities

All of the Company's non-derivative financial liabilities are classified as other financial liabilities and are initially measured at fair value less transaction costs that are directly attributable to the issue of the financial liability. Subsequent to the initial recognition and measurement, these non-derivative financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes classification and measurement of financials assets and liabilities:

	Classification	Measurement
Financial assets		
Cash and cash equivalents	FVTPL	Fair value
Accounts receivable, net	Loans and receivables	Amortized cost
Other assets	Loans and receivables	Amortized cost
Prepaid expenses	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued payables	Other liabilities	Amortized cost
Accrued compensation and related liabilities	Other liabilities	Amortized cost
Parent company debt	Other liabilities	Amortized cost

Summary of estimates, judgments and assumptions

The preparation of combined carve-out financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results could

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

differ from these estimates. Key areas of estimation where management has made difficult, complex or subjective judgments, often as a result of matters that are inherently uncertain, are as follows:

a. Income taxes

Current and deferred tax liabilities must be estimated for the Company, including an assessment of temporary differences. Any temporary differences will generally result in the recognition of deferred tax assets and liabilities in the combined carve-out financial statements. Based on management's judgment, deferred tax assets are not set up in situations where it is not probable that taxable income will be available against which deductible temporary differences can be utilized. Management must also determine the manner in which deferred tax balances will be realized as well as the tax rate that will apply when the balance is expected to be utilized. Estimating the rate requires an assessment of the allocation of taxable income amongst jurisdictions within certain countries.

b. Stock options, share units and share purchase plans

Assumptions, such as volatility, expected life of an award, risk-free interest rate, forfeiture rate vesting period, probability of reaching market conditions and dividend yield, are used in the underlying calculation of fair values of the Company's stock options. Details of the assumptions used are included in note 13. Significant changes in the assumptions, including those with respect to future business plans and cash flows, could materially change the recorded carrying amounts.

c. Impairment of goodwill and non-financial assets

The impairment test of goodwill and non-financial assets is carried out by comparing the carrying amount of the CGU (or for certain goodwill, groups of CGUs) to its recoverable amount. The recoverable amount is the higher of fair value less costs to dispose and value-in-use. The complex valuation process used to determine value-in- use is based on a discounted cash flows model, which includes significant assumptions relating to future cash flows, discount and terminal growth rates. The calculation of fair value less costs to dispose can also be a complex process, requiring significant assumptions related to future cash flows and the multiple to be applied.

d. Determination of CGUs

The determination of CGUs requires judgment in determining the smallest group of assets that generates cash inflows largely independent of the cash flows from other assets or groups of assets. Given the Company's national customer basis, the CGUs were determined to be the geographies in which the Company operates. This determination is also consistent with how the Company operates and makes decisions about continuing or disposing of assets or operations.

Management has concluded that there are four CGUs: United States, Canada, Germany and Netherlands.

Accounting standards and amendments issued but not yet adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the combined carve out financial statements are as follows:

a. IFRS 9 'Financial Instruments'

In November 2013, the IASB issued a revised version of IFRS 9, Financial Instruments which introduces a new chapter on hedge accounting, putting in place a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures. The revised standard permits an entity to apply only the requirements introduced in IFRS 9 (2010) for the presentation of gains and losses on financial liabilities designated at fair value through profit or loss without applying the other requirements of IFRS 9, meaning the portion of the change in fair value related to changes in the entity's own credit risk can be presented in OCI rather than within the consolidated statements of loss and comprehensive income. The amendments to IFRS 9 remove the mandatory effective date of IFRS 9 (2013), IFRS 9 (2010) and IFRS 9 (2009), leaving the effective date open, pending the finalization of the impairment, classification and measurement requirements. Notwithstanding the removal of an effective date, each standard remains available for application. The Company does not anticipate early adoption and plans to adopt the standard on its effective date, which the IASB has tentatively decided will be no earlier than January 1, 2018. The Company is in the process of reviewing the standard to determine the impact on the combined financial statements.

(In thousands of U.S. dollars, unless otherwise stated)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. IFRS 15, 'Revenue from contracts with customers'

In May 2014, the IASB released IFRS 15, Revenue from contracts with customers, which supersedes existing revenue related guidance. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The Company has not yet assessed the impact of the adoption of this standard on the combined financial statements.

c. IFRIC Interpretation 21, Levies ("IFRIC 21")

IFRIC 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. IFRIC 21 is effective for annual periods beginning on or after January 1, 2014. Adoption of IFRIC 21 will not have a material financial impact on the combined financial statements.

d. Offsetting Financial Assets and Financial Liabilities — Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and are applied retrospectively. These amendments will not have a material impact on the combined financial statements.

e. Annual Improvements 2010 — 2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13, Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning on January 1, 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 will not have a material financial impact on the combined financial statements.

