
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 4, 2013**

TIM HORTONS INC.

(Exact name of registrant as specified in its charter)

Canada
(State or other jurisdiction
of incorporation)

001-32843
(Commission
File Number)

98-0641955
(IRS Employer
Identification No.)

874 Sinclair Road, Oakville, ON, Canada
(Address of principal executive offices)

L6K 2Y1
(Zip Code)

(905) 845-6511
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into A Material Definitive Agreement

As described in Item 2.03 below, on October 4, 2013, Tim Hortons Inc. (the “Corporation”) entered into a senior revolving credit facility by and among the Corporation, and certain lenders and agents named therein (the “Credit Facility”).

The information provided in Item 2.03 of this Form 8-K is incorporated by reference into this Item 1.01.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement

On October 4, 2013, the Corporation entered into the Credit Facility, which is due to mature on October 3, 2014. All dollar amounts set forth herein are in Canadian dollars.

The Credit Facility provides for up to \$400 million in revolving credit available at the request of the Corporation from four lenders comprising the lending syndicate, in proportion to their respective commitments. Advances may be made in Canadian dollars (prime rate loans and bankers’ acceptances), and U.S. dollars (base rate loans and LIBOR loans). The Corporation has the right to request an increase in the commitments by an aggregate of up to \$400 million, provided that no default has occurred and is continuing, and further provided that such increased amount shall be permanently reduced by an amount equal to 100% of the net cash proceeds raised from any debt issuance by the Corporation, up to a maximum of \$400 million. No lender shall be required to increase its respective lending commitment.

Advances under the Credit Facility bear interest at a variable rate per annum equal to Canadian prime rate for Canadian dollar advances, or U.S. base rate for U.S. dollar advances, plus a margin in each case. Alternatively, the Corporation may elect to borrow by way of bankers’ acceptances or LIBOR rate loans plus a margin. The Corporation incurs standby fees on the average daily unused amount of the Credit Facility. The fees vary according to the leverage ratio, described below.

The Credit Facility is available for general corporate purposes. This includes, but is not limited to, the purchase by the Corporation of its common shares under any substantial or normal course issuer bid, by private agreement, or otherwise, or a cash distribution to shareholders, in each case made in compliance with applicable securities laws and the requirements of the Toronto Stock Exchange.

The Credit Facility contains various representations, warranties and covenants. Among other things, the covenants require the maintenance of two financial ratios: a consolidated maximum total debt to consolidated earnings before interest expenses, taxes, depreciation and amortization ratio (the “leverage ratio”) and a minimum fixed charge coverage ratio.

The Credit Facility includes a subsidiary guarantee structure substantially similar to that in place for the Corporation's existing senior revolving credit facility dated December 13, 2010, and amended on January 26, 2012 (the "2010 Credit Facility"). Under this structure, the Credit Facility will be initially guaranteed by TDL, subject to subsequent release and/or replacement under the terms of the Credit Facility. The 2010 Credit Facility has not been terminated and remains in effect.

The Credit Facility provides that an event of default will occur upon: nonpayment of principal (or letter of credit disbursements) when due; nonpayment of interest, fees or other amounts where the same shall become due and payable and such failure shall continue unremedied for a period of more than three business days after the same shall have become due and payable; material inaccuracy of representations and warranties; violation of covenants (subject, in the case of certain affirmative covenants, to a grace period of up to 30 days); cross-default to certain other indebtedness in an amount equal to or greater than \$25 million (or the equivalent thereof in any other currency); bankruptcy events; certain pension events; material judgments; and change of control. During the time any event of default is continuing, lenders holding an aggregate of 50% of outstanding credit exposures plus unused commitments, may require the Credit Facility commitments be terminated and/or declare that any loans outstanding become due and payable in whole or in part, in which case principal plus applicable interest and all other fees and obligations thereon will be due and payable by the Corporation.

The loans under the Credit Facility may be prepaid and commitments may be reduced by the Corporation in minimum amounts and subject to notice periods to be agreed upon, except that bankers' acceptances may not be prepaid, but may be defeased as set forth in the Credit Facility.

The information provided in this Item 2.03 is qualified in its entirety by reference to the complete terms and conditions set forth in the Credit Facility contained in Exhibit 10.1, which is incorporated by reference into this Item 2.03.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit 10.1 Senior Revolving Facility Credit Agreement, dated as of October 4, 2013, between the Corporation, and certain lenders and agents named therein.

Exhibit 99.1 Safe Harbor Statement.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TIM HORTONS INC.

Date: October 9, 2013

By: /s/ JILL E. AEBKER

Jill E. Aebker

Executive Vice President, General Counsel and Corporate
Secretary

SUPPLEMENTAL SENIOR REVOLVING FACILITY CREDIT AGREEMENT

dated as of

October 4, 2013

among

TIM HORTONS INC.

as Borrower

and

THE LENDERS FROM TIME TO TIME PARTIES HERETO

as Lenders

and

ROYAL BANK OF CANADA

as Administrative Agent

and

THE TORONTO-DOMINION BANK AND THE BANK OF NOVA SCOTIA

as Co-Syndication Agents

and

BANK OF MONTREAL

as Documentation Agent

and

RBC CAPITAL MARKETS

as Sole Lead Arranger and Bookrunner

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Exhibits:

Exhibit A	- Form of Borrowing Request for Revolving Credit
Exhibit B	- Form of Assignment and Assumption Annex 1 – Standard Terms & Conditions
Exhibit C	- Compliance Certificate
Exhibit D	- <i>Reserved</i>
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Schedules:

Schedule A	- Commitments
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Schedule 6.2	- Permitted Liens

SUPPLEMENTAL SENIOR REVOLVING FACILITY CREDIT AGREEMENT

THIS CREDIT AGREEMENT is dated as of October 4, 2013 and is entered into among TIM HORTONS INC., as Borrower, the Lenders from time to time parties hereto as Lenders and ROYAL BANK OF CANADA, as Administrative Agent.

RECITALS

A. TIM HORTONS INC. (the "Borrower") has requested the Revolving Credit described herein and the Lenders have agreed to provide same upon and subject to the terms and conditions set out in this Agreement;

NOW THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Acceptance Fee" means a fee payable by the Borrower to the Administrative Agent for the account of a Lender in Canadian Dollars with respect to the acceptance of a B/A or the making of a B/A Equivalent Loan, calculated on the face amount of the B/A or the B/A Equivalent Loan at a rate per annum equal to the Applicable Margin from time to time in effect on the basis of the actual number of days in the applicable Contract Period (including the date of acceptance and excluding the date of maturity) and a year of 365 or 366 days, (it being agreed that the Applicable Margin in respect of a B/A Equivalent Loan is equivalent to the Applicable Margin otherwise applicable to the B/A Borrowing which has been replaced by the making of such B/A Equivalent Loan pursuant to Section 2.11(h)).

"Accordion Amount" has the meaning ascribed thereto in Section 2.1(b).

"Acquisition" means any transaction, or any series of related transactions, consummated after the Closing Date, by which any Credit Party directly or indirectly, by means of a take-over bid, tender offer, amalgamation, merger, purchase of assets or otherwise (a) acquires any business or all or substantially all of the assets of any Person engaged in any business, (b) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing position if the business affairs of such Person are managed by a board of directors or other governing body, (c) acquires control of more than 50% of the ownership interest in any Person engaged in any business that is not managed by a board of directors or other governing body, or (d) otherwise acquires Control of a Person engaged in a business.

"Administrative Agent" means Royal Bank of Canada, in its capacity as administrative agent in respect of the Revolving Credit for the Lenders hereunder, or any successor Administrative Agent appointed pursuant to Section 8.9.

"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Administrative Agent.

"Advertising Entity" means (i) The Tim's National Advertising Program, Inc. and Tim Hortons Advertising and Promotion Fund (Canada) Inc. or any successor or successors thereto which performs substantially the same function, and (ii) any other Person acceptable to the Required Lenders which performs substantially the same function (and only that function) as the Persons listed in paragraph (i).

“Affiliate” means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with, such Person.

“Agreement” means this credit agreement, as the same may from time to time be amended, restated, modified or supplemented.

“Applicable Lender” means, with respect to any Borrowing of Revolving Loans, each Revolving Credit Lender.

“Applicable Leverage Ratio” means, at any time, the ratio of Consolidated Total Debt to Consolidated EBITDA at such time.

“Applicable Margin” means, on any date, the applicable rate per annum, expressed as a percentage, set out in the relevant column and row of the table below, determined by reference to the Applicable Leverage Ratio as set forth below, provided that, so long as the Borrower maintains a rating of its Rated Debt from at least one (1) of Moody’s, S&P and DBRS, the Applicable Margin will be determined by reference to such rating or ratings on such date for the Rated Debt.

<u>Applicable Leverage Ratio</u>	<u>Rating (Moody’s, S&P, DBRS)</u>	<u>Standby Fee (in basis points)</u>	<u>Base Rate/Prime Rate Applicable Margin (in basis points)</u>	<u>LIBO/BA Applicable Margin (in basis points)</u>
Less than 0.50:1.00	≥A2, A or A	17.50	0.00	87.50
Equal to or greater than 0.50:1.00 but less than 0.75:1.00	≥A3, A-or A (low)	20.00	0.00	100.00
Equal to or greater than 0.75:1.00 but less than 1.00:1.00	≥Baa1, BBB+ or BBB (high)	24.00	20.0	120.00
Equal to or greater than 1.00:1.00 but less than 1.50:1.00	≥Baa2, BBB or BBB	29.00	45.0	145.00
Equal to or greater than 1.50:1.00	< Baa2, BBB or BBB	34.00	70.0	170.00

For so long as the Applicable Margins are determined by reference to the Applicable Leverage Ratio, the Applicable Margins will change (to the extent necessary, if any) on each date on which the financial statements of the Borrower are publicly filed and the certificate of the Borrower is delivered to the Administrative Agent pursuant to Section 5.1 to reflect any change in the Applicable Leverage Ratio effective as of the date of such financial statements, based upon the financial statements for the immediately preceding Rolling Period, or if such day is not a Business Day, then the first Business Day thereafter. Notwithstanding the foregoing, if at any time the Borrower fails to publicly file its financial statements or deliver to the Administrative Agent the certificate of the Borrower as required by Section 5.1 on or before the date required pursuant to Section 5.1 (without regard to grace periods), the Applicable Margins will be the highest margins provided for in the above grid from the date such financial statements are due pursuant to Section 5.1 (without regard to grace periods) through the date all financial statements to be provided pursuant to Section 5.1 have been publicly filed and all certificates that are then due pursuant to Section 5.1 have been delivered to the Administrative Agent. At any time when the Applicable Margins are determined by reference to the debt rating or ratings for the Rated Debt, (i) if there are two ratings and the ratings established or deemed to have been established for the Rated Debt shall fall within different categories, the Applicable Margins shall be based on the higher of the two applicable ratings, unless one of the two ratings is two or more categories lower than the other, in which

case the Applicable Margins shall be determined by reference to the category next below that of the higher of the two ratings. If there are three ratings, one of which is higher or lower than the other two, such higher or lower rating shall be disregarded. If there are three ratings and each are at a different level, the Applicable Margins shall be determined by reference to the middle of the three ratings; and (ii) if the rating or ratings established or deemed to have been established for the Rated Debt shall be changed (other than as a result of a change in the rating system of Moody's, S&P or DBRS), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished to the Administrative Agent and the Lenders pursuant to Section 5.1 or otherwise. Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change, provided that no such change shall affect the Applicable Margin for any outstanding Bankers' Acceptance until the end of the then-current Contract Period for such Bankers' Acceptance. If the rating system of Moody's, S&P or DBRS shall change, or if any such rating agency shall cease to be in the business of rating corporate debt obligations, the Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agency and, pending the effectiveness of any such amendment, the Applicable Margins shall be determined in accordance with the foregoing by reference to the rating of the Rated Debt by those of Moody's, S&P and DBRS whose rating system has not changed and who continue to be in the business of rating corporate debt obligations or, if there is no such rating of the Rated Debt by any of Moody's, S&P and DBRS, then the Applicable Margins shall be determined by reference to the Applicable Leverage Ratio of the Borrower. If at any time after the time when the Applicable Margins are determined by reference to the debt rating or ratings for the Rated Debt, the Borrower ceases to have a rating of its Rated Debt from at least one (1) of S&P, Moody's and DBRS, the Applicable Margin shall be determined by reference to the Applicable Leverage Ratio.

“Applicable Percentage” means, with respect to any Revolving Credit Lender, the percentage of the total Revolving Credit Commitments represented by such Lender's Revolving Credit Commitment; provided that in the case of Section 2.21 when a Defaulting Lender shall exist, “Applicable Percentage” shall mean the percentage of the total Commitments (disregarding any Defaulting Lender's Commitment) represented by such Lender's Commitment. If any Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Commitments most recently in effect, after giving effect to any assignments and to any Lender's status as a Defaulting Lender at the time of determination.

“Approved Fund” means (a) a CLO, and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans or similar extensions of credit and is advised or managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 9.4), and accepted by the Administrative Agent, in the form of Exhibit B or any other form approved by the Administrative Agent.

“Authorization” means, with respect to any Person, any authorization, order, permit, approval, grant, licence, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, by-law, rule or regulation of any Governmental Authority having jurisdiction over such Person, whether or not having the force of Law.

“B/A Borrowing” means a Borrowing comprised of one or more Bankers' Acceptances or, as applicable, B/A Equivalent Loans. For greater certainty, unless the context requires otherwise, all provisions of this Agreement which are applicable to Bankers' Acceptances are also applicable, *mutatis mutandis*, to B/A Equivalent Loans.

“B/A Equivalent Loan” has the meaning set out in Section 2.11(h).

“B/A Exposure” means, at any time, the sum of the aggregate outstanding amounts of all outstanding B/As. The B/A Exposure of any Revolving Credit Lender at any time shall be its Applicable Percentage of the total B/A Exposure under the Revolving Credit at such time.

“Bankers’ Acceptance” and “B/A” mean an instrument denominated in Canadian Dollars, drawn by the Borrower and accepted by a Revolving Credit Lender in accordance with this Agreement, and includes a “depository note” within the meaning of the *Depository Bills and Notes Act* (Canada) and a bill of exchange within the meaning of the *Bills of Exchange Act* (Canada).

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, provided that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, provided, further, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within Canada or the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Base Rate” means, on any day, the annual rate of interest equal to the greater of (i) the annual rate of interest announced by the Administrative Agent and in effect as its base rate at its principal office in Toronto, Ontario on such day for determining interest rates on U.S. Dollar-denominated commercial loans made in Canada, (ii) the interest rate per annum equal to 0.50% per annum above the Federal Funds Effective Rate, and (iii) the interest rate per annum equal to the LIBO Rate applicable to U.S. Dollar borrowings for a one month interest period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1.00%.

“Base Rate Borrowing” means a Borrowing comprised of one or more Base Rate Loans.

“Base Rate Loan” means a Loan denominated in U.S. Dollars which bears interest at a rate based upon the Base Rate.

“Benefit Plans” means any benefit plan, other than a Pension Plan, in respect of which any Credit Party makes or has made payments in respect of, on behalf of, or for the benefit of its employees.

“BIA” means the Bankruptcy and Insolvency Act (Canada).

“Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Borrowed Money” means money borrowed from a Third Party and premium and interest in respect thereof and liabilities under any note, bond, debenture, loan, stock or other security issued to a Third Party whether or not issued as consideration for assets or services from a Third Party, but excluding any trade accounts payable incurred in connection with the acquisition of goods and services in the ordinary course of business.

“Borrower” has the meaning set out in the recitals hereto.

“Borrowing” means any availing of the Revolving Credit, and includes any Loan and a rollover or conversion of any outstanding Loan.

“Borrowing Request” means a request by the Borrower for a Borrowing pursuant to Section 2.3 substantially in the form of Exhibit A.

“Business Day” means any day that is not (i) a Saturday, Sunday or other day on which commercial banks in Toronto, Ontario are authorized or required by applicable Law to remain closed, or (ii) in the case of any U.S. Dollar-denominated Borrowing, any other day on which commercial banks in New York, New York are authorized or required by applicable Law to remain closed, or (iii) in the case of any LIBO Rate Loan, any other day on which commercial banks in London, England are authorized or required by applicable Law to remain closed.

“Calculation Date” means the last day of each Fiscal Quarter or Fiscal Year, as applicable.

“Calculation Period” means the period that is the last four Fiscal Quarters ending on a Calculation Date.

“Canadian \$ Equivalent” means, on any day, the amount of Canadian Dollars that the Administrative Agent could purchase, in accordance with its normal practice, with a specified amount of U.S. Dollars based on the Bank of Canada noon spot rate on such date.

“Canadian Dollars” and “Cdn.\$” refer to lawful money of Canada.

“Canadian Resident Lender” means, in respect of a particular Loan, (i) a Lender which holds such Loan and which is resident in Canada for the purposes of the Income Tax Act, and (ii) a Lender which is an “authorized foreign bank”, as defined in section 2 of the Bank Act (Canada) and in subsection 248(1) of the Income Tax Act, and which holds the Loan as part of its “Canadian banking business”, as defined in subsection 248(1) of the Income Tax Act.

“Canadian Subsidiary” means any Subsidiary of the Borrower that is incorporated or organized in Canada.

“Capital Lease Obligations” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP.

“CDOR Rate” means, on any day and for any period, an annual rate of interest equal to the average rate applicable to Canadian Dollar bankers’ acceptances for the applicable period appearing on the “Reuters Screen CDOR Page” (as defined in the International Swaps and Derivatives Association, Inc. 2000 definitions, as modified and amended from time to time), rounded to the nearest 1/100th of 1% (with .005% being rounded up), at approximately 10:00 a.m., on such day, or if such day is not a Business Day, then on the immediately preceding Business Day, provided that if such rate does not appear on the Reuters Screen CDOR Page on such day as contemplated, then the CDOR Rate on such day shall be calculated as the average of the rates for such period applicable to Canadian Dollar bankers’ acceptances quoted by the banks listed in Schedule I of the *Bank Act* (Canada) as of 10:00 a.m., on such day or, if such day is not a Business Day, then on the immediately preceding Business Day.

“Change of Control” means, the occurrence, directly or indirectly, and without the prior written consent of the Required Lenders, of a change in the legal or beneficial ownership of the Borrower from that existing on the Closing Date such that a different Person or group of Persons acting in concert beneficially owns or controls more than 50% of the votes that may be cast to elect the board or other governing body of the Borrower, provided that such votes, if exercised, are sufficient to elect a majority of the board or other governing body.

“Change in Law” means (i) the adoption of any new Law after the date of this Agreement, (ii) any change in any existing Law or in the interpretation or application thereof by any Governmental Authority after the date of this Agreement, or (iii) compliance by any Lender (or, for purposes of Section 2.13(b), by any lending office of such Lender or by such Lender’s holding company, if any) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

“CLO” means any Person (whether a corporation, partnership, trust or otherwise) that is engaged in making, purchasing, holding or otherwise investing in bank loans and similar extensions of credit in the ordinary course of its business and is administered or managed by a Lender or an Affiliate of such Lender.

“Closing Date” means the date on which the conditions precedent specified in Section 4.1 to the effectiveness of this Agreement have been satisfied or waived by the Administrative Agent.

“Co-Syndication Agents” means The Toronto-Dominion Bank and The Bank of Nova Scotia.

“Commitment” means, with respect to each Lender, the commitment(s) of such Lender to make Revolving Loans hereunder as such commitment may be reduced from time to time pursuant to Section 2.6, and as such commitments may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.4 and as such commitments may be increased under the Commitment Increase Right. The initial amount(s) of each Lender’s Commitment(s) is set out in Schedule A. The initial aggregate amount of the Revolving Credit Commitments is Cdn.\$400,000,000 or the U.S.\$ Equivalent thereof

“Commitment Increase Right” means the right of the Borrower to request increases in the Commitments in accordance with Section 2.1(b).

“Consolidated EBITDA” means, at any time, the Consolidated Net Income for the then most recently completed four Fiscal Quarters plus (to the extent deducted in calculating Consolidated Net Income) (i) provisions for federal, state, provincial and local income and capital taxes accrued; (ii) Consolidated Interest Expense; (iii) depreciation and amortization; (iv) extraordinary or non-recurring non-cash losses incurred other than in the ordinary course of business; and minus (to the extent added in calculating Consolidated Net Income) (v) extraordinary or non-recurring non-cash gains realized other than in the normal course of business, all calculated in accordance with GAAP on a consolidated basis.

“Consolidated EBITDAR” means, with reference to any period, the sum of Consolidated EBITDA plus Consolidated Rent Expense for such period.

“Consolidated Fixed Charges” means, with reference to any period, the sum of Consolidated Interest Expense plus Consolidated Rent Expense for such period.

“Consolidated Gross Revenues” means, with reference to any period, the consolidated Gross Revenues of the Borrower and its Subsidiaries (excluding, for greater certainty, Joint Ventures and Consolidated VIEs) calculated on a consolidated basis for such period in accordance with GAAP; provided, however, that when considering Gross Revenues of Subsidiaries that include primarily U.S. Dollars (e.g. U.S. Subsidiaries which have Gross Revenue mainly in U.S. Dollars), the impact of foreign exchange on Consolidated Gross Revenues shall be eliminated by fixing the foreign exchange rate when consolidating the Gross Revenues of the affected Subsidiaries for the purposes of determining Consolidated Gross Revenues at par (on a dollar-for-dollar basis) with the Canadian Dollar, as applicable from time to time.

“Consolidated Interest Expense” means, with reference to any period, the interest expense (including original issue discount of any issued B/A and the interest component of Capital Lease Obligations but excluding capitalized interest due and payable after the Maturity Date) of the Borrower and its Subsidiaries calculated on a consolidated basis for such period in accordance with GAAP.

“Consolidated Net Income” means, with reference to any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries for such period, as determined in accordance with GAAP.

