

NOTICE OF SETTLEMENT APPROVAL IN TIM HORTONS FRANCHISEE ASSOCIATION CLASS ACTION

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

NOTICE OF SETTLEMENT APPROVAL

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 that, following publication of a notice program, a hearing was held on April 26, 2019 in the Ontario Superior Court of Justice, 130 Queen Street West, Toronto, Ontario (the "Approval Hearing"). The Court issued orders (the "Approval Orders") approving the Settlement Agreement (the "Association Settlement") as being fair, reasonable and in the best interest of Class Members. The approved Association Settlement therefore settles all litigation in Canada relating to the Association Action. The Approval Order can be reviewed at <https://www.himprolaw.com/class-actions> or by contacting Class Counsel.

WHO IS INCLUDED?

The Association Settlement applies 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").

TERMS OF THE SETTLEMENT AGREEMENT

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 also 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 Association 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> or by contacting Class Counsel.

PARTICIPATING IN THE SETTLEMENT

The benefits from the Association Settlement will automatically be attributed to you if you did not opt-out. You do not need to submit a claim for compensation.

LEGAL FEES

At the Approval Hearing, the Funder and Class Counsel requested and received the Court's approval for payment of the Funder's Return of \$3,622,641.51 and the Lawyers' Return of \$377,358.49. The Funder's Return and Lawyers' Return are to be paid out of the Advertising Supplement. The Lawyers' Return is a top-up in addition to Class Counsel's billed hours.

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 the settlement website at <https://www.himprolaw.com/class-actions> or by contacting Class Counsel:

Himelfarb Proszanski
480 University Avenue, Suite 1401
Toronto, ON M5G1V2
Attn: Tom Arndt

Phone: 416.599.8080
Fax: 416.599.3131
tom@himprolaw.com

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.