

LONG JOHN SILVER'S NATIONAL PURCHASING CO-OP, INC.

Membership Information Packet

August 15, 2015

We are offering:

- Shares of Membership Common Stock at \$10.00 per share *and*
- Shares of Store Common Stock at \$400.00 per share

to all Long John Silver's franchisees and licensees in the United States, the Association of LJS Franchisees, Inc. (the "Association") and Long John Silver's, LLC ("LJS").

The Long John Silver's National Purchasing Co-op, Inc. (the "LJS Co-op") conducts purchasing programs to provide our stockholder members with the lowest possible sustainable store delivered costs for food, packaging, supplies, equipment and related services used in their Long John Silver's outlets.

There is no trading market for this stock, nor can one develop. This stock may not be transferred to any third party. This stock has been and is only being offered to Long John Silver's franchisees and licensees, the Association, and LJS. You should purchase this stock to participate in LJS Co-op sponsored purchasing programs that are offered to members, without any expectation of a return on your investment through appreciation in the value of this stock or per share dividends.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the stock being offered, or determined if this membership information packet is truthful or complete. Any representation to the contrary is a criminal offense.

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MEMBERSHIP OFFERING SUMMARY

Who are we?

The LJS Co-op is a purchasing cooperative, which focuses on the purchase of the food, packaging, supplies, equipment and related services (“Goods and Equipment”) used by owners and operators of Long John Silver’s restaurants (“Operators”).

Why is this stock being offered?

The LJS Co-op is offering this stock (a) to raise proceeds to provide working capital for the operation of the LJS Co-op; (b) to encourage all Operators, by virtue of membership, to use the volume purchasing services of the LJS Co-op, thereby enhancing the ability of the LJS Co-op to achieve economies of scale in purchasing activities; and (c) to maintain a cooperative in which only LJS, the Association, and Long John Silver’s franchisees and licensees are members, thereby better enabling the LJS Co-op to respond to the unique needs and requirements of Long John Silver’s Operators.

Why should I purchase this stock?

You should purchase LJS Co-op stock to participate in the purchasing program we offer for our members, to participate in any patronage dividend program and to participate in our management through the election of directors. We administer a purchasing program for our members which may significantly reduce their store delivered costs of Goods and Equipment. You should not expect any return on your investment through stock appreciation or per share dividends.

How many shares of stock must I purchase to participate in the LJS Co-op’s programs?

If you are a Long John Silver’s franchisee and wish to become a stockholder member of the LJS Co-op, you must: (a) purchase one share of Membership Common Stock; and (b) purchase that number of shares of Store Common Stock which equals the total number of Long John Silver’s retail outlets you own and operate.

May I sell or transfer this stock?

No. Transfers of LJS Co-op stock to third parties are prohibited. Consequently, no market exists, nor is expected to develop for this stock. Unless otherwise prohibited by law, the LJS Co-op will redeem shares of Membership Common Stock held by those who no longer qualify as members for \$10.00 per share. The LJS Co-op may also redeem shares of Store Common Stock, for the price paid to acquire those shares, if the stockholder member no longer owns or operates outlets with respect to the shares to be purchased by the LJS Co-op or the stockholder member no longer desires to be a stockholder member of the LJS Co-op.

What is required of members?

Each member must (a) purchase virtually all of the Goods and Equipment used in the member’s outlets through the purchasing programs of the LJS Co-op, (b) agree that the LJS Co-op and its service providers may collect a fee (a “Sourcing Fee”) in consideration of and to fund the LJS Co-op and its supply chain programs and services, (c) authorize the LJS Co-op and its service providers to cause suppliers and distributors of Goods and Equipment to collect Sourcing Fees from them for the account of the LJS Co-op (d) agree to abide by the terms and commitments of the LJS Co-op Bylaws and (e) agree to coordinate all requests to LJS for supplier and distributor approval through the LJS Co-op and/or its service providers.

A copy of the LJS Co-op Bylaws, as currently in effect, is attached as Appendix A to this Membership Information Packet. You should read them carefully.

Will I receive patronage dividends?

No dividends, other than patronage dividends, will be paid on any class of LJS Co-op stock. Members are entitled to patronage dividends, if distributed, on the basis of their annual business done with the LJS Co-op. See “Will I Receive Dividends and Patronage Dividends?”

How do I become a member?

To join the LJS Co-op, you should (a) read this Membership Information Packet, (b) sign the attached Membership Subscription and Commitment Agreement, indicating how many shares of Store Common Stock you are required to purchase and (c) return the Membership Subscription and Commitment Agreement to: Long John Silver’s National Purchasing Co-op, Inc., in care of Frost Brown Todd, LLC, Attention: Samuel G. Graber, 400 West Market Street, 32nd Fl., Louisville, Kentucky, 40202, with your payment in the amount of \$10 for your one share of Membership Common Stock plus \$400 for each share of Store Common Stock you are required to purchase.

Who is being offered this stock?

We are offering Membership Common Stock (Series C) and Store Common Stock to persons or entities that are franchisees or licensees of LJS (together “franchisees”). LJS has purchased one share of Series D Membership Common Stock, and the Association has purchased one share of Series B Membership Common Stock. See “Description of LJS Co-op Stock.”

How is this stock being offered?

These shares of stock are being offered by the LJS Co-op through officers, directors and other affiliates of the LJS Co-op. Sales will be made to Operators only in units consisting of one share of Membership Common Stock and one share of Store Common Stock for each retail outlet owned by such Operator.

How will these proceeds be used?

Any net proceeds of this offering will be used to provide working capital for the operation of the LJS Co-op. The working capital needs of the LJS Co-op may also be met through borrowings.

Is LJS involved?

LJS is the franchisor and licensor of the Long John Silver’s concept, and the developer of products used and sold by the LJS concept. LJS is a member of the LJS Co-op and has purchased one share of Series D Membership Common Stock. As the franchisor of the Long John Silver’s concept, we believe LJS is strongly committed to the success of the LJS Co-op. LJS has agreed to purchase through the LJS Co-op’s purchasing programs virtually all of the Goods and Equipment needed for any LJS operated outlets in the United States.

THE OFFERING

Why is this stock being offered?

The LJS Co-op is offering this stock (a) to raise proceeds to provide working capital for the operation of the LJS Co-op; (b) to encourage all Operators, by virtue of membership, to use the volume purchasing services of the LJS Co-op, thereby enhancing the ability of the LJS Co-op to achieve economies of scale in purchasing activities; and (c) to maintain a cooperative in which only LJS, the Association, and Long John Silver's franchisees and licensees are members, thereby better enabling the LJS Co-op to respond to the unique needs and requirements of Long John Silver's Operators.

How is this stock being offered?

This LJS Co-op stock is being offered directly by officers, directors, and other affiliates of the LJS Co-op. None of these people will receive any commission or fee in connection with these sales. These interests are only being offered to Operators of Long John Silver's retail outlets. Sales are made only in units consisting of one share of Membership Common Stock per Operator and one share of Store Common Stock for each outlet operated by such Operator. This LJS Co-op stock is being offered on a continuing basis, subject to applicable legal requirements.

The LJS Co-op reserves the right in its sole discretion to accept or reject any membership subscription.

The shares of LJS Co-op stock are being offered on a "best efforts" basis. There is no scheduled termination date for this offering, no minimum required purchase, nor have any arrangements been made to place the funds received in the offering in escrow, in trust or to make other similar arrangements.

No person is authorized by the LJS Co-op to give any information or to make any representations other than those contained in this Membership Information Packet in connection with the offering described herein. This Membership Information Packet does not constitute an offer of any membership interest other than the shares of LJS Co-op stock to which it relates, or an offer by any person within any jurisdiction to any person to whom such offer would be unlawful. The delivery of this Membership Information Packet at any time does not imply that the information herein is correct as of any time subsequent to its date.

As of July 31, 2015, 206 shares of Membership Common Stock and 1,280 shares of Store Common Stock were outstanding.

How will these proceeds be used?

Any net proceeds of this offering will be used to provide working capital for the operation of the LJS Co-op.

How do I become a member?

Membership in the LJS Co-op is open to all Long John Silver's Operators who are franchisees or licensees in the United States (including Puerto Rico).

To join the LJS Co-op, you should (a) read this Membership Information Packet, (b) sign the attached Membership Subscription and Commitment Agreement, indicating how many shares of Store Common Stock you are required to purchase, and (c) return the Membership Subscription and Commitment Agreement to: Long John Silver's National Purchasing Co-op, Inc., in care of Frost Brown Todd, LLC, Attention: Samuel G. Graber, 400 West Market Street, 32nd Fl., Louisville, Kentucky, 40202, with your payment in the amount of \$10 for your one share of Membership Common Stock plus \$400 for each share of Store Common Stock you are purchasing.

If a member at any time becomes an Operator of additional Long John Silver's outlets, that member must purchase one additional share of Store Common Stock for each additional outlet at a purchase price of \$400 per share.

THE BUSINESS

Who are we?

The LJS Co-op is a purchasing cooperative that operates a purchasing program for its members through one or more third party supply chain service providers in order to provide its members with the lowest possible store delivered costs for Goods and Equipment used in their outlets. Our members are Operators of Long John Silver's outlets, as well as LJS and the Association.

History

On March 1, 1999, Restaurant Supply Chain Solutions, LLC ("RSCS") was organized with the KFC National Purchasing Cooperative, Inc. (now the KFC National Purchasing Co-op, Inc.) (the "KFC Co-op"), the Pizza Hut National Purchasing Co-op, Inc. (the "Pizza Hut Co-op"), and the Taco Bell National Purchasing Co-op, Inc. (the "Taco Bell Co-op") as its initial members. RSCS was organized to provide the support and operational services for each of these three cooperatives through combined administrative and purchasing functions, and Yum! Brands, Inc. ("Yum!"), through its subsidiaries, was a member of each of these cooperatives.

Yum! acquired Yorkshire Global Restaurants, Inc. ("Yorkshire") on May 7, 2002 and through Yorkshire engaged in developing, franchising, licensing, and operating quick service restaurants and other food outlets under the A&W All American Food and Long John Silver's concepts, as well as the KFC, Pizza Hut and Taco Bell concepts. The LJS Co-op and the A&W National Purchasing Co-op, Inc. (the "A&W Co-op") were organized as wholly owned subsidiaries of RSCS in connection with RSCS's assumption on August 26, 2002, of the supply chain functions for the Long John Silver's and A&W concepts pursuant to the Yorkshire SCM

Transfer Agreement. The LJS Co-op and the A&W Co-op ceased to be subsidiaries of RSCS and became members of RSCS on December 15, 2002.

In December 2011, Yum! sold (a) LJS to LJS Partners, LLC and (b) A&W Restaurants, Inc. to A Great American Brand, LLC. Thereafter, on January 1, 2012, the LJS Co-op and the A&W Co-op ceased to be members of RSCS, but RSCS continued to administer purchasing programs on behalf of the LJS Co-op and the A&W Co-op pursuant to Purchasing Program Management Agreements with each of the LJS Co-op and the A&W Co-op. Effective July 31, 2015, the Purchasing Program Management Agreement between RSCS and the LJS Co-op terminated, and, as a result, RSCS ceased to administer a purchasing program for the LJS Co-op.

Effective August 1, 2015, the LJS Co-op entered into (a) a Supply Chain Program Management Agreement with SpenDifference, LLC (“SpenDifference”) to administer a supply chain program for Goods and Equipment on the LJS Co-op’s behalf, and (b) a Supply Chain Program Management Agreement with Alliance Cost Containment, LLC (“ACC”) to administer a supply chain program for resource services for the LJS Co-op and manage the Long John Silver’s gift card program for LJSGC, Inc. (“LJSGC”), the LJS Co-op’s wholly owned gift card subsidiary.