“Consolidated Rent Expense” means, with reference to any period, all payments under operating leases and synthetic leases of the Borrower and its Subsidiaries to the extent deducted in computing Consolidated Net Income, calculated on a consolidated basis for such period in accordance with GAAP.

“Consolidated Tangible Net Worth” means, for the Borrower and its Subsidiaries, the total equity of the Borrower, less all goodwill and all items which are defined as intangibles under GAAP.

“Consolidated Total Debt” means, without duplication, all Indebtedness of the Borrower and its Subsidiaries, including current maturities of such obligations, determined on a consolidated basis in accordance with GAAP.

“Consolidated VIEs” shall mean those franchise agreements and operator agreements with franchisees that the Borrower has had to consolidate in its consolidated financial statements because they are considered to be variable interest entities within the meaning of the Financial Accounting Standards Board Accounting Standards Codification Topic 810.

“Contract Period” means the term of a B/A Borrowing selected by the Borrower in accordance with Section 2.3(a)(iv) commencing on the date of such B/A Borrowing and expiring on a Business Day which shall be either one month, two months, three months or, if available, as determined by the Administrative Agent in good faith, six months thereafter (or such other terms as may be requested by the Borrower and approved unanimously by the Lenders); provided that (i) subject to subparagraph (ii) below, each such period which ends on a day that is not a Business Day shall automatically be extended until the next following Business Day, unless such extension results in the Contract Period expiring in a later month than the month in which it would otherwise expire, in which case such period shall be shortened so that it expires on the Business Day immediately preceding the day on which it would otherwise expire, and (ii) no Contract Period shall extend beyond the Maturity Date.

“Control” means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Cover”, when required by this Agreement for Bankers’ Acceptances, shall be effected by paying to the Administrative Agent in immediately available funds, to be held by the Administrative Agent in a collateral account maintained by the Administrative Agent at its Payment Office and collaterally assigned as security, an amount equal to the face amount of all Bankers’ Acceptances outstanding at such time. Such amount shall be retained by the Administrative Agent in such collateral account until such time as the applicable Bankers’ Acceptances shall have expired or matured.

“Credit Party” means the Borrower and each Guarantor. For greater certainty, “Credit Party” shall not include (i) any Subsidiary which has not been designated as a Guarantor pursuant to Section 5.9; (ii) any Advertising Entity; (iii) any Consolidated VIE; or (iv) any Joint Venture.

“Currency Due” has the meaning specified in Section 2.17.

“DBRS” shall mean Dominion Bond Rating Service Limited, or its successor.

“Debt Issuance” means the issuance by the Borrower of any debt security being any bond, debenture, notes or similar instrument representing Indebtedness issued in the debt capital markets. For greater certainty, a “Debt Issuance” does not include the issuance of bankers’ acceptances.

“Default” means any event or condition which constitutes an Event of Default or which, upon notice, lapse of time or both, would, unless cured or waived, become an Event of Default.

“Defined Benefit Plan” means any Pension Plan which contains a “defined benefit provision” as defined in subsection 147.1(1) of the *Income Tax Act* (Canada).

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Loans, (ii) pay over to the Administrative Agent or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or the Administrative Agent or any other Lender in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent or any other Lender, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans, under this Agreement provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Person making the request in clause (c) above receiving such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of a Bankruptcy Event.

“Discount Proceeds” means, for any B/A (or, as applicable, any B/A Equivalent Loan), an amount (rounded to the nearest whole cent, and with one-half of one cent being rounded up) calculated on the applicable date of Borrowing by multiplying:

- (i) the face amount of the B/A (or, as applicable, the undiscounted amount of the B/A Equivalent Loan); by
- (ii) the quotient of one divided by the sum of one plus the product of:

- (A) the Discount Rate (expressed as a decimal) applicable to such B/A (or as applicable, such B/A Equivalent Loan), multiplied by
- (B) a fraction, the numerator of which is the Contract Period of the B/A (or, as applicable, the B/A Equivalent Loan) and the denominator of which is 365,

with such quotient being rounded up or down to the nearest fifth decimal place, and with .000005 being rounded up.

“Discount Rate” means, with respect to either a B/A for a particular Contract Period being purchased by a Lender on any day or a B/A Equivalent Loan being made by a Lender on any day, (i) for any Lender which is a Schedule I chartered bank under the Bank Act (Canada), the CDOR Rate on such day for such Contract Period; and (ii) for any other Lender, the lesser of (a) the CDOR Rate on such day for such Contract Period, plus 0.10%, and (b) the percentage discount rate (which will be expressed in terms of the CDOR Rate or a spread over the CDOR Rate) quoted by such Lender as the percentage discount rate at which such Lender would, in accordance with its normal practices, at or about 10:00 a.m. on such date, be prepared to purchase bankers’ acceptances or make B/A Equivalent Loans having a face amount and term comparable to the face amount and term of such B/A or B/A Equivalent Loan.

“Documentation Agent” means Bank of Montreal.

“Environmental Laws” means all federal, provincial, local or foreign laws, rules, regulations, codes, ordinances, orders, decrees, judgements, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, the generation, use, handling, collection, treatment, storage, transportation, recovery, recycling, release, threatened release or disposal of any Hazardous Material, or to health and safety matters.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Credit Party directly or indirectly resulting from or based upon (a) violation of any Environmental Laws, (b) the generation, use, handling, collection, treatment, storage, transportation, recovery, recycling or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials into the environment, or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Securities” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting and non-voting) of, such Person’s capital, whether outstanding on the Closing Date or issued after the Closing Date, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

“Event of Default” has the meaning set out in Section 7.1.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower hereunder, (a) income or franchise taxes imposed on (or measured by) its net income, or capital taxes (including the large corporations tax imposed under Part I.3 of the Income Tax Act) imposed on (or measured by) its taxable capital, and any substantially similar taxes imposed by Canada, the United States or by any other jurisdiction under the Laws of which such recipient is organized or in which its principal office is located or in which its applicable lending office is located; (b) any branch profits taxes imposed by the United

States of America or any similar taxes imposed by any other jurisdiction in which the Borrower is located; (c) any taxes for which no payment is required from the Borrower pursuant to Section 9.4(f); (d) any income or withholding taxes imposed on a Lender for its failure or inability (other than as a result of a Change of Law) to comply with Section 2.15(e), (e) any income or withholding taxes imposed on payments to, or for the benefit of, any Lender (other than an assignee pursuant to a request by the Borrower under Section 2.20) on the date such Lender becomes a party hereto (or designates a new lending office), (f) any U.S. federal withholding taxes imposed under FATCA and (g) any withholding taxes imposed on payments to, or for the benefit of the Administrative Agent, any Lender or any other recipient: (A) with which the payor does not deal at arm's length for the purposes of the *Income Tax Act* (Canada) at the time of making the payment; or (B) in respect of a debt or other obligation to pay an amount to a person with whom the payor is not dealing at arm's length within the meaning of the *Income Tax Act* (Canada); provided, however, that clauses (d) and (e) shall not apply to (i) Taxes imposed on payments to a Lender for a portion of a Loan that such Lender acquired by assignment to the extent that, immediately prior to the assignment, the party that assigned such portion of the Loan was entitled to additional payments under Section 2.15(a) for such Taxes (or indemnity under Section 2.15(c) for such Taxes); (ii) Taxes imposed on payments to a Lender for any portion of a Loan that such Lender acquired by assignment after or during a continuation of a Default; or (iii) Taxes imposed on a Lender that designates a new lending office to the extent that, immediately prior to such designation, such Lender was entitled to additional payments under Section 2.15(a) with respect to such Taxes (or indemnity under Section 2.15(c) for such Taxes).

"Existing Revolving Facility Agreement" means the senior revolving facility credit agreement dated as of December 13, 2010 among Tim Hortons Inc. and The TDL Group Corp. as borrowers, the lenders from time to time parties thereto as lenders, The Bank of Nova Scotia as administrative agent thereunder, and others, as amended by a first amending agreement among the same parties dated January 26, 2012.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code of the United States of America, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b) (1) of the Internal Revenue Code of the United States of America.

"Federal Funds Effective Rate" means, for any day, the per annum rate equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System of the United States of America arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Board of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

"Fee Letter" means any letter agreement among the Lead Arranger, the Administrative Agent and the Borrower relating to the payment of fees to the Lead Arranger and/or the Administrative Agent, including, without limitation, section 3 of the arrangement letter relating to fees dated September 6, 2013 between the Lead Arranger and the Borrower which section survives, by its terms, the entering into of this Agreement.

"Fiscal Quarter" means any fiscal quarter of the Borrower, and "Fiscal Year" means any fiscal year of the Borrower. The Fiscal Year of the Borrower ends on the Sunday which is closest to December 31 in each year. The first Fiscal Quarter of the Borrower ends on the date which is 13 weeks after the end of the most recently completed Fiscal Year; the second Fiscal Quarter of the Borrower ends on the date which is 13 weeks after the end of the most recently completed first Fiscal Quarter; and the third Fiscal Quarter of the Borrower ends on the date which is 13 weeks after the end of the most recently completed second Fiscal Quarter.

“Foreign Lender” means any Lender that is not a Canadian Resident Lender.

“Former Parent” means Tim Hortons Inc., a Delaware company.

“GAAP” means generally accepted accounting principles in the United States of America as in effect from time to time, subject to the application of the provisions of Section 1.4

“Governmental Authority” means the Government of Canada, the United States of America, any other nation or any political subdivision thereof, whether federal, provincial, state, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank, fiscal or monetary authority or other authority regulating financial institutions, and any other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including the Bank Committee on Banking Regulation and Supervisory Practices of the Bank of International Settlements.

“Gross Revenues” means, in respect of any Person and with reference to any period, the total amount of all revenue received by such Person during such period from all sources from the ordinary course of business whether from sales, rents, royalties or otherwise; provided, however, that Gross Revenues shall not include dividends or distributions from Subsidiaries or intercompany revenues; and, provided further, that when considering Gross Revenues of a Person that include primarily U.S. Dollars (e.g. U.S. Subsidiaries which have Gross Revenues mainly in U.S. Dollars), the impact of foreign exchange on Gross Revenues shall be eliminated by fixing the foreign exchange rate when calculating the Gross Revenues of the affected Person at par (on a dollar-for-dollar basis) with the Canadian Dollar, as applicable from time to time.

“Guarantee” of or by any Person (in this definition, the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (in this definition, the “primary credit party”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof (whether in the form of a loan, advance, stock purchase, capital contribution or otherwise), (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital solvency, or any other balance sheet, income statement or other financial statement condition or liquidity of the primary credit party so as to enable the primary credit party to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guarantee issued to support such Indebtedness or other obligation, and “Guarantees” shall mean each Guarantee provided by a Guarantor under this Agreement.

“Guarantor” means each Subsidiary of the Borrower required or designated to provide a Subsidiary Guarantee pursuant to Section 5.9 unless in each case, the Borrower shall have revoked the designation of such Subsidiary as a Guarantor in accordance with Section 5.9. As at the date of this Agreement, no Subsidiary is required or has been designated by the Borrower to provide a Subsidiary Guarantee pursuant to Section 5.9 other than The TDL Group Corp, which shall be the sole Guarantor on the Closing Date.

“Hazardous Materials” means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, micro-organism, ray, odour, radiation, energy, vector, plasma, constituent or material which (a) is or becomes listed, regulated or addressed under any Environmental Laws, or (b) is, or is deemed to be, alone or in any combination, hazardous, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Laws, including asbestos, petroleum and polychlorinated biphenyls, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Laws.

“Income Tax Act” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

“Indebtedness” means, with respect to any Person, without duplication: (a) its liabilities for borrowed money, including bankers’ acceptances, and its redemption obligations in respect of mandatorily redeemable preferred stock; (b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property); (c) all liabilities appearing on its balance sheet in accordance with GAAP in respect of capital leases; (d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities); (e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money); (f) the net marked-to-market liability of such Persons under Swap Agreements, other than the Swap Agreements listed in Schedule D; and (g) any Receivables Facility Attributed Indebtedness, (h) any direct or indirect obligation of such Person guaranteeing or agreeing or intending to guarantee any Indebtedness of any other Person in any manner, provided that Indebtedness shall not include Tim Card obligations as set forth in the Borrower’s financial statements to be delivered pursuant to Section 5.1 hereof, trade payables and accrued expenses, in each case, arising in the ordinary course of business, and (i) any Guarantee by such Person with respect to liabilities of another Person of a type described in any of clauses (a) through (f) hereof.

“Indemnified Taxes” means all Taxes other than Excluded Taxes.

“Indemnitee” has the meaning specified in Section 9.3(b).

“Interest Payment Date” means, (a) in the case of any Loan other than a LIBO Rate Loan, each Quarterly Date in each calendar year, and (b) in the case of a LIBO Rate Loan, the last day of each Interest Period relating to such LIBO Rate Loan, provided that if an Interest Period for any LIBO Rate Loan is of a duration exceeding three months, then “Interest Payment Date” shall also include each date which occurs at each three-month interval after the first day of such Interest Period.

“Interest Period” means, with respect to a LIBO Rate Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one month, two months, three months or, subject to availability, six months thereafter, as the Borrower may elect; provided that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the immediately succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period, and (iii) no Interest Period shall extend beyond the Maturity Date. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a converted or continued Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Investment” means, as applied to any Person (the “investor”), any direct or indirect purchase or other acquisition by the investor of, or a beneficial interest in, Equity Securities of any other Person, including any exchange of Equity Securities for Indebtedness, or any direct or indirect loan, advance (other than advances to employees for moving, travel, tax equalization for expatriate employees, and other similar type expenses, drawing accounts and similar expenditures in the ordinary course of business) or capital contribution by the investor to any other Person, including all Indebtedness and accounts receivable owing to the investor from such other Person that did not arise from sales or services rendered to such other Person in the ordinary course of the investor’s business, or any direct or indirect purchase or other acquisition of bonds, notes, debentures or other debt securities of, any other Person. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment minus any amounts (a) realized upon the disposition of assets comprising an Investment (including the value of any liabilities assumed by any Person other than a Credit Party in connection with such disposition), (b) constituting repayments of Investments that are loans or advances or (c) constituting cash returns of principal or capital thereon (including any dividend, redemption or repurchase of equity that is accounted for, in accordance with GAAP, as a return of principal or capital).

“Joint Venture” means a joint venture required to be consolidated, or accounted by the equity method, on the Borrower’s financial statements under GAAP.

“Judgment Currency” has the meaning specified in Section 2.17.

“Laws” means all federal, provincial, state, municipal, foreign and international statutes, acts, codes, ordinances, decrees, treaties, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards or any provisions of the foregoing, including general principles of common and civil law and equity, and all policies, practices and guidelines of any Governmental Authority binding on or affecting the Person referred to in the context in which such word is used (including, in the case of tax matters, any accepted practice or application or official interpretation of any relevant Governmental Authority); and “Law” means any one or more of the foregoing.

“Lead Arranger” means RBC Capital Markets, a division of Royal Bank of Canada, in its capacity as sole lead arranger and bookrunner hereunder.

“Lender Affiliate” means, (a) with respect to any Lender, (i) an Affiliate of such Lender, or (ii) a CLO administered or managed by such Lender or an Affiliate of such Lender, and (b) with respect to any Lender that is a fund which invests in bank loans and similar extensions of credit, any other fund that invests in bank loans and similar extensions of credit and is managed by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

“Lenders” means the Persons listed as lenders on Schedule A and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“LIBO Rate Borrowing” means a Borrowing comprised of one or more LIBO Rate Loans.

“LIBO Rate Loan” means a Loan denominated in U.S. Dollars which bears interest at a rate based upon the LIBO Rate.

“LIBO Rate” means, for any Interest Period, the rate for U.S. Dollar borrowings (in respect of LIBO Rate Loans), appearing on the Reuters Screen LIBOR01 (or on any successor or substitute page of such Service, or any successor to or substitute for such Service providing rate quotations comparable to those currently provided on such page of such Service, as determined by the Administrative Agent from time to time for purposes of providing quotations of interest rates applicable to U.S. Dollar deposits in the London interbank market) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for U.S. Dollar deposits with a maturity comparable to such Interest Period. In the event that such rate is not available at such time for any reason, then the “LIBO Rate” for such Interest Period shall be the rate at which U.S. Dollar deposits of \$5,000,000 and for a maturity comparable to such Interest Period are offered by the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

“Lien” means, (a) with respect to any asset, any mortgage, deed of trust, lien, pledge, hypothec, hypothecation, encumbrance, charge, security interest, royalty interest, adverse claim, defect of title or right of set off in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease, title retention agreement or consignment agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to any asset, (c) any purchase option, call or similar right of a third party with respect to such assets, (d) any netting arrangement, defeasance arrangement or reciprocal fee arrangement (other than customary netting arrangements pursuant to any Swap Agreement), and (e) any other arrangement having the effect of providing security.

“Loan” means any loan made by the Lenders to the Borrower pursuant to this Agreement, and includes any B/A accepted (and any B/A Equivalent Loan purchased) by any Lender hereunder.

“Loan Documents” means this Agreement, the Subsidiary Guarantees, the Borrowing Requests and any Fee Letter, together with any other document, instrument or agreement (other than participation, agency or similar agreements among the Lenders or between any Lender and any other bank or creditor with respect to any indebtedness or obligations of any Credit Party (as applicable) hereunder or thereunder) entered into in connection with this Agreement on the Closing Date or thereafter, as such documents, instruments or agreements may be amended, modified or supplemented from time to time.

“Material Adverse Change” means any event, development or circumstance that has had or could reasonably be expected to have a Material Adverse Effect.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, property or condition, financial or otherwise, of the Borrower and its Subsidiaries taken as a whole, or (b) the validity or enforceability of any of the Loan Documents or the rights and remedies of the Administrative Agent and the Lenders thereunder (other than any termination thereof in accordance with its terms).

“Material Indebtedness” means any Indebtedness (other than the Loans) of any one or more Credit Parties in an aggregate principal amount exceeding Cdn.\$25,000,000 or the equivalent thereof in any other currency.

“Maturity Date” means the date that is 364 days from the Closing Date.

“Moody’s” means Moody’s Investors Service, Inc., or its successor.

“Notes Indenture” means the trust indenture between the Borrower and the Trustee dated as of June 1, 2010 providing for the issuance of senior unsecured notes, as supplemented by a first supplemental trust indenture between such parties dated as of December 1, 2010.

“Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Participant” has the meaning set out in Section 9.4(e).

“Payment Office” means the Administrative Agent’s office located at the address and to the attention of the individual set out on Schedule A hereto (or such other office or individual as the Administrative Agent may hereafter designate in writing to the other parties hereto).

“Pension Plan” means any pension plan required to be registered under Canadian federal or provincial law that is maintained or contributed to by the Borrower or any Subsidiary for its employees or former employees.

“Permitted Acquisition” has the meaning set forth in Section 6.5(b).

“Permitted Liens” means Liens permitted under Section 6.2.

“Permitted Receivables Financing” means any transaction or series of transactions pursuant to which the Borrower or a Subsidiary of the Borrower sells, transfers, disposes of, securitizes or enters into any other asset-backed financing of trade accounts receivable of or owing to the Borrower or any Subsidiary of the Borrower, and any contract rights related thereto, in each case, on customary terms for fair value as determined at the time of consummation in good faith by the Borrower or such Subsidiary.

“Person” includes any natural person, corporation, company, limited liability company, trust, joint venture, association, unincorporated organization, partnership, Governmental Authority or other entity.

“PPSA” means the *Personal Property Security Act* (Ontario), as amended from time to time.

“Prime Borrowing” means a Borrowing comprised of one or more Prime Loans.

“Prime Loan” means a Loan denominated in Canadian Dollars which bears interest at a rate based upon the Prime Rate.

“Prime Rate” means, on any day, the annual rate of interest equal to the greater of (i) the annual rate of interest announced by the Administrative Agent and in effect as its prime rate at its principal office in Toronto, Ontario on such day for determining interest rates on Canadian Dollar-denominated commercial loans in Canada, and (ii) the annual rate of interest equal to the sum of (A) the one-month CDOR Rate in effect on such day, plus (B) 0.75%.

“Purchase Money Lien” means any Lien securing any unpaid part of, or incurred to provide the whole or any part of, the cost of acquisition of any real or personal property acquired from other than the Borrower, a Subsidiary or a Related Party and any expenditures made for fixed improvements thereto if made or firmly committed within 12 months after the acquisition of such real or personal property and any extension, renewal, or refunding thereof not in excess of the outstanding principal amount as at the date of such extension, renewal or refunding and not extending or affecting any additional real or personal property.

“Quarterly Date” means the first Business Day of each of the months of January, April, July and October.

“Rated Debt” means the senior, unsecured, non-third party credit enhanced, long term debt of the Borrower which is rated by any one or more of Moody’s, S&P and/or DBRS.

“Receivable” means the indebtedness and payment obligations of any Person to any Credit Party or acquired by any Credit Party (including obligations constituting an account or general intangible or evidenced by a note, instrument, contract, security agreement, chattel paper or other evidence of indebtedness or security) arising from a sale of merchandise or the provision of services by such Credit Party or the Person from which such indebtedness and payment obligation were acquired by such Credit Party, including (a) any right to payment for goods sold or for services rendered and (b) the right to payment of any interest, sales taxes, finance charges, returned cheque or late charges and other obligations of such Person with respect thereto.

“Receivables Facility Attributed Indebtedness” means the amount of obligations outstanding under any Permitted Receivables Financing on any date of determination that would be characterized as principal if such Permitted Receivables Financing were structured as a secured lending transaction rather than as a purchase, excluding any obligations outstanding that arise in connection with transfers of loan obligations owing to the Borrower and its Subsidiaries by franchisees and other related assets that are treated as true sales of financial assets under Accounting Standards Codification 860, as in effect from time to time.

“Registers” has the meaning set out in Section 9.4(c).

