

NOTICE OF CERTIFICATION AND PROPOSED SETTLEMENT OF TIM HORTONS FRANCHISEE ASSOCIATION CLASS ACTION

PLEASE READ CAREFULLY. IGNORING THIS NOTICE WILL AFFECT YOUR LEGAL RIGHTS

NOTICE OF CERTIFICATION AND PROPOSED SETTLEMENT

A Canada-wide settlement has been reached in the proposed class action *JB & M Walker Ltd. v. The TDL Group Corp.*, commenced in the Ontario Superior Court of Justice (Toronto Registry), bearing Court File No. CV-17-584058-00CP (the "Association Action").

The Association Action alleged that The TDL Group Corp. ("Tim Hortons"): (i) interfered with or breached Class Members' statutory right to associate with other franchisees; (ii) breached its common law duty of good faith and fair dealing and its statutory duty of fair dealing in relation to Class Members' right to associate; and (iii) breached contractual obligations to the Class Members in relation to Class Members' right to associate. Tim Hortons denies the allegations made in the Association Action, makes no admission as to the truth of these allegations and denies any wrongdoing.

This Notice advises you of certification of the Association Action as a class action, the proposed Settlement Agreement (the "Association Settlement") and of the hearings that will be held to decide whether the Association Settlement should be approved.

WHO IS INCLUDED?

If the Association Settlement is approved, it will apply to all persons who have carried on business as Tim Hortons' Franchisees in Canada under a franchise agreement or other form of operating agreement with The TDL Group Corp. at any time on or after March 9, 2017 (the "Class" or "Class Members").

WHAT IS THE PROPOSED SETTLEMENT?

Given that Tim Hortons® is an iconic, Canadian brand – anchored by its restaurants and Franchisees in every community across Canada, Tim Hortons will work with Franchisees to enhance local marketing initiatives to build the Tim Hortons® brand, including programs such as the Smile Cookie, Timbits® sports, and Tim Hortons® coffee trucks at community events. Tim Hortons will pay for funding, in addition to the Ad Fund, for these types of regional initiatives in the amount of \$10,000,000 over the next two years (the "Advertising Supplement"). Exact regional and community brand building expenditures will be determined by current regional marketing process. Tim Hortons will remit \$2,000,000 to Class Counsel to pay legitimate and reasonable costs of legal, administrative, operational, organizational, logistical, expert, consultant, disbursements, and other expenses related to the common issues raised in this action and the Ad Fund Action (defined below) including preliminary investigations related thereto (collectively the "Background Expenses"). Additionally, Tim Hortons and the Tim Hortons Franchisee Advisory Board

have amended the Franchisee Advisory Board Governance Handbook to increase the visibility of Ad Fund expenditures to franchisees.

The Association Settlement was reached at the same time as settlement of another class action titled *JB & M Walker Ltd. v. The TDL Group Corp.* (formerly styled *1523428 Ontario Inc. v. The TDL Group Corp.*), in the Ontario Superior Court of Justice (Toronto Registry), Court File No. CV-17-577371-00CP) (the "Ad Fund Action" and "Ad Fund Settlement"). The Association Settlement is contingent on the Ad Fund Settlement receiving Court approval, and vice versa. The Ad Fund Settlement and Association Settlement may be reviewed at <https://www.himprolaw.com/class-actions>.

OPTING OUT

If you are a member of the Class and do not wish to be bound by future orders made in the Association Action, and/or by the Association Settlement, should it be approved, you must take active steps by "Opting Out". To Opt Out, you must fully complete and submit an Opt Out Form to Class Counsel by the Opt Out Deadline of April 18, 2019. Opt Out Forms are at <https://www.himprolaw.com/class-actions> or may be requested by mail or telephone from Class Counsel. If you Opt Out, you will NOT be able to enforce rights under the Association Settlement.

THE SETTLEMENT REQUIRES COURT APPROVAL

In order for the Association Settlement to become effective, it must be approved by the Court. The Court must be satisfied that the Association Settlement is fair, reasonable and in the best interest of the Class. The Settlement Approval Hearing has been scheduled for April 26, 2019 at 9:00am at the Ontario Superior Court of Justice, 130 Queen Street West, Toronto, Ontario.

OBJECTING TO THE PROPOSED SETTLEMENT AND OPPORTUNITY TO APPEAR

If you wish to object to the Association Settlement, you must submit a written objection to Class Counsel by no later than April 18, 2019 at the address listed in this Notice. Class Counsel will file copies of all objections with the Court. Do NOT send an objection directly to the Court. You may also attend the Settlement Approval Hearing, and if you submitted a written objection to Class Counsel, you may make oral submissions to the Court.

PARICIPATING IN THE SETTLEMENT

If the Association Settlement is approved by the Court, the benefits from the settlement will automatically be attributed to you. You will not need to submit a claim for compensation.

LEGAL FEES

At or following the Settlement Approval Hearing, Class Counsel will request approval of the Funder's Return and Lawyers' Return as defined in the litigation funding agreement dated November 15, 2018 (the "LFA"). The LFA received Court approval on February 11, 2019. The LFA establishes the Funder's Return to be between 22-26% and the Lawyer's Return to be 2-3% of the litigation proceeds, each depending on when settlement or award is reached. The Lawyers' Return is a top-up in addition to Class Counsel's billed hours. The Funder's Return and the Lawyers' Return are payable from the Advertising Supplement only and is in addition to the Background Expenses. A copy of the LFA can be obtained from Class Counsel.

FOR MORE INFORMATION

If you have questions about the Association Settlement and/or would like to obtain more information and/or copies of the Association Settlement and related documents, please visit <https://www.himprolaw.com/class-actions> or contact Class Counsel:

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This Notice contains a summary of some of the terms of the Association Settlement. If there is a conflict between this Notice and the Association Settlement, the terms of the Association Settlement shall prevail.

This notice has been approved by the Court. Questions about matters in this notice should NOT be directed to the Court.