Operations

The core mission of the LJS Co-op is to: (i) assure that Operators receive the benefit of continuously available Goods and Equipment in adequate quantities at the lowest possible sustainable outlet delivered prices; and (ii) to coordinate with LJS in its ongoing development and innovation of various Goods and Equipment in support and promotion of the Long John Silver’s concept.

Accordingly, the LJS Co-op makes volume purchases and arranges for the purchases of Goods and Equipment from manufacturers and suppliers for sale to Operators and distributors who supply Operators. We work to obtain low prices by making or arranging volume purchase commitments and by assuming other purchasing functions and risks on behalf of Operators, distributors and suppliers. We also reduce the cost to the Long John Silver's system by assuming many credit, sales, marketing and billing functions, which would otherwise be performed by multiple suppliers. Our volume purchase commitments allow suppliers to reduce their costs since they can more effectively plan their production, purchasing, and inventory levels.

We also actively provide our members with advisory services relating to the distribution of Goods and Equipment, including industry data on distribution costs and service levels, which enable our members to negotiate more effectively with distributors, and we sponsor a distributor monitoring program to enhance the system of independent distributors available to Long John Silver's operators.

In sum, the LJS Co-op provides the convenience of "one-stop" shopping for suppliers, distributors and Operators that otherwise might be required to deal with a number of third parties.

Through the ongoing membership subscription of Operators, we seek to maximize our number of members to enhance our ability to achieve economies of scale in our purchasing activities.

Who are SpenDifference and ACC?

SpenDifference, headquartered in Denver, Colorado, is in the business of administering, managing and operating supply chain programs for restaurant systems and their related brands, restaurant operators and restaurants. Such supply chain programs include, among other things, negotiating contracts, purchasing programs and other agreements with manufacturers, suppliers and vendors based in part on the aggregate volume of purchases by all of SpenDifference's clients, negotiating and monitoring freight and distribution arrangements, and administering related insurance requirements, equipment purchasing programs and other service programs.

ACC, headquartered in Louisville, Kentucky, is in the business of administering, managing and operating certain supply chain programs for indirect products, credit/debit cards, and gift cards. Indirect products include common expense categories such as waste removal, janitorial services, as well as a number of other services and products.

What are the benefits of being a member?

Being a member of the LJS Co-op will entitle you to (a) participate in the purchasing programs we offer for members, (b) be eligible to receive patronage dividends, if distributed, and (c) participate in our management through the election of directors. Our Bylaws require us to always do more than 90% of the value of our business with LJS Co-op members. Thus, the more members we have, the greater our ability is to achieve economies of scale through our purchasing programs.

While there are many potential benefits of being a member of the LJS Co-op, it is not without risk. Although the management teams of the service providers the LJS Co-op has contracted with have significant purchasing experience, the LJS Co-op is still subject to many of the risks incident to any commercial enterprise. If the business of the LJS Co-op were to fail, a member could lose an amount of money equal to the amount paid by the member to purchase shares of Membership Common Stock and Store Common Stock.

What is required of members?

Purchase Requirements. LJS Co-op members are required to purchase virtually all of their Goods and Equipment for use in their retail outlets through the purchasing programs of the LJS Co-op. The LJS Co-op Bylaws state in relevant part:

2.6 Purchase Commitment. Each stockholder member shall purchase virtually all Goods and Equipment for use in the stockholder member's retail outlets through the purchasing programs of the Co-op (which programs may be

administered by service providers). "Virtually all" with respect to Goods and Equipment means all Goods and Equipment except Goods and Equipment:

(a) Where the Co-op agrees in advance in writing that the stockholder member need not purchase the particular item or category of Goods or Equipment through the purchasing programs of the Co-op;

(b) Where the stockholder member determines in good faith, after written notice to the Co-op (or if prior notice is impractical, with notice given as soon as possible), with respect to a specific item or category of Goods or Equipment for specific retail outlets that (i) the Co-op or its service providers are unable to meet the member's required volume of supply for the particular Goods or Equipment, or (ii) the Co-op or its service providers are unable to meet previously established quality standards with respect to particular Goods or Equipment;

(c) Where the stockholder member determines in good faith, after written notice to the Co-op (or if prior notice is impractical, with notice given as soon as possible), that the Co-op's or its service providers purchasing policies or procedures with respect to the particular item or category of Goods or Equipment present a material business risk to the member, which the member is unwilling to assume, because of the Co-op's or its service provider's volume, hedging or similar commitments, arrangements or policies; or

(d) Purchased after the termination of the stockholder member's membership in the Co-op.

Member Fees and Assessments. By virtue of their membership in the LJS Co-op, each stockholder member agrees that the LJS Co-op may, as authorized by the LJS Co-op Board of Directors, establish and collect stockholder member fees and assessments on either a per member or per store basis in order to support programs and services for the benefit of Long John Silver's retail outlets and Operators, such as programs implemented to provide funds for Long John Silver's marketing programs.

Sourcing Fees. By virtue of their membership in the LJS Co-op, each stockholder member (a) agrees that the LJS Co-op and its service providers may collect from the stockholder member a fee (a "Sourcing Fee") in consideration of and to fund the LJS Co-op and its purchasing programs and services, and (b) authorizes the LJS Co-op and its service providers to cause suppliers and distributors of Goods and Equipment to collect Sourcing Fees from the stockholder member for the account of the LJS Co-op.

Coordinating Supplier and Distributor Approval. By signing the Membership Subscription and Commitment Agreement, members agree to coordinate all requests to LJS for supplier and distributor approval through the LJS Co-op and its service providers.

Abiding by the Bylaws. Members of the LJS Co-op also consent to abide by the terms and commitments of the LJS Co-op Bylaws, as amended from time to time, including those relating to the distribution of patronage dividends. The Bylaws require members of the LJS Co-op who are United States residents to report any patronage dividends received as gross income for federal income tax purposes. The LJS Co-op will file with the Internal Revenue Service a report, currently on Form 1099-PATR, of the amount of patronage dividends paid to each member.

Past Due Receivables. Should any member have a past due balance resulting from purchases through the LJS Co-op or LJSGC, any and all payments accruing to that member will be first applied to the cumulative unpaid balance then owing to the LJS Co-op or LJSGC, including any assessed service charges and interest, before any distributions are made to the member (subject to the requirement that an amount equal to 20% (or in certain instances 30%) of the total annual patronage dividends distributable for the applicable year to any such member will be paid in cash if any such member so requests in writing).

Distribution

Each Operator may individually choose its own LJS-approved distributors. Furthermore, Operators may buy Goods and Equipment directly from directly from LJS-approved distributors, or directly from approved suppliers. All LJS-approved distributors may buy goods and Equipment from or through LJS Co-op service providers for sale or resale to Operators, subject to their agreement to enter into a distributor participation agreement or similar agreement. Pursuant to the distributor participation or similar agreement, a distributor agrees to, among other things, remain in compliance with certain credit standards and policies, provide information regarding its sales to operators, forego most sheltered income, and pay a service fee for its purchasing services.

Distributors purchasing from or through the LJS Co-op or its service providers usually consolidate orders received from individual Operators and place bulk orders with the LJS Co-op or its service providers and suppliers. The LJS Co-op or a service provider consolidates such orders from all distributors and Operators for a given item and issues shipping and sales instruction to suppliers. The supplier then ships the Goods or Equipment directly to the Operators or to local distributors who, in turn, deliver the merchandise to Operators.

Title Transactions. The LJS Co-op currently does not anticipate any transactions in which the LJS Co-op will take title to Goods or Equipment.

Non-Title Transactions. In transactions in which the LJS Co-op or its service providers do not take title, suppliers bill the distributors directly for the approved Goods or Equipment purchased pursuant to the LJS Co-op's or its service provider's orders.

Other Programs. The LJS Co-op operates a distributor monitoring program which monitors prices and provides reports to franchisees and franchisee committees to assist them in negotiating with and selecting among distribution alternatives in order to receive the best pricing and service. The LJS Co-op believes that the monitoring program and the formation of cross-

concept regional distribution committees strengthen the system of distributor options for all franchisees.

The LJS Co-op and its service providers also maintain a database which provides members, upon request, with the following:

- internet based price and volume information for member stores;
- industry data to assist them in analyzing cash discounts, earned weight discounts and other elements of the distributors' costs;
- industry data on average distributor markups, order size discounts, cash discounts, distributor service levels and other distributor performance guidelines; and
- information on expected supply levels (especially possible shortages) and on expected changes in prices of goods and equipment through our program management teams.

The LJS Co-op also provides its members with assistance in resolving a wide variety of procurement problems including “out-of-stock” conditions, shipping problems and returned goods disputes.

The LJS – LJS Co-op Agreement

LJS and the LJS Co-op entered into the Long John Silver’s Purchasing Co-op Agreement dated August 1, 2015, (the "LJS Purchasing Co-op Agreement"). The term of the LJS Purchasing Co-op Agreement continues until December 31, 2018 and automatically renews for additional one year terms thereafter, except that either party can terminate the agreement by giving at least twelve months notice of termination to the other party before the commencement of any one year renewal term. The LJS Purchasing Co-op Agreement sets forth LJS's commitment to the purchasing programs of the LJS Co-op, LJS's supplier and distributor processes, aspects of the relationships between LJS and suppliers and distributors, and coordination of the LJS Co-op's purchasing activities with the marketing, promotion, and other programs and projects of LJS. A summary of the operating points from the LJS Purchasing Co-op Agreement is attached hereto as Appendix C and is incorporated by reference in this Membership Information Packet.

LJS's Commitment. LJS has designated the LJS Co-op, on an exclusive basis, to conduct and/or contract with its service providers to conduct, purchasing programs for all LJS and franchisee operated restaurants in the United States. LJS is a member of the LJS Co-op in accordance with its policies and requirements. LJS is required to purchase through the LJS Co-op virtually all of the Goods and Equipment needed for any LJS operated outlets.

LJS has the exclusive right and obligation with respect to the purchase and distribution of Goods and Equipment used by Operators to (a) designate and terminate approved suppliers and approved distributors, with significant franchisee involvement, (b) designate approved Goods

and Equipment, and (c) develop, designate, modify and update specifications for Goods and Equipment.

Sheltered Income. As used in the LJS Purchasing Co-op Agreement, “sheltered income” means so called earned income, rebates, kickbacks, volume discounts, tier pricing, purchase commitment discounts, sales and service allowances, marketing allowances, advertising allowances, promotional allowances, label allowances, back-door income, application fees, inspection fees, quality assurance fees, etc. Sheltered income includes, among other items:

- fees charged suppliers and distributors in the supplier and distributor approval process;
- fees charged suppliers and distributors for quality inspections and “hot line” inquiries and complaints;
- license or trademark fees or rebates charged or expected as a condition of supplier or distributor approval or use, typically paid as a percentage of system-wide volume;
- higher prices permitted suppliers to amortize research and development expenses undertaken by suppliers at the request of LJS or otherwise;
- higher prices permitted suppliers to amortize the cost of excess inventory;
- higher prices permitted suppliers to amortize the cost of graphics and other product changes;
- special or atypical payment terms;
- payments and allowances to distributors from suppliers based on distributor volume which are not reflected as a reduction in distributor cost or prices; and
- special favors, gifts and entertainment.

LJS will abide by the terms of the sheltered income provisions of the LJS Purchasing Co-op Agreement which provide that neither LJS nor the LJS Co-op will receive or benefit from any sheltered income in connection with Goods or Equipment purchased or used by any outlets. Additionally, neither LJS nor the LJS Co-op will authorize any approved supplier or approved distributor to receive or benefit from sheltered income, subject to a few exceptions. The LJS Purchasing Co-op Agreement does not, however, limit or prohibit the right of the LJS Co-op to benefit from any sheltered income, provided that the LJS Co-op shares such sheltered income among each applicable Operator (including LJS) based on the dollar volume of the purchases of such Operator that gave rise to the receipt or benefit of such sheltered income.