4. PROPERTY AND EQUIPMENT

Reconciliation of carrying amount of property and equipment is as follows:

Cost	Land	Building and Improvements	Equipment	Leasehold Improvements	Construction in progress	Total
As at June 1, 2012	**183**	**4,868**	**184,229**	**5,048**	**8,053**	**202,381**
Addition	40	150	41,246	1,574	(1,995)	41,015
Acquisitions (note 18)	—	—	4,414	—	—	4,414
Disposals	—	(252)	(3,228)	—	—	(3,480)
Foreign currency translation	—	—	(1,291)	(43)	—	(1,334)
As at May 31, 2013	**223**	**4,766**	**225,370**	**6,579**	**6,058**	**242,996**
Addition	79	(289)	34,298	2,548	(6,041)	30,595
Acquisitions (note 18)	—	—	65	—	—	65
Disposals	—	(3)	(4,913)	(808)	—	(5,724)
Foreign currency translation	—	—	639	(1)	—	638
As at April 30, 2014	**302**	**4,474**	**255,459**	**8,318**	**17**	**268,570**

(In thousands of U.S. dollars, unless otherwise stated)

4. PROPERTY AND EQUIPMENT (Continued)

Accumulated Depreciation	Land	Building and Improvements	Equipment	Leasehold Improvements	Construction in progress	Total
As at June 1, 2012	**—**	**(2,264)**	**(113,162)**	**(1,854)**	**—**	**(117,280)**
Depreciation	—	(280)	(26,120)	(762)	—	(27,162)
Disposals	—	—	2,861	31	—	2,892
Foreign currency translation	—	121	(22)	(11)	—	88
As at May 31, 2013	**—**	**(2,423)**	**(136,443)**	**(2,596)**	**—**	**(141,462)**
Depreciation	—	(245)	(26,555)	(826)	—	(27,626)
Disposals	—	3	3,985	512	—	4,500
Foreign currency translation	—	171	1,209	(256)	—	1,124
As at April 30,2014	**—**	**(2,494)**	**(157,804)**	**(3,166)**	**—**	**(163,464)**
Carrying amount						
As at June 1,2012	**183**	**2,604**	**71,067**	**3,194**	**8,053**	**85,101**
As at May 31, 2013	**223**	**2,343**	**88,927**	**3,983**	**6,058**	**101,534**
As at April 30,2014	**302**	**1,980**	**97,655**	**5,152**	**17**	**105,106**

As at April 30, 2014, May 31, 2013 and June 1, 2012, the gross carrying amounts of property and equipment which are fully amortized and remain in use are $102,119, $92,691, and $74,848, respectively.

5. INTANGIBLE ASSETS

Reconciliation of carrying amount of intangible assets is as follows:

Cost	Service Contracts	Non-compete agreements	Total
As at June 1, 2012	**44,370**	**25,986**	**70,356**
Acquisitions (note 18)	22,302	1,332	23,634
Foreign currency translation and other adjustments	34	34	68
As at May 31, 2013	**66,706**	**27,352**	**94,058**
Acquisitions	1,010	74	1,084
Foreign currency translation and other adjustments	(95)	(1)	(96)
As at April 30, 2014	**67,621**	**27,425**	**95,046**

Accumulated amortization	Service Contracts	Non-compete agreements	Total
As at June 1, 2012	(35,715)	(23,951)	(59,666)
Amortization	(4,105)	(1,053)	(5,158)
Foreign currency translation and other adjustments	(7)	(39)	(46)
As at May 31, 2013	**(39,827)**	**(25,043)**	**(64,870)**
Amortization	(3,687)	(717)	(4,404)
Foreign currency translation and other adjustments	(126)	(2)	(128)
As at April 30, 2014	**(43,640)**	**(25,762)**	**(69,402)**
Carrying amounts			
As at June 1, 2012	**8,655**	**2,035**	**10,690**
As at May 31, 2013	**26,879**	**2,309**	**29,188**
As at April 30, 2014	**23,981**	**1,663**	**25,644**

(In thousands of U.S. dollars, unless otherwise stated)

5. INTANGIBLE ASSETS (Continued)

As at April 30, 2014, May 31, 2013 and June 1, 2012, the gross carrying amounts of intangible assets which are fully amortized and remain in use are $57,572, $47,807, and $37,660, respectively.

6. GOODWILL

The movement of Goodwill during the reporting period is as follows:

Balance as at June 1, 2012	**258,487**
Goodwill related to acquisitions (note 18)	9,308
Effect of foreign currency translation rates	575
Balance as at May 31, 2013	**268,370**
Goodwill related to acquisitions (note 18)	542
Effect of foreign currency translation rates	(89)
Balance as at April 30, 2014	**268,823**

7. IMPAIRMENT OF GOODWILL AND LONG-LIVED ASSETS

In accordance with the policy described in note 3, the Company performed its annual test for goodwill impairment. All the Company's corporate assets have been allocated to the respective CGUs or group of CGUs for the purpose of impairment testing. The Company has no unallocated assets.

The carrying value of goodwill for each CGU, or group of CGUs, is identified as follows:

	As at April 30, 2014	As at May 31, 2013	As at June 1, 2012
North America	258,612	258,808	249,586
Germany	8,911	8,346	7,736
Netherlands	1,300	1,216	1,165
Total goodwill	**268,823**	**268,370**	**258,487**

As at April 30, 2014, May 31, 2013 and June 1, 2012, the recoverable amounts of each group tested for impairment, North America, Germany and the Netherlands, exceeded their respective carrying values. Accordingly, at each of the respective balance sheet dates, goodwill was not impaired. The recoverable amounts of North America, Germany and the Netherlands were based on a calculation of the fair value less costs of disposal ("FVLCD") of each region as at April 30, 2014, May 31, 2013 and June 1, 2012.