“Related Parties” means, collectively or individually, (i) when used with reference to the Borrower and its Subsidiaries: the Advertising Entities, Joint Ventures, Consolidated VIEs, Tim Horton Children’s Foundation Inc. and Tim Horton Children’s Foundation (US), Inc. and (ii) when used with reference to the Administrative Agent, the Lenders, such Person’s Affiliates and the respective directors, officers, employees, Administrative Agent and advisors of such Person and of such Person’s Affiliates.

“Related Property” shall mean, with respect to each Receivable, (a) all of the interest of the applicable Credit Party in the goods, if any, sold and delivered to an account debtor relating to the sale which gave rise to such Receivable, (b) all other security interests or Liens, and the interest of the applicable Credit Party in the property subject thereto, from time to time purporting to secure payment of such Receivable, together with all financing statements describing any collateral securing such Receivable, (c) all guarantees, insurance, letters of credit and other agreements or arrangements of whatever character from time to time supporting or securing payment of such Receivable, in the case of clauses (b) and (c), whether pursuant to the contract related to such Receivable or otherwise or pursuant to any obligations evidenced by a note, instrument, contract, security agreement, chattel paper or other evidence of indebtedness or security and the proceeds thereof, and (d) all other assets that are customarily transferred or in respect of which security interests are customarily granted in connection with asset securitization transactions involving Receivables.

“Release” is to be broadly interpreted and shall include an actual or potential discharge, deposit, spill, leak, pumping, pouring, emission, emptying, injection, escape, leaching, seepage or disposal of Hazardous Materials which is or may be in breach of any Environmental Laws.

“Release Conditions” means, on any Calculation Date, where the Gross Revenues of the Borrower for the Calculation Period ended on such Calculation Date are equal to or exceed 75% of the Consolidated Gross Revenues.

“Required Lenders” means, at any time, Lenders having aggregate Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the aggregate Revolving Credit Exposures and unused Commitments at such time.

“Responsible Officer” means, with respect to any Person, the chairman, the president, any vice president, the chief executive officer or the chief operating officer, and, in respect of financial or accounting matters, any chief financial officer, principal accounting officer, treasurer or controller of such Person.

“Restricted Payment” shall mean, with respect to any Person, any payment by such Person (i) of any dividends on any of its Equity Securities, or (ii) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any of its Equity Securities or any Equity Securities of any other Credit Party, Subsidiary, Advertising Entity, Joint Venture or Consolidated VIE or any warrants, options or rights to acquire any such Equity Securities, or the making by such Person of any other distribution in respect of any of such Equity Securities, or (iii) of any principal of or interest or premium on or of any amount in respect of a sinking or analogous fund or defeasance fund for any Indebtedness of any Credit Party, ranking in right of payment subordinate to any liability of such Credit Party under the Loan Documents; provided, however, that notwithstanding anything set forth above to the contrary, any payment (including repayments and reimbursements) made by, to be made by, or which is contemplated or required to be made by the Borrower or any Subsidiary to Wendy’s or any Affiliate of Wendy’s under the tax sharing agreement by and between Wendy’s and the Former Parent (an executed copy of which has been provided to the Lenders prior to the date hereof and was executed by the parties thereto in connection with that certain initial public offering of Equity Securities by the Former Parent on March 29, 2006) in effect as of the Closing Date, without amendment, as such tax sharing agreement may be assigned by the Former Parent to the Borrower or any of its Subsidiaries, shall not be considered “Restricted Payments”.

“Revolving Credit” means the revolving credit facility (initially Cdn.\$400,000,000 (or U.S. \$ Equivalent)) established pursuant to the Revolving Credit Commitments of the Revolving Credit Lenders.

“Revolving Credit Commitment” has the meaning set out in Section 2.1(a).

“Revolving Credit Exposure” means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender’s Revolving Loans and the face amount of all outstanding Bankers’ Acceptances accepted by or B/A Equivalent Loans made by such Lender.

“Revolving Credit Lender” means any Lender having a Revolving Credit Commitment hereunder and/or a Revolving Loan outstanding hereunder.

“Revolving Loan” has the meaning set out in Section 2.1(a).

“Rolling Period” means, commencing with the Fiscal Quarter ended June 30, 2013, each Fiscal Quarter taken together with the three immediately preceding Fiscal Quarters.

“Sale/Leaseback Transaction” means any transaction or series of transactions pursuant to which the Borrower or any Subsidiary sells, transfers or otherwise disposes of any property, real or personal, and as part of such transaction, thereafter rents or leases such property or other property that it intends to use for substantially the same purpose or purposes as the property being sold, transferred or disposed of, provided that such transaction is consummated for fair value as determined at the time of consummation in good faith by the Borrower or such Subsidiary.

“S&P” means Standard & Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc., and its successors.

“Standby Fees” means the standby fees payable by the Borrower pursuant to Section 2.10(a).

“Subsidiary” means any firm, partnership, corporation or other legal entity in which the Borrower and one or more of its Subsidiaries, or one or more Subsidiaries of the Borrower owns, directly or indirectly, the right to elect a majority of the board of directors, if it is a corporation, or the right to make or control its management decisions, if it is some other Person, but excluding any Related Party.

“Subsidiary Guarantees” means the guarantees by (a) the U.S. Subsidiaries in support of the obligations of the Borrower under this Agreement and the other Loan Documents, the form of which is attached as Exhibit F hereto, and (b) the Canadian Subsidiaries in support of the obligations of the Borrower under this Agreement and the other Loan Documents, the form of which is attached as Exhibit G hereto. For the purposes of Section 5.9 and Section 9.2(b)(vii), the Subsidiary Borrower Guarantee shall be deemed to be a “Subsidiary Guarantee”.

“Successor” has the meaning set out in Section 6.3.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Credit Parties shall be a Swap Agreement.

“Tax Returns” means all returns, reports, elections, notices, filings, statements, declarations, forms, claims for refund or other documents (whether intangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared or filed or required to be made, prepared or filed by applicable Laws with a Governmental Authority in respect of Taxes.

“Taxes” includes any taxes, duties, fees, premiums, assessments, imposts, levies, tariffs and other charges of any kind whatsoever imposed, assessed, reassessed, or collected by any Governmental Authority, including all interest, penalties, fines, instalments, additions to tax or other additional amounts imposed, assessed, reassessed, or collected by any Governmental Authority in respect thereof, and including those related to, or levied on, or measured by, or referred to as, gross income, net income, gross receipts, profits, royalty, capital, capital gains, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, severance, premium, alternative, real property, capital stock, personal property, ad valorem, windfall profits, environmental, excise, stamp, withholding, business, franchise, property development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all license, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions, all withholdings on amounts paid to or by the relevant Person, and any liability for any of the foregoing as a transferee, successor, guarantor or by contract or by operation of applicable Law, whether disputed or not.

“Third Party” means any Person other than the Borrower, a Subsidiary or a Related Party.

“Threshold” means, in respect of the most recently completed Calculation Period, a minimum of 75% of Consolidated Gross Revenues.

“Transactions” means the execution, delivery and performance by the Credit Parties of this Agreement and the other Loan Documents and the borrowing of Loans, the use of the proceeds thereof.

“Trustee” means BNY Trust Company of Canada in its capacity as trustee under the Notes Indenture and any indenture supplemental thereto, and any successor thereto appointed in accordance with the provisions of the Notes Indenture.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Prime Rate, the Base Rate, or the LIBO Rate.

“U.S. Dollars” and “U.S.\$” refer to lawful money of the United States of America.

“U.S.\$ Equivalent” means, on any day, the amount of U.S. Dollars that the Administrative Agent could purchase, in accordance with its normal practice, with a specified amount of Canadian Dollars based on the Bank of Canada noon spot rate on such day.

“U.S. Subsidiary” means a Subsidiary of the Borrower that is incorporated or organized in the United States of America.

“Wendy’s” means Wendy’s International, Inc., an Ohio corporation.

“wholly-owned subsidiary” of a Person means any subsidiary of such Person of which securities (except for directors’ qualifying shares) or other ownership interests representing 100% of the equity or 100% of the ordinary voting power or 100% of the general partnership or membership interests are, at the time any determination is being made, owned, controlled or held by such Person or one or more subsidiaries of such Person or by such Person and one or more subsidiaries of such Person.

1.2 Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by class *e.g.*, a “Revolving Loan”) or by Type (*e.g.*, a “LIBO Rate Loan”) or by class and Type (*e.g.*, a “LIBO Revolving Loan”). Borrowings also may be classified and referred to by class (*e.g.*, a “Revolving Borrowing”) or by Type (*e.g.*, a “LIBO Rate Borrowing”) or by class and Type (*e.g.*, a “LIBO Rate Revolving Borrowing”).

1.3 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. The word “or” is disjunctive; the word “and” is conjunctive. The word “shall” is mandatory; the word “may” is permissive. The words “to the knowledge of” means, when modifying a representation, warranty or other statement of any Person, that the fact or situation described therein is known by the Person (or, in the case of a Person other than a natural Person, known by the Responsible Officer of that Person) making the representation, warranty or other statement, or with the exercise of reasonable due diligence under the circumstances (in accordance with the standard of what a reasonable Person in similar circumstances would have done) would have been known by the Person (or, in the case of a Person other than a natural Person, would have been known by such Responsible Officer of that Person). Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any Person shall be construed to include such Person’s successors and permitted assigns, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. Any reference herein to an action, document or other matter or thing being “satisfactory to the Lenders”, “to the Lenders’ satisfaction” or similar phrases, shall mean that such action, document, matter or thing must be satisfactory to Lenders constituting the Required Lenders, unless it is described in clauses (i) to and including (vii) of Section 9.2(b) hereof, in which case it must be satisfactory to each Lender whose consent is required under the applicable clause.

1.4 Accounting Terms; GAAP. Except as otherwise expressly provided in this Agreement, all computations and determinations as to accounting or financial matters and all financial statements to be delivered pursuant to this Agreement shall be made and prepared in accordance with GAAP (including principles of consolidation where appropriate), and all accounting or financial terms shall have the meanings ascribed to such terms by GAAP; provided, however, that all accounting or financial terms used in this Agreement (and all defined terms used in the definition of any such accounting or financial term) shall have the respective meanings given to such terms (and defined terms) under GAAP as in effect on the date hereof applied on a basis consistent with those used in preparing the financial statements referred to in Section 5.1. In the event of any change in GAAP after the date hereof, and if such change would affect any such computation (including the computation of any of the financial covenants set forth in Section 5.10) or determination, or the meaning of any such accounting or financial term or any defined term used in the definition of any such financial or accounting term, then the parties hereto agree to endeavour, in good faith, to agree upon an amendment to this Agreement that would adjust such computation, determination or meaning in a manner that would preserve the original intent thereof but in accordance with the GAAP as so changed, provided that, until so amended such computation, determination or meaning shall, for purposes of this Agreement, continue to be governed by GAAP as in effect immediately prior to such change. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made (i) without giving effect to any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of the Borrower or any Subsidiary at “fair value”, as defined therein and (ii) without giving effect to any change to, or modification of, GAAP which would require the capitalization of leases characterized as “operating leases” as of the Closing Date.

1.5 Time. All time references herein shall, unless otherwise specified, be references to local time in Toronto, Ontario. Time is of the essence of this Agreement and the other Loan Documents.

1.6 Permitted Liens. Any reference in any of the Loan Documents to a Permitted Lien is not intended to subordinate or postpone, and shall not be interpreted as subordinating or postponing, or as any agreement to subordinate or postpone, any Lien created by any of the Loan Documents to any Permitted Lien.

1.7 Limitation Regarding Subsidiaries. Notwithstanding anything in this Agreement to the contrary, nothing in this Agreement shall require the Borrower or any Subsidiary to cause any Person who is not a Subsidiary of such Person to do anything or to refrain from doing anything hereunder.

ARTICLE 2 REVOLVING CREDIT

2.1 Commitments.

(a) Subject to the terms and conditions set forth herein, each Revolving Credit Lender commits to make Loans denominated in Canadian Dollars or U.S. Dollars (each such Loan made under this Section 2.1(a), a “Revolving Loan”) to the Borrower from time to time during the period commencing on the Closing Date and ending on the Maturity Date (each such commitment, as it may be reduced from time to time pursuant to Section 2.6, and as it may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 9.4, and as such commitments may be increased under the Commitment Increase Right, a “Revolving Credit Commitment”) in an aggregate principal amount equal to the amount set forth beside such Lender’s name in Schedule A under the heading “Revolving Credit Commitments”, or as it may appear in the applicable Assignment and Assumption, provided that any Revolving Loans made by any Lender as requested by the Borrower will not result in (i) such Revolving Credit Lender’s Revolving Credit Exposure exceeding such Revolving Credit Lender’s Revolving Credit Commitment, or (ii) the sum of the total Revolving Credit Exposures exceeding the total Revolving Credit Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, including Section 2.7(b), the Borrower may borrow, repay and reborrow Revolving Loans in the manner provided in Section 2.2(b) by giving notice in the manner required by Section 2.3.

(b) Subject to the terms and conditions hereof, including without limitation Section 2.1(e), at any time after the Closing Date, provided that no Event of Default has occurred and is continuing and that the Borrower is in compliance with the financial covenants in Section 5.10 both before and immediately after giving effect to the requested Commitment increase, the Borrower shall have the right (the “Commitment Increase Right”) to request that the Lenders or any other Persons increase the Revolving Credit Commitments, by an aggregate of up to Cdn. \$400,000,000, subject to a minimum increase of Cdn.\$10,000,000 (the “Accordion Amount”). Each Lender shall have the option to provide its Applicable Percentage of any increase made under this Section 2.1(b). Any Lender which does not advise the Borrower and the Administrative Agent, within 15 days of the applicable Commitment increase request, that such Lender will provide its Applicable Percentage of such Commitment increase request will be deemed to have declined to provide its Applicable Percentage of such Commitment increase request.

(c) Notwithstanding anything to the contrary in this Agreement, (i) in exercising the Commitment Increase Right, the Borrower shall not require the consent of any Lender other than any Lender providing all or part of the requested Commitment increase, and (ii) no Lender shall have any obligation to participate in any requested Commitment increase unless it agrees to do so in its sole discretion.

(d) Any such Commitment increase shall be documented pursuant to an amendment agreement satisfactory to the Administrative Agent and executed by the Borrower, the Persons providing the requested Commitment increase and the Administrative Agent.

(e) Notwithstanding anything to the contrary herein, if the Borrower shall at any time or from time to time raise funds by way of one or more Debt Issuances on or after the Closing Date, the Accordion Amount shall be reduced by an amount equal to 100% of the cash proceeds of each such Debt Issuance (net of reasonable, *bona fide* transaction costs and expenses directly related thereto); provided that if the net cash proceeds from any such Debt Issuance or Debt Issuances exceeds in the aggregate, the then current Accordion Amount, the Accordion Amount shall be reduced to zero and the Commitment Increase Right terminated.

2.2 Loans and Borrowings.

(a) Each Revolving Loan shall be made as part of a Borrowing consisting of Revolving Loans made by the Revolving Credit Lenders ratably in accordance with their respective Applicable Percentage. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender’s failure to make Loans as required.

(b) Subject to Section 2.16, each Revolving Borrowing shall be comprised entirely of Prime Loans, Bankers' Acceptances, B/A Equivalent Loans, Base Rate Loans or LIBO Rate Loans as the Borrower may request in accordance herewith. Each Lender may at its option make any LIBO Rate Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that a Lender may only exercise such option if it shall not result in any increased costs or withholding tax obligations for the Borrower or affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any LIBO Rate Revolving Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of U.S.\$100,000, and not less than U.S.\$5,000,000. At the time that each Prime Revolving Borrowing or Base Rate Revolving Borrowing is made, such Borrowing shall be in an aggregate amount that, in the case of each Prime Revolving Borrowing, is an integral multiple of Cdn.\$100,000 and not less than Cdn.\$1,000,000 and, in the case of each Base Rate Revolving Borrowing, is an integral multiple of U.S.\$100,000 and not less than U.S.\$1,000,000; provided that a Prime Revolving Borrowing or a Base Rate Revolving Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total applicable Commitments. Borrowings of more than one Type and class may be outstanding at the same time.

2.3 Requests for Borrowings

(a) To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by written Borrowing Request (A) in the case of a LIBO Rate Borrowing, not later than 11:00 a.m. three Business Days before the date of the proposed Borrowing, (B) in the case of a B/A Borrowing, not later than 11:00 a.m. two Business Days before the date of the proposed Borrowing, (C) in the case of a Prime Borrowing or a Base Rate Borrowing not later than 11:00 a.m. (i) one Business Day before the date of the proposed Borrowing where such Borrowing is in an amount greater than Cdn. \$10,000,000 (in the case of a Prime Borrowing) or U.S. \$10,000,000. (in the case of a Base Rate Borrowing), and (ii) on the date of the proposed Borrowing where such Borrowing is in an amount that is equal to or less than Cdn \$10,000,000 (in the case of a Prime Borrowing), or U.S. \$10,000,000 (in the case of a Base Rate Borrowing) or, (D) in any other case, not later than one Business Day before the date of the proposed Borrowing. Each such borrowing request shall be irrevocable. The Administrative Agent and each Lender are entitled to rely and act upon any borrowing request or written Borrowing Request given or purportedly given by the Borrower, and the Borrower hereby waives the right to dispute the authenticity and validity of any such request or resulting transaction once the Administrative Agent or any Lender has advanced funds, accepted a B/A or made a B/A Equivalent Loan based on such borrowing request or written Borrowing Request. Each such written Borrowing Request shall specify the following information:

- (i) the aggregate amount and currency of each requested Borrowing;
- (ii) the date of such Borrowing, which shall be a Business Day;
- (iii) whether such Borrowing is to be a Prime Borrowing, a B/A Borrowing, a Base Rate Borrowing, or a LIBO Rate Borrowing;
- (iv) in the case of a LIBO Rate Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period", and in the case of a B/A Borrowing, the initial Contract Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Contract Period"; and
- (v) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply herewith.

(b) If no election as to the Type of Borrowing is specified, then the requested Borrowing shall be a Prime Borrowing (if denominated in Canadian Dollars) or a Base Rate Borrowing (if denominated in U. S. Dollars). If no currency is specified, the Borrowing shall be denominated in Canadian Dollars. If no Interest Period is specified with respect to any requested LIBO Rate Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If no Contract Period is specified with respect to any requested B/A Borrowing, then the Borrower shall be deemed to have selected a Contract Period of one month duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.3, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

(c) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request. Thereafter, the Borrower may elect to convert a Borrowing to a different Type or to continue such Borrowing and, in the case of (i) a LIBO Rate Borrowing, may elect a new Interest Period therefor, or (ii) a B/A Borrowing, may elect a new Contract Period therefor, all as provided in this Section 2.3(c). The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing. To make an election pursuant to this Section 2.3(c), the Borrower shall notify the Administrative Agent of such election by the time that a Borrowing Request would be required under Section 2.3(a) if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such request shall be irrevocable. In addition to the information specified in Section 2.3(b), each written Borrowing Request shall specify the Borrowing to which such request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing. For greater certainty, if a Borrowing is being converted from a Borrowing in one currency to a Borrowing in another currency, the conversion will be effected by way of repayment of the original Borrowing and re-advance of the new Borrowing, and not merely by way of book entry.

(d) In the absence of a timely and proper election with regard to (i) LIBO Rate Borrowings, the Borrower shall be deemed to have elected to convert such LIBO Rate Borrowings to Base Rate Borrowings on the last day of the Interest Period of the relevant LIBO Rate Borrowings, and (ii) B/A Borrowings, the Borrower shall be deemed to have elected to convert such B/A Borrowings to Prime Borrowings on the last day of the Contract Period of the relevant B/A Borrowings.

2.4 Funding of Borrowings

(a) Each Lender shall make each Loan to be made by it hereunder on the basis of its Applicable Percentage applicable to such Loan on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower maintained with the Administrative Agent and designated by the Borrower in the applicable Borrowing Request, or to such other account with another financial institution as may be designated by the Borrower in the applicable Borrowing Request (which Borrowing Request may, for greater certainty, refer to standing instructions provided in writing by the Borrower to the Administrative Agent from time to time).

(b) Unless the Administrative Agent shall have received written notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with Section 2.4(a) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the Administrative Agent shall seek repayment of such corresponding amount from the applicable Lender with interest thereon for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment by such Lender to the Administrative Agent, at the rate of interest customary for interbank compensation in such currency. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. If the Administrative Agent makes such Lender's share of such Borrowing available to the Borrower, and if such Lender's share of such Borrowing is not made available to the Administrative Agent by such Lender within one (1) Business Day after such date, the Administrative Agent shall also be entitled to recover such amount with interest thereon as set forth in this Section 2.4(b) from the Borrower.

2.5 Interest and Acceptance Fees.

(a) The Loans comprising each Prime Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 days or 366 days, as the case may be) at a rate per annum equal to the Prime Rate from time to time in effect plus the Applicable Margin. The Loans comprising each Base Rate Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 days or 366 days, as the case may be) at a rate per annum equal to the Base Rate from time to time in effect plus the Applicable Margin. The Loans comprising each LIBO Rate Borrowing shall bear interest (computed on the basis of the actual number of days in the relevant Interest Period over a year of 360 days) at the LIBO Rate for the Interest Period in effect for such LIBO Rate Borrowing plus the Applicable Margin.

(b) The Loans comprising each B/A Borrowing shall be subject to the Acceptance Fee which shall be payable as set out in Section 2.11.

(c) Notwithstanding the foregoing, (i) if any amount of principal, interest, fees or other amounts payable by the Borrower hereunder shall not be paid when due, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (A) in the case of overdue principal and interest of any Loan, 2% plus the rate otherwise applicable to such Loan, or (B) in the case of any amount not constituting principal or interest on a Loan, at a rate equal to 2% plus the rate otherwise applicable to Prime Loans; and (ii) if an Event of Default has occurred that is continuing other than an Event of Default covered in subparagraph (i) above, then, at the request of the Required Lenders, all amounts due and payable hereunder shall bear interest, after as well as before judgment, at a rate per annum equal to 2% plus the rate otherwise applicable to Prime Loans for so long as the Event of Default is continuing.