Principal Customers

The ultimate customers for Goods and Equipment sold through the LJS Co-op and its service providers are Operators. There can be no assurance that Operators will continue to make substantial purchases through the LJS Co-op even though the Bylaws of the LJS Co-op require that its stockholder members purchase “virtually all” goods and equipment through the LJS Co-op and its purchasing programs.

Sources of Supply

The LJS Co-op or its service providers purchase or arrange for the purchase of Goods and Equipment from LJS-approved suppliers for those items which Operators require, giving all approved suppliers an opportunity to compete for our business. The LJS Co-op does not approve suppliers itself, but is involved in the approval process. See “The LJS – LJS Co-op Agreement - LJS's Commitment.” The LJS Co-op or its service providers may also from time to time suggest to potential suppliers that they seek approval for their products or facilities. The LJS Co-op's and its service providers' ability to obtain low prices for Goods and Equipment, subject to LJS's approval is, in part, dependent upon LJS approving enough suppliers for any particular product so that there is price competition among approved suppliers. Generally, many suppliers are available to sell any given item purchased or contracted for by the LJS Co-op or its service providers. For any item sold by or through the LJS Co-op or its service providers for which approval is not required, the LJS Co-op or its service providers typically purchase products from a wide variety of sources, ranging from local suppliers to large multinational corporations. Approved suppliers generally establish minimum order quantities. The LJS Co-op, through its service providers and in conjunction with LJS, frequently monitors product quality and services of approved suppliers.

Fish Supply

The LJS Co-op has responsibility for the Long John Silver's seafood procurement programs, including the purchase and storage of fish, shrimp and other seafood for use in Long John Silver's outlets.

Competition

The LJS Co-op faces competition from manufacturers who sell Goods and Equipment directly to distributors and Operators. Since the LJS Co-op does not provide warehousing and local transportation services, it generally does not compete with distributors for sales to Operators which require the distributor to provide such services.

WILL I RECEIVE DIVIDENDS AND PATRONAGE DIVIDENDS?

Introduction

Although the LJS Co-op does not engage in business to generate profits, it may nonetheless, in any fiscal year, generate revenues in excess of amounts needed to cover expenses, amortize indebtedness, and provide for reasonable reserves. Thus, even though the LJS Co-op endeavors to minimize purchasing fees and mark-ups on goods and equipment to the

least amount required to cover its anticipated cost of operations, the LJS Co-op may have funds available for distribution to members as patronage dividends.

Dividends may not be declared or paid with respect to Membership Common Stock. The holders of Store Common Stock are not entitled to receive dividends, other than patronage dividends.

Patronage Dividend Program

When, in the judgment of the LJS Co-op Board of Directors, we should distribute patronage dividends to our members, it will be done in accordance with Article IX of the Bylaws. (The Bylaws are attached to this Membership Information Packet as Appendix A.) The following, is a brief description of some of the features of the patronage dividend program:

- Only stockholder members of the LJS Co-op are eligible to receive patronage dividends.
- Patronage dividends are distributed to members on the basis of the value of business done by the LJS Co-op (either directly or through its service providers) with each member, respectively.
- For the year 2015, the LJS Co-op Board has approved the establishment of six patronage pools: (1) the Food and Packaging Sourcing Pool; (2) the Equipment Sourcing Pool; (3) the Equipment Sales Pool; (4) the Equipment Sales Discount Programs Pool; (5) the Resource Services Energy Pool; and (6) one or more Special Equipment Program Pools. Subject to the conditions and circumstances more specifically described in the LJS Co-op's Bylaws, patronage dividends for the year 2015 will be in an amount equal to: (1) 100 percent of pre-tax income for the Food and Packaging Sourcing Pool, Equipment Sourcing Pool, Equipment Sales Pool, the Equipment Sales Discount Program, and the Resource Services Energy Pool,; and (2) for any Special Equipment Program Pool, a percent of pre-tax income to be specified in the resolution establishing such Special Equipment Program Pool.
- Members who are United States residents must consent to report any patronage dividends received as gross income for federal income tax purposes. The LJS Co-op will file a report with the IRS currently on Form 1099-PATR, of the amount of patronage dividends paid to each member.
- Solely for the purpose of determining the amount of patronage dividends distributable to a particular member, our Board of Directors may, by resolution, segregate the LJS Co-op's business with members into distinct pools, such as by way of example, an equipment business pool, a food and packaging business pool, or an international business pool. The net earnings of the LJS Co-op from business with members related to any such pool shall be attributable to a member patron of the pool in proportion to the quantity or value of business done by the member with the pool.

The resolution establishing such distinct business pools shall also specify the basis for determining the amount distributable by the LJS Co-op as patronage dividends to each member.

- Revenues generated from our purchasing program will be the primary source of funds for any patronage dividends distributed.
- The LJS Co-op is authorized to make patronage dividend distributions, in part, in a form other than cash. Subject only to the payment of at least 20% of each member's patronage dividend payment, if any, in cash, we may pay each stockholder member all or any portion of any annual patronage dividend in written notices of allocation or promissory notes. These written notices of allocation or promissory notes may be subordinated to any liabilities or obligations of a member to the LJS Co-op. Additionally, the portion of any patronage dividends which would otherwise be payable in cash to a member may be applied to the payment of any indebtedness, the repayment of which is in default, owed to us or LJS GC by any such member to the extent of such indebtedness; provided, however, that an amount equal to 20% (or, in some cases, 30%) of the total annual patronage dividends distributable for the applicable year to any such member must nevertheless be paid in cash if any such member so requests in writing.

MANAGEMENT OF THE LJS CO-OP

The LJS Co-op's Bylaws provide for a Board of Directors consisting of seven voting members plus a non-voting member elected by the Board after seeking the advice and consent of LJS. Series B Membership Common Stock (representing the Association) is entitled to elect, as a series, one member of the Board of Directors, and Series D (representing LJS) is entitled to elect, as a series, one member of the Board of Directors. Series C Membership Common Stock is entitled to elect, as a series, five at large members of the Board of Directors (the "At-Large Directors"). All directors of the LJS Co-op must be stockholder members or an officer, shareholder, employee or partner of an entity which is a stockholder member of the LJS Co-op. In addition, the Board of Directors may, from time to time, provide for one or more non-voting members of the Board of Directors to serve at the pleasure and upon such terms and conditions as the Board of Directors may provide. Currently, the non-voting members of the Board of Directors are Wayne Hougland, the Executive Director of the Association, and Craig Daniel, the Chief Financial Officer of LJS.

The Board of Directors appoints a Nominating Committee (a) whose members must be stockholder members of the LJS Co-op, (b) a majority of whose members must also be members of the board of directors of the Association, and (c) whose members may, but are not required to be, members of the LJS Co-op Board of Directors. The purpose of the Nominating Committee is to consider and make nominations of eligible persons for election as At-Large Directors. Stockholder members may also nominate candidates for the Board of Directors.

The affirmative vote of five of the voting members of the Board of Directors is, except as otherwise specifically provided for in the Bylaws, the act of the Board of Directors on any matter

properly submitted to the Board of Directors. The Chairman of the Board of Directors is elected for a one-year term at each annual meeting by the affirmative vote of a majority of all voting members of the Board of Directors. All members of the Board of Directors serve without compensation, but are reimbursed for reasonable expenses incurred by virtue of their duties as directors.

The following table lists, in addition to other information, the current directors of the LJS Co-op, their position with the LJS Co-op, and their present principal occupations.

<u>Name And Address</u>	<u>Positions and Offices Currently held with the LJS Co-op</u>	<u>Term as Director Expires</u>	<u>Series Represented</u>	<u>Present Principal Occupation</u>
Craig Daniel Long John Silver's, LLC 9505 Williamsburg Plaza Suite 300 Louisville, Kentucky 40223	Non-voting Director	—	—	Chief Financial Officer, Long John Silver's, LLC
Joseph E. Feeney Performance Foods Corp. 441 Lexington Avenue Mansfield, Ohio 44907-0643	Director, Vice Chairman	2016	D	Operator
Frank Kapfhammer 320 Whittington Parkway Suite 20 Louisville, Kentucky 40222	Director, Treasurer	2016	B	Operator
Jay Shoffner Corbin Restaurants, Inc. P.O. Box 218 1217 Cumberland Avenue Middlesboro, Kentucky 40965	Director, Chairman of the Board	2016	C	Operator
Jeff Titlow Affinity Group 1560 East Kemper Road Cincinnati, Ohio 45246	Director	2016	C	Operator
Stephen Robles White Stone Foods, LLC 4581 West Road, #349 Weston, Florida 33331	Director	2017	C	Operator
William Ray Brewer Dink, Inc. 804 Newtown Road, Suite 103 Virginia Beach, Virginia 23462- 2116	Director	2017	C	Operator
Chris Walsh Cross Country Ventures LLC 11879 Kemper Road #11 Auburn, California 95603	Director	2017	C	Operator

<u>Name And Address</u>	<u>Positions and Offices Currently held with the LJS Co-op</u>	<u>Term as Director Expires</u>	<u>Series Represented</u>	<u>Present Principal Occupation</u>
Whayne M. Houglund 1700 Eastpoint Parkway Louisville, Kentucky 40223	Non-voting Director	--	--	Executive Director, Association of LJS Franchisees, Inc.

Except for the non-voting directors, and the Series D LJS representative, each member of the LJS Co-op Board of Directors must be an Operator and own one share of Membership Common Stock and that number of shares of Store Common Stock which equals the number of Long John Silver's retail outlets operated by the director.

Transactions with Stockholders, Directors and Officers

All present voting members of the Board of Directors and nominees for the Board are Operators or represent Operators and have purchased or may purchase Goods and Equipment from the LJS Co-op or its service providers or from distributors who purchase from the LJS Co-op or its service providers. All purchases by directors and nominees or their affiliates from the LJS Co-op or its service providers are made on the same terms and conditions as purchases by any other Operator. Operators may also be in the business of purchasing Goods and Equipment for sale and distribution to other Operators and may purchase such equipment and supplies from the LJS Co-op or its service providers.

Lack of Market for LJS Co-op Stock

No class of the LJS Co-op's capital stock is or will be listed on an exchange or traded in any other public trading market. All LJS Co-op stock is and will be issued only to Operators, as well as LJS and the Association. You should purchase LJS Co-op stock to participate in the LJS Co-op's programs it offers for its members, including the patronage dividend program and the Long John Silver's purchasing programs, and to participate in the LJS Co-op's management through the election of directors. You should not purchase LJS Co-op stock with any expectation of a return on your investment through stock appreciation or per share dividends. Membership Common Stock was initially and still is priced at \$10 per share, and Store Common Stock was initially and still is priced at \$400 per share. Transfers of LJS Co-op stock to third parties are prohibited. Consequently, no market exists, nor is expected to develop for this stock.

Description of LJS Co-op Stock

Introduction

Membership in the LJS Co-op is limited to LJS, all franchisees of Long John Silver's, and the Association. Each Operator desiring membership in the LJS Co-op is required to purchase one share of Membership Common Stock and a number of shares of Store Common Stock which

equals the total number of Long John Silver's outlets located in the United States (including Puerto Rico) owned and operated by such person, firm or entity. If a LJS Co-op member at any time becomes an Operator of additional Long John Silver's outlets, he or she is required to purchase one additional share of Store Common Stock for each such additional retail outlet. LJS Co-op stock is available to all Operators on a nondiscriminatory basis, and the purchase of LJS Co-op stock is completely voluntary. LJS Co-op members are required to purchase virtually all of their Goods and Equipment for use in their retail outlets through the purchasing programs of the LJS Co-op. While Operators do not need to own stock in the LJS Co-op to purchase Goods and Equipment through it, the Bylaws of the LJS Co-op require that more than 90% of the value of the LJS Co-op's business be conducted with LJS Co-op members.