As at May 31, 2013 and June 1, 2012, management estimated the FVLCD of each region using a multiples-based valuation approach, using comparable sales of similar companies relative to sales volume, which represents a Level 3 measurement in accordance with the fair value hierarchy. The multiple used by management to determine the fair value of each region ranged from 1.5 to 2.5.

As at April 30, 2014, management estimated the FVLCD of each region by referencing recent transactions in the market involving the sale of similar groups of assets and liabilities.

(In thousands of U.S. dollars, unless otherwise stated)

8. ACCOUNTS RECEIVABLE

Accounts receivable include receivables from shredding customers. The trade receivables as at April 30, 2014, May 31, 2013 and June 1, 2012 are as follows:

	As at April 30, 2014	As at May 31, 2013	As at June 1, 2012
Account receivables	42,611	39,350	35,713
Less: Allowance for doubtful accounts	(2,778)	(2,031)	(1,886)
Account receivables — net	**39,833**	**37,319**	**33,827**

The movement of Allowance for Doubtful Accounts during the reporting period is as follows:

Allowance for Doubtful Accounts	
As at June 1, 2012	(1,886)
Additional provision recognized	(145)
As at May 31, 2013	(2,031)
Additional provision recognized	(747)
As at April 30, 2014	(2,778)

See note 15 on credit risk of trade receivables, which discusses how the Company manages and measures credit quality of trade receivables.

9. INCOME TAXES

A. Amounts recognized in profit or loss

	For the 11 months period ended April 30, 2014	For the year ended May 31, 2013
Current taxes expense (recovery)		
Domestic:		
Current year	(1,312)	(241)
Foreign:		
Current year	—	—
	(1,312)	(241)
Deferred tax expense (recovery)		
Domestic:		
Origination and reversal of temporary differences	3,374	4,851
Foreign:		
Origination and reversal of temporary differences	(100)	(265)
	3,274	4,586
Tax expense	1,962	4,345

(In thousands of U.S. dollars, unless otherwise stated)

9. INCOME TAXES (Continued)

B. Tax expense (recovery) amounts recognized in OCI and Net Parent Investment

	For the 11 months period ended April 30, 2014			For the year ended May 31, 2013		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
OCI:						
Foreign operations — foreign currency translation differences	—	64	—	—	(88)	—

C. Reconciliation of effective tax rate:

	For the 11 months period ended April 30, 2014		For the year ended May 31, 2013	
	%	$	%	$
Profit before income taxes		4,722		11,190
Tax using the Company's domestic tax rate	35%	1,652	35%	3,916
Tax effect of:				
Non-deductible expenses	2.42%	114	1.06%	119
Disqualifying Stock Option Dispositions	(2.77%)	(131)	(.23%)	(25)
Tax incentives	(1.05%)	(50)	—	—
Change in recognized deductible temporary differences	(3.97%)	(187)	(1.15%)	(128)
State taxes	2.88%	136	1.22%	137
Other	.33%	16	1.19%	131
Non-deductible state deferred expense	8.72%	412	1.74%	195
Provision for income taxes	**41.56%**	**1,962**	**38.83%**	**4,345**

Domestic taxes are based on a federal tax rate of 35% plus various applicable state rates. Foreign taxes are based on applicable tax rates in each subsidiary's jurisdiction. Income tax expense comprises current and deferred tax. It is recognized in comprehensive income except to the extent that is relates to a business combination or items recognized directly to equity or in OCI.

The nominal tax rates of the countries where combined subsidiaries are located are:

	For the 11 months period ended April 30, 2014	For the year ended May 31, 2013
North America	35%	35%
Netherlands	20%	20%
Germany	15%	15%

(In thousands of U.S. dollars, unless otherwise stated)

9. INCOME TAXES (Continued)

D. Movement in deferred tax balances

Deferred taxes for the eleven months ended April 30, 2014 arising from temporary differences and unused tax losses can be summarized below:

	Net Balances June 1, 2013	Recognized in profit and loss	Recognized in OCI	Recognized in equity	Balance at April 30, 2014		
					Net	Deferred tax assets	Deferred tax liabilities
Property and equipment	(15,332)	573	—	—	(14,759)	—	(14,759)
Net operating loss carry forward	902	100	64	—	1,066	1,066	—
Intangibles	(32,378)	(4,957)	—	—	(37,335)	—	(37,335)
Equity settled share based payments	548	727	—	124	1,399	1,399	—
Others	754	283	—	—	1,037	1,037	—
Net tax assets (liabilities)	**(45,506)**	**(3,274)**	**64**	**124**	**(48,592)**	**3,502**	**(52,094)**

Deferred taxes for the year ended May 31, 2013 arising from temporary differences and unused tax losses can be summarized below:

	Net Balances June 1, 2012	Recognized in profit and loss	Recognized in OCI	Recognized in equity	Balance at May 31, 2013		
					Net	Deferred tax assets	Deferred tax liabilities
Property and equipment	(13,061)	(2,271)	—	—	(15,332)	—	(15,332)
Net operating loss carry forward	725	265	(88)	—	902	902	—
Intangibles	(29,484)	(2,894)	—	—	(32,378)	—	(32,378)
Equity settled share based payments	201	264	—	82	547	547	—
Others	704	50	—	—	754	754	—
Net tax assets (liabilities)	**(40,915)**	**(4,586)**	**(88)**	**82**	**(45,507)**	**2,203**	**(47,710)**

The Company's deferred tax asset of $902 as of May 31, 2013 and $1,066 as of April 30, 2014 stem from unused net operating losses that originated from their foreign tax jurisdictions for which $225 will expire in 2018 and $162 will expire in 2019.

The Company has no unrecognized deferred tax liabilities or unrecognized deferred tax assets as of June 1, 2012, May 30, 2013 and April 30, 2014.

10. PARENT COMPANY DEBT

Cintas Document Management Germany GmbH holds a loan with a related entity, Cintas Netherlands Holdings B.V. which bears interest at 6%. The initial maturity date of the loan was June 3, 2012, which could be paid or renewed for subsequent one year terms at the option of the borrower. On March 25, 2014 the loan and accrued interest was settled with Cintas Netherlands Holdings B.V. in exchange for parent equity.

Cintas Netherlands Holdings B.V. is a related entity by virtue of common ownership of the Company's parent, Cintas Corporation.

(In thousands of U.S. dollars, unless otherwise stated)

10. PARENT COMPANY DEBT (Continued)

The outstanding loan is as follows:

	As at April 30, 2014		As at May 31, 2013		As at June 1, 2012	
Loans	**Euros**	**USD**	**Euros**	**USD**	**Euros**	**USD**
Parent Company Loan	—	—	7,508	9,751	7,508	9,340

Interest charged was $587 and $655 for eleven months ended April 30, 2014 and year ended May 31, 2013, respectively.

There are no covenants associated with this loan.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	As at April 30, 2014	As at May 31, 2013	As at June 1, 2012
Accounts payable	3,510	4,104	4,245
Accrued liabilities	9,800	11,686	12,240
Total accounts payable and accrued liabilities	**13,310**	**15,790**	**16,485**

12. DEFINED CONTRIBUTION PLANS

Cintas' Partners' Plan (the Plan) is a non-contributory profit sharing plan and Employee Stock Ownership Plan (ESOP) for the benefit of substantially all U.S. Cintas employee-partners who have completed one year of service. The Plan also includes a 401(k) savings feature covering substantially all U.S. employee-partners. The amounts of contributions to the Plan and ESOP, as well as the matching contribution to the 401(k), are made at the discretion of Cintas. Total contributions, were $1,800, and $1,900 for eleven months ended April 30, 2014 and fiscal year ended May 31, 2013, respectively.

Cintas Shredding has a non-contributory deferred profit sharing plan (DPSP), which covers substantially all Canadian employee-partners. In addition, a registered retirement savings plan (RRSP) is offered to those employees. The amounts of contributions to the DPSP, as well as the matching contribution to the RRSP, are made at the discretion of Cintas Shredding. Total contributions, which approximate cost, were $90 and $90 for eleven months ended April 30, 2014 and fiscal year ended May 31, 2013, respectively.

Cintas Shredding has a supplemental executive retirement plan (SERP) subject to Section 409A of the Internal Revenue Code for the benefit of certain highly compensated Cintas Shredding employee-partners. The SERP allows participants to defer the receipt of compensation which would otherwise become payable to them. Matching contributions are made at the discretion of Cintas Shredding. Total matching contributions were $400 and $300 for eleven months ended April 30, 2014 and fiscal year ended May 31, 2013, respectively.

13. SHARE-BASED COMPENSATION

The compensation cost for stock based awards was $1,789 and $917 for eleven months period ended April 30, 2014 and year ended May 31, 2013, respectively. The total income tax benefit recognized in the combined carve-out statements of income and comprehensive income for share-based compensation arrangements was $178 and $128 for 11 months period ended April 30, 2014 and year ended May 31, 2013, respectively.

Stock Options

Stock options are granted at the fair market value of the underlying common stock on the date of grant. The option terms are determined by the Compensation Committee of the Board of Directors of Cintas Corporation, but no stock option may be exercised later than 10 years after the date of the grant. The option awards generally have 10-year terms with cliff vesting in years 3 through 5 based on continuous service during that period. Cintas Shredding recognizes compensation expense for these options using the accelerated method, whereby compensation expense is determined on a straight-line basis over the vesting period of each individual tranche. The risk-free interest rate is based on U.S. government issues with a remaining term equal to the expected life of the stock options. The determination of expected volatility is based on historical volatility of Cintas' common stock over the period commensurate with the expected term of stock options, as well as other relevant factors. The weighted average expected term was determined based on

(In thousands of U.S. dollars, unless otherwise stated)

13. SHARE-BASED COMPENSATION (Continued)

the historical employee exercise behavior of the options. The total fair value of stock options issued during fiscal 2014 and 2013 was $945 and $943, respectively.

