



March 7, 2019

To: Tim Hortons Franchisees
Members of the GWNFA

From: Mark Walker
President of the Great White North Franchise Association

Settlement Agreement signed with TDL

After six months of intense negotiations with TDL, I as named plaintiff have reached a conditional settlement arrangement with TDL (the "Settlement Agreement") for the Ad Fund and Association class action lawsuits. The Settlement Agreement is subject to court approval.

The Settlement Agreement will be posted on the Association's website tomorrow.

The great majority of our time over the last six months was consumed by our confidential without prejudice negotiations. As such, we were unable to communicate any of the particulars, details or status of our negotiations to Franchisees until now. We wish to thank you for your continued understanding and support. You can expect that we will be having more frequent and positive communications in the future.

The Settlement Agreement covers a number of critical issues that include some monetary gains for Franchisees through our Regional Marketing programs, which will be used to help build our brand throughout Canada in our local markets.

TDL has agreed to pay \$2,000,000 toward the legitimate and reasonable background expenses our Association members covered along the route to this historic settlement. This will ensure that our Association can continue to serve our Members in the future.

We have regained the right to negotiate our own property and casualty insurance and dairy agreements. Our Association will begin the process of negotiating supplier arrangements that will benefit our Members moving forward.

The Settlement Agreement details a number of the refinements we made to the Advisory Board Governance Handbook, which has added strength to the function and accountability of the Advisory Board, and all the Franchisees that serve on this important body. We look forward to working with the Members on the Advisory Board to fulfill their mandate and serve all Franchisees in a positive and productive manner.

TDL has withdrawn last year's notices that were served on our Association's Board Members and has extended a 10 year right of renewal to them.

Two other critical benefits were derived through this settlement process. First, we gained the support of a litigation funder who can assist Association Members financially in future lawsuits if warranted either on a collective or individual basis. We will be communicating with you in the near future regarding this matter. Second, our Association is here to assist Association Members with any issues that they may have with TDL.

The two lawsuits represent a long conflict between TDL and the dedicated Franchisees that stood up and tried to improve the lives of all Tim Hortons Franchisees. We would be remiss if we did not thank the original three Franchisees who got this ball rolling. Thank you to David Hughes, John (J.J.) Hoey and Wade MacCallum.

We would like to thank members of the Board of Directors of our Association for their countless hours, effort and assistance in affecting the Settlement Agreement and ensuring that needs of the Franchisees were kept at the forefront of all discussions.

We would like to thank the team at Himelfarb Proszanski, including Peter Proszanski, Tom Arndt and Richard Quance, for their invaluable assistance in guiding us all through this process.

We would also like to thank Terry Connoy, who continues to act as our principal consultant and negotiator. Terry brought a wealth of experience and insight to the bargaining table, helping to ensure that Tim Hortons Franchisees will be well served by this Settlement Agreement for years to come.

We must also thank a number of other former Franchisees that helped us considerably: Mark Kuziora, who was the first to step up as the representative plaintiff for the Ad Fund lawsuit, and Mark Wafer with his numerous calls to action to our Franchisee community. Thank you to Patti Jameson and Renee Linton who have helped behind the scenes to ensure that our concerns are being addressed.

There are more Franchisees that we would like to thank directly, but they would prefer to stay anonymous at this time.

Our Association is here to stay! We look forward to a positive and constructive relationship with TDL and other stakeholders involved in making our Brand the preeminent brand. We are looking for more Franchisees that would like to join our Association and to help in its operations. A broad representation, experience and skill set will help us drive our mandate forward and ensure that Tim Hortons is the best brand in Canada and around the world! Please, contact Renee at ReneeGWNFA@outlook.com, if you would like to lend us your support.

Sincerely,

Mark Walker
President – GWNFA

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