LJS Co-op Membership Common Stock

The LJS Co-op is authorized to issue 2,000 shares of Membership Common Stock, no par value. As of July 31, 2015, 206 shares of Membership Common Stock were outstanding. The following description of Membership Common Stock is qualified in all respects by the LJS Co-op Certificate of Incorporation and Bylaws.

Issuance in Series. Currently, Membership Common Stock may be offered and issued in three series, designated B - D. Series B and D currently consist of one share each. The LJS Co-op Board has the right, power and authority to establish and increase or decrease the number of authorized shares of each series (except Series A which has no shares outstanding), except that in no event will the aggregate number of authorized shares (excluding Series A) exceed 1,999.

LJS has purchased one share of Series D Membership Common Stock, and the Association has purchased one share of Series B Membership Common Stock. The LJS Co-op Bylaws currently prohibit the purchase of any Membership Common Stock for Series A and E - Z.

Voting Rights. Each LJS Co-op member who holds a share in Series C is entitled to cast one vote to elect five members of the LJS Co-op Board of Directors. As the sole Series D stockholder, LJS is entitled to cast one vote to elect one member of the LJS Co-op Board of Directors to represent its series. As the sole Series B stockholder, the Association is entitled to cast one vote to elect one member of the LJS Co-op Board of Directors to represent its series. As to all other matters on which each LJS Co-op member is entitled to vote, each share of Membership Common Stock is entitled to one vote on each matter.

Dividend Rights. Dividends may not be declared or paid with respect to Membership Common Stock.

Limitations on Ownership and Transfer; Redemption. Membership Common Stock may be issued only to persons who satisfy the membership requirements, as set forth above, and no more than one share of Membership Common Stock will be issued to any one Long John Silver's Operator, except for the limited circumstances described below. The LJS Co-op Bylaws reflect the LJS Co-op's one franchisee, one vote principle. When a corporation, partnership or other entity is a franchisee Operator, the owner of more than fifty percent of the corporation,

partnership or other entity is deemed to be the owner of the shares of Membership Common Stock. Where no person, corporation, partnership or other entity owns more than fifty percent of the outstanding ownership interest of a franchisee Operator, the owners of the corporation, partnership or other entity must designate among themselves who is to be deemed to own the share of Membership Common Stock.

The LJS Co-op Bylaws set forth who is entitled to vote certain shares of Membership Common Stock in situations involving individuals who, through different corporations, partnerships or other affiliations, may have an interest in more than one share of Membership Common Stock. The LJS Co-op Bylaws provide that no person, firm or entity is entitled to own or have an interest in, directly or indirectly, more than one share of Membership Common Stock, except for (a) any interest which any franchisee may have in the share of the Series B Membership Common Stock held by the Association or (b) any interest which any franchisee may have in a share of Membership Common Stock (i) held by a person, firm or entity in which the franchisee owns fifty percent or less in the aggregate of the outstanding ownership interest and (ii) with respect to which the franchisee refrains from voting or participating in the voting of the share of Membership Common Stock.

Unless otherwise prohibited by law, (a) the LJS Co-op will promptly redeem shares of Membership Common Stock held by persons, firms or entities who no longer qualify as LJS Co-op members, and (b) the LJS Co-op shall, no later than the December 31st next following a stockholder member's redemption request, redeem shares of Membership Common Stock held by persons, firms or entities who no longer desire to be a stockholder member of the LJS Co-op. The redemption price for each share of Membership Common Stock is \$10.00 which will be payable in cash, except that, if the LJS Co-op is prohibited by law from redeeming such share in cash because the payment would impair the capital of the LJS Co-op, the LJS Co-op will issue a non-interest bearing promissory note payable whenever the LJS Co-op is no longer prohibited by law from making such payment. The Membership Common Stock may not be sold, transferred, pledged, mortgaged, gifted, or hypothecated to any third party, either voluntarily or by operation of law, and such restrictions are noted on all Membership Common Stock certificates.

Liquidation Rights. In the event of any dissolution or liquidation of the LJS Co-op, or other disposition of its assets, the holders of Membership Common Stock will be entitled to receive \$10.00 per share. The remaining assets of the LJS Co-op will be distributed to the holders of Store Common Stock, as described below.

General. Membership Common Stock has no preemptive rights. The shares of Membership Common Stock issued in accordance with the terms and conditions of this Membership Information Packet are, when issued, duly authorized, validly issued, fully paid and nonassessable, and the holders thereof are not be liable for any payment of the LJS Co-op's debts.

LJS Co-op Store Common Stock

The LJS Co-op is authorized to issue 10,000 shares of Store Common Stock, no par value. As of July 31, 2015, 1,280 shares of Store Common Stock were outstanding. The

following description of Store Common Stock provisions is qualified in all respects by the LJS Co-op Certificate of Incorporation and Bylaws.

Voting Rights. The holders of Store Common Stock are not entitled by virtue of their ownership of Store Common Stock to vote for directors, to participate in meetings or management of the LJS Co-op or to vote in any proceedings, except as required by law.

Dividend Rights. The holders of Store Common Stock are not entitled to receive dividends, other than patronage dividends.

Limitations on Ownership and Transfer; Redemption. Store Common Stock will only be issued to persons who satisfy the membership requirements discussed above, and each LJS Co-op member is required to purchase that number of shares of Store Common Stock equal to the total number of Long John Silver's retail outlets owned and operated by each LJS Co-op member. Only holders of record of Membership Common Stock are permitted to purchase shares of Store Common Stock. Store Common Stock may not be sold, transferred, pledged, mortgaged, gifted, or hypothecated to any third party, either voluntarily or by operation of law, and such restrictions are noted on all Store Common Stock certificates. If a LJS Co-op member desires to dispose of his or her Store Common Stock, the LJS Co-op member must transfer his or her Store Common Stock to the LJS Co-op at the same price the stockholder paid to acquire the Store Common Stock.

Distribution and Liquidation Rights. In the event of any distributions by the LJS Co-op to its members, liquidation of the LJS Co-op, or other disposition of its assets, after the payment of all debts and liabilities of the LJS Co-op and the payment of \$10.00 per share to holders of Membership Common Stock, the remaining assets of the corporation will be distributed to such members on a cooperative basis, that is, the LJS Co-op will return to the holders of Store Common Stock the face amount of outstanding patronage equities and distribute the remaining assets to such members on the basis of their past patronage insofar as such distribution is practicable.

General. Store Common Stock has no preemptive or conversion rights. The shares of the Store Common Stock issued in accordance with the terms and conditions of this Membership Information Packet are, when issued, duly authorized, validly issued, fully paid and nonassessable, and the holders thereof are not liable for any payment of the LJS Co-op's debts.

MISCELLANEOUS

Indemnification and Limits on Monetary Liability

Article XI of the LJS Co-op's Certificate of Incorporation provides that a director will not be personally liable to the LJS Co-op or its stockholder members for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the LJS Co-op or its members, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) for the payment of dividends or approval of stock repurchases or redemptions that are prohibited by Delaware law, or (d) for any transaction from which the director derived an improper personal benefit. Only directors, not officers, may benefit from the provisions of Article XI. The limitations of liability extend only to the elimination of a recovery of a monetary remedy. Members may still seek equitable relief, such as an injunction, against any action by a director that is inappropriate. This provision does not affect the directors' responsibilities under any other laws, such as federal securities laws or state or federal environmental laws.

Article VII of the LJS Co-op's Bylaws provides for the indemnification of officers or directors party to or threatened to be made a party to any threatened, pending or completed action, suit or proceeding whether civil, criminal, administrative or investigative. Such indemnification is against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred, if the officer or director acted in good faith and reasonably believed his or her actions were not opposed to the best interests of the LJS Co-op. Officers and directors are not indemnified for criminal actions where they have reason to believe their conduct is unlawful, or in connection with any matter where the officer or director is adjudged to have been liable for negligence or misconduct in the performance of his or her duty, unless a court deems such officer or director to be fairly and reasonably entitled to indemnity.

Where You Can Find More Information

You can obtain any documents discussed in this Membership Information Packet by requesting them in writing or by telephone from Long John Silver's National Purchasing Co-op, Inc., in care of Frost Brown Todd, LLC, Attention: Samuel G. Graber, 400 West Market Street, 32nd Fl., Louisville, Kentucky, 40202.

If you request any documents from us, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request. The LJS Co-op intends to provide its members with annual reports containing audited financial statements.

Legal Matters

Frost Brown Todd LLC, 400 West Market Street, 32nd Floor, Louisville, Kentucky, 40202-3363 has passed upon the legality of the stock we are offering pursuant to this Membership Information Packet.

"A&W," "Long John Silver's," "Pizza Hut," "KFC," and "Taco Bell" are registered trademarks of A&W Restaurants, Inc., Long John Silver's, LLC, Pizza Hut, Inc., KFC Corporation, and Taco Bell Corp. respectively and are used in these materials for identification purposes only. The LJS Co-op is not affiliated with Yum!, A&W Restaurants, Inc., Pizza Hut, Inc., KFC Corporation, or Taco Bell Corp., and is not affiliated with Long John Silver's, LLC except as described herein.

FINANCIAL STATEMENTS

The 2014 Annual Report of the LJS Co-op is attached hereto as Appendix D and is incorporated by reference in this Membership Information Packet. The financial statements of the LJS Co-op as of December 31, 2014 included in this Membership Information packet have been audited by Crowe Horwath LLP, independent accountants, as stated in the report.

MEMBER PRIVACY GUIDELINES

The LJS Co-op's Member Privacy Guidelines are incorporated by reference in this Membership Information Packet and are attached hereto as Appendix B. The purpose of the Member Privacy Guidelines is to let members know what specific information the LJS Co-op collects or possesses on behalf of each member, how the LJS Co-op may use this information, and with whom the LJS Co-op may share this information.

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APPENDIX A

AMENDED AND RESTATED BYLAWS

OF

LONG JOHN SILVER'S NATIONAL PURCHASING CO-OP, INC.

ARTICLE I

Offices and Business Purpose

1.1 Registered Office. The registered office of Long John Silver's National Purchasing Co-op, Inc. (the "Co-op") shall be in the City of Wilmington, County of New Castle, State of Delaware, until altered as provided by law.

1.2 Principal Office. The principal office of the Co-op shall be in Louisville, Kentucky until altered by the Board of Directors.

1.3 Other Offices. The Co-op may maintain other offices within or without the state where its registered and principal offices are located, as the Board of Directors may from time to time establish.

1.4 Business. The Co-op shall conduct a purchasing program for its members (i) directly, (ii) through one or more third party service providers such as SpenDifference, LLC and Alliance Cost Containment, LLC ("Service Providers"), and/or (iii) as otherwise necessary or advisable in order to provide its stockholder members with the lowest possible store delivered costs for food, packaging and supplies, and related services ("Goods") and equipment and related services ("Equipment").

ARTICLE II

Stockholder Members

2.1 Stockholder Eligibility.

(a) The following persons, firms or entities shall be eligible to be stockholders in the Co-op: (i) each sole proprietor, partnership, corporation or other entity who is or becomes a direct or indirect Long John Silver's ("LJS") franchisee or licensee of Long John Silver's, LLC, or its successors, assigns, affiliates, or related companies, (ii) Long John Silver's, LLC. and its respective successors as the franchisor of the LJS brand, and (iii) the Association of LJS Franchisees, Inc.

(b) Only persons, firms or entities which own of record a share of the Co-op's Membership Common Stock shall be eligible to purchase shares of the Co-op's Store Common Stock.