The information presented in the following table relates primarily to stock options granted and outstanding under either the 2005 Equity Compensation Plan or under previously adopted plans:

	For the 11 months period ended April 30, 2014		For the year ended May 31, 2013	
	Number of options	Weighted average unit price	Number of options	Weighted average unit price
Outstanding, beginning of period	319,660	35.71	278,701	34.83
Granted	73,969	47.22	97,770	38.89
Exercised	(51,693)	37.43	(20,850)	36.31
Lapsed	(35,414)	38.85	(35,961)	37.18
Outstanding, end of period	306,522	37.84	319,660	35.71
Exercisable, end of period	64,418	34.41	76,344	38.52

Exercise Price	Outstanding	Weighted average remaining contractual life (in years)
$21.82 - $34.18	107,229	6.38
$36.08 - $42.06	97,693	6.66
$42.51 - $47.22	101,600	7.45
	306,522	6.83

	For the 11 months period ended April 30, 2014	For the year ended May 31, 2013
Expected volatility	28%	28%
Forfeiture rate	22%	22%
Risk free interest rate	1.98%	1.30%
Expected life (years)	7.5	7.5
Dividend yield	1.67%	1.84%
Weighted average fair value of options granted	$12.78	$ 9.64

Restricted Stock Awards

Restricted stock awards consist of Cintas' common stock that is subject to such conditions, restrictions and limitations as the Compensation Committee of the Board of Directors determines to be appropriate. The vesting period is generally three years after the grant date. The recipient of restricted stock awards will have all rights of a shareholder of Cintas, including the right to vote and the right to receive cash dividends, during the vesting period. Cintas recognizes compensation expense for these restricted stock awards using the straight-line recognition method over the vesting period.

(In thousands of U.S. dollars, unless otherwise stated)

13. SHARE-BASED COMPENSATION (Continued)

The information presented in the following table relates to restricted stock awards granted and outstanding under either the 2005 Equity Compensation Plan or under previously adopted plans.

	For the 11 months period ended April 30, 2014		For the year ended May 31, 2013	
	Number of awards	Weighted average price	Number of awards	Weighted average price
Outstanding, beginning of period	53,669	$34.40	55,074	$27.11
Granted	21,698	47.22	26,368	39.05
Exercised	(13,353)	26.12	(21,959)	22.76
Lapsed	(5,808)	40.58	(5,814)	30.36
Outstanding, end of period	56,206	$40.68	53,669	$34.40

14. RELATED PARTY TRANSACTIONS

As indicated in Note 2 regarding the ownership and operating relationships between the Company and the Parent, the companies belonging to the combined entities have been included in the statement of financial position, statement of income and comprehensive income, statement of cash flow and the notes to the financial statements where such disclosure was necessary.

The Company provides document shredding services to certain entities related to the Parent, for which the revenue is included in the combined carve-out statement of income and comprehensive income. For the 11 months period ended April 30, 2014 and the year ended May 31, 2013 the related party revenue was $590 and $635, respectively.

All services provided by the Company are billed at arm's length prices irrespective of any relationship that may exist with customers that are companies included in the Parent's group.

Key management personnel

The Company's key management personnel is comprised of certain members of the executive team of Cintas Corporation as well as members of the Board to the extent that they have the authority and responsibility for planning, directing and controlling the Company's activities, either directly or indirectly. Annual compensation of key management personnel that is directly attributable to the Company was as follows:

The following table shows the total remuneration expensed related to the Company's key management personnel for the 11 months period ended April 30, 2014 and for the year ended May 31, 2013:

	For the 11 months period ended April 30, 2014	For the year ended May 31, 2013
Total compensation paid to key management		
Salary and other compensation	1,215	1,262
Share-based payments	1,817	729

15. RISK MANAGEMENT

The Company, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: interest rate risk, credit risk, foreign exchange risk and liquidity risk. Senior management is responsible for setting acceptable levels of risk and reviewing risk management activities as necessary.

Interest rate risk

The interest rates of the Company's borrowings are fixed. Accordingly, the Company is not subject to risk from fluctuations in interest rates.

(In thousands of U.S. dollars, unless otherwise stated)

15. RISK MANAGEMENT (Continued)

Credit risk

Credit risk represents the financial loss that the Company would experience if a counterparty to a financial instrument, in which the Company has an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Company.

The Company's credit risk is primarily attributable to its accounts receivable. The amounts disclosed in the combined carve-out statements of financial position are net of allowances for doubtful accounts, estimated by the Company's' management based on prior experience and the assessment of the current economic environment.

The Company establishes an allowance for doubtful accounts that represents its estimate of incurred losses in respect of accounts receivable. The main components of this allowance are a specific loss component that relates to individually significant exposures and an overall loss component established based on historical trends. The Company believes that its allowance for doubtful accounts is sufficient to reflect the related credit risk associated with the Company's accounts receivable.

At April 30, 2014, the ageing of accounts receivables that was not impaired was as follows:

	As at April 30, 2014	As at May 31, 2013	As at June 1, 2012
Neither past due nor impaired	35,132	34,495	30,458
Past due 1 - 30 days	3,623	2,480	2,716
Past due 31 - 90 days	1,375	952	1,039
Past due 91 - 120 days	2,194	1,514	1,491
	42,324	**39,441**	**35,704**

The Company believes that the concentration of credit risk of accounts receivable is limited due to its broad customer base, dispersed across geographic locations.

The Company has established various internal controls designed to mitigate credit risk and has also established procedures to suspend the availability of services when customers have fully utilized approved credit limits or have violated established payment terms.

While the Company's credit controls and processes have been effective in managing credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Company's current credit loss experience will not continue.

Foreign currency rate risk

Foreign currency rate risk is the risk that the fair value of future cash flows will fluctuate because of the changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the functional currency and the Company's net investments in foreign subsidiaries).

The Company operates in the Canadian, U.S., Europe markets and is exposed to unpredictable foreign exchange rate changes.

The Company does not employ a foreign currency derivative hedging program and, therefore, foreign currency translation can have a significant impact on comprehensive income during periods of fluctuating exchange rates.

If the following foreign exchange relationships weakened or strengthened by 1% against the U.S. dollar, with all other variables held constant, the impact on other comprehensive income would be as follows:

	For the 11 months ended April 30, 2014	For the year ended May 31, 2013
Canadian dollar	1	3
Euro	—	4

15. RISK MANAGEMENT (Continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company also mitigates this risk through the Parent continuing to provide financial support to satisfy any external financial obligations.

16. CAPITAL MANAGEMENT

As the Company is wholly-owned by Cintas Corporation, the Parent determines the appropriate level of capital in relation to the Company's cash flow requirements, overall business risks and potential business opportunities. As a result, Cintas Corporation will make adjustments to invested equity based on investment strategies and changes to economic conditions.

The primary objective of the Parent's management of capital is to ensure that it maintains a strong capital base so as to sustain the future development of the Company's business.

The Company is not subject to any externally imposed capital requirements.

17. FAIR VALUE MEASUREMENTS

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Company categorizes its fair value measurements according to a three-level fair value hierarchy. The hierarchy prioritizes the inputs used by the Company's valuation techniques.

A level is assigned to each fair value measurement based on the lowest level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 — Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 — Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs which are supported by little or no market activity.

For assets and liabilities that are recognized in the combined carve-out financial statements on a recurring basis, the Company determines whether transfers have occurred between the levels in the hierarchy by re-assessing categorization based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.

The carrying values of the Company's financial assets, which include accounts receivable, other assets, prepaid expenses, and cash and cash equivalents, as well as financial liabilities, which include accounts payable and accrued liabilities and accrued compensation and related liabilities approximate their recorded fair values due to their short-term nature.

The estimated fair value of Parent Company debt approximates its carrying value since debt is subject to terms and conditions similar to those available to the Company for instruments with comparable terms, and the interest rates are market-based.

(In thousands of U.S. dollars, unless otherwise stated)

18. ACQUISITIONS

During the 11 month period ended April 30, 2014 and the year ended May 31, 2013, the Company made two and eleven acquisitions respectively of businesses in the United States. These transactions were accounted for as business combinations.

a. Acquisitions for the 11 months ended April 30, 2014

The fair values of the identifiable assets and liabilities as at the dates of acquisition were:

	New York Shredding	Lancaster Shredding	Total
Assets			
Property, plant and equipment	61	4	65
Accounts receivables	28	—	28
Customer contracts	990	20	1,010
Non-compete agreements	74	—	74
	1,153	24	1,177
Goodwill	542	—	542
Purchase consideration	1,695	24	1,719

Each of these acquisitions impacted the North America CGU. For the 11 month period ended April 30, 2014, had the acquisitions taken place at the beginning of the year, additional revenue of $150 would have been recognized. As financial information for each of the acquired entities is limited to revenue, it is impracticable to determine net profit or loss of each acquiree if the business combinations had occurred at the beginning of the reporting period.

New York, New York acquisition

On July 31, 2013, the Company acquired the assets of a New York, New York document shredding business. The aggregate purchase price was $1,695 of which $1,234 was paid in cash. The asset purchase agreement included a holdback provision pursuant to which Cintas Corporation withholds a portion of the purchase price to ensure the acquired assets maintain a specified level of earnings for the 12 months following the acquisition. This amount has been included in the purchase price at its acquisition date fair value of $461, which was based on the present value of management's best estimate of the probability that milestone events would be achieved. The holdback was released to the income statement during the 11 months ended April 30, 2014 as it was probable that conditions would be satisfied.

Goodwill arising from the acquisition comprises the value of expected synergies. None of the goodwill is expected to be deductible for tax purposes. The Company has incurred acquisition-related costs of $30 on legal fees and due diligence costs. These costs have been included in selling and administrative expenses.

Lancaster, Pennsylvania acquisition

The Company acquired the assets of a Lancaster, Pennsylvania document shredding business. The aggregate purchase price was $23, of which $4 was paid in cash and the remaining $19 was withheld as a holdback provision. This amount has been included in the purchase price at its acquisition date fair value based on the present value of management's best estimate of the probability that milestone events would be achieved. During the 11 months ended April 30, 2014, the holdback was released to net income as conditions were satisfied.

Goodwill arising from the acquisition comprises the value of expected synergies. None of the goodwill is expected to be deductible for tax purposes. The Company has incurred acquisition-related cost of $0.4 on legal fees and due diligence costs. These costs have been included in 'Selling and administrative expenses.

(In thousands of U.S. dollars, unless otherwise stated)

18. ACQUISITIONS (Continued)

b. Acquisitions for the year ended May 31, 2013

The fair values of the identifiable assets and liabilities as at the dates of acquisition were:

	Baltimore Shredding	New Jersey Shredding	Oxnard Shredding	Knoxville Shredding	Others	Total
Assets						
Property, plant and equipment	319	1,220	201	1,745	930	4,415
Accounts receivables	—	254	78	572	147	1,051
Customer contracts	1,333	6,703	1,226	11,353	1,683	22,298
Non-compete agreements	87	335	87	657	167	1,333
	1,739	8,512	1,592	14,327	2,927	29,097
Goodwill	5	487	235	7,261	1,316	9,304
Purchase consideration	1,744	8,999	1,827	21,588	4,243	38,401

Each of these acquisitions impacted the North America CGU. For the year ended May 31, 2013, had the acquisitions taken place at the beginning of the year, additional revenue of $7,066 would have been recognized. As financial information for each of the acquired entities is limited to revenue, it is impracticable to determine net profit or loss of each acquiree if the business combinations had occurred at the beginning of the reporting period.

Baltimore, Maryland acquisition

On May 31, 2013, the Company acquired the assets of a Baltimore, Maryland document shredding business. The aggregate purchase price was $1,744, of which $1,396 was paid in cash. The asset purchase agreement included a holdback provision pursuant to which Cintas Corporation withholds a portion of the purchase price to ensure the acquired assets maintain a specified level of earnings for the 12 months following acquisition. The amount of the holdback provision was $348, which was included in the purchase price at its acquisition date fair value based on the present value of management's best estimate that milestone events would be achieved. The holdback provision was released to the statement of income and comprehensive income for the 11 months ended April 30, 2014 as it was determined probable that conditions would be satisfied.

Goodwill arising from the acquisition comprises the value of expected synergies. None of the goodwill is expected to be deductible for tax purposes. The Company has incurred acquisition-related cost of $35 on legal fees and due diligence costs. These costs have been included in selling and administrative expenses.

Saddlebrook, New Jersey acquisition

On December 31, 2012, the Company completed the acquisition of the assets of a Saddlebrook, New Jersey document shredding business. The aggregate purchase price of $8,999 was paid in cash.

Goodwill arising from the acquisition comprises the value of expected synergies. None of the goodwill is expected to be deductible for tax purposes. The Company has incurred acquisition-related cost of $180 on legal fees and due diligence costs. These costs have been included in selling and administrative expenses.

Oxnard, California acquisition

On November 30, 2012, the Company acquired the assets of an Oxnard, California document shredding business. The aggregate purchase price was $1,827, of which $1,463 was paid in cash. The asset purchase agreement included a holdback provision pursuant to which Cintas Corporation withholds a portion of the purchase price to ensure the acquired assets maintain a specified level of earnings for the 12 months following acquisition. The amount of the holdback provision of $364 was included in the purchase price at its acquisition date fair value based on the present value of management's best estimate of the probability that milestone events would be achieved. The holdback provision was released to the statement of income and comprehensive income for the 11 months ended April 30, 2014.

Goodwill arising from the acquisition comprises the value of expected synergies. None of the goodwill is expected to be deductible for tax purposes. The Company has incurred acquisition-related cost of $37 on legal fees and due diligence costs. These costs have been included in selling and administrative expenses.

(In thousands of U.S. dollars, unless otherwise stated)

18. ACQUISITIONS (Continued)

Knoxville, Tennessee acquisition

On October 31, 2012, the Company acquired the assets of a Knoxville Tennessee document shredding business. The aggregate purchase price was $21,587, of which $16,324 was paid in cash at acquisition. The asset purchase agreement included a holdback provision pursuant to which Cintas Corporation withholds a portion of the purchase price to ensure that the acquired assets maintain a specified level of earnings for the 12 months following acquisition. The amount of the holdback provision of $5,263 was included in the purchase price at its acquisition date fair value based on the present value of management's best estimate of the probability that milestone events would be achieved. Subsequent to the acquisition date, $2,632 of the holdback was paid in cash and $2,631 was released to the statement of income and comprehensive income during the year ended May 31, 2013.

Goodwill arising from the acquisition comprises the value of expected synergies. None of the goodwill is expected to be deductible for tax purposes. The Company has incurred acquisition-related cost of $433 on legal fees and due diligence costs. These costs have been included in selling and administrative expenses.

Other acquisitions for the year ended May 31, 2013

The Company acquired the assets of a number of companies who were engaged in the business of document shredding. The aggregate purchase price was $4,243, of which $3,737 was paid in cash and the remaining $506 was withheld as a holdback provision. The holdback provisions were included in each of the respective calculations of purchase price at their acquisition date fair values based on the present value of management's best estimate of the probability that milestone events would be achieved. Subsequent to the respective acquisition dates, $432 of the holdback was paid in cash and $74 was released to income statement for the 11 months period ended April 30, 2014.

Goodwill arising from the acquisition comprises the value of expected synergies. None of the goodwill is expected to be deductible for tax purposes. The Company has incurred acquisition-related cost of $85 on legal fees and due diligence costs. These costs have been included in selling and administrative expenses.

19. COMMITMENTS AND CONTINGENCIES

Litigations

During the normal course of business, various proceedings and threats of claims are instituted by and against the Company, primarily concerning operations and past acquisitions. No material accrual for the settlement of any likely claims has been made in these combined carve-out financial statements. If the Company incurs any additional loss as a result of these claims, that loss would be recorded in the period it is probable and estimable. The amount of loss, if any, for certain compliance with contract terms proceedings and threats of claims cannot be predicted with certainty, but it is the opinion of management that the resolution of such proceedings or actions will not have a material impact to the combined financial statements of the Company.

Capital Commitments

The Company does not have any contractual obligations for capital expenditures that have not been recognized in the financial statements.

Operating Leases

The Company has future minimum operating lease commitments related to its rental of facilities and premises leases with certain leases including escalation clauses. It is anticipated that expiring leases will be renewed or replaced. These future commitments, excluding certain operating costs for which it may be responsible, are as follows:

2015	6,435
2016	5,654
2017	4,719
2018	3,210
2019	1,963
Thereafter	2,672
	24,653

(In thousands of U.S. dollars, unless otherwise stated)

20. GEOGRAPHICAL SEGMENT INFORMATION

A. Basis for Segmentation

The Company operates and manages its business as a single segment. Management reviews the revenue analysis by revenue driven from shredding business and other revenues and the profit from operation of the Company as a whole when making decisions about allocating resources and assessing performance of the Company.

The operations in each geographical segment is mainly comprised of shredding document services.

The geographical information below analyses the Company's revenue and non-current assets by the Company's country of domicile and other countries. In presenting the following information segment revenue has been based on the geographic location of assets.

Revenue:

	For the 11 month period ended April 30, 2014	For the year ended May 31, 2013
United States	257,958	260,026
Canada	9,955	10,645
Germany	6,811	6,248
Netherlands	1,319	1,257
	276,043	**278,176**

Non-current assets

	As at April 30, 2014	As at May 31, 2013	As at June 1, 2012
United States	370,780	370,064	327,008
Canada	15,631	16,780	15,873
Germany	11,088	10,459	9,963
Netherlands	2,102	1,833	1,562
	399,601	**399,136**	**354,406**

Non-current assets exclude deferred tax assets as these were netted against deferred tax liabilities.

21. SUBSEQUENT EVENTS

On April 30, 2014, Cintas Corporation completed its partnership transaction with the shareholders of Shred-it International Inc. ("Shred-it") to combine Cintas Shredding business with Shred-it's information destruction business (the "Shredding transaction"). Under the agreement, Cintas Shredding and Shred-it each contributed its document destruction business to a newly formed partnership owned 42% by Cintas Shredding and 58% by the shareholders of Shred-it. In addition to its 42% ownership of the partnership (named and operated under "Shred-it JV LP"), Cintas Corporation received $180.0 million in cash at the closing of the transaction.

CERTIFICATE OF THE COMPANY

Dated: July 13, 2015

This amended and restated prospectus, together with the documents and information incorporated by reference, will, as of the date of the supplemented prospectus providing the information permitted to be omitted from this Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required under the securities legislation of each of the provinces and territories of Canada.

(Signed) Vincent R. De Palma
Chief Executive Officer

(Signed) Jim Rudyk
Chief Financial Officer

On behalf of the Board of Directors

(Signed) David G. Samuel
Director

(Signed) Andrew Fortier
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: July 13, 2015

To the best of our knowledge, information and belief, this amended and restated prospectus, together with the documents and information incorporated by reference, will, as of the date of the supplemented prospectus providing the information permitted to be omitted from this Prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required under the securities legislation of each of the provinces and territories of Canada.

TD Securities Inc.	BMO Nesbitt Burns Inc.	CIBC World Markets Inc.	Scotia Capital Inc.
(Signed) Sanjay Nakra	(Signed) Craig King	(Signed) Michael Mahoney	(Signed) Dany Beauchemin

National Bank Financial Inc.	Barclays Capital Canada Inc.
(Signed) Andrew Wallace	(Signed) Alan Mayne

RBC Dominion Securities Inc.	Credit Suisse Securities (Canada), Inc.
(Signed) Claire Sturgess	(Signed) Danny McCarthy

Wells Fargo Securities Canada, Ltd.

(Signed) Darin Deschamps

GMP Securities L.P.	Raymond James Ltd.
(Signed) Alfred Avanessy	(Signed) Sean C. Martin



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