(d) Accrued interest on each Loan (other than B/A Borrowings) shall be payable in arrears on (i) each applicable Interest Payment Date, and (ii) in the case of Revolving Loans, upon termination of the applicable Revolving Credit Commitments; provided that interest accrued under paragraph (c) above shall be payable on demand. In addition, in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment.

(e) All interest hereunder shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Any Loan that is repaid on the same day on which it is made shall bear interest for one day. The applicable Prime Rate, Base Rate, LIBO Rate or Discount Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(f) For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or any fee to be paid hereunder or in connection herewith is to be calculated on the basis of a 360-day or 365-day year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 360 or 365, as applicable. The rates of interest under this Agreement are nominal rates, and not effective rates or yields. The principle of deemed reinvestment of interest does not apply to any interest calculation under this Agreement.

(g) If any provision of this Agreement would oblige the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Lender of “interest” at a “criminal rate” (as such terms are construed under the *Criminal Code* (Canada)), then, notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by Law or so result in a receipt by that Lender of “interest” at a “criminal rate”, such adjustment to be effected, to the extent necessary (but only to the extent necessary), as follows:

- (i) first, by reducing the amount or rate of interest or the amount or rate of any Acceptance Fee required to be paid to the affected Lender under Section 2.5; and
- (ii) thereafter, by reducing any fees, commissions, costs, expenses, premiums and other amounts required to be paid to the affected Lender which would constitute interest for purposes of section 347 of the *Criminal Code* (Canada).

2.6 Termination and Reduction of Commitments.

(a) Unless previously terminated, the Revolving Credit Commitments shall terminate on the Maturity Date.

(b) The Borrower may, upon three (3) Business Days prior written notice to the Administrative Agent, permanently cancel any unused portion of the Revolving Credit, without penalty. The Administrative Agent shall promptly notify each Revolving Credit Lender of the receipt by the Administrative Agent of any such notice. Any such cancellation shall be applied ratably in respect of the applicable Revolving Credit Commitments of each Revolving Credit Lender. Each notice delivered by the Borrower pursuant to this Section 2.6(b) shall be irrevocable.

2.7 Mandatory Repayment of Loans.

(a) Subject to earlier payment otherwise required hereunder, including pursuant to Section 2.7(b), the Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Revolving Credit Lender the then unpaid principal amount of each Revolving Loan made to it and outstanding on the Maturity Date.

(b) If the Borrower shall at any time or from time to time raise funds by way of one or more Debt Issuances on or after the Closing Date, 100% of the cash proceeds of any Debt Issuance (net of reasonable *bona fide* transaction costs and expenses directly related thereto) shall be paid to the Administrative Agent for the account of the Lenders in repayment of the outstanding Loans, including all accrued interest thereon; provided that if the then outstanding Loans and interest thereon is an amount which is less than 100% of such net cash proceeds from such Debt Issuance, the net cash proceeds to be paid to the Administrative Agent hereunder shall be limited to an amount which is equal to the then outstanding Loans and all interest thereon. Amounts required to be repaid as a mandatory repayment under this Section 2.7(b) from the net cash proceeds of an initial Debt Issuance (the “Initial Debt Issuance”) on or following the Closing Date may be reborrowed by the Borrower, subject to the terms hereof, including Section 4.2. Amounts required to be repaid as a mandatory repayment under this Section 2.7(b) from the net cash proceeds of any Debt Issuance subsequent to the Initial Debt Issuance (each a “Subsequent Debt Issuance”), shall be applied as a permanent reduction of the Revolving Credit and may not be reborrowed. If the net cash proceeds from any Subsequent Debt Issuance required to be paid as a mandatory repayment hereunder is sufficient to repay the outstanding Loans in full, each Lenders’ Commitment and the Revolving Credit Commitment shall be permanently reduced to zero and cancelled and the Revolving Credit (including the Commitment Increase Right) terminated. If 100% of the net cash proceeds of any Subsequent Debt Issuance is not sufficient to repay the outstanding Loans in full, immediately following the mandatory repayment required hereunder, the then unused portion of the Revolving Credit shall be permanently cancelled (such cancellation to be applied ratably in respect of the Revolving Credit Commitments of each Revolving Credit Lender), and thereafter any Loans which remain outstanding, if repaid prior to the Maturity Date, may not be reborrowed, and the Revolving Credit Commitment shall be permanently reduced by an amount equal to each such repayment. Mandatory repayments required pursuant to this Section 2.7(b) shall be paid by the Borrower to the Administrative Agent within two (2) Business Days of the closing of the applicable Debt Issuance.

2.8 Evidence of Debt.

(a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of the Borrower to such Lender resulting from each extension of credit made by such Lender hereunder, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall maintain, with respect to the Borrower, accounts in which it shall record (i) the amount of each Borrowing made hereunder, the class and Type thereof and, in the cases of Bankers’ Acceptances or LIBO Rate Loans, the relevant Contract Period or Interest Period, applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender’s share thereof.

(c) The entries made in the accounts maintained pursuant to Sections 2.8(a) and (b) shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Borrowings in accordance with the terms of this Agreement. In the event of a conflict between the records maintained by an Administrative Agent and any Lender, the records maintained by the Administrative Agent shall govern.

(d) Any Lender may request that Loans (other than B/As) made by it be evidenced by a promissory note. In such event, the Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 9.4 be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

2.9 Prepayments.

(a) Voluntary Prepayments. The Borrower may, at its option, at any time and from time to time, prepay the Revolving Loans, without penalty or premium, (but subject to payment of any amounts payable under Section 2.14), in whole or in part, upon giving three (3) Business Days' prior written notice to the Administrative Agent; provided, however, that the Borrower may not prepay any B/A Borrowing but may defease any B/A Borrowing in accordance with Section 2.11. Such notice shall specify the date and amount of prepayment and whether the prepayment is of Prime Loans, Bankers' Acceptances, B/A Equivalent Loans, Base Rate Loans or LIBO Rate Loans, or any combination thereof, and, in each case if a combination thereof, the principal amount allocable to each. Upon receipt of such notice, the Administrative Agent shall promptly notify each Applicable Lender of the contents thereof and of such Lender's Applicable Percentage of such prepayment. If any such notice is given, the amount specified in such notice shall be due and payable on the date specified therein, together with any amounts payable pursuant to Section 2.14 and accrued interest to such date on the amount prepaid in accordance with Section 2.5(d). Each voluntary prepayment of any Canadian Dollar-denominated Revolving Loan shall be in a minimum principal amount of Cdn.\$5,000,000 and in an integral multiple of Cdn.\$100,000; and each voluntary prepayment of any U.S. Dollar-denominated Revolving Loan shall be in a minimum principal amount of U.S.\$5,000,000 and in an integral multiple of U.S.\$100,000.

(b) Currency Fluctuations. If the Administrative Agent determines on any day, solely by reason of currency fluctuations, that the Canadian \$ Equivalent of the Loans made by the Lenders to the Borrower exceeds 105% of the Commitments of the Lenders (the amount by which Loans outstanding exceed 100% of the Commitments on such day being referred to in this Section as the "Excess Amount"), then, the Borrower shall immediately pay to the Administrative Agent, for the account of the Lenders, an amount equal to the Excess Amount, upon the earlier of three (3) Business Days written notice from the Administrative Agent to the Borrower of such Excess Amount, and the date of any conversion or rollover of an existing Borrowing to the extent the Administrative Agent has determined that an Excess Amount is outstanding on such date. The Lenders shall apply the amount of any such payment first on account of the repayment of the principal amount of any outstanding Base Rate Loans until all such Base Rate Loans shall have been paid in full, then on account of any outstanding LIBO Rate Loans until all such LIBO Rate Loans shall have been paid in full.

(c) Notice by Borrower. Each notice provided by the Borrower hereunder in respect of any prepayment hereunder shall be irrevocable and shall specify the prepayment date and the principal amount of each Borrowing or portion thereof to be prepaid.

2.10 Fees.

(a) The Borrower shall pay to the Administrative Agent for the account of and distribution to each Revolving Credit Lender in accordance with its Applicable Percentage a standby fee for the period commencing on the Closing Date to and including the Maturity Date or such earlier date as the Revolving Credit Commitments shall have been terminated entirely (in this Section 2.10(a), the "termination date"). The standby fees on the Revolving Credit Commitments shall be payable in arrears on each Quarterly Date, commencing on the first Quarterly Date to occur after the Closing Date, and on the termination date, and shall be calculated at the then applicable rate per annum as set out in the definition of Applicable Margin (in the column of the table therein titled "Standby Fee") on the average daily unused amount of the Revolving Credit Commitments, during the Fiscal Quarter immediately preceding such Quarterly Date or during the Fiscal Quarter to the termination date, as the case may be. All standby fees shall be computed on the basis of a year of 365 or 366 days, as the case may be, and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times as set forth in any Fee Letter.

(c) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of Standby Fees, to the applicable Lenders. Fees paid shall not be refundable except in the case of manifest error in the calculation of any fee payment.

2.11 Bankers' Acceptances.

(a) Subject to the terms and conditions of this Agreement, the Borrower may request a Borrowing by presenting drafts for acceptance and purchase as B/As by the Lenders.

(b) No Contract Period with respect to a B/A to be accepted and purchased under the Revolving Credit shall extend beyond the Maturity Date.

(c) To facilitate availment of B/A Borrowings, the Borrower hereby appoints each Lender as its attorney to sign and endorse on its behalf (in accordance with a Borrowing Request relating to a B/A Borrowing), in handwriting or by facsimile or mechanical signature as and when deemed necessary by such Lender, blank forms of B/As in the form requested by such Lender. In this respect, it is each Lender's responsibility to maintain an adequate supply of blank forms of B/As for acceptance under this Agreement. The Borrower recognizes and agrees that all B/As signed and/or endorsed by a Lender on behalf of the Borrower shall bind the Borrower as fully and effectually as if signed in the handwriting of and duly issued by the proper signing officers of the Borrower. Each Lender is hereby authorized (in accordance with a Borrowing Request relating to a B/A Borrowing) to issue such B/As endorsed in blank in such face amounts as may be determined by such Lender; provided that the aggregate amount thereof is equal to the aggregate amount of B/As required to be accepted and purchased by such Lender. No Lender shall be liable for any damage, loss or other claim arising by reason of any loss or improper use of any such instrument except the gross negligence or wilful misconduct of the Lender or its officers, employees, agent or representatives. Each Lender shall maintain a record with respect to B/As (i) received by it in blank hereunder, (ii) voided by it for any reason, (iii) accepted and purchased by it hereunder, and (iv) cancelled at their respective maturities. On request by or on behalf of the Borrower, a Lender shall cancel all forms of B/A which have been pre-signed or pre-endorsed on behalf of the Borrower and which are held by such Lender and are not required to be issued in accordance with any Borrowing Request made by the Borrower in respect of a B/A Borrowing. Alternatively, the Borrower agrees that, at the request of the Administrative Agent, the Borrower shall deliver to the Administrative Agent a "depository note" which complies with the requirements of the *Depository Bills and Notes Act* (Canada), and consents to the deposit of any such depository note in the book-based debt clearance system maintained by the Canadian Depository for Securities.

(d) Drafts of the Borrower to be accepted as B/As hereunder shall be signed as set out in this Section 2.11. Notwithstanding that any person whose signature appears on any B/A may no longer be an authorized signatory for any Lender or the Borrower at the date of issuance of a B/A, such signature shall nevertheless be valid and sufficient for all purposes as if such authority had remained in force at the time of such issuance and any such B/A so signed shall be binding on the Borrower.

(e) Promptly following receipt of a Borrowing Request specifying a Borrowing by way of B/As, the Administrative Agent shall so advise the Lenders and shall advise each Lender of the aggregate face amount of the B/As to be accepted by it and the applicable Contract Period (which shall be identical for all Lenders). In the case of B/A Borrowings under the Revolving Credit, the aggregate face amount of the B/As to be accepted by the Lenders shall be in a minimum aggregate amount of Cdn.\$5,000,000 and shall be a whole multiple of Cdn.\$100,000, and such face amount shall be in the Revolving Credit Lenders' pro rata portions of the Borrowing, provided that the Administrative Agent may, in its sole discretion, increase or reduce any Revolving Credit Lender's portion of such B/A Borrowing to the nearest Cdn.\$1,000 provided that no Revolving Lender's Revolving Credit Commitment shall be thereby exceeded.

(f) Upon acceptance of a B/A by a Lender, such Lender shall purchase, or arrange for the purchase of, each B/A from the Borrower at the Discount Rate for such Lender applicable to such B/A accepted by it and provide to the Administrative Agent the Discount Proceeds for the account of the Borrower. The Acceptance Fee payable by the Borrower to a Lender under Section 2.5 in respect of each B/A accepted by such Lender shall be set off against the Discount Proceeds payable by such Lender under this Section 2.11.

(g) Each Lender may at any time and from time to time hold, sell, rediscount or otherwise dispose of any or all B/As accepted and purchased by it.

(h) If a Lender is not a chartered bank or Schedule III bank under the *Bank Act* (Canada) or if a Lender notifies the Administrative Agent in writing that it is otherwise unable to accept Bankers' Acceptances, such Lender will, instead of accepting and purchasing Bankers' Acceptances, make a Loan (a "B/A Equivalent Loan") to the Borrower in the amount and for the same term as the draft which such Lender would otherwise have been required to accept and purchase hereunder. Each such Lender will provide to the Administrative Agent the Discount Proceeds of such B/A Equivalent Loan for the account of the relevant Borrower. Each such B/A Equivalent Loan will bear interest at the same rate which would result if such Lender had accepted (and been paid an Acceptance Fee) and purchased (on a discounted basis) a Bankers' Acceptance for the relevant Contract Period (it being the intention of the parties that each such B/A Equivalent Loan shall have the same economic consequences for the Lenders and the Borrower as the Bankers' Acceptance which such B/A Equivalent Loan replaces). All such interest shall be paid in advance on the date such B/A Loan is made, and will be deducted from the principal amount of such B/A Equivalent Loan. Subject to repayment requirements, on the last day of the relevant Contract Period for such B/A Equivalent Loan, the relevant Borrower shall be entitled to convert each such B/A Equivalent Loan into another type of Loan, or to roll over each such B/A Equivalent Loan into another B/A Equivalent Loan, all in accordance with the applicable provisions of this Agreement.

(i) With respect to each B/A Borrowing, at or before 11:00 a.m. two Business Days before the last day of the Contract Period of such B/A Borrowing, the Borrower shall notify the Administrative Agent if the Borrower intends to issue B/As on such last day of the Contract Period to provide for the payment of such maturing B/A Borrowing. If the Borrower fails to notify the Administrative Agent of its intention to issue B/As on such last day of the Contract Period, the Borrower shall provide payment to the Administrative Agent on behalf of the Lenders of an amount equal to the aggregate face amount of such B/A Borrowing on the last day of the Contract Period thereof. If the Borrower fails to make such payment, such maturing B/As shall be deemed to have been converted on the last day of the Contract Period into a Prime Loan in an amount equal to the face amount of such B/As.

(j) The Borrower waives presentment for payment and any other defence to payment of any amounts due to a Lender in respect of a B/A accepted and purchased by it pursuant to this Agreement which might exist solely by reason of such B/A being held, at the maturity thereof, by such Lender in its own right, and the Borrower agrees not to claim any days of grace if such Lender, as holder, sues the relevant Borrower on the B/A for payment of the amount payable by the Borrower thereunder. On the last day of the Contract Period of a B/A, or such earlier date as may be required or permitted pursuant to the provisions of this Agreement, the relevant Borrower shall pay the Administrative Agent for the account of the Lenders that have accepted and purchased such B/A the full face amount of such B/A and, after such payment, the Borrower shall have no further liability in respect of such B/A and such Lenders shall be entitled to all benefits of, and be responsible for all payments due to third parties under, such B/A.

(k) Except as required by any Lender upon the occurrence of an Event of Default, no B/A Borrowing may be repaid by the Borrower prior to the expiry date of the Contract Period applicable to such B/A Borrowing; provided, however, that the Borrower may defease any B/A Borrowing by depositing with the Administrative Agent an amount that is sufficient to repay the full face amount of such B/A Borrowing on the expiry date of the Contract Period applicable to such B/A Borrowing.

(l) If any Event of Default shall occur and be continuing, on the Business Day that the Borrower receives written notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, including pursuant to Section 2.7, Lenders with B/A Exposure representing greater than 50% of the total applicable B/A Exposure) demanding the deposit of cash collateral pursuant to this Section 2.11(l), the Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Revolving Credit Lenders, an amount in cash equal to the applicable B/A Exposure as of such date; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default described in Section 7.1(h), (i) or (j). Such deposit shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Any such deposit shall bear interest for the account of the Borrower at the rate customarily paid by the Administrative Agent for deposits of similar currency, amount and tenor, which interest shall be credited to such account. Moneys in such account shall be held for the satisfaction of the reimbursement obligations of the Borrower for the B/A Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Revolving Credit Lenders with B/A Exposure representing greater than 50% of the total applicable B/A Exposure), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, and all Events of Default shall have been subsequently cured or waived, such amount together with all interest earned thereon (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived.

2.12 Alternate Rate of Interest. If prior to the commencement of any Interest Period for a LIBO Rate Borrowing or Contract Period for a B/A Borrowing:

(a) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the LIBO Rate for such Interest Period or CDOR Rate for such Contract Period; or

(b) the Administrative Agent is advised by the Required Lenders that the LIBO Rate for such Interest Period or CDOR Rate for such Contract Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period or Contract Period, as applicable;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (A)(i) any Borrowing Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a LIBO Rate Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a LIBO Rate Borrowing,

such Borrowing shall be made as a Base Rate Borrowing, (B) (i) any Borrowing Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a B/A Borrowing shall be ineffective, and (ii) if any Borrowing Request requests a B/A Borrowing, such Borrowing shall be made as a Prime Rate Borrowing.

2.13 Increased Costs; Illegality.

(a) If any Change in Law shall:

- (i) impose, modify or deem applicable any liquidity or other reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender; or
- (ii) impose on any Lender or the London interbank market any other condition affecting this Agreement (including the imposition on any Lender of, or any change to, any charge, other than Taxes, with respect to its LIBO Rate Loans or B/A Borrowings, or its obligation to make LIBO Rate Loans or B/A Borrowings);

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Loan (or of maintaining its obligation to make any such Loan) or to increase the cost to such Lender in maintaining any Loan or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or otherwise), then upon request of such Lender the Borrower will pay to such Lender, such additional amount or amounts as will compensate such Lender, for such additional costs incurred or reduction suffered.

(b) If any Lender determines that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement or the Loans made by, to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy) and such Lender's desired return on capital, then from time to time the Borrower will pay to such Lender, such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c) A certificate of a Lender setting forth amount or amounts necessary to compensate such Lender as specified in Sections 2.13 (a) or (b), together with a brief description of the Change of Law, shall be delivered to the Borrower, and shall be conclusive absent manifest error. In preparing any such certificate, a Lender shall be entitled to use averages and to make reasonable estimates, and shall not be required to "match contracts" or to isolate particular transactions. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.13 shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate any Lender pursuant to this Section 2.13 for any increased costs or reduction incurred more than 90 days prior to the date such Lender, notifies the Borrower in writing of the Change in Law giving rise to such increased costs or reduction and of such Lender's intention to claim compensation therefor; provided further, that if such adoption or such change giving rise to such increased costs or reduction is retroactive, such 90-day period shall be extended to include the period of retroactive effect.

(e) In the event that any Lender shall have determined (which determination shall be reasonably exercised and shall, absent manifest error, be final, conclusive and binding upon all parties) at any time that the making or continuance of any LIBO Rate Loan or B/A Borrowing has become unlawful or materially restricted as a result of compliance by such Lender in good faith with any Change in Law, or by any applicable guideline or order (whether or not having the force of law and whether or not failure to comply therewith would be unlawful), then, in any such event, such Lender shall give prompt notice (by telephone and confirmed in writing) to the Borrower and to the Administrative Agent of such determination (which notice the Administrative Agent shall promptly transmit to the other Lenders). Upon the giving of the notice to the Borrower referred to in this Section 2.13(e), the Borrower's right to request (by continuation, conversion or otherwise), and such Lender's obligation to make, LIBO Rate Loans or B/A Borrowing, as applicable, shall be immediately suspended, and thereafter:

(i) any requested Borrowing of LIBO Rate Loans shall, as to such Lender only, be deemed to be a request for a Base Rate Loan, and if the affected LIBO Rate Loan or Loans are then outstanding, the Borrower shall immediately, or if permitted by applicable Law, no later than the date permitted thereby, upon at least one Business Day prior written notice to the Administrative Agent and the affected Lender, convert each such LIBO Rate Loan into a Base Rate Loan, and

(ii) any requested B/A Borrowing shall, as to such Lender only, be deemed to be a request for a Prime Rate Loan, and if the affected B/A Borrowings are then outstanding, the Borrower shall immediately upon the expiry of the applicable Contract Period convert each such B/A Borrowing into a Prime Rate Loan,

provided that if more than one Lender is affected at any time, then all affected Lenders must be treated the same pursuant to this Section 2.13(e).

2.14 Break Funding Payments. In the event of (a) the failure by the Borrower to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered by the Borrower pursuant hereto, or (b) the payment or conversion of any B/A Borrowing or LIBO Rate Loan other than on the last day of a Contract Period or Interest Period, as applicable (including as a result of an Event of Default), or (c) the assignment of any Loan (including the assignment of any LIBO Rate Loan) other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.20, then, in any such event, the Borrower shall compensate each Lender for the loss, cost and expense, if any, incurred by such Lender which is attributable to such event. In the case of a LIBO Rate Loan, such loss, cost or expense to any Lender shall be deemed to include an amount determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the LIBO Rate, that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period and the interest rate at which U.S. Dollar deposits, of a comparable amount and period are available to such Lender at the commencement of such period from other banks in the eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section 2.14 shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

2.15 Taxes.

(a) Any and all payments by or on account of any obligation of the Credit Parties under the Loan Documents shall be made free and clear of, and without deduction or withholding for, or on account of, any present or future Taxes unless deduction or withholding of any Taxes is required under applicable Laws. If any deduction or withholding of any Tax is required by applicable Laws, the Credit Parties shall make such Tax deduction or withholding and shall timely pay to the relevant Governmental Authority such Taxes in accordance with applicable Laws. To the extent that such Tax is an Indemnified Tax, the Credit Parties shall pay such additional amounts as may be necessary so that, after such required deduction or withholding of Indemnified Tax (including any Indemnified Tax on the additional amounts payable under this Section 2.15), any amount payable to the Administrative Agent or the Lender (as applicable) under the Loan Documents is equal to the same amount that would have been payable had no such deduction or withholding of Indemnified Tax been required under applicable Laws.

(b) In addition to the payments by the Credit Parties required by Section 2.15(a), the Credit Parties shall pay any and all present or future stamp, value added or documentary Taxes, goods and services, harmonized sales, or other sales, excise or property Taxes, charges or similar levies arising from any payment made under the Loan Documents or from the execution, delivery, performance, recordation, or filing of, or enforcement of, or otherwise with respect to, the Loan Documents to the relevant Governmental Authority in accordance with applicable Laws.

(c) The Credit Parties shall indemnify the Administrative Agent and each Lender, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) or Taxes described in Section 2.15(b) payable or paid by the Administrative Agent or Lender, as the case may be, on or with respect to any payment by or on account of any obligation of the Credit Parties under the Loan Documents and any penalties, interest and reasonable expenses arising therefrom or with respect thereto (other than penalties, interest and expenses caused by the gross negligence or wilful misconduct of the Administrative Agent or Lender, (as the case may be)), whether or not such Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) or Taxes described in Section 2.15(b) were correctly or legally asserted or imposed by the relevant Governmental Authority. A certificate as to the amount of such payment or liability, delivered to the Borrower by a Lender (or by the Administrative Agent on its own behalf or on behalf of a Lender), shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of any Tax to a Governmental Authority in respect of any payment by or on account of any obligation of the Credit Parties under the Loan Documents is due under applicable Laws, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) Each Lender shall, at such times as are reasonably requested by the Borrower or the Administrative Agent, provide the Borrower and the Administrative Agent with any properly completed and executed documentation prescribed by applicable Law, or reasonably requested by the Borrower or the Administrative Agent, certifying as to any entitlement of such Lender to an exemption from, or reduction in, any withholding Tax with respect to any payments to be made to such Lender under the Loan Documents (including any documentation necessary to establish an exemption from, or reduction of, any Taxes that may be imposed under FATCA). Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation expired, obsolete or inaccurate in any respect, deliver promptly to the Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the applicable withholding agent) or promptly notify the Borrower and the Administrative Agent of its inability to do so. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable Law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or

not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth below in Section 2.15(g)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(f) If the Administrative Agent or a Lender determines, in its sole discretion, that it has received a refund of any Taxes, as to which it has been indemnified by the Credit Parties or with respect to which the Credit Parties have paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amount paid, by the Credit Parties under this Section 2.15 with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that the Borrower, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event that the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section 2.15(f) shall not be construed to require the Administrative Agent or any Lender to make available its Tax Returns (or any other information relating to its Taxes which it deems confidential) to the Borrower or any other Person. Nothing herein contained shall interfere with the right of any Lender to arrange its affairs in whatsoever manner it thinks fit and, without limiting the generality of the foregoing, no Lender shall be under any obligation to claim relief for tax purposes on its corporate profits or otherwise, or to claim such relief in priority to any other claims, reliefs, credits or deductions available to it or to disclose details of its affairs.

(g) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable), such Lender shall deliver to Borrower and the Administrative Agent at the time or times prescribed by applicable Law and at such time or times reasonably requested by Borrower or the Administrative Agent such documentation prescribed by applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by Borrower or the Administrative Agent as may be necessary for Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

2.16 Payments Generally; Pro Rata Treatment; Sharing of Set-offs.

(a) The Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees, amounts payable under any indemnity contained herein, or otherwise hereunder) prior to 12:00 noon, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at the applicable Payment Office, except that payments pursuant to any of Sections 2.13, 2.14, 2.15 and 9.3 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof, which, in the case of payments to be distributed to the Lenders, shall be on the basis of their respective Applicable Percentage unless otherwise provided herein.

If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension, provided that, in the case of any payment with respect to a LIBO Rate Loan, the date for payment shall be advanced to the next preceding Business Day if the next succeeding Business Day is in a subsequent calendar month. All payments under this Section 2.16 in respect of LIBO Rate Loans and Base Rate Loans or and in respect of indemnification and expense reimbursement obligations invoiced in U.S. Dollars shall be made in U.S. Dollars. All other payments under this Section 2.16 shall be made in Canadian Dollars. The Borrower hereby authorizes the Administrative Agent to debit the general operating bank account of the Borrower which is maintained with Royal Bank of Canada to effect any payment due to the Lenders or the Administrative Agent pursuant to this Agreement. Any resulting overdraft in such account shall be payable by the Borrower to the Administrative Agent in same day funds.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest and fees then due hereunder, such funds shall be applied (i) first towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably amount the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Revolving Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Revolving Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Revolving Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Revolving Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) this Section 2.16(c) shall not apply to any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply). The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received written notice from the Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each applicable Lender, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to Administrative Agent, at the rate of interest customary for interbank compensation for such currency.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.16(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Section 2.16(d) until all such unsatisfied obligations are fully paid.

(f) Nothing in this Agreement shall be deemed to obligate any Lender to obtain the funds for any Loan in any particular place or manner or to constitute a representation by any Lender that it has obtained or will obtain the funds for any Loan in any particular place or manner.

2.17 Currency Indemnity. If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any other Loan Document, it becomes necessary to convert into a particular currency (the "Judgment Currency") any amount due under this Agreement or under any other Loan Document in any currency other than the Judgment Currency (the "Currency Due"), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose, (A), in respect of any amount due in Canadian Dollars, "rate of exchange" means the average of the rates at which the Administrative Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with their normal practice at its head office in Toronto, Ontario; and (B) in respect of any amount due in U.S. Dollars, "rate of exchange" means the average of the rates at which the Administrative Agent is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice at its head office in Toronto, Ontario. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of receipt by the Administrative Agent of the amount due, the Borrower will, on the date of receipt by the Administrative Agent, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by the Administrative Agent on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by the Administrative Agent is the amount then due under this Agreement or such other Loan Document in the Currency Due. If the amount of the Currency Due which the Administrative Agent is so able to purchase is less than the amount of the Currency Due originally due to it, the Borrower shall indemnify and save the Administrative Agent and the Lenders harmless from and against all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by an Administrative Agent from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any other Loan Document or under any judgment or order.

2.18 [Reserved].

2.19 [Reserved].

2.20 Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, or if any Lender defaults in its obligation to fund Loans hereunder, then the Borrower may, at its sole expense (including the processing and recording fee contemplated by Section 9.4(b)) and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.4), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be, another Lender, if a Lender accepts such assignment); provided that (i) the Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), and (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

2.21 Defaulting Lenders.

Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender :

(a) fees shall cease to accrue on the unfunded portion of the Revolving Credit Commitment of such Defaulting Lender pursuant to Section 2.10(a);

(b) the Revolving Credit Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Lenders or Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.2(b)); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification in respect of (i) an increase in or extension of such Defaulting Lender's Commitment, or (ii) the reduction or excusing of or postponement of the scheduled date of payment of the principal amount of, or interest or fees payable on Loans as to such Defaulting Lender without such Defaulting Lender's consent.

In the event that the Administrative Agent and the Borrower each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Applicable Percentage.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

In order to induce the Administrative Agent and the Lenders to enter into this Agreement, to make any Loans hereunder, the Borrower (on its own behalf and on behalf of its Subsidiaries, to the extent applicable) hereby represents and warrants to the Administrative Agent and each Lender that each statement set forth in this Article 3 is true and correct on the Closing Date, and, subject to the Section 4.2(a), will be true and correct on the date each Borrowing is requested and made hereunder:

3.1 Organization; Powers. Each Credit Party is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

3.2 Authorization; Enforceability. The Transactions are within the corporate powers of each Credit Party and have been duly authorized by all necessary corporate and, if required, shareholder action. This Agreement and the other Loan Documents to which each Credit Party is a party have been duly executed and delivered by such Credit Party and constitute legal, valid and binding obligations of such Credit Party, enforceable in accordance with their terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other Laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

3.3 Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority other than those the absence of which could not reasonably be expected to result in a Material Adverse Effect, (b) will not violate any applicable Law or the charter, by-laws or other organizational documents of any Credit Party or any order of any Governmental Authority, (c) will not violate or result in a default under any material indenture, material agreement or other material instrument binding upon any Credit Party or their respective assets, or give rise to a right thereunder to require any payment to be made by any Credit Party, except such as could not reasonably be expected to result in a Material Adverse Effect, and (d) will not result in the creation or imposition of any Lien on any asset of any Credit Party.

3.4 Financial Condition.

(a) The Borrower has publicly filed its consolidated balance sheets and statements of income, retained earnings and changes in financial position as of and for the Fiscal Year ended December 30, 2012, together with the report of its auditors thereon. Such financial statements present fairly, in all material respects, the consolidated financial position and results of operations and cash flows of the Borrower as of such date and for such period in accordance with GAAP.

(b) Since December 30, 2012 there has been no Material Adverse Change.

(c) All written information (including that disclosed in all financial statements) pertaining to the Credit Parties (in this Section 3.4(c), the "Information") that has been or will be made available to the Lenders or the Administrative Agent by the Borrower, taken as a whole, is or will be, as of the date furnished or publicly filed, complete and correct in all material respects and does not or will not, as of the date furnished or publicly filed, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made.

3.5 Litigation and Contingent Obligations. Except as disclosed in Schedule 3.5, and except for environmental-related matters (which are dealt with in Section 3.10), there are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of the Borrower, threatened against or affecting any of the Credit Parties (i) as to which there is a reasonable possibility of an adverse determination and that, if adversely determined, could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect or (ii) that involve this Agreement, any other Loan Document, or the Transactions. Other than any contingent obligation which could not reasonably be expected to have a Material Adverse Effect, the Borrower has no contingent obligations not provided for or disclosed in the financial statements and notes thereto referred to in Section 5.1.

3.6 Compliance with Laws. Each Credit Party is in compliance with all Laws applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Credit Party has violated or failed to obtain any Authorization necessary to the ownership of any of its property or assets or the conduct of its business, which violation or failure could reasonably be expected to have (in the event that such a violation or failure were asserted by any Person through appropriate action) a Material Adverse Effect.

3.7 Taxes. Each Credit Party has filed or caused to be filed all material Tax Returns required to have been filed by it under applicable Laws and has paid or caused to be paid all Taxes required to be paid by it under applicable Laws except where (i) the validity or amount of such Taxes is being contested, objected to or appealed in good faith by appropriate proceedings, (ii) the Credit Party has made adequate provisions or reserves in its financial statements for such Taxes in accordance with GAAP, and (iii) the failure to pay such Taxes pending such contest, objection or appeal could not reasonably be expected individually or in the aggregate to have a Material Adverse Effect.

3.8 Pension Plans. The Pension Plans are duly registered under the Income Tax Act (if required to be so registered) and any other applicable Laws which require registration, have been administered in accordance with the Income Tax Act and such other applicable Laws and no event has occurred which could reasonably be expected to cause the loss of such registered status, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. All material obligations of each of the Credit Parties (including fiduciary, funding, investment and administration obligations) required to be performed in connection with the Pension Plans and the funding agreements therefor have been performed on a timely basis, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. There are no outstanding disputes concerning the assets of the Pension Plans or the Benefit Plans that could reasonably be expected to have a Material Adverse Effect. All contributions or premiums required to be made or paid by each of the Credit Parties to the Pension Plans or the Benefit Plans have been made or paid on a timely basis in accordance with the terms of such plans and all applicable Laws, except to the extent that any failure to do so could not reasonably be expected to have a Material Adverse Effect. There have been no improper withdrawals or applications of the assets of the Pension Plans or the Benefit Plans, that could reasonably be expected to have a Material Adverse Effect.

3.9 Defaults. No Credit Party is in default nor has any event or circumstance occurred which, but for the passage of time or the giving of notice, or both, would constitute a default (in any respect that could reasonably be expected to have a Material Adverse Effect) under any material loan or credit agreement, indenture, mortgage, deed of trust, security agreement or other instrument or agreement evidencing or pertaining to any Indebtedness of any Credit Party, or under any material agreement or instrument to which a Credit Party is a party or by which any Credit Party is bound.

3.10 Environmental Matters. No Credit Party has received any written notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action could reasonably be expected to have a Material Adverse Effect.

3.11 Anti-Money Laundering. Set forth in Schedule 3.11 attached hereto is (a) a list of the names of each of the directors of the Borrower and, to the knowledge of the Borrower after having taken reasonable measures to obtain such information, the principal occupation of each such director, and (b) a list of the names of all individuals who, to the knowledge of the Borrower after having taken reasonable measures to obtain such information, directly or indirectly own or control twenty-five percent (25%) or more of the voting interests or Equity Securities of the Borrower or its Subsidiaries, and their respective addresses and occupations, in each case as at the date of this Agreement. Neither the Borrower nor any of its Subsidiaries is a charity registered with the Canada Revenue Agency; and neither the Borrower nor any of its Subsidiaries solicits charitable financial donations from the public.

ARTICLE 4 CONDITIONS

4.1 Closing Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 9.2), provided that once all such conditions have been satisfied or waived in accordance with Section 9.2), the obligations of the Lenders to make Loans hereunder shall be governed by Section 4.2:

(a) Credit Agreement. The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of each party hereto, or (ii) written evidence satisfactory to the Administrative Agent (which may include facsimile transmission of a signed signature page of this Agreement) that each such party has signed a counterpart of this Agreement.

(b) Legal Opinions. The Administrative Agent shall have received customary written opinions (addressed to the Administrative Agent and the Lenders and dated the Closing Date) from counsel to the Credit Parties covering the Credit Parties, this Agreement, the other Loan Documents, or the Transactions in form and substance acceptable to the Administrative Agent, acting reasonably (together with copies of all factual certificates and legal opinions delivered to such counsel in connection with such opinions upon which counsel has relied). The Administrative Agent and the Lenders agree that in-house legal counsel to any Credit Party may deliver any legal opinion required in respect of the corporate existence and standing of such Credit Party, the due authorization, execution and delivery of any Loan Documents to which such Credit Party is a party, and the lack of conflict with reference to the constating documents of such Credit Party, provided that such in-house counsel is qualified, on the Closing Date, to practice law in the jurisdiction of incorporation or formation of such Credit Party. All opinions and certificates referred to in this Section 4.1(b) shall be addressed to the Administrative Agent and the Lenders and dated the Closing Date.

(c) Corporate Certificates. The Administrative Agent shall have received:

- (i) certified copies of the resolutions of the board of directors, shareholders or other similar action of each Credit Party, dated as of the Closing Date (or such other date as is acceptable to the Administrative Agent), and approving, as appropriate, the Loans, this Agreement and the other Loan Documents, and all other documents, if any, to which such Credit Party is a party and evidencing corporate authorization with respect to such documents;

- (ii) a certificate of the Secretary or an Assistant Secretary of each Credit Party, dated as of the Closing Date (or such other date as is acceptable to the Administrative Agent), and certifying (A) the name, title and true signature of each officer of such Person authorized to execute this Agreement and the other Loan Documents to which it is a party, (B) the name, title and true signature of each officer of such Person authorized to provide the certifications required pursuant to this Agreement, including certifications required pursuant to Section 5.1 and Borrowing Requests, and (C) that attached thereto is a true and complete copy of the articles of incorporation and by-laws of each Credit Party, as amended to such date, and a recent certificate of status, certificate of compliance, good standing certificate or analogous certificate; and
- (iii) a certificate of the Secretary or an Assistant Secretary of the Borrower dated as of the Closing Date certifying that attached thereto is a true and complete copy of the Existing Revolving Facility Agreement, including all amendments thereto to the Closing Date.

(d) Closing Conditions Certificate. The Administrative Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of the Borrower, confirming compliance with the financial covenants set out in Section 5.10 (without the inclusion of any calculation thereof in such certificate) and with the conditions set out in Section 4.2(a) and (b).

(e) Fees. The Administrative Agent, the Lenders and the Lead Arranger shall have received all fees and other amounts due and payable on or prior to the Closing Date, including, to the extent invoiced, reimbursement or payment of all reasonable legal fees and other reasonable out-of-pocket expenses required to be reimbursed or paid by the Borrower hereunder or under any other Loan Document.

(f) Execution and Delivery of Documentation. Each Credit Party shall have duly authorized, executed and delivered all documents required hereunder, all in form and substance satisfactory to the Administrative Agent, acting reasonably. The Administrative Agent shall have received and be satisfied with the results of all bankruptcy searches conducted by the Borrower and their counsel with respect to the Credit Parties in all jurisdictions selected by the Administrative Agent and its counsel.

(g) Guarantees. The Administrative Agent shall have received executed copies of the (i) a Subsidiary Guarantee from The TDL Group Corp. dated as of the Closing Date substantially in the form of Exhibit G, and (ii) and evidence that no additional Subsidiary Guarantees are necessary to meet the conditions described in Section 5.9.

(h) Regulatory Approval; Consents; Waivers. The Administrative Agent and the Lenders shall be satisfied, acting reasonably, that all material Authorizations required in connection with the Transactions contemplated hereby have been obtained and are in full force and effect, and that all consents and waivers required to consummate the Transactions have been obtained, to the extent that consummation of the Transactions would otherwise be restricted or prohibited under the terms of any material contract, in each case without the imposition of any burdensome provisions.

(i) Financial Statements. The Administrative Agent and the Lenders shall be satisfied that the Borrower is up to date in its required public filings of annual and interim period financial statements to the Closing Date.

(j) Indebtedness. The Transactions contemplated in this Agreement and the other Loan Documents shall not have caused any event or condition to occur which has resulted, or which will result, in any Material Indebtedness becoming due prior to its scheduled maturity or that permits (with or without the giving of notice, the lapse of time, or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, or which will result in the creation of any Liens under any Indebtedness.

(k) Other Documentation. The Administrative Agent and the Lenders shall have received such documents as they may reasonably request in connection with applicable “know your customer” and anti-money laundering rules and regulations, and the Administrative Agent shall have received such other documents and instruments as are customary for transactions of this type or as they may reasonably request, including those required under applicable “know your customer” and anti-money laundering rules and regulations.

The obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 9.2) at or prior to 3:00 p.m. Toronto time on October 31, 2013 (and, in the event such conditions are not so satisfied or waived by such time, the Commitments shall terminate at such time).

4.2 Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, (including on the occasions of the initial Borrowings hereunder), is subject to the satisfaction of the following conditions:

(a) the representations and warranties of the Borrower set out in this Agreement shall be true and correct on and as of the date of each such Borrowing as if made on such date except to the extent that (i) any change to the representations and warranties has been disclosed to the Administrative Agent and accepted by the Required Lenders, or (ii) any representation and warranty is stated to be made as of a particular time, which representation and warranty shall remain true and correct as of such earlier date;

(b) at the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing; and

(c) the Administrative Agent shall have received a Borrowing Request in the manner and within the time period required by Section 2.3.

Each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on the date thereof as to the accuracy of the matters specified in paragraphs (a) and (b) above. This requirement does not apply on the conversion or rollover of an existing Borrowing provided that the aggregate outstanding Borrowings will not be increased as a consequence thereof.

ARTICLE 5 AFFIRMATIVE COVENANTS

From (and including) the Closing Date until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower (on its own behalf and on behalf of its Subsidiaries, to the extent applicable) covenants and agrees with the Lenders that:

5.1 Financial Statements and Other Information.

(a) As soon as available and in any event within 90 days after the end of each Fiscal Year, (i) the Borrower will publicly file its audited consolidated balance sheet and related statements of income, retained earnings and statements of cash flow as of the end of and for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by PricewaterhouseCoopers or other independent auditors of recognized national standing (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Borrower on a consolidated basis in accordance with GAAP consistently applied, and (ii) the Borrower will furnish to the Administrative Agent, for delivery by the Administrative Agent to each Lender, its unaudited consolidated balance sheet and related statements of income, retained earnings and statements of cash flow as of the end of and for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, on a consolidated basis in accordance with GAAP consistently applied, except that the assets, liabilities, revenues and expenses of the Advertising Entities, the Joint Ventures and the Consolidated VIEs shall be disregarded provided that all or substantially all of the Indebtedness of the Advertising Entities, the Joint Ventures and the Consolidated VIEs is non-recourse to the Borrower and its Subsidiaries;

(b) As soon as available and in any event within 45 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, (i) the Borrower will publicly file its unaudited consolidated balance sheet and related statements of income, retained earnings and statement of cash flow as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year which includes such Fiscal Quarter, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Responsible Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments; and (ii) the Borrower will furnish to the Administrative Agent for delivery to the Lenders its unaudited consolidated balance sheet and related statements of income, retained earnings and statement of cash flow as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year which includes such Fiscal Quarter, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by a Responsible Officer of the Borrower as presenting fairly in all material respects the financial condition and results of operations of the Borrower on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments, except that the assets, liabilities, revenues and expenses of the Advertising Entities, the Joint Ventures and the Consolidated VIEs shall be disregarded provided that all or substantially all of the Indebtedness of the Advertising Entities, the Joint Ventures and the Consolidated VIEs is non-recourse to the Borrower and its Subsidiaries;

(c) Concurrently with furnishing the financial statements required pursuant to Sections 5.1(a)(ii) and 5.1(b)(ii) above, the Borrower shall deliver to the Administrative Agent, who shall in turn deliver to the Lenders, a certificate of the Borrower, substantially in the form of Exhibit C hereto, signed by a Responsible Officer of the Borrower (i) stating that a review of such financial statements during the period covered thereby and of the activities of the Credit Parties has been made under such Responsible Officer’s supervision with a view to determining whether the Credit Parties have fulfilled all of their obligations under this Agreement and the other Loan Documents, (ii) stating that no Default or Event of Default exists as of such date of certification; or, if there shall be a Default or Event of Default, specifying the nature and status thereof and the Borrower’s proposed response thereto, (iii) demonstrating in reasonable detail compliance (including showing all financial covenant and other material calculations) as at the end of the most recently completed Fiscal Year or the most recently completed Fiscal Quarter, with the financial covenants in Section 5.10 and the basket in paragraph (B) in the last sentence of Section 6.1 and the baskets in Sections 6.2(cc) and 6.5(a)(i), (iv) listing the Credit Parties as at the end of the most recently completed Fiscal Year, and (v) containing or accompanied by such financial or other details, information and material as the Administrative Agent may reasonably request to evidence such compliance;

(d) Promptly after any Credit Party learns of the receipt or occurrence of any of the following, the Borrower shall deliver to the Administrative Agent, who shall in turn deliver to the Lenders, a certificate of the Borrower, signed by a Responsible Officer of the Borrower, specifying (i) any official notice of any violation, possible violation, non-compliance or possible non-compliance, or claim made by any Governmental Authority pertaining to all or any part of the properties of any Credit Party which could reasonably be expected to have a Material Adverse Effect, (ii) any event which constitutes a Default or Event of Default, together with a detailed statement specifying the nature thereof and the steps being taken to cure such Default or Event of Default, or (iii) any change to any of the ratings assigned by any rating agency to the Rated Debt of the Borrower; and

(e) Promptly after the occurrence thereof, the Borrower shall deliver to the Administrative Agent, who shall in turn deliver to the Lenders, notice of the institution of or any material adverse development in any action, suit or proceeding or any governmental investigation or any arbitration before any court or arbitrator or any Governmental Authority or official against any Credit Party or any material property thereof which could reasonably be expected to have a Material Adverse Effect.

(f) The Borrower shall deliver to the Administrative Agent, who shall in turn deliver to the Lenders, copies of all filings made with and consents, authorizations or acceptances received from the Ontario Securities Commission, any similar regulatory authority and the Toronto Stock Exchange in connection with any substantial or normal course issuer bid by the Borrower, or other transaction contemplated in Section 5.7 and in connection with any Debt Issuance, in each case promptly after the making of such filings or receipt of such consents, authorizations or acceptances as the case may be.

5.2 Existence; Conduct of Business. The Borrower will, and will cause each other Credit Party to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence (except as permitted in Section 6.3), and except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, obtain, preserve, renew and keep in full force and effect any and all rights, licenses, permits, privileges and franchises material to the conduct of its business.

5.3 Payment of Tax Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay when due its Tax liabilities, in accordance with applicable Laws, except where (a) the validity or amount of such Taxes is being contested, objected to or appealed in good faith by appropriate proceedings, (b) the Borrower or such other Subsidiary has made adequate provisions or reserves for such Taxes in its financial statements in accordance with GAAP, and (c) the failure to pay such Taxes pending such contest, objection or appeal could not reasonably be expected individually or in the aggregate to have a Material Adverse Effect.

5.4 Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except (i) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect or (ii) as otherwise permitted by Section 6.3.

5.5 Books and Records; Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which entries in accordance with GAAP are made of all dealings and transactions in relation to its business and activities. The Borrower will, and will cause each other Credit Party to, permit any representatives designated by either the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times during normal business hours as the Administrative Agent may reasonably request and having due regard for, and with minimal disruptions of, the ongoing business of the Borrower and the Subsidiaries; provided that (i) all such visits, inspections and inquiries shall be co-ordinated through the Administrative Agent, and (ii) unless a Default shall have occurred and be continuing, neither the Borrower nor any of its Subsidiaries shall be responsible for the costs and expenses incurred by the Administrative Agent, any Lender, or their representatives in connection with such inspection or visit.

5.6 Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to, comply with all Laws of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

5.7 Use of Proceeds. The proceeds of the Revolving Loans will be used for general corporate purposes of the Borrower and for the purchase of common shares of the Borrower under any substantial or normal course issuer bid, by private agreement or otherwise, or other cash distribution to shareholders, in each case made in compliance with applicable securities laws and the requirements of the Toronto Stock Exchange.

5.8 Insurance. The Borrower will, and will cause each of its Subsidiaries to, maintain or cause to be maintained, with financially sound and reputable insurers, insurance with respect to their respective properties and business against such liabilities, casualties, risks and contingencies and in such types (including business interruption insurance) and amounts as is customary in the case of Persons engaged in the same or similar businesses and similarly situated and in accordance with any requirement of any Governmental Authority.

5.9 Subsidiary Guarantees. If, as at any Calculation Date, the Gross Revenues of the Guarantors who have provided Subsidiary Guarantees (if any) for the Calculation Period ended on such Calculation Date, when aggregated with the Gross Revenues of the Borrower for such Calculation Period, do not meet or exceed the Threshold, the Borrower shall, within 45 days of such Calculation Date (or 90 days if such Calculation Date is the end of a Fiscal Year) designate, by written notice to the Administrative Agent, those Subsidiaries, including the Subsidiary having the highest Gross Revenues for such Calculation Period, with Gross Revenues for such Calculation Period which, when aggregated with those of the Borrower, would meet or exceed the Threshold to become Guarantors and provide a Subsidiary Guarantee to the Administrative Agent within such 45 or 90 day period. The Borrower may, by written notice to the Administrative Agent within 45 days of any Calculation Date (or 90 days if such Calculation Date is the end of a Fiscal Year), amend any designation previously made by it provided that the foregoing conditions of this Section 5.9 are satisfied, and the Subsidiary Guarantee of any Subsidiary no longer designated shall be released automatically and, subject to such Subsidiary being re-designated as a Guarantor as set out below, of no further force or effect upon each new designee delivering its Subsidiary Guarantee, to the extent required to meet the Threshold. The Subsidiary Guarantees of all Guarantors (including the Subsidiary Borrower Guarantee) shall be subject to release upon satisfaction of the Release Conditions as at any Calculation Date. For greater certainty, to the extent that the Release Conditions are no longer satisfied as at any subsequent Calculation Date, the Borrower shall, in accordance with this Section 5.9, designate those Subsidiaries necessary to meet or exceed the Threshold to become Guarantors and provide a Subsidiary Guarantee within the time frame set out above. Any Canadian Subsidiary which is designated as a Guarantor at any time after the Closing Date shall enter into and deliver to the Administrative Agent a Subsidiary Guarantee substantially in the form of Exhibit G. Any U.S. Subsidiary which is designated as a Guarantor at any time after the Closing Date shall enter into and deliver to the Administrative Agent a Subsidiary Guarantee substantially in the form of Exhibit F.

5.10 Financial Covenants. The Borrower will comply with the following financial covenants:

(a) Consolidated Total Debt to Consolidated EBITDA: The Borrower will not permit, as at the end of each Fiscal Quarter, the ratio of Consolidated Total Debt as at the end of such Fiscal Quarter to Consolidated EBITDA for the Rolling Period then ended, to exceed 3.00:1.00.

(b) Fixed Charge Coverage Ratio. The Borrower will not permit, as at the end of each Fiscal Quarter, the ratio of Consolidated EBITDAR to Consolidated Fixed Charges for the Rolling Period then ended, to be less than 2.00:1.00.

(c) For the purpose of determining compliance with this Section 5.10, (i) Consolidated EBITDA, Consolidated EBITDAR and Consolidated Fixed Charges shall include the historical financial results of any acquired Person which becomes a Subsidiary or acquired business as if the acquisition occurred at the beginning of the testing period and shall give effect, on a pro forma basis, to the incurrence or repayment of Indebtedness in connection with the acquisition, (ii) Consolidated EBITDA, Consolidated EBITDAR and Consolidated Fixed Charges shall exclude the historical financial results of any disposed Person which ceases to be a Subsidiary or disposed business as if the disposition occurred at the beginning of the testing period, and (iii) notwithstanding any provisions of GAAP to the contrary, the assets, liabilities, revenues and expenses of the Advertising Entities, the Joint Ventures and the Consolidated VIEs shall be disregarded, provided that all or substantially all of the Indebtedness of the Advertising Entities, the Joint Ventures or the Consolidated VIEs is non-recourse to the Borrower and its Subsidiaries.

5.11 KYC Documentation and Anti-Money Laundering. The Borrower acknowledges that each of the Administrative Agent and the Lenders have certain anti-money laundering and anti-terrorism responsibilities under various Laws and regulations and that from time to time the Administrative Agent or either of them, on their own behalf or on behalf of any of the Lenders or any prospective assignee of a Lender or Participant, may request information in order to comply with applicable Laws and internal requirements (including any applicable “know your customer” or “know your client” requirements). Upon receipt of any such request, The Borrower agrees to take reasonable measures to obtain and provide the Administrative Agent with such information as may reasonably have been so requested and/or required by Law. The proceeds of the Revolving Loans will be used only by the Borrower and its Subsidiaries and only for the purposes provided for in Section 5.7, and will not be used, directly or indirectly, by any other Person for any other purpose.

ARTICLE 6 NEGATIVE COVENANTS

From (and including) the Closing Date until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Borrower (on its own behalf and on behalf of its Subsidiaries, to the extent applicable) covenants and agrees with the Lenders that:

6.1 Indebtedness. The Borrower will not, and will not permit any of its Subsidiaries to incur, assume or permit to exist any Indebtedness, except:

(a) any Indebtedness created hereunder;

(b) any other unsecured Indebtedness existing on the Closing Date and set out in Schedule 6.1, and any extensions, renewals or replacements of any such Indebtedness on substantially on the same terms and conditions or otherwise on terms and conditions satisfactory to the Required Lenders, acting reasonably;

(c) any Indebtedness of the Borrower or a Subsidiary to another Borrower or Subsidiary;

(d) any Guarantee by the Borrower or a Subsidiary of Indebtedness of any other Borrower or Subsidiary which is otherwise permitted hereunder;

(e) Indebtedness secured by Purchase Money Liens, provided that the aggregate principal amount of Indebtedness permitted by this clause (e) shall not exceed the amount permitted under Section 6.2(k) at any time;

(f) Capital Lease Obligations;

(g) Receivables Facility Attributed Indebtedness;

(h) any other unsecured Indebtedness of the Borrower or any Subsidiary, provided that the Borrower is in compliance with the financial covenants in Section 5.10 both before and immediately after the incurrence of any such Indebtedness and no other Default shall have occurred and be continuing;

(i) any other secured Indebtedness of the Borrower or any Subsidiary, provided that the aggregate amount of such Indebtedness permitted by this clause (i) shall not exceed the amount permitted by Section 6.2(cc) or shall be permitted by Section 6.2(z); and provided further that the Borrower is in compliance with the financial covenants in Section 5.10 both before and immediately after the incurrence of any such Indebtedness and no other Default shall have occurred and be continuing;

provided that, with respect to only clauses (e), (h) and (i) above, the Borrower will not permit any Subsidiary which is not a Guarantor to incur, assume or permit to exist any Indebtedness, except (A) any Indebtedness to a Credit Party, and (B) Indebtedness in respect of Borrowed Money in an aggregate amount, for all Subsidiaries which are not Guarantors, not exceeding Cdn.\$100,000,000 (or the equivalent thereof in any other currency), provided that at the time such Indebtedness is incurred, assumed or permitted to exist the Borrower shall be in compliance with the financial covenants in Section 5.10 both before and immediately after the incurrence of any such Indebtedness and no other Default shall have occurred and then be continuing.

6.2 Liens. The Borrower will not, and will not permit any of its Subsidiaries to, create, incur, or suffer to exist any Lien in, of or on the property of the Borrower or any of its Subsidiaries except:

(a) the interest of a lessor under a capital lease or otherwise securing Capital Lease Obligations;

(b) Liens existing on the Closing Date and described in Schedule 6.2;

(c) Liens for Taxes on its property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves or provisions in accordance with GAAP shall have been made in its financial statements;

(d) Liens imposed by law, such as landlords' carriers', materialmen's, processors', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than sixty (60) days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books;

(e) Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation;

(f) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety, indemnity and appeal and release bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(g) easements, reservations, rights-of-way, restrictions, survey exceptions, encroachments, covenants, minor defects, irregularities and other similar encumbrances as to real property of the Borrower or any Subsidiary which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not materially detract from the value of the property subject thereto or interfere with the conduct of the business of the Borrower or any Subsidiary conducted at the property subject thereto;

(h) Liens existing on property or assets at the time of acquisition thereof after the Closing Date by the Borrower or any Subsidiary, provided that (i) such Liens existed at the time of such acquisition and were not created in anticipation thereof, and (ii) any such Lien does not encumber any other property or assets (other than additions thereto and property in replacement or substitution thereof);

(i) Liens existing on property or assets of a Person which becomes a Subsidiary after the Closing Date or which, on the date on which such Person becomes a Subsidiary, such Person shall be contractually bound to grant on any of its property or assets; provided that (i) such Liens or contractual obligations existed at the time such Person became a Subsidiary and were not created in anticipation thereof, and (ii) any such Lien does not encumber any other property or assets (other than additions thereto and property in replacement or substitution thereof);

(j) Liens arising by reason of any judgment, decree or order of any court or other Governmental Authority or in connection with arbitration proceedings, if appropriate legal proceedings are being diligently prosecuted and shall not have been finally terminated or the period within which such proceedings may be initiated shall not have expired, in an aggregate amount not to exceed, when taken together with all Liens securing bonds to stay judgments or in connection with appeals as permitted by Section 6.2(f), Cdn.\$50,000,000 at any time outstanding;

(k) Purchase Money Liens securing purchase money Indebtedness (other than Capital Leases) incurred by the Borrower or any Subsidiary after the Closing Date to finance the acquisition or construction of assets used in its business, if (i) at the time of such incurrence, no Default or Event of Default has occurred and is then continuing or would result from such incurrence, (ii) such Indebtedness does not exceed the lower of the fair market value or the cost of the applicable assets on the date acquired, and (iii) such Indebtedness does not exceed Cdn.\$50,000,000 in the aggregate outstanding at any time; provided that such Liens shall not apply to any property of the Borrower or any Subsidiary other than that financed (including improvements thereto);

(l) the title of a lessor in or to property subject to an operating lease or subject to a Sale/Leaseback Transaction;

- (m) Liens (if any) from time to time securing the obligations hereunder;
- (n) municipal and zoning ordinances, which are not violated in any material respect by the existing improvements and the present use made by the Borrower or any Subsidiary of real property;
- (o) customary rights of set off, revocation, refund or chargeback under deposit agreements or under applicable law of banks or other financial institutions where the Borrower or any Subsidiary maintains deposits in the ordinary course of business permitted by this Agreement;
- (p) netting and/or cash management arrangements with financial institutions at which any accounts are maintained or utilized by the Borrower or any Subsidiary;
- (q) Liens arising from the granting of a license to any person in the ordinary course of business of the Borrower or any Subsidiary;
- (r) Liens attaching solely to cash earnest money deposits made by the Borrower or any Subsidiary in connection with any letter of intent or purchase agreement entered into by it in connection with a Permitted Acquisition;
- (s) Liens deemed to exist in connection with repurchase agreements and other similar Investments to the extent such Investments are permitted under Section 6.5;
- (t) Liens arising by operation of law on insurance policies and proceeds thereof to secure premiums thereunder;
- (u) Liens arising in connection with a Permitted Receivables Financing;
- (v) Liens on funds or securities deposited with the Trustee in connection with any defeasance under Section 9.6 of the Notes Indenture and Liens on funds deposited with the administrative agent under the Existing Revolving Facility Agreement in connection with any defeasance under section 2.11(1) thereof;
- (w) any Lien where sufficient cash has been deposited with the Trustee under Section 9.2 of the Notes Indenture for the purpose of paying the underlying principal and interest until the date of maturity of the underlying Indebtedness;
- (x) Liens granted in the ordinary course of business in connection with an obligation under a Swap Agreement;
- (y) Liens granted by the Borrower or by a Subsidiary at the time such Subsidiary was a Guarantor to the Borrower, a Subsidiary which is then a Guarantor or a Related Party to secure borrowed money up to Cdn.\$25,000,000 or the US\$ Equivalent thereof in the aggregate in existence at any time;
- (z) Liens to secure Indebtedness for Borrowed Money upon any of its property, whether now owned or hereafter acquired; provided that to the extent such Indebtedness is in aggregate in excess of Cdn. \$25,000,000 (or the US\$ Equivalent thereof), the obligations of the Borrower under this Agreement and the other Loan Documents are secured by such Lien equally and ratably with any and all other such Indebtedness secured thereby for so long as any such other Indebtedness shall be so secured;
- (aa) Any extension, renewal or replacement (or successive extensions, renewals or replacements) in whole or in part of any Lien referred to in the foregoing clauses, provided that the principal amount of Indebtedness secured thereby shall not exceed the principal amount of Indebtedness so secured prior to such extension, renewal or replacement and that such extension, renewal or replacement Lien shall be limited to all or a part of the assets which secured the Lien so extended, renewed or replaced (plus improvements and construction on such real property);

(bb) such other Liens as agreed to in writing by the Lenders from time to time; and

(cc) Liens not otherwise permitted by the provisions of Section 6.2(a) through 6.2(bb) above, securing Indebtedness in an aggregate amount not to exceed 15% of Consolidated Tangible Net Worth, as determined as of the last day of the most recently completed Fiscal Quarter at any time.

For the purposes of this Section 6.2, the following agreements, and the transactions and arrangements contemplated thereby, shall not constitute, or be considered to have created a Lien: (I) the mirror netting service agreement dated February 1, 2007 by and among The TDL Group Corp. (f/k/a The TDL Group Ltd.), The TDL Group, TDL Group Co., Wentim, Ltd., and certain other Subsidiaries of the Borrower, and The Bank of Nova Scotia, as the same may be amended (a) to add additional Subsidiaries of the Borrower as parties thereto, or (b) in such other manner as shall not affect, in a material way, the nature of the transactions contemplated by such agreement; and (II) the cash management agreement dated May 15, 2003 by and between the Subsidiary Borrower and The TDL Group Co., as the same may be amended (a) to add additional Subsidiaries of the Borrower as parties thereto, or (b) in such other manner as shall not affect, in a material way, the nature of the transactions contemplated by such agreement.

6.3 Merger; Dissolution; Asset Sales.

The Borrower will not, and will not permit any Guarantor or Subsidiary to, enter into any transaction in which all or substantially all of the property and assets of the Borrower and the Subsidiaries, considered as a whole, would become the property of any other Person (any such Person being referred to herein as a “**Successor**”), whether by way of reorganization, consolidation, amalgamation, arrangement, merger, dissolution, liquidation, transfer, sale or otherwise, unless:

(a) the Borrower or a Guarantor shall be the Successor; or

(b) the Successor formed (either by any one transaction or any series of transactions which are consummated on a contemporaneous basis) by the reorganization, consolidation, amalgamation, or arrangement or into which the Borrower, a Guarantor or Subsidiary is merged, dissolved or liquidated or that acquires by disposition all or substantially all of the property and assets of the Borrower and the Subsidiaries, considered as a whole, is a Third Party that is organized and validly existing under the federal laws of Canada or any of its provinces or territories and expressly assumes, by an agreement executed and delivered to the Administrative Agent in form and substance satisfactory to the Administrative Agent, acting reasonably, all of the obligations of the relevant Borrower or Guarantor under this Agreement and the other Loan Documents; and

(c) immediately before and after giving effect to such transaction, (A) no Default or Event of Default shall have occurred and then be continuing, and (B) no Material Adverse Effect would be caused as a result of such transaction.

Upon satisfaction of the foregoing, the Administrative Agent shall facilitate the same in all respects, and may give such consents and sign, execute or join in such documents and do such acts as in its discretion may be thought advisable in order that such reorganization, consolidation, amalgamation, arrangement, merger, dissolution, liquidation, transfer, sale or other similar transaction may be carried out, and thereupon the Borrower or a Guarantor or Guarantors, as the case may be, may be released and discharged from liability under the Loan Documents and the Administrative Agent may execute any document or documents which it may be advised is or are necessary or advisable for effecting or evidencing such release and discharge.

As a condition precedent to any reorganization, consolidation, amalgamation, arrangement, merger, dissolution, liquidation, transfer, sale or other similar transaction proposed to be carried out pursuant to this Section 6.3, the Borrower shall furnish to the Administrative Agent an opinion of counsel to the Borrower, in form and substance satisfactory to the Administrative Agent, acting reasonably, as to the legality of any action proposed to be taken under applicable Law, and as to the validity of any action taken pursuant to the provisions contained in this Section 6.3, and the Administrative Agent shall incur no liability by reason of reliance thereon.

Notwithstanding the foregoing, the Borrower or a Guarantor may enter into a Permitted Receivables Financing or a Sale/Leaseback Transaction.

6.4 Business.

The Borrower will not, and will not permit any Subsidiary to, engage to any material extent in any material business other than businesses of the type conducted by the Borrower or its Subsidiaries on the Closing Date and businesses reasonably related thereto.

6.5 Investments and Acquisitions. The Borrower may make any Investment and may become or remain a partner in any partnership or joint venture, and may make any Acquisition of any Person, provided that:

(a) (i) Investments in Advertising Entities and in any Consolidated VIEs made during the period from the Closing Date to the Maturity Date shall not exceed Cdn.\$75,000,000 in the aggregate, and (ii) Investments consisting of partnership or other equity interests may be made in any partnership, joint venture or other Person so long as such partnership, joint venture or Person is in a line of business that does not violate the terms or provisions of Section 6.4; and

(b) Any such Acquisitions shall meet the following requirements or otherwise be approved by the Required Lenders (each such Acquisition constituting a **“Permitted Acquisition”**):

(A) no Default or Event of Default shall have occurred and be continuing or would result from such Acquisition or the incurrence of any Indebtedness in connection therewith and, both before and immediately after giving effect to such Acquisition, all of the representations and warranties contained herein shall be true and correct in all material respects, unless such representation and warranty is made as of a specific date, in which case, such representation or warranty shall be true and correct in all material respects as of such date; and

(B) the Acquisition is consummated pursuant to a negotiated acquisition agreement on a non-hostile basis and approved by the target company’s board of directors (and shareholders, if necessary) prior to the consummation of the Acquisition;

(C) the business being acquired shall be in a line of business permitted under Section 6.4; and

(D) no investment shall be made which would result in the Borrower or any of its Subsidiaries acquiring any obligation in respect of a Defined Benefit Plan where such Investment has or could reasonably be expected to have a Material Adverse Effect.

6.6 Restricted Payments. The Borrower will not, and will not permit any Subsidiary to, declare, pay or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Borrower may declare and pay dividends with respect to its

Equity Securities payable solely in additional Equity Securities of the Borrower, (b) any Subsidiary may make Restricted Payments to the Borrower or any other Subsidiary, and (c) the Borrower and any Subsidiary may each make any Restricted Payment if, at the time of and immediately after giving effect to any such Restricted Payment, the Borrower is in compliance with the financial covenants in Section 5.10 and no other Default shall have occurred and then be continuing.

6.7 Transactions with Affiliates. The Borrower will not, and will not permit any Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of their Affiliates, except (a) in the ordinary course of business at prices and on terms and conditions not less favourable to the Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, (b) transactions between the Borrower and any Subsidiary, or between Subsidiaries, and in any such case not involving any of their other Affiliates, (c) any Restricted Payment permitted by Section 6.6 or any transaction contemplated by the tax sharing agreement referred to in the definition of "Restricted Payment", and (d) any transaction permitted by Section 6.3.

6.8 Restrictive Agreements. The Borrower will not, and will not permit any Subsidiary to, create or otherwise cause to become effective any consensual encumbrance or restriction of any kind on its ability (a) to pay dividends or make any other distribution on its stock or other ownership interests; provided that this clause (a) shall not prevent the Borrower or its Subsidiaries from agreeing to any such encumbrance or restriction of their ability to pay dividends or make any other distribution on their stock or other ownership interests to any Person which is not a Credit Party, (b) to pay any Indebtedness or other obligation owed to the Borrower or any Subsidiary, (c) to make loans or advances or other Investments in the Borrower or any Subsidiary or (d) to sell, transfer or otherwise convey any of its property to the Borrower or any Subsidiary, in each case, other than (i) restrictions imposed by this Agreement, (ii) customary restrictions and conditions contained in agreements relating to the sale of assets, capital stock or other equity interests pending such sale, provided that such restrictions and conditions apply only to the assets, capital stock or other equity interests that is to be sold and such sale shall be permitted hereunder, (iii) restrictions imposed by applicable Law, (iv) restrictions imposed by the holder of a Lien permitted by Section 6.2 solely on the transfer of assets subject thereto, (v) any encumbrance or restriction with respect to a Subsidiary of the Borrower pursuant to an agreement relating to any Indebtedness issued or incurred by such Subsidiary on or prior to the date on which such Subsidiary became a Subsidiary of the Borrower or was acquired by the Borrower and outstanding on such date, or (vi) any such encumbrance or restriction consisting of customary non-assignment provisions in leases or licenses, to the extent such provisions restrict the transfer of the lease or license, as applicable.

ARTICLE 7 EVENTS OF DEFAULT

7.1 Events of Default. If any of the following events ("Events of Default") shall occur:

(a) the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) the Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) above) payable under this Agreement, when and as the same shall become due and payable and such failure shall continue unremedied for a period of more than three (3) Business Days after the same shall have become due and payable;

(c) any representation or warranty made or deemed made by or on behalf of any Credit Party in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed to be made, and if the circumstances giving rise to such incorrect representation and warranty are capable of rectification, such circumstances are not rectified in a manner which renders such representation no longer incorrect in any material respect within 10 days after the applicable Credit Party becomes aware of the incorrect representation and warranty;

(d) the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.1(d)(ii), Section 5.2 (as to the Borrower's legal existence only), Section 5.7 or Section 5.10 or in Article 6;

(e) any Credit Party shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clauses (a), (b) or (d) above) or any other Loan Document, and such failure shall continue unremedied for more than thirty (30) days after the earlier to occur of (a) an officer of any Credit Party having knowledge thereof and (b) written notice thereof from either Agent to the Borrower (which notice will be given at the request of any Lender);

(f) any Credit Party shall fail to make any payment whether of principal or interest, and regardless of amount, in respect of any Material Indebtedness, when and as the same shall become due and payable and such failure continues after the applicable grace or cure period if any, specified in the agreement relating to such Material Indebtedness;

(g) any event or condition occurs (including any "amortization event", "termination event" or other similar event under any Receivables Purchase Facility) that results in any Material Indebtedness becoming due prior to its scheduled maturity, or (after the effluxion of any applicable grace or cure period) that enables or permits (with or without the giving of notice, the lapse of time or both) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this Section 7.1(g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness so long as the proceeds of such sale or transfer are sufficient to, and are applied to, reduce such secured Indebtedness;

(h) any Credit Party:

- (i) becomes insolvent, or is unable to pay its obligations as they generally become due, or has ceased paying its obligations in the ordinary course of business as they generally become due, or admits in writing its inability to pay its debts generally, or declares any general moratorium on its indebtedness, or proposes a compromise or arrangement between it and any class of its creditors;
- (ii) commits an act of bankruptcy or makes an assignment of its property for the general benefit of its creditors or makes a proposal (or files a notice of its intention to do so);
- (iii) institutes any proceeding seeking to adjudicate it an insolvent, or seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other similar relief, under any federal, provincial or foreign Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the BIA, the *Companies' Creditors Arrangement Act* (Canada) and any applicable corporations legislation) or at common law or in equity, or files an answer admitting the material allegations of a petition filed against it in any such proceeding;

- (iv) applies for the appointment of, or the taking of possession by, a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property; or
 - (v) takes any action, corporate or otherwise, to approve, effect, consent to or authorize any of the actions described in this Section 7.1(h) or in Section 7.1(h)(i), or otherwise acts in furtherance thereof or fails to act in a timely and appropriate manner in defence thereof;
- (i) any petition is filed, application made or other proceeding instituted against or in respect of any Credit Party:
- (i) seeking to adjudicate it an insolvent;
 - (ii) seeking a receiving order against it;
 - (iii) seeking liquidation, dissolution, winding-up, reorganization, compromise, arrangement, adjustment, protection, moratorium, relief, stay of proceedings of creditors generally (or any class of creditors), or composition of it or its debts or any other relief under any federal, provincial or foreign Law now or hereafter in effect relating to bankruptcy, winding-up, insolvency, reorganization, receivership, plans of arrangement or relief or protection of debtors (including the BIA, the Companies' *Creditors Arrangement Act* (Canada) and any applicable corporations legislation) or at common law or in equity; or
 - (iv) seeking the entry of an order for relief or the appointment of, or the taking of possession by, a receiver, interim receiver, receiver/manager, sequestrator, conservator, custodian, administrator, trustee, liquidator or other similar official for it or any substantial part of its property;

and such petition, application or proceeding continues undismissed, or unstayed and in effect, for a period of sixty (60) days after the institution thereof, provided that if an order, decree or judgment is granted or entered (whether or not entered or subject to appeal) against such Credit Party thereunder in the interim, such grace period will cease to apply, and provided further that if such Credit Party files an answer admitting the material allegations of a petition filed against it in any such proceeding, such grace period will cease to apply;

(j) any other event occurs which, under the Laws of any applicable jurisdiction, has an effect equivalent to any of the events referred to in either of Sections 7.1(h) or (i);

(k) one or more judgments for the payment of money in a cumulative amount in excess of Cdn.\$50,000,000 (or its then equivalent in any other currency) in the aggregate is rendered against any one or more of the Credit Parties and they have not (i) provided for its discharge in accordance with its terms within 30 days from the date of entry thereof, or (ii) procured a stay of execution thereof within 30 days from the date of entry thereof and within such period, or such longer period during which execution of such judgment has not been stayed, appealed such judgment and caused the execution thereof to be stayed during such appeal, provided that if enforcement and/or realization proceedings are lawfully commenced in respect thereof in the interim, such grace period will cease to apply;

(l) this Agreement, any other Loan Document or any material obligation or other provision hereof or thereof at any time for any reason is declared to be void or voidable or is repudiated, or the validity, binding effect, legality or enforceability hereof or thereof is at any time contested by any Credit Party;

(m) a Change of Control shall occur from and after the Closing Date;

(n) the Borrower or any of its Subsidiaries shall, directly or indirectly, terminate or cause to terminate, in whole or in part, or initiate the termination of, in whole or in part, any Pension Plan so as to result in any liability which could reasonably be expected to have a Material Adverse Effect; (ii) any event or condition exists in respect of any Pension Plan which presents the risk of liability of the Borrower or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect; (iii) a going concern unfunded liability or the solvency deficiency (calculated using actuarial methods and assumptions which are consistent with the valuations last filed with the applicable Governmental Authorities and which are consistent with generally accepted actuarial principles) exists under any Pension Plan, the existence of which could reasonably be expected to have a Material Adverse Effect; (iv) the Borrower or any of its Subsidiaries shall fail to make minimum required contributions to amortize any funding deficiencies under a Pension Plan within the time period set out in applicable Laws or fail to make a required contribution under any Pension Plan or Benefit Plan which failure could reasonably be expected to have a Material Adverse Effect; (v) the Borrower or any of its Subsidiaries makes any improper withdrawals or applications of assets of a Pension Plan or Benefit Plan, which actions could reasonably be expected to have a Material Adverse Effect; or (vi) the Borrower or any of its Subsidiaries establishes a Defined Benefit Plan for any of their respective employees, except as part of a Permitted Acquisition.

then, and in every such event (other than an event with respect to the Borrower described in clause (h), (i) or (j) above), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind except as set out earlier in this paragraph, all of which are hereby waived by the Borrower; and in the case of any event with respect to the Borrower described in clause (h), (i) or (j) above, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, and Cover for any outstanding Bankers Acceptances, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

ARTICLE 8 THE ADMINISTRATIVE AGENT

8.1 Appointment of Administrative Agent. Each Lender hereby designates Royal Bank of Canada as Administrative Agent to act as herein specified and as specified in the other Loan Documents. Each Lender hereby irrevocably authorizes the Administrative Agent to take such action on its behalf under the provisions of the Loan Documents and to exercise such powers and to perform such duties thereunder as are specifically delegated to or required of the Administrative Agent by the terms thereof and such other powers as are reasonably incidental thereto. The Administrative Agent may perform any of its duties hereunder by or through its agent or employees.

8.2 Limitation of Duties of Administrative Agent. The Administrative Agent shall have no duties or responsibilities except those expressly set out with respect to such Agent in this Agreement and as specified in the other Loan Documents. Neither the Administrative Agent, nor any of its Related Parties shall be liable for any action taken or omitted by it as such hereunder or in connection herewith, unless caused by its or their gross negligence or wilful misconduct. The duties of the Administrative Agent shall be mechanical and administrative in nature; the Administrative Agent shall not have, by reason of this Agreement or the other Loan Documents, a fiduciary relationship in respect of any Lender. Nothing in this Agreement or the other Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon either Agent any obligations in respect of this Agreement except as expressly set out herein. The Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to this Agreement or the other Loan Documents unless it is requested in writing to do so by the Required Lenders.

8.3 Lack of Reliance on the Administrative Agent.

(a) Independent Investigation. Independently, and without reliance upon the Administrative Agent, each Lender, to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of the Credit Parties in connection with the taking or not taking of any action in connection herewith, and (ii) its own appraisal of the creditworthiness of the Credit Parties, and, except as expressly provided in this Agreement and the other Loan Documents, the Administrative Agent shall have no duty or responsibility, either initially or on a continuing basis, to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the consummation of the Transactions or at any time or times thereafter.

(b) Administrative Agent Not Responsible. The Administrative Agent shall not be responsible to any Lender for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, collectability, priority or sufficiency of this Agreement or the other Loan Documents or the financial condition of the Credit Parties or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or the other Loan Documents, or the financial condition of the Credit Parties, or the existence or possible existence of any Default or Event of Default.

8.4 Certain Rights of the Administrative Agent. If the Administrative Agent shall request instructions from the Lenders or the Required Lenders (as the case may be) with respect to any act or action (including the failure to act) in connection with this Agreement or the other Loan Documents, the Administrative Agent shall be entitled to refrain from such act or taking such action unless and until such Agent shall have received written instructions from the Lenders or the Required Lenders, as applicable, and such Agent shall not incur liability to any Person by reason of so refraining.

Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Administrative Agent as a result of the Administrative Agent acting or refraining from acting under this Agreement and the other Loan Documents in accordance with the instructions of the Required Lenders, or, to the extent required by Section 9.2, all of the Lenders.

8.5 Reliance by Administrative Agent. The Administrative Agent shall be entitled to rely, and shall be fully protected in relying, upon any note, writing, resolution, notice, statement, certificate, telex, teletype or facsimile message, electronic mail, cablegram, radiogram, order or other documentary teletransmission or telephone message believed by it to be genuine and correct and to have been signed, sent or made by the proper Person. The Administrative Agent may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

8.6 Indemnification of Administrative Agent. To the extent the Administrative Agent is not reimbursed and indemnified by the Borrower (including any amounts required to be paid under Section 9.3(a) or (b)), each Lender will reimburse and indemnify the Administrative Agent, in proportion to its aggregate Applicable Percentage, for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including reasonable counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in performing its duties hereunder, in any way relating to or arising out of this Agreement or any other Loan Document; provided that no Lender shall be liable to the Administrative Agent for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements to the extent they are found by a non-appealable judgment of a court of competent jurisdiction to arise from (i) the wilful misconduct, bad faith or gross negligence of the Administrative Agent (it being acknowledged that ordinary negligence does not necessarily constitute gross negligence) or (ii) the Administrative Agent's wilful breach of express duties or obligations under this Agreement or the other Loan Documents.

8.7 Administrative Agent in their Individual Capacities. With respect to its obligations under this Agreement and the Loans made by it, Royal Bank of Canada, in its capacity as a Lender hereunder, shall have the same rights and powers hereunder as any other Lender and may exercise the same as though it were not performing the duties, if any, specified herein; and the terms "Lenders", "Required Lenders", "Revolving Credit Lenders", and any similar terms shall, unless the context clearly otherwise indicates, include Royal Bank of Canada, in its capacity as a Lender hereunder. Royal Bank of Canada may accept deposits from, lend money to, and generally engage in any kind of banking, trust, financial advisory or other business with the Credit Parties or any affiliate of the Credit Parties as if it were not performing the duties of the Administrative Agent, specified herein, and may accept fees and other consideration from the Credit Parties for services in connection with this Agreement and otherwise without having to account for the same to the Lenders.

8.8 May Treat Lender as Owner. The Borrower and the Administrative Agent may deem and treat each Lender as the owner of the Loans recorded on the Register maintained pursuant to Section 9.4(c) for all purposes hereof until a written notice of the assignment or transfer thereof shall have been filed with the Administrative Agent. Any request, authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of a Loan shall be conclusive and binding on any subsequent owner, transferee or assignee of such Loan.

8.9 Successor Administrative Agent.

(a) Agent Resignation. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders, and the Borrower, and may be removed at any time, with or without cause, by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right, upon five Business Days' notice to the Borrower, to appoint a successor Administrative Agent (who shall not be a non-resident of Canada within the meaning of the *Income Tax Act* (Canada)), subject to the approval of the Borrower, such approval not to be unreasonably withheld. If no successor Administrative Agent shall have been so appointed by the Required Lenders and approved by the Borrower, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Required Lenders' removal of the retiring Administrative Agent, then, upon five Business Days' notice to the Borrower, the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent (subject to approval of the Borrower, such approval not to be unreasonably withheld), which shall be a financial institution organized under the laws of Canada, the outstanding indebtedness of which is rated by any one or more of Moody's, S&P and DBRS as A (or their equivalent rating, as the case may be) or better.

(b) Rights, Powers, etc. Upon its acceptance of any appointment as a successor Administrative Agent hereunder, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article 8 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

(c) Co-Syndication Agents and Documentation Agent. The Co-Syndication Agents and Documentation Agent shall have no roles or responsibilities hereunder in such capacity.

ARTICLE 9 MISCELLANEOUS

9.1 Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile in each case to the addressee, as follows:

- (i) if to the Borrower or any other Credit Party:

Tim Hortons Inc.
874 Sinclair Road
Oakville, Ontario L6K 2Y1
Attention: Treasurer
Facsimile: (905) 845-3985

with a copy to:

Tim Hortons Inc.
874 Sinclair Road
Oakville, Ontario L6K 2Y1
Attention: Corporate Secretary
Facsimile: (905) 845-2931

- (ii) if to the Administrative Agent:

Royal Bank of Canada, as Administrative Agent

4th Floor, 20 King Street West

Toronto, Ontario M5H 1C4

Attention: Manager, Agency Services

Facsimile: (416) 842-4023

- (iii) if to any Lender to it at its address (or facsimile number) set out opposite its name in the execution page(s) of this Agreement.

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or the Borrower may, in its discretion, agree to accept notices and other communication to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

9.2 Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, and the Lenders hereunder are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by the Borrower therefrom shall in any event be effective unless the same shall be permitted by Section 9.2(b), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether an Agent, or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor any other Loan Document (or any provision hereof or thereof) may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrower and the Required Lenders or by the Borrower and the Administrative Agent with the consent of the Required Lenders (and for greater certainty, any such waiver, amendment or modification shall not require any consent or other agreement of any Credit Party other than the Borrower, notwithstanding that any such Credit Party may be a party to this Agreement or any other Loan Document); provided that no such agreement shall:

- (i) increase the amount or extend the expiry date of any Commitment of any Lender, other than in connection with the Commitment Increase Right pursuant to Section 2.1(b);

- (ii) reduce the principal amount of any Loan or reduce the rate of interest or any fee applicable to any Loan;
- (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable in respect thereof, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment;
- (iv) change Section 2.6 in a manner that would alter the *pro rata* application of any cancellation of the Revolving Credit Commitments or Section 2.16 in a manner that would alter the *pro rata* sharing of payments required thereby;
- (v) change any of the provisions of this Section 9.2 or the definition of “Required Lenders” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder;
- (vi) waive any Event of Default under Section 7.1(h), (i) or (j) ;
- (vii) release any Subsidiary Guarantee, provided that this Section 9.2(b)(vii) shall not apply with respect to any revocation of any designation of a Guarantor pursuant to Section 5.9;

in each case without the prior written consent of each Lender; and provided further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent without the prior written consent of the Administrative Agent.

9.3 Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one set of counsel for the Administrative Agent and all applicable Taxes, in connection with the syndication of the credit facilities provided for herein and the preparation and administration of this Agreement and the other Loan Documents, (ii) all reasonable out-of-pocket expenses incurred by the Administrative Agent and its Affiliates, including the reasonable fees, charges and disbursements of one set of counsel for the Administrative Agent and applicable Taxes, in connection with any amendments, modifications or waivers of the provisions hereof or of any of the other Loan Documents, (whether or not the transactions contemplated hereby or thereby shall be consummated), and (iii) all reasonable out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the reasonable fees, charges and disbursements of any counsel for the Administrative Agent or any Lender and all applicable Taxes, in connection with the enforcement or protection of their rights in connection with this Agreement, including its rights under this Section, or in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Borrower shall indemnify the Administrative Agent, and each Lender, as well as each of their Related Parties and each assignee of any of the foregoing Persons (each such Person and each such assignee being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all obligations, penalties, judgments, suits, costs, losses, claims, actions, damages, expenses and liabilities of whatsoever nature or kind and all reasonable out-of-pocket expenses and all applicable Taxes to which any Indemnitee may become subject arising out of or in connection with (i) the execution or delivery of the Loan Documents or any agreement or instrument contemplated thereby, the performance by the parties thereto of their respective obligations thereunder, and the consummation of the Transactions or any other transactions thereunder, (ii) any Loan or any actual or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any Subsidiaries of the Borrower, or any Environmental Liability related in any way to the Borrower or any Subsidiaries of the Borrower, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto, (v) any other aspect of this Agreement and the other Loan Documents, or (vi) the enforcement of any Indemnitee’s rights hereunder and any related investigation, defence, preparation of defence, litigation and enquiries, in each case regardless of whether or not the Acquisition is consummated; provided that the foregoing indemnity will not, as to any Indemnitee, apply to losses, claims, damages, liabilities or related expenses to the extent they are found by a non-appealable judgment of a court of competent jurisdiction to arise from (i) the wilful misconduct, bad faith or gross negligence of such Indemnitee, (ii) an Indemnitee’s wilful breach of express duties or obligations under this Agreement or the other Loan Documents, or (iii) any dispute, claim or other matter between or among the Lenders. If any action shall be brought against any Indemnitee with respect to which indemnification may be sought against the Borrower under this Agreement, the Indemnitee shall promptly notify the Borrower in writing and the Borrower shall, if requested by the Indemnitee or if the Borrower desire to do so, assume the defence thereof, including the employment of counsel reasonably satisfactory to the Indemnitee and payment of all reasonable fees and expenses.

The failure to so notify the Borrower shall not affect any obligations the Borrower may have to the Indemnitee under this Agreement or otherwise unless (and then only to the extent that) the Borrower are materially adversely affected by such failure. The Indemnitee shall have the right to employ separate counsel in such action and participate in the defence thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnitee, unless (i) the Borrower have failed to assume the defence and employ counsel reasonably satisfactory to the Indemnitee, or (ii) the named parties to any such action (including any impleaded parties) include the Indemnitee and the Borrower, and the Indemnitee shall have been advised by counsel that there may be one or more legal defences available to it which are different from or additional to those available to the Borrower, in which case, if such Indemnitee notifies the Borrower in writing that it elects to employ separate counsel at the Borrower' expense, the Borrower shall not have the right to assume the defence of such action or proceeding on behalf of such Indemnitee; provided, however, that the Borrower shall not, in connection with any one such action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be responsible hereunder for the reasonable fees and expenses of more than one such firm of separate counsel, in addition to any local counsel, which counsel shall be designated by the Lead Arranger and/or their affiliates. The Borrower shall not be liable for any settlement of any such action effected without the Borrower' written consent (which shall not be unreasonably withheld) and the Borrower agree to indemnify and hold harmless the Indemnitees from and against any loss or liability by reason of settlement of any action effected with the Borrower' consent. In addition, the Borrower will not, without the prior written consent of the applicable Indemnitee, settle or compromise or consent to the entry of any judgment in or otherwise seek to terminate any pending or threatened action, claim, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not any indemnified applicable person is a party thereto) unless such settlement, compromise, consent or termination includes an express unconditional release of the Indemnitees and/or their respective affiliates, satisfactory in form and substance to the Indemnitees and/or their respective affiliates, from all liability arising out of such action, claim, suit or proceeding.

(c) The Borrower and each Indemnitee shall not assert, and hereby waives (to the fullest extent permitted by applicable Law), any claim against any Indemnitee or any Credit Party, respectively, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, any Loan Document, or any agreement or instrument contemplated thereby, the Transactions, any Loan or the use of the proceeds thereof.

(d) Any inspection of any property of any Credit Party made by or through the Administrative Agent or any Lender is for purposes of administration of the Revolving Credit only, and no Credit Party is entitled to rely upon the same (whether or not such inspections are at the expense of the Borrower).

(e) By accepting or approving anything required to be observed, performed, fulfilled or given to the Administrative Agent or the Lenders pursuant to the Loan Documents, neither the Administrative Agent nor the Lenders shall be deemed to have warranted or represented the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by the Administrative Agent or the Lenders.

(f) The relationship between the Borrower and the Administrative Agent and the Lenders is, and shall at all times remain, solely that of borrower and lenders. Neither the Administrative Agent nor the Lenders shall under any circumstance be construed to be partners or joint venturers of the Borrower or its Affiliates. Neither the Administrative Agent nor the Lenders shall under any circumstance be deemed to be in a relationship of confidence or trust or a fiduciary relationship with the Borrower or its Affiliates, or to owe any fiduciary duty to the Borrower or its Affiliates. Neither the Administrative Agent nor the Lenders undertake or assume any responsibility or duty to the Borrower or its Affiliates to select, review, inspect, supervise, pass judgment upon or inform the Borrower or its Affiliates of any matter in connection with their property or the operations of the Borrower or its Affiliates. The Borrower and its Affiliates shall rely entirely upon their own judgment with respect to such matters, and any review, inspection, supervision, exercise of judgment or supply of information undertaken or assumed by the Administrative Agent or the Lenders in connection with such matters is solely for the protection of the Administrative Agent and the Lenders, and neither the Borrower nor any other Person is entitled to rely thereon.

(g) The Administrative Agent and the Lenders shall not be responsible or liable to any Person for any loss, damage, liability or claim of any kind relating to injury or death to Persons or damage to property caused by the actions, inaction or negligence of any Credit Party and/or its Affiliates and the Borrower hereby indemnifies and holds the Administrative Agent and the Lenders harmless on the terms set out in Section 9.3(b) from any such loss, damage, liability or claim.

(h) This Agreement is made for the purpose of defining and setting forth certain obligations, rights and duties of the Borrower, the Administrative Agent and the Lenders in connection with the Loans, and is made for the sole benefit of the Borrower, the Administrative Agent and the Lenders, and the Administrative Agent's and each Lender's successors and assigns. Except as provided in Sections 9.3(b) and 9.4, no other Person shall have any rights of any nature hereunder or by reason hereof.

(i) All amounts due under this Section 9.3 shall be payable not later than five (5) Business Days after written demand therefor.

9.4 Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby except that (i) the Borrower may not assign or otherwise transfer any of their rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void), and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder to any Credit Party, any Subsidiary thereof or any Affiliate of any Credit Party or Subsidiary thereof, or otherwise except in accordance with this Section.

Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Any Lender may assign to one or more assignees (treating any fund that invests in bank loans and any other fund that invests in bank loans and is managed by the same investment advisor of such fund or by an Affiliate of such investment advisor as a single assignee) all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitments and the Loans at the time owing to it); provided that (i) except in the case of an assignment to a Lender or a Lender Affiliate or an Approved Fund of any Lender, the Borrower must give its prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed), (ii) the Administrative Agent must give their prior written consent to such assignment (which consent shall not be unreasonably withheld or delayed); and provided further that (iii) the Borrower's consent shall not be required with respect to any assignment made at any time after the occurrence and during the continuance of an Event of Default, (iv) except in the case of an assignment to a Lender or a Lender Affiliate or an Approved Fund of any Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment, the amount of the Commitment of the assigning Lender subject to each such assignment (determined as of the date on which the Assignment and Assumption relating to such assignment is delivered to the Administrative Agent) shall not be less than Cdn.\$5,000,000, unless the Borrower and the Administrative Agent otherwise consent in writing and the amount held by each Lender after each such assignment shall not be less than Cdn.\$5,000,000, unless the Borrower and the Administrative Agent otherwise consent in writing, (vi) each partial assignment in respect of a Commitment and the related Loans shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement in respect of such Commitment and the related Loans, (vii) the parties to each assignment shall execute and deliver to the Administrative Agent (A) an Assignment and Assumption; and (B) (except in the case of an assignment to a Lender or a Lender Affiliate or an Approved Fund of any Lender) a processing and recordation fee of Cdn.\$3,500, payable by the assigning Lender, (viii) provided that no Default or Event of Default has occurred and is then continuing, in the case of an assignment of a Revolving Credit Commitment by a Canadian Resident Lender to a Foreign Lender, such Foreign Lender shall not be entitled to require any additional payments under Section 2.15(a) or Section 2.15(c) as a result of any Canadian withholding tax which may be exigible in respect of any payment of interest by the Borrower to such Foreign Lender hereunder, and (ix) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire. The Administrative Agent shall provide the Borrower and each Lender with written notice of any change in (or new) address of a Lender disclosed in an Administrative Questionnaire. Subject to acceptance and recording thereof pursuant to Section 9.4(d), from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, shall have all of the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, and 2.15 and 9.3). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.4 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 9.4(e).

(c) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices in Toronto a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Revolving Loans owing to, each Lender pursuant to the terms hereof from time to time, (such registers being hereafter, the “Registers”). The entries in the Registers shall be conclusive, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Registers pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Registers shall be available for inspection by the Borrower and any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee’s completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in Section 9.4(b) and any written consent to such assignment required by Section 9.4(b), the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this Section 9.4(d).

(e) Any Lender may, without notice to the Borrower or the consent of the Borrower, the Administrative Agent, sell participations to one or more Persons (a “Participant”) in all or a portion of such Lender’s rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans owing to it); provided that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the first proviso to Section 9.2(b) that affects such Participant. Subject to Section 9.4 (f), the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14, and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to this Section 9.4(b). To the extent permitted by Law, each Participant also shall be entitled to the benefits of Section 9.8 as though it were a Lender, provided that such Participant agrees to be subject to Section 2.16(c) as though it were a Lender.

(f) A Participant shall not be entitled to receive any greater payment under Section 2.13 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower’s prior written consent. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the Borrower, to comply with Section 2.15(e) as though it were a Lender.

(g) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank, and Section 9.4 shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(h) Any assignment or grant of a participation pursuant to Section 9.4 shall constitute neither a repayment by the Borrower to the assigning or granting Lender of any Loan included therein, nor a new advance of any such Loan to the Borrower by such Lender or by the Assignee or Participant, as the case may be. The parties acknowledge that the Borrower’s obligations hereunder with respect to any such Loans will continue and will not constitute new obligations as a result of such assignment or participation.

9.5 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of this Agreement and the making of any Loans, regardless of any investigation made by any such other party or on its behalf and notwithstanding that an Agent or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect as long as the principal of or any accrued interest on any Loan or any fee or any other amount payable under this Agreement is outstanding and unpaid and so long as the Commitments have not expired or terminated. All indemnities contained in Sections 2.13, 2.14, 2.15, 9.3 and Article 8 shall survive and remain in full force and effect, regardless of the consummation of the Transactions, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

9.6 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.1, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed original counterpart of a signature page of this Agreement by facsimile shall be as effective as delivery of a manually executed original counterpart of this Agreement.

9.7 Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

9.8 Right of Set Off. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of the Borrower against any of and all of the obligations of the Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of set off) which such Lender may have and such Lender agrees to promptly notify the Borrower and the Administrative Agent after any such set off; provided that any failure or delay in providing any such notice shall not affect the validity of any such action.

9.9 Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the Laws of the Province of Ontario.

(b) The Borrower hereby irrevocably and unconditionally submits, for itself and its property, to the non-exclusive jurisdiction of the Courts of the Province of Ontario, and any appellate court thereof, in any action or proceeding arising out of or relating to this Agreement, or any other Loan Document or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in Ontario. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Law. Nothing in this Agreement shall affect any right that the an Agent, or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or their properties in the courts of any other jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in this Section 9.9(b). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Law, any *forum non conveniens* defence to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.1. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by Law.

9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

9.12 Confidentiality. The Administrative Agent and each Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to each of their Affiliates, directors, officers, employees, agent and advisors, including accountants, legal counsel and other advisors (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority or other Governmental Authority, (c) to the extent required by applicable Laws or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies under any Loan Document or any suit, action or proceeding relating to any Loan Document or the enforcement of rights thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any actual or prospective assignee of or Participant in any of its rights or obligations under this Agreement, or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to the Borrower and its obligations, (g) with the consent of either of the Borrower, or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section, or (ii) becomes available to an Agent or any Lender on a non-confidential basis from a source other than the Borrower.

For the purposes of this Section, “Information” means all non-public information received from the Borrower relating to the Borrower, any of its Subsidiaries, or their respective business, other than any such information that is available to the an Agent or any Lender on a non-confidential basis prior to disclosure by the Borrower. With respect to the disclosures made under clauses (b) and (c) above (other than in connection with customary examinations by bank regulators), the Administrative Agent, and each Lender agrees to give the Borrower written notice as soon as practicable after learning that disclosure must be made, describing the Information that will be disclosed and the approximate date of disclosure.

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Address:
874 Sinclair Road
Oakville, Ontario L6K 2Y1

TIM HORTONS INC., as Borrower

Attention: Corporate Secretary
Facsimile No.: (905) 845-2931

By: /s/ CYNTHIA J. DEVINE
Name: Cynthia J. Devine
Title: Chief Financial Officer

By: /s/ MICHAEL MYSKIW
Name: Michael Myskiw
Title: Treasurer

[Signatures continued on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Address:
20 King Street West, 4th Floor
Toronto, Ontario M5H 1C4

ROYAL BANK OF CANADA., as
Administrative Agent

Attention: Senior Manager
Facsimile No.: (416) 842-4023

By: /s/ ANN HURLEY
Name: Ann Hurley
Title: Senior Manager

[Signatures continued on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Address:
Royal Bank Plaza
4th Floor, South Tower
P.O. Box 50, 200 Bay Street
Toronto, Ontario M5J 2W7

Attention: Vice President
Facsimile No.: (416) 842-5321

ROYAL BANK OF CANADA., as Lender

By: /s/ VISHAL NAYEE

Name: Vishal Nayee

Title: Vice President

[Signatures continued on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Address:
100 King Street West, 11th Floor
Toronto, Ontario M5X 1A1

BANK OF MONTREAL, as Lender

Attention: Managing Director
Facsimile: (416) 360-7168

By: /s/ MARC-ANDRE BERGERON

Name: Marc-Andre Bergeron

Title: Managing Director

By: /s/ STANLEY JULIEN

Name: Stanley Julien

Title: Managing Director

[Signatures continued on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Address:
66 Wellington St. W., 8th Floor
TD Bank Tower
Toronto, Ontario M5K 1A2

Attention: Vice President, Corporate Credit
Facsimile: (416) 308-4481

THE TORONTO-DOMINION BANK, as Lender

By: /s/ RICHARD ROBARTS
Name: Richard Robarts
Title: Vice President, Credit Management

By: /s/ TIM THOMAS
Name: Tim Thomas
Title: Managing Director, Credit Origination

[Signatures continued on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Address:
2 Robert Speck Parkway, 4th Floor
Mississauga, Ontario L4Z 1H8

Attention: Director, Commercial Banking
Facsimile: (647) 388-4143

THE BANK OF NOVA SCOTIA, as Lender

By: /S/ GIANCARLO DI ZAZZO
Name: Giancarlo Di Zazzo
Title: Director, Commercial Banking

By: /s/ MATT MACDONALD
Name: Matt Macdonald
Title: Director, Commercial Banking

EXHIBIT A
FORM OF BORROWING REQUEST FOR REVOLVING CREDIT

TO: ROYAL BANK OF CANADA, as Administrative Agent

RE: Credit agreement dated as of October 4, 2013 (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Tim Hortons Inc. as Borrower, Royal Bank of Canada, as Administrative Agent, and the Lenders now or hereafter parties thereto.

We refer to the Revolving Credit constituted by the Credit Agreement and we hereby give you notice that on **[insert date]** we wish to obtain a Borrowing in the aggregate amount of **[Canadian\$][U.S.\$]**.

The Borrowing requested hereby is to take the form of (check the appropriate box):

- a B/A Borrowing
- a Prime Borrowing
- a Base Rate Borrowing
- a LIBO Rate Borrowing

[The Contract Period in respect of the B/A Borrowing requested hereby is • months. The Interest Period in respect of the LIBO Rate Borrowing requested hereby is • months.]

We hereby certify, after due and careful investigation, that:¹

- (i) each of the representations and warranties made by the Borrower in the Credit Agreement are true and correct in all material respects on and as of the date hereof except to the extent that (i) any change to the representations and warranties has been disclosed to the Administrative Agent and accepted by the Required Lenders, or (ii) any representation and warranty is stated to be made as of a particular time; and
- (ii) on and as of the date hereof, no Default has occurred and is continuing.

All terms defined in the Credit Agreement and used herein have the meanings given to them by the Credit Agreement.

DATED: []

TIM HORTONS INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

¹ This certification need not be made on conversions or rollovers.

Note: A separate Borrowing Request must be submitted for each Type of Borrowing.

EXHIBIT B
FORM OF
ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set out below and is entered into by and between [*Insert name of Assignor*] (the "Assignor") and [*Insert name of Assignee*] (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented or otherwise modified or restated from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set out in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set out herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below and (ii) to the extent permitted to be assigned under applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1. Assignor: _____

2. Assignee: _____

[and is an Affiliate/Approved Fund of [*identify Lender*]²]

3. Borrower: Tim Hortons Inc.

² Select as applicable.

- 4. Administrative Agent: Royal Bank of Canada, as the Administrative Agent under the Credit Agreement
- 5. Credit Agreement: Credit agreement dated as of October 4, 2013(as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Tim Hortons Inc. as Borrower, Royal Bank of Canada, as Administrative Agent, and the Lenders now or hereafter parties thereto
- 6. Assigned Interest:

<u>Facility Assigned</u>	<u>Aggregate Amount of Commitment/Loans for all Lenders</u>	<u>Amount of Commitment/Loans Assigned</u>	<u>Percentage Assigned of Commitment/Loans³</u>
Revolving Credit	\$	\$	%

Effective Date: _____, 20____ **[TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]**

The terms set out in this Assignment and Assumption are hereby agreed to:

ASSIGNOR:

[Name of Assignor]

Per: _____
Title

Per: _____
Title

ASSIGNEE:

[Name of Assignee]

Per: _____
Title

Per: _____
Title

³ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[Consented to and]⁴ Accepted:

[NAME OF ADMINISTRATIVE AGENT],
as Administrative Agent:

Per: _____
Title

Per: _____
Title

[Consented to:]⁵

[NAME OF RELEVANT PARTY]:

Per: _____
Title

Per: _____
Title

⁴ To be added only if the consent of the Administrative Agent is required by the terms of Section 9.4 of the Credit Agreement.

⁵ To be added only if the consent of the Borrower and/or other parties is required by the terms of Section 9.4 of the Credit Agreement.

Credit Agreement dated as of October 4, 2013 (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), among Tim Hortons Inc. as Borrower, Royal Bank of Canada, as Administrative Agent, and the Lenders now or hereafter parties thereto.

STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION

1. Representations and Warranties.

1.1 Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document [, **and (c) attaches the Note(s) held by it evidencing the Assigned Facilities and requests that the Administrative Agent exchange such Note(s) for a replacement Note or Notes payable to the Assignee and (if the Assignor has retained any interest in the Assigned Facilities) a replacement Note or Notes payable to the Assignor in the respective amounts which reflect the assignment being made hereby (and after giving effect to any other assignments which have become effective on the Transfer Effective Date).**] [~~Delete bracketed language if Assignor does not hold Note(s).~~]

1.2 Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it satisfies the requirements, if any, specified in the Credit Agreement that are required to be satisfied by it in order to acquire the Assigned Interest and become a Lender, (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it has received a copy of each of the Credit Agreement, together with copies of the most recent financial statements delivered pursuant to Section 5.1 thereof, as applicable, and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest on the basis of which it has made such analysis and decision independently and without reliance on the Administrative Agent or any other Lender, and (v) if it is a Foreign Lender, attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. Payments. From and after the Effective Date, the Administrative Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignee whether such amounts have accrued prior to the Effective Date or accrued subsequent to the Effective Date. The Assignor and the Assignee shall make all appropriate adjustments in payments by the Administrative Agent for the periods prior to the Effective Date or with respect to the making of this assignment directly between themselves.

3. General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

EXHIBIT C
COMPLIANCE CERTIFICATE

TO: ROYAL BANK OF CANADA, as administrative agent under the Credit Agreement (the “**Administrative Agent**”)

AND TO: The lenders from time to time parties to the Credit Agreement (the “**Lenders**”)

Reference is made to the credit agreement dated as of October 4, 2013 (as amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), among Tim Hortons Inc. as Borrower, Royal Bank of Canada, as Administrative Agent, and the Lenders now or hereafter parties thereto. Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

The undersigned, a Responsible Officer of the Borrower, in that capacity and not personally, hereby certifies that, as of the date hereof, (a) a review of the consolidated financial statements of the Borrower and its Subsidiaries for the Fiscal Quarter ended [**Specify last day of Fiscal Quarter**], and of the activities of the Borrower and its Subsidiaries during such Fiscal Quarter has been made under the supervision of the undersigned with a view to determining whether the Borrower and its Subsidiaries have fulfilled all of their obligations under the Credit Agreement and the other Loan Documents, (b) the Borrower and its Subsidiaries have fulfilled their obligations under the Credit Agreement and the other Loan Documents and all representations and warranties made in the Credit Agreement continue to be true and correct as if made on the date hereof except to the extent that (i) any change to the representations and warranties has been disclosed to the Administrative Agent and accepted by the Required Lenders, or (ii) any representation and warranty is stated to be made as of a particular time, and (c) as at the end of the Fiscal Quarter ended [**Specify last day of Fiscal Quarter**], the Borrower was in compliance with each of the financial covenants set forth in Section 5.10 of the Credit Agreement. The Borrower’s compliance with each of such financial covenants as at the end of such Fiscal Quarter is demonstrated by the figures set out on the financial covenant compliance worksheet attached hereto as Annex A.

DATED: []

Name:

Title: [**Chief Financial Officer**]

EXHIBIT D
RESERVED

EXHIBIT E
RESERVED

EXHIBIT F

FORM OF SUBSIDIARY GUARANTEE FOR U.S. SUBSIDIARIES

The form of Subsidiary Guarantee for U.S. Subsidiaries shall be in the form of the Subsidiary Guarantee for Canadian Subsidiaries subject to such customary modifications as are agreeable to the Borrower and the Administrative Agent, each acting reasonably, as may be necessary to conform the guarantee to applicable Laws of the State of New York.

EXHIBIT G
FORM OF SUBSIDIARY GUARANTEE FOR CANADIAN SUBSIDIARIES

TO: **ROYAL BANK OF CANADA**, as administrative agent (the “**Administrative Agent**”) under the Credit Agreement (as defined below)

THIS GUARANTEE is made this • day of •, 20•

WHEREAS pursuant to the terms of the credit agreement dated the 3rd day of October, 2013 between, *inter alia*, Tim Hortons Inc. (the “**Borrower**”), and the Administrative Agent and the Lenders from time to time parties thereto, as the same may be supplemented, amended, restated or replaced from time to time (the “**Credit Agreement**”), the Borrower has designated the undersigned, a Canadian Subsidiary of the Borrower (the “**Guarantor**”), to provide the Administrative Agent with a guarantee of the Obligations (as hereinafter defined);

AND WHEREAS it is in the interest of the Guarantor to execute and deliver this Guarantee;

NOW THEREFORE THIS GUARANTEE WITNESSES that in consideration of the premises and the covenants and agreements herein contained, the sum of \$1.00 now paid by the Administrative Agent to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants with the Administrative Agent as follows:

**ARTICLE 1
GUARANTEE**

1.1 Guarantee

The Guarantor hereby unconditionally (except to the extent otherwise provided herein) and irrevocably guarantees in favour of the Administrative Agent and each of the Lenders the due and punctual payment and performance of all indebtedness, liabilities and obligations of any kind whatsoever (whether present or future, direct or indirect, absolute or contingent, matured or unmatured) now