2.2 Stockholder Membership Requirements. Each person, firm or entity which is eligible to be a stockholder member in the Co-op shall be a stockholder member in the Co-op when and if that person, firm or entity (a) purchases one share of the Co-op's Membership Common Stock, (b) purchases that number of shares of the Co-op's Store Common Stock which equals the total number of LJS retail outlets located in all states of the United States, the District of Columbia, and Puerto Rico (collectively, the "United States") owned and operated by such person, firm or entity, and (c) agrees to abide by the terms and commitments set forth in these Bylaws as amended from time to time. If a person, firm, or entity which is eligible to be a stockholder member in the Co-op does not purchase that number of shares of the Co-op's Store Common Stock which equals the total number of LJS retail outlets located in the United States owned and operated by such person, firm, or entity, then such person, firm, or entity shall not be entitled to vote on any matters submitted to stockholder members nor receive patronage dividends from the Co-op as provided in Article IX. If a stockholder member at any time becomes an owner and operator of additional LJS retail outlets within the United States, the stockholder member shall purchase one additional share of Store Common Stock for each such additional retail outlet.

2.3 Multiple Franchises. No person, firm or entity shall be entitled to own, directly or indirectly, beneficially or of record, an interest in more than one share of the Co-op's Membership Common Stock (the "Base Share") regardless of the number of LJS retail outlets owned and operated by such person, firm or entity, excluding (a) any interest which any franchisee may have in the share of the Co-op's Series B Membership Common Stock held by the Association of LJS Franchisees, Inc. (b) any interest which any franchisee may have in the share of the Co-op's Series D Membership Common Stock held by Long John Silver's, LLC, and (c) any interest which any franchisee may have in a share of the Co-op's Membership Common Stock (i) held by a person, firm or entity in which the franchisee owns 50% or less in the aggregate of the outstanding ownership interests, and (ii) with respect to which the franchisee refrains from voting or participating in the voting of the share of Membership Common Stock. Where more than one person, firm or entity are designated as franchisees of one or more retail outlets, such persons, firms or entities shall be considered as a single person, firm or entity for stockholder purposes. The person, firm or entity who owns more than 50% in the aggregate of the outstanding ownership interest of the person, firm or entities owning and operating a LJS retail outlet shall be, unless such person designates otherwise, the person, firm or entity entitled to own the share of Membership Common Stock representing such franchise operation. Where no person, firm or entity owns more than 50% in the aggregate of the outstanding ownership interests of the person, firm or entity owning and operating a LJS retail outlet and none of such persons, firms or entities own, directly or indirectly, an interest in a share of Membership Common Stock of the Co-op, such persons, firms or entities shall be entitled to designate the person, firm or entity from among themselves who shall be entitled to own the share of Membership Common Stock.

2.4 Divisions of Membership Common Stock into Series.

(a) Each stockholder member other than Long John Silver's, LLC and the Association of LJS Franchisees, Inc. shall be entitled to purchase one share of the Series C Membership Common Stock.

(b) As the franchisor of the LJS brand, Long John Silver's, LLC shall be entitled to purchase the one share of the Series D Membership Common Stock.

(c) The Association of LJS Franchisees, Inc. shall be entitled to purchase the one share of the Series B Membership Common Stock.

(d) No person, firm or entity shall be entitled to purchase any of the Series A or Series E through Series Z shares of Membership Common Stock.

2.5 Mandatory Redemptions; Restrictions on Transfers; Prohibition of Dividends.

(a) Unless otherwise prohibited by law, (i) the Co-op shall promptly redeem shares of Membership Common Stock held by persons, firms or entities who no longer qualify as members, and (ii) the Co-op shall, as of the December 31 next following a stockholder member's redemption request, redeem shares of Membership Common Stock held by persons, firms or entities who no longer desire to be a stockholder member of the Co-op. The redemption price for each share of Membership Stock shall be Ten Dollars (\$10.00), which shall be payable in cash, except that, if the Co-op shall be prohibited by law from redeeming such share in cash because such payment would impair the capital of the Co-op or otherwise, the Co-op shall in lieu thereof issue to the holder of such share a non-interest bearing promissory note payable whenever the Co-op shall no longer be prohibited by law from making such payment. The Membership Common Stock may not be sold, transferred, pledged, mortgaged, gifted, or hypothecated to any third party, either voluntarily or by operation of law, and such restrictions shall be noted on all Membership Common Stock certificates.

(b) The Store Common Stock may not be sold, transferred, pledged, mortgaged, gifted, or hypothecated to any third party, either voluntarily or by operation of law, and such restrictions will be noted on all Store Common Stock certificates. The Co-op may from time to time purchase shares of its Store Common Stock if the stockholder does not or no longer owns or operates LJS retail outlets with respect to the share to be purchased by the Co-op. If the Co-op purchases shares of its Store Common Stock as provided in this Section 2.5(b), the purchase price paid by the Co-op for a share of Store Common Stock shall be the same as the price the stockholder member paid to acquire the share of Store Common Stock.

(c) No dividends, other than "patronage dividends" as provided in Article IX of the Bylaws, shall be declared, accrued, or paid on any class of stock of the Co-op.

2.6 Purchase Commitment. Each stockholder member shall purchase virtually all Goods and Equipment for use in the stockholder member's retail outlets through the purchasing programs of the Co-op (which programs may be administered by Service Providers). "Virtually all" with respect to Goods and Equipment means all Goods and Equipment except Goods and Equipment:

(a) Where the Co-op agrees in advance in writing that the stockholder member need not purchase the particular item or category of Goods or Equipment through the purchasing programs of the Co-op;

(b) Where the stockholder member determines in good faith, after written notice to the Co-op (or if prior notice is impractical, with notice given as soon as possible), with respect to a specific item or category of Goods or Equipment for specific retail outlets that (i) the Co-op or its Service Providers are unable to meet the member's required volume of supply for the particular Goods or Equipment, or (ii) the Co-op or its Service Providers are unable to meet previously established quality standards with respect to particular Goods or Equipment;

(c) Where the stockholder member determines in good faith, after written notice to the Co-op (or if prior notice is impractical, with notice given as soon as possible), that the Co-op's or its Service Providers purchasing policies or procedures with respect to the particular item or category of Goods or Equipment present a material business risk to the member, which the member is unwilling to assume, because of the Co-op's or its Service Provider's volume, hedging or similar commitments, arrangements or policies; or

(d) Purchased after the termination of the stockholder member's membership in the Co-op.

2.7 Sourcing Fees. By virtue of membership in the Co-op, each stockholder member (a) agrees that the Co-op and its Service Providers may from time to time collect from the stockholder member a fee (a "Sourcing Fee") in consideration of and to fund the Co-op and its purchasing programs and services, and (b) authorizes the Co-op and its Service Providers from time to time to cause suppliers and distributors of Goods and Equipment to collect Sourcing Fees, as authorized by the Co-op's Board of Directors, from the stockholder member for the account of the Co-op.

2.8 Liquidation Rights. In the event of any dissolution or liquidation of the Co-op or other disposition of its assets, after payment of all debts and liabilities of the Co-op and payment of Ten Dollars (\$10.00) per share to holders of Membership Common Stock, the remaining assets of the Co-op shall be distributed to the holders of Store Common Stock on a cooperative basis, that is, the Co-op shall return to such stockholder members the face amount of outstanding patronage equities and distribute the remaining assets to such stockholder members on the basis of their past Patronage insofar as such distribution is practicable.

2.9 Member Fees and Assessments. The Board of Directors may from time to time establish stockholder member fees and assessments on any of a per member, per store, or patronage basis, to be collected from stockholder members, stockholder members' distributors or

product or service suppliers, in order to support programs and services for the benefit of Long John Silver's retail outlets and operators, including without limitation a program to establish a Long John Silver's system development fund to be administered by the Co-op in support of significant product, menu, operations and other initiatives intended to enhance and grow the Long John Silver's brand.

ARTICLE III

Meetings of Stockholder Members of the Co-op

3.1 Annual Meeting of Stockholder Members. An annual meeting of stockholder members of the Co-op shall be held each year at a time and place selected by the Board of Directors.

3.2 Notice of Annual Meeting. Written notice of the time and place of the annual meeting shall be mailed to stockholder members entitled to vote as shown by the records of the Co-op not less than twenty nor more than sixty days prior to the meeting which notice shall state the place, date and hour of the meeting.

3.3 Delayed Annual Meeting. If, for any reason, the annual meeting of the stockholder members shall not be held on the day designated, such meeting may be called and held as a special meeting, and the same proceedings may be had at such meeting as at an annual meeting and the notice of such meeting shall be the same as required for the annual meeting.

3.4 Special Meetings of Stockholder Members. Special meetings of the stockholder members may be called at any time by the Chairman of the Board of Directors, the President or by three of the voting members of the Board of Directors, upon not less than twenty nor more than sixty days written notice to all stockholder members which shall state the place, date, hour and purpose or purposes of the meeting.

3.5 Waiver of Notice by Attendance. Attendance at a meeting, whether annual or special, shall be a waiver of notice, unless attendance is expressly for the purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

3.6 Quorum. Presence in person or by proxy of stockholder members representing a majority of the stockholder members entitled to vote at such meeting shall constitute a quorum at such meeting. A quorum shall not be lost by the departure of stockholder members before adjournment.

3.7 Who Entitled to Vote; Proxies. Each stockholder member owning a share of the Co-op's Membership Common Stock shall be entitled to one vote in person or by proxy upon each matter on which such stockholder member is entitled to vote. Proxies shall be valid only if signed by the stockholder member, dated and filed with the Secretary of the Co-op prior to or at the meeting in which it is given. No proxy shall be irrevocable and any proxy may be revoked at

any time in writing or in person at the meeting for which it was given. No Proxy shall be voted or acted upon after one year from its date.

3.8 Voting. Except as otherwise provided in these Bylaws or required by law, the affirmative vote of a majority of the stockholder members present in person or by proxy at a meeting at which a quorum is in attendance shall be necessary to decide in favor of any matter properly submitted to the meeting.

3.9 Disputes. Any dispute as to the voting rights of stockholder members shall be submitted to the Secretary of the Co-op to be decided upon by the Chairman of the Board of Directors, or, in his absence, the Vice-Chairman with the stockholder member whose voting rights are in issue having the right to appeal this decision to the Board of Directors, the decision of the Board of Directors being the final decision.

3.10 Organization of Meetings. The Chairman of the Board of Directors, or the Vice-Chairman, if the Chairman is not present, and the Secretary of the Co-op shall act as chairman and secretary, respectively, at all meetings of stockholder members of the Co-op.

ARTICLE IV

Board of Directors

4.1 General.

(a) The property and affairs of the Co-op shall be managed by a governing body to be known as the Board of Directors. The Board of Directors shall be composed of seven voting directors who shall be nominated and elected and shall serve for terms as herein provided.

(b) The Secretary of the Co-op shall notify stockholder members in writing no later than seventy-five days prior to the annual meeting of stockholder members of the date of such meeting. Such notice shall advise them that nominations for members of the Board of Directors whose terms will expire at such meeting must be submitted to the Secretary in writing not later than sixty days prior to the meeting date. Such notice shall specify the names of any nominees nominated by the Nominating Committee appointed by the Board of Directors as provided in Section 4.1(j) below. Such notice shall also specify the names of directors whose terms are expiring and the names of directors who have resigned, died, or otherwise been removed from office since the last annual meeting of stockholder members, and shall identify the Series of Membership Common Stock entitled to elect successors to such directors. Each nomination submitted to the Secretary shall be accompanied by a statement signed by the nominee that he will serve in such capacity if elected. The Nominating Committee may nominate not more than five persons to serve as a director elected by the Series C shares of Membership Common Stock. Each stockholder member may nominate not more than one person to serve as the director who may be elected by the Series of Membership Common Stock held by such stockholder member.

(c) Each of Series B and Series D shall be entitled to elect, as a series, one member of the Board of Directors. Series C shall be entitled to elect, as a series, five at large members of the Board of Directors (the "At-Large Directors").

(d) All directors of the Co-op must be stockholder members of the Co-op or an officer, shareholder, employee or partner of an entity which is a stockholder member of the Co-op. Each director must be a member or an officer, director, shareholder, employee or partner of the organization which is entitled to vote for such director. Except for the director elected by Series D Membership Common Stock, no voting director may be affiliated in any way with (i) Long John Silver's, LLC other than as a franchisee of Long John Silver's LLC. or as an investor in LJS Partners LLC, (ii) a restaurant brand or concept which competes directly or significantly with the LJS brand, or (iii) any business which competes with the Co-op.

(e) All voting directors of the Co-op shall be divided into three classes, designated Class I, Class II, and Class III. Such classes shall include two or three voting directors, with the term of office of one class expiring each year. The holder of the Co-op's Class B Common Stock, if any, or the Board of Directors shall by majority vote designate the classes of all directors, within Class I, II, and III respectively, but by such designations may not shorten the term of any director.

(f) No person shall hold more than one seat on the Board of Directors at any one time. Not more than one person affiliated with any stockholder member may hold a voting seat on the Board of Directors.

(g) The initial Class I directors shall hold office for a term commencing with the adoption of these Bylaws and expiring at the annual meeting next ensuing and until their successors are elected and take office. The initial Class II directors shall hold office for a term commencing with the adoption of these Bylaws and expiring at the second annual meeting thereafter and until their successors are elected and take office. The initial Class III directors shall hold office for a term commencing with the adoption of these Bylaws and expiring at the third annual meeting thereafter and until their successors are elected and take office. The successors to the initial Class I, Class II, and Class III directors shall each be elected for terms commencing as of the date of their election and continuing until the third annual meeting of stockholder members thereafter and until their respective successors are duly elected and qualified.

(h) Whenever any member of the Board of Directors ceases to fulfill the eligibility requirements of this Section 4.1, his membership on the Board of Directors shall automatically terminate and the vacancy so created shall be filled in the manner prescribed in Section 4.2.

(i) Notwithstanding any limitation on the number of persons who may serve as members of the Board of Directors provided for in Section 4.1(a) hereof, the Board of Directors may, from time to time, by resolution provide for one or more non-voting members of the Board of Directors to serve at the pleasure and upon such terms and conditions as the Board of

Directors may by resolution provide. As contemplated by this Section 4.1(i), the Board shall elect a non-voting member of the Board of Directors after seeking the advice and counsel of the holder of the share of Series D Membership Common Stock.

(j) The Board of Directors shall appoint a Nominating Committee (i) whose members must be stockholder members, (ii) a majority of whose members must also be members of the board of directors of the Association of LJS Franchisees, Inc., and (iii) whose members may, but are not required to, be members of the Co-op's Board of Directors. The purpose of the Nominating Committee shall be to consider and make nominations of eligible persons for election as At-Large Directors.

(k) The Board of Directors shall resolve all questions or issues arising with regard to the meaning or applicability of provisions contained in these Bylaws or in the Certificate of Incorporation by the interpretation of such provisions, and the Board's interpretation shall be dispositive of such questions and issues.

4.2 Vacancies. Except as herein provided, all vacancies on the Board of Directors shall be filled by the Board of Directors. In filling any vacancy, the Board of Directors shall seek the advice and counsel of the holder or holders of the Series of stock who are entitled, as a Series, to elect the director whose position became vacant. All vacancies shall be filled as soon as practicable; however, the Board need not fill a vacancy if the holder or holders of the Series of Membership Common Stock who are entitled, as a Series, to elect the director whose position became vacant decline (a) to provide the Board with advice and counsel concerning the filling of the vacancy, or (b) to nominate a person to fill a vacancy, however created, at any annual or special meeting of the stockholders at which an election of directors occurs. For purposes of this Article IV, the number of voting members of the Board shall not include from time to time the number of vacancies on the Board. The Board of Directors shall not fill a vacancy with respect to the Series D share of Membership Common Stock without the specific direction and consent of Long John Silver's, LLC.

Directors elected as hereinabove provided in this Section 4.2 shall serve until the next annual meeting of stockholder members, at which time the holders of the Series of Membership Common Stock who elected the director whose position became vacant shall be entitled to elect a successor who shall serve for the remainder, if any, of the term of the director who shall have resigned, died or otherwise been removed from office.

The person elected to fill a vacancy must fulfill the eligibility requirements for the position of the director whose position became vacant.

4.3 Quorum. Five of the voting members of the Board of Directors shall constitute a quorum.

4.4 Annual Meeting. The Board of Directors shall hold its annual meeting to elect its Chairman and Vice-Chairman, to elect the officers of the Co-op for the ensuing year and to transact any other business in each calendar year at such time and place as the Board shall designate.

4.5 Other Meetings. Other meetings of the Board of Directors may be called by the Chairman, the President or three of the voting members of the Board of Directors at any time by means of written notice by mail or email of the time, place and purpose thereof to each member of the Board of Directors, as the Chairman, the President or three of the voting members of the Board of Directors shall deem sufficient, but action taken at any such meeting shall not be invalidated for want of notice if such notice shall be waived as hereinafter provided.

4.6 Waiver of Notice. Notice of the time, place and purpose of any meeting of the Board of Directors may be waived by telegram, radiogram, cablegram, or other writing either before or after such meeting has been held. Attendance at a meeting shall constitute a waiver of notice, unless attendance is expressly for the purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

4.7 Removal of Members of the Board of Directors. The Board of Directors may, upon the affirmative vote of at least two-thirds of all stockholder members (including the vote of Long John Silver's, LLC with respect to a director representing the Series D share of Membership Common Stock and the Association of LJS Franchisees, Inc. with respect to a director representing the Series B share of Membership Common Stock) at any time determine that any member of the Board of Directors shall be removed from the Board of Directors for cause. Upon such a vote of stockholder members, the Board of Directors shall give such director written notice of removal for cause.

4.8 Voting. The affirmative vote of five of all voting members of the Board of Directors shall, except as otherwise specifically provided in these Bylaws, be the act of the Board of Directors on any matter properly submitted to the Board of Directors. Members of the Board of Directors may participate in a meeting of the Board of Directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and such participation in a meeting shall constitute presence in person at such meeting. Upon the demand of a majority of the voting members of the Board of Directors participating in a meeting, the voting upon any question before the meeting shall be by secret ballot.

4.9 Chairman and Vice-Chairman.

(a) The Board of Directors shall at each annual meeting elect by the affirmative vote of a majority of the entire Board of Directors a Chairman and a Vice-Chairman, each of whom shall serve until the next annual meeting of the Board of Directors and until his successor is duly elected and qualified.

(b) The duties of the Chairman shall be to preside at all meetings of the Board of Directors and stockholder members. The Chairman shall oversee the President in his assigned duties as established and authorized by the Board of Directors. The Chairman shall have the power to execute in the name of the Co-op any authorized corporate obligation or other instru-

ment and shall perform all acts incident to the Office of Chairman or Directors. In the absence of the Chairman or his inability to perform, the Vice-Chairman shall assume his duties.

4.10 Meetings: Chairman and Secretary. At all meetings of the Board of Directors, the Chairman, or in his absence, the Vice-Chairman, shall act as chairman of the meeting and the Secretary of the Co-op shall act as secretary, except that if any one of them shall be absent, a chairman or secretary, or both, may be chosen at the meeting.

4.11 Compensation and Expenses. All members of the Board of Directors shall serve without compensation. Reasonable expenses of members of the Board of Directors attending regular and called meetings shall be reimbursed by the Co-op, provided, that such expenses are not in excess of the actual cost of traveling from and returning to the member's home city, lodging, meals and other reasonable and necessary expenses. The Board of Directors shall also reimburse members of the Board of Directors and others for their reasonable expenses of attending seminars or other events at the direction of the Board of Directors.

ARTICLE V

Officers

5.1 Executive Officers. The Board of Directors shall elect from among its members, including non-voting ex-officio members, a President, a Secretary and a Treasurer. The Board of Directors may also elect one or more Vice-Presidents and such other officers and assistant officers, as the Board of Directors may, from time to time, determine are necessary to manage the affairs of the Co-op. Any one person, except as forbidden by law, may be elected to more than one office. Any person elected to office shall hold his office as such for a one year period and until his successor shall have been elected and shall have accepted office, unless prior thereto such person resigns or is removed from office. The President shall at all times be subject to dismissal by the Board of Directors by the affirmative vote of five of the voting members of the Board of Directors. The other officers shall at all times be subject to dismissal by the President or the Board of Directors.

5.2 Vacancies. Any vacancy in any office shall be filled by the Board of Directors.

5.3 Powers and Duties of the President. The President shall be the President and Chief Executive Officer of the Co-op and, subject to the control of the Board of Directors, shall have general charge of its business and supervision of its affairs. He shall keep the Board of Directors fully informed and freely consult with it in regard to the business of the Co-op, and make due reports to it and to the stockholder members. The President shall have the power to execute in the name of the Co-op any authorized corporate obligation or other instruments. The President shall also have such other powers and duties as are incident to his office and not inconsistent with these Bylaws, or as may at any time be assigned to him by the Board of Directors.

5.4 Powers and Duties of Vice-Presidents. The Board of Directors may elect one or more Vice-Presidents who shall have the powers and duties incident to their office and shall perform such duties as may at any time be assigned to them by the Board of Directors or the President.

5.5 Powers and Duties of the Treasurer. The Treasurer, subject to the control of the Board of Directors and together with the President, shall have general supervision of the finances of the Co-op. He shall have the care of, and be responsible for, all monies, securities, evidences of value and corporate instruments of the Co-op, and shall supervise the officers and other persons authorized to bank, handle and disburse its funds, informing himself as to whether all deposits are or have been duly made and all expenditures duly authorized and evidenced by proper receipts and vouchers. He shall cause full and accurate books to be kept, showing the transactions of the Co-op, its accounts, assets, liabilities and financial condition, which shall at all reasonable times be open to the inspection of any member of the Board of Directors, and he shall make due reports to the Board of Directors and the stockholder members, and such statements and reports as are required of him by law. The Treasurer shall have such other powers and duties incident to his office and not inconsistent with these Bylaws, or as may at any time be assigned to him by the Board of Directors.

5.6 Powers and Duties of the Secretary. The Secretary shall cause to be entered in the minute books the minutes of all meetings of the Board of Directors and annual and other meetings of the stockholder members; shall have charge of the seal of the Co-op and all other books and papers pertaining to his office, and shall be responsible for giving of all notices, and the making of all statements and reports required of the Co-op or of the Secretary by law. The Secretary shall affix the corporate seal, attested by his signature, to all instruments duly authorized and requiring the same. The Secretary shall have such other powers and duties incident to his office and not inconsistent with these Bylaws, or as may at any time be assigned to him by the Board of Directors.

5.7 Assistant Treasurers and Assistant Secretaries. Any Assistant Treasurers and Assistant Secretaries elected shall perform such duties as may properly be assigned to them by the executive officers of the Co-op, and shall have such powers and duties, including all the powers and duties of their principals in the event of the absence of such principals from any place in which the business in hand is to be done, and as may at any time be assigned to them by the Board of Directors.

5.8 Other Officers. The Board of Directors shall prescribe the powers and duties of any other officer or officers of the Co-op.

5.9 Salaries. The salary, if any, of the President of the Co-op shall be fixed by the Board of Directors. Subject to such limitations as may be fixed by the Board of Directors from time to time, the salaries, if any, of all other employees and officers of the Co-op shall be fixed by the President who shall report annually to the Board of Directors on all salary changes.

ARTICLE VI

Finance, Audit and Fiscal Year

6.1 Banking. All funds and money of the Co-op shall be banked, handled and disbursed, and all bills, notes, checks and like obligations, and endorsements (for deposit or collection) shall be signed by such officers and other persons as the Board of Directors shall from time to time designate, who shall account therefor to the Treasurer as and when he may require. All money, funds, bills, notes, checks and other negotiable instruments coming to the Co-op shall be collected and promptly deposited in the name of the Co-op in such depositories as the Board of Directors shall select.

6.2 Annual Audit. An audit by certified public accountants of the books and records of the Co-op shall be conducted annually by a firm engaged by the Board of Directors.

6.3 Fiscal Year. The fiscal year of the Co-op shall be the calendar year unless set otherwise by the Board of Directors.

ARTICLE VII

Indemnification

7.1 Indemnification of Officers and Directors.

(a) The Co-op shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Co-op) by reason of the fact that he is or was a director, officer, employee or agent of the Co-op, or is or was serving at the request of the Co-op as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Co-op, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Co-op, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

(b) The Co-op shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Co-op to procure a judgment in its favor by reason of the fact that he is or was a director, officer, employee or agent of the Co-op, or is or was serving at the request of the Co-op as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enter-

prise against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Co-op and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Co-op unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

(c) To the extent that a present and former director or officer of the Co-op has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this Section 7.1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him in connection therewith.

(d) Any indemnification under subsections (a) and (b) of this Section 7.1 (unless ordered by a court) shall be made by the Co-op only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because he has met the applicable standard of conduct set forth in subsections (a) and (b). Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in written opinion, or (iv) by the stockholder members.

(e) Expenses (including attorneys' fees) incurred by an officer or director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Co-op in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount it shall ultimately be determined that he is not entitled to be indemnified by the Co-op as authorized in this Section 7.1. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the corporation deems appropriate.

(f) The indemnification and advancement of expenses provided by, or granted pursuant to this Section 7.1 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office.

(g) The Co-op shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Co-op, or is or was serving at the request of the Co-op as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him and

incurred by him in any such capacity, or arising out of his status as such, whether or not the Co-op would have the power to indemnify him against such liability under the provisions of this Section 7.1.

(h) For purposes of this Section 7.1, references to the Co-op shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 7.1 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(i) For purposes of this Section 7.1, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Co-op" shall include any service as a director, officer, employee or agent of the Co-op which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Co-op" as referred to in this Section 7.1.

(j) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 7.1 shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(k) The Court of Chancery of the State of Delaware is hereby vested with exclusive jurisdiction to hear and determine all actions for advancement of expenses or indemnification brought under this Section 7.1 or under any bylaw, agreement, vote of stockholder members or disinterested directors, or otherwise. The Court of Chancery may summarily determine the Co-op's obligation to advance expenses (including attorneys' fees).

(l) If so provided in the Co-op's Certificate of Incorporation, a director of the Co-op shall not be personally liable to the Co-op or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Co-op or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit.

The foregoing Article 7 is derived from Sections 145 and 102 of the General Corporation Law of the State of Delaware.

The Co-op has obtained a policy of insurance under which the Co-op and its directors and officers are insured subject to specific exclusions and deductible and maximum amounts against loss deriving from any claim which may be made against the Co-op or any director or officer of the Co-op by reason of any act done or alleged to have been done while acting in their respective capacities.

ARTICLE VIII

Capital Stock

8.1 Certificate of Stock. The capital stock of the Co-op shall be represented by certificates, provided that the Board of Directors of the Co-op may provide by resolution that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Co-op. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and, upon request, every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Co-op by, the Chairman or Vice-Chairman of the Board of Directors, or the President or a Vice-President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Co-op representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, such certificate may be issued by the Co-op with the same effect as if he were such officer, transfer agent or registrar at the date of issue. In the event certificates are issued, the certificates of stock of the Co-op shall be numbered and shall be entered in the books of the Co-op as they are issued. Each certificate of stock shall have conspicuously placed thereon a legend describing that such certificate has restrictions on transfer as set forth in the Co-op's Certificate of Incorporation and Section 8.3 of the Bylaws.

8.2 Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Co-op alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the Co-op a bond in such sum as it may direct as indemnity against any claim that may be made against the Co-op with respect to the certificate alleged to have been lost, stolen or destroyed.

8.3 Transfers of Capital Stock. Any attempted transfer, sale, pledge, mortgage, gift, or hypothecation of shares of Membership Common Stock or Store Common Stock other than a transfer of the shares to the Co-op shall be null, void, and without effect, and the Co-op

shall not make or recognize any such transfer, sale, pledge, mortgage, gift, or hypothecation upon its books.

8.4 Fixing Record Date. In order that the Co-op may determine the stockholder members entitled to notice of or to vote at any meeting of stockholder members or any adjournment thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than twenty days prior to any other action. A determination of stockholder members of record entitled to notice of or to vote at a meeting of stockholder members shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

8.5 Registered Stockholders. The Co-op shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive patronage dividends and to vote, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share of shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE IX

Patronage Dividends

9.1 Patronage. The term "patronage" shall refer to the value of the Co-op's business with its stockholder members. Business with the Co-op's stockholder members shall include the following: (i) the Co-op's direct business with its stockholder members; (ii) the Co-op's business with its stockholder members through distributors ("participating distributors") which shall have agreed to participate in the Co-op's patronage dividend program for its stockholder members by entering into distributor participation agreements with the Co-op or its Service Providers in such form as the Co-op shall prescribe or approve from time to time; (iii) the Co-op's business with its stockholder members through suppliers ("participating suppliers") which shall have agreed to participate in the Co-op's patronage dividend program by entering into supplier business relationship agreements with the Co-op or its Service Providers in such form as the Co-op shall prescribe or approve from time to time; and (iv) the Co-op's business with its stockholder members pursuant to arrangements set forth in a management agreement approved by the Board of Directors with Service Providers, whereby the stockholder members purchase goods directly from Service Providers or through participating distributors and participating suppliers. The term "patronage" includes the Co-op's business with its stockholder members both when the Co-op or Service Providers purchase (take "Title") and resell goods to the Co-op's stockholder members and participating distributors, and when participating suppliers sell goods directly to stockholder members and participating distributors.

9.2 Cooperative Basis. The Co-op shall at all times be operated on a cooperative basis for the benefit of its stockholder members. The Co-op shall always do more than ninety percent (90%) in value of its business with its stockholder members.

9.3 Patronage Dividend Distributions.

(a) The Board of Directors shall, after considering the Co-op's anticipated expenses and need for capital and reserves, (i) obligate the Co-op to distribute patronage dividends as provided in section 1388(a)(2) of the Internal Revenue Code of 1986, as amended (hereinafter referred to as the "IRC"), and (ii) distribute as patronage dividends, directly to the stockholder members of the Co-op, the net income of the Co-op from patronage done with or for stockholder members computed in accordance with sections 1381-1388 of the IRC and in accordance with the principles applied in preparation of the Co-op's federal income tax return. Specifically, the Co-op shall distribute patronage dividends to stockholder members annually on the basis of each stockholder member's patronage. In determining the portion of the Co-op's patronage dividend obligations to be paid in cash, the Board of Directors shall consider: (1) expenses directly or indirectly related to the Co-op's business; (2) such reasonable reserves for necessary corporate purposes as may from time to time be provided by the Board of Directors for depreciation and obsolescence, state and federal taxes, bad debts, casualty losses, insurance and other corporate and operating charges and expenses, all established and computed in accordance with generally accepted accounting principles; and (3) such reasonable reserves for working capital necessary for the operation of the Co-op and for deficits arising from such operation, (including deficits from business other than business done with or for stockholder members).

The amounts set aside for reserves in any year from gross margins of the Co-op from business other than with or for the stockholder members shall be allocated to the extent possible, to stockholder members, on the books of the Co-op on a patronage basis for that year, or, in lieu thereof, the books or records of the Co-op shall afford a means of doing so, so that in the event of a distribution of amounts formerly carried in reserves, each stockholder member may receive to the extent possible, that stockholder member's pro rata share thereof.

(b) Solely for the purpose of determining the amount of patronage dividends distributable to a particular member of the Co-op, the Board of Directors may from time to time, when appropriate, by resolution, segregate the Co-op's business with its stockholder members into distinct pools, such as by way of example, an equipment business pool, a food and packaging business pool, or an international business pool. The net earnings of the Co-op from business with the Co-op's stockholder members related to any such pool shall be attributable to a stockholder member patron of the pool in proportion to the quantity or value of business done by the stockholder member with the pool. The resolution establishing such distinct business pools shall also specify the basis for determining the amount distributable by the Co-op as patronage dividends to each stockholder member.

(c) The patronage dividend distributions shall be paid to each stockholder member on the basis of the quantity or value of business done with or for each stockholder member, and the patronage dividend distributions shall be determined by reference to the net earnings of the Co-op from business done with or for its stockholder members. The patronage

dividend distributions shall be among all stockholder members, shall be directly proportional for each taxable year of the Co-op to the purchases by each stockholder member, and shall be based upon each stockholder member's patronage.

9.4 Timing of Payment of Patronage Dividends. Each distribution of patronage dividends shall be made within the payment period beginning with the first day of a taxable year for which the Co-op claims a deduction for patronage dividends paid in the form of such distributions and ending with the 15th day of the 9th month following the close of such taxable year.

9.5 Method and Character of Payment. The Board of Directors may, in its discretion, determine to pay patronage dividends either all in a form that will be treated as a deductible qualified written notice of allocation within the meaning of section 1388(c) of the IRC, all in a form that will be treated as a nonqualified written notice of allocation within the meaning of section 1388(d) of the IRC, or part in qualified form and part in nonqualified form. At least twenty percent (20%) of any qualified payment of patronage dividends shall be paid in cash or by a "qualified check" as defined in Section 1388(c)(4) of the IRC. Subject to this limitation with respect to qualified distributions, the Board of Directors may decide that the balance of any patronage dividend be paid, in whole or in part, in cash, property, promissory notes or other evidence of indebtedness, or in any other form of written notice of allocation (within the meaning of section 1388(b) of the IRC).

9.6 Consent to Stockholder Members. Membership in the Co-op by stockholder members shall constitute a consent of each such member to include in its gross income the amount of any patronage dividend which is paid with respect to direct sales from the Co-op, and indirect sales through participating distributors in money, "qualified checks," "qualified written notices of allocation" or other property (except "nonqualified written notices of allocation" as defined in Section 1388(d) of the Internal Revenue Code of 1986, as amended) and which is received by it during the taxable year from the Co-op. Each stockholder member of the Co-op, through initiating or retaining its membership after adoption of this Article IX of these Bylaws, as amended from time to time, consents to be bound hereby. The provisions of this Article IX, as amended from time to time, shall be a contract between the Co-op and each stockholder member as fully as though each stockholder member had signed a specific separate instrument in which the stockholder member agreed to be bound by all of the terms and provisions of this Article IX, as amended from time to time.

This consent, however, shall not extend to written notices of allocation received by the stockholder member as part of a nonqualified payment of patronage which clearly indicate on their face that they are nonqualified. By way of illustration, the term "written notice of allocation" shall include such items as the promissory notes, a notice or statement that such securities have been deposited with a bank or other qualified agent on behalf of the stockholder member, a notice of credit to the account of the stockholder member on the books of the Co-op (against stock subscription or any other indebtedness as the Co-op may elect) and such other forms of notice as the Board of Directors may determine, distributed by the Co-op in payment, or part payment of the patronage dividends. The stated dollar amount of the promissory notes is the principal amount thereof.

9.7 Promissory Notes. Subject only to the payment of at least twenty percent (20%) of each stockholder member's annual patronage dividend in cash, the Co-op may pay each stockholder member all or any portion of the annual patronage dividend in promissory notes which shall bear interest at the rate from time to time fixed by the Board of Directors and shall mature at the time fixed by the Board of Directors not later than five years from the date of issuance, and may be subordinated to any liabilities or obligations of the Co-op, existing, contingent or created after the date of issuance. The Co-op shall have a lien upon and a right of set off against any said promissory notes issued to a stockholder member to secure payment of any indebtedness due the Co-op or any of its subsidiaries by the stockholder member.

9.8 Application of Patronage Dividends to Amounts Due the Co-op or LJSGC, Inc. Notwithstanding any of the foregoing provisions of this Article IX, the portion of any patronage dividends which would otherwise be payable in cash under any provision of this Article IX to a stockholder member may be applied by the Co-op to the payment of any indebtedness, the repayment of which is in default, owed to the Co-op or LJSGC, Inc. by any such stockholder member to the extent of such indebtedness instead of being distributed in cash, provided, however, that an amount equal to twenty percent (20%) (or, in the case of a stockholder member located in a jurisdiction to which the special withholding requirements of Sections 1441 or 1442 of the Internal Revenue Code of 1986, as amended, apply, thirty percent (30%)) of the total annual patronage dividends distributable for the applicable year to any such stockholder member shall nevertheless be paid in cash within the period set forth in Section 9.4 if any such stockholder member so requests in a writing received by the Co-op within thirty (30) days of the first day of the Co-op's fiscal year as established under Section 6.3.

ARTICLE X

Amendments

10.1 Amendments to Bylaws. The Board of Directors shall have the power to adopt, amend or repeal from time to time the Bylaws of the Co-op at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors if notice of such adoption, amendment or repeal of the Bylaws be contained in the notice of such special meeting, subject to the right of the stockholder members to adopt, amend or repeal the Bylaws, at any regular meeting of the stockholder members or at any special meeting of the stockholder members if notice of such adoption, amendment or repeal of the Bylaws be contained in the notice of such special meeting. Provided, however, that neither the Certificate of Incorporation nor the Bylaws may be amended to provide that the number of voting members of the Board of Directors which Long John Silver's, LLC is entitled to elect as the holder of the Series D share of Membership Common Stock or otherwise is less than one-seventh (1/7) of all voting directors without the approval of at least one director elected by Long John Silver's, LLC.

APPENDIX B

LONG JOHN SILVER'S NATIONAL PURCHASING CO-OP, INC.

MEMBER PRIVACY GUIDELINES

Purpose

The mission of the Long John Silver's National Purchasing Co-op, Inc. and its subsidiaries (collectively, the "Co-op") is to work with member franchisees and Long John Silver's, LLC ("LJS") in the development and supply of goods and equipment to its members at the lowest sustainable restaurant delivered price. To achieve its mission, the Co-op has contracted with one or more supply chain service providers (the "Administrator") to administer a purchasing program on the Co-op's behalf (the "Purchasing Program"). As part of its Purchasing Program administration, the Administrator is expected to abide by these Member Privacy Guidelines.

The purpose of these Member Privacy Guidelines is to let members know what specific information the Administrator collects or possesses on behalf of each member, how the Administrator and the Co-op may use this information, and with whom the Administrator and the Co-op may share this information.

These are guidelines only, subject to revision and exceptions authorized by the Co-op's Board of Directors, and not intended to create any legal rights.

The security of member information is a Co-op priority, and the Co-op is committed to take all reasonable measures to protect the privacy and security of member information.

What Information?

The Administrator and the Co-op may have the following non-public information about members:

- * Membership Information including stockholder records, organizational structure, business entities, key personnel, ownership, number and location of outlets, street and mailing addresses, phone and facsimile numbers, email addresses, and federal tax identification numbers.
- * Financial Information including financial statements and related standard credit applications, credit histories, authorized credit reports and credit references from third parties such as distributors and lenders.
- * Distributor Information including shipping and billing information, distributor's contract terms, food, packaging and beverage monitoring information, volume usage, patronage, and products purchased by price and amount.

- * Administrator Transaction Information including all direct transactions between the Administrator and a member and information provided to the Administrator by a member in connection with a request that the Administrator assist the member in resolving a supply chain issue.
- * Operations Information including marketing plans, expansion plans, and other information concerning brand or franchisee operations.
- * Web Site interactions on the Administrator's web site which are also subject to the Administrator web site privacy policy.

Information Usage

As a general matter, the Administrator shall seek appropriate confidentiality understandings and agreements with customers, suppliers, distributors, committee members, third party vendors and LJS.

The Administrator and the Co-op use and disclose member specific information only in the following ways:

- * The Administrator's staff uses member information in connection with direct transactions between the Administrator and members, analysis for management of the Purchasing Program, member level distributor monitoring and contract compliance, and member problem resolution. Generally, information about members is available only to those staff members who specifically need that information to perform their job duties.
- * The Administrator and Co-op board members and board committees use member specific information in connection with facilitating the resolution of member concerns and problems; in connection with the extension of credit as provided in the Co-op's credit policies; and in connection with the resolution of past due accounts receivable.
- * Administrator sponsored distribution and other committees comprised of Co-op directors, Administrator staff, LJS representatives and franchisees and perhaps others may review member specific distribution and other information in connection with evaluating, monitoring and establishing distribution and other arrangements or developing program and project recommendations.
- * In order to facilitate LJS quality assurance programs and discourage the sale of unapproved goods and equipment, LJS and the applicable distributor are notified when the Administrator learns that a distributor has sold goods or equipment unapproved by LJS to a member.

- * Suppliers, distributors, and LJS may receive member specific information in connection with product recalls and alerts and other product safety activities and communications.
- * Approved suppliers, shippers and third party vendors receive required member information in connection with the fulfillment of member purchases, for instance a direct shipment of equipment from an approved equipment supplier to a member.
- * Third party vendors, such as data processors performing functions on behalf of the Administrator, receive member information from the Administrator subject to appropriate confidentiality agreements.
- * After consultation with the Co-op, providers of Administrator outsourced programs, receive member information for marketing and other purposes subject to appropriate confidentiality agreements and usage restrictions.
- * With the express permission of the Co-op, LJS may receive member specific information to facilitate the administration of brand specific programs and promotions.

Responsibility

The Audit and Budget Committee of the Co-op's Board of Directors is responsible for administration of these guidelines, including communication and education concerning the guidelines, interpretation of the policy, and recommendations to the Board of Directors concerning guideline exceptions, clarifications and revisions.

APPENDIX C

SUMMARY OF OPERATING POINTS FROM THE LJS – LJS CO-OP AGREEMENT

LJS Appointment

- LJS designates the LJS Co-op, on an exclusive basis, to conduct and/or contract with service providers to conduct, purchasing programs for all LJS and franchisee operated restaurants in the United States.
- The LJS Co-op, either directly or through its service providers, has the sole and exclusive responsibility to administer and conduct the purchasing programs and to negotiate purchasing arrangements for goods and equipment for LJS's system in the United States.

LJS Commitment

- LJS becomes and remains a member of the LJS Co-op.
- LJS purchases through the purchasing programs conducted by the LJS Co-op or its service providers "virtually all" of the goods and equipment needed for LJS operated restaurants.

Sheltered Income

- Neither LJS nor the LJS Co-op receives or benefits from any Sheltered Income in connection with goods or equipment purchased or used by restaurants; nor shall either authorize any approved supplier, approved distributor, or service provider to receive or benefit from Sheltered Income, subject to a few specific, limited exceptions.
- The LJS Co-op may benefit from any Sheltered Income, provided that the LJS Co-op shares such Sheltered Income among each applicable operator based on the dollar volume of the purchases of such operator that gave rise to the receipt or benefit of such Sheltered Income.
- LJS or the LJS Co-op may receive or benefit from Sheltered Income where there are higher prices for goods or equipment permitted or charged by approved suppliers to amortize supplier expenses related to research and development of goods and equipment if such amortization of research and development expenses are incurred after LJS receives the advance advice and written consent (with such consent not to be withheld if the parties determine in good faith that the expenses to be incurred are both reasonable and in the best interest of the LJS system or the LJS Co-op) of the LJS Co-op.
- LJS or the LJS Co-op may receive or benefit from Sheltered Income where there are reasonable fees, in no event exceeding LJS's applicable direct expense, and not necessarily

completely reimbursing LJS's direct expense in connection with the applicable activity, charged by LJS, in accordance with published schedules adopted with the advanced advice and written consent (with such consent not to be withheld if the parties determine in good faith that the expenses to be incurred are both reasonable and in the best interest of the LJS system or the LJS Co-op) of the LJS Co-op to potential suppliers and distributors and to approved suppliers and approved distributors, in connection with the LJS supplier approval and distributor approval processes, or in connection with LJS administered quality inspection and assurance programs.

- "Sheltered Income" means so called earned income, rebates, kick-backs, volume discounts, tier pricing, purchase commitment discounts, sales and service allowances, marketing allowances, advertising allowances, promotional allowances, label allowances, back-door income, application fees, inspection fees, quality assurance fees, etc., and includes, among other items, (a) fees charged suppliers and distributors in the supplier and distributor approval process, (b) fees charged suppliers and distributors for quality inspections and "hot line" inquiries and complaints, (c) license or trademark fees or rebates charged or expected as a condition of supplier or distributor approval or use, typically paid as a percentage of System wide volume, (d) higher prices permitted suppliers to amortize research and development expenses undertaken by suppliers at the request of LJS or otherwise, (e) higher prices permitted suppliers to amortize the cost of excess inventory, (f) higher prices permitted suppliers to amortize the cost of graphics and other product changes, (g) special or atypical payment terms, (h) payments and allowances to distributors from suppliers based on distributor volume which are not reflected as a reduction in distributor cost or prices, (i) amounts paid to sponsor LJS or LJS Co-op meetings and events, and (j) special favors, gifts and entertainment.

Approved Suppliers and Distributors

- LJS will have the exclusive right and obligation with respect to the purchase and distribution of goods and equipment including, without limitation, to (a) designate and terminate approved suppliers and approved distributors, and (b) designate approved goods and equipment. LJS must develop, designate, modify, update and make available (subject to reasonable confidentiality guidelines) specifications for goods and equipment. However, LJS shall maintain a supplier approval and a distributor approval process which (a) has appropriate and significant franchisee and LJS Co-op involvement, (b) has specific published procedures, anticipated timetables and provisions for progress reports, (c) provides that franchisees and the LJS Co-op may submit suppliers and distributors for approval, and (d) reflects a philosophical commitment to the need in most circumstances for competition among approved suppliers and approved distributors for the business of restaurants whenever competition will benefit the LJS system.
- The LJS Co-op may require, and LJS shall use its reasonable best efforts to require of all suppliers, as a condition of approval as an approved supplier, that the approved supplier enter into the LJS Co-op's or its service provider's standard form supplier agreement.

Among other matters, the standard form supplier agreement requires suppliers to maintain insurance and warranty protection.

- Except with respect to the supplier and distributor approval process (as described in the previous paragraph), nothing in the agreements is intended to add, delete or modify any rights or obligations under any LJS franchise or license agreement.
- The LJS Co-op may require, and LJS shall use its reasonable efforts to require of all distributors, as a condition of approval as an approved distributor, that the approved distributor enter into a standard Distributor Participation Agreement or similar agreement (“DPA”) with the LJS Co-op in the LJS Co-op’s form of DPA. Among other matters, the DPA requires distributors to forego Sheltered Income (with only certain limited exceptions) and provide monitoring information to the LJS Co-op.

Cooperation

- LJS and the LJS Co-op will diligently communicate, consult, and cooperate with each other to facilitate each other's performance of their respective and joint responsibilities and duties with respect to the purchasing programs, LJS's brand management, and the fulfillment of the mission of the LJS Co-op.
- The term of the Amended and Restated Long John Silver’s Purchasing Co-op Agreement commences on August 1, 2015 continues until December 31, 2018. Thereafter, the term will automatically renew each January 1st for a one year term unless terminated by one party giving at least twelve months prior written notice to the other party before the commencement of any one year renewal term.
- The foregoing is a summary of provisions of the LJS-LJS Co-op agreement. In the event there is any inconsistency, conflict or ambiguity between this summary and the agreement, the terms of the agreement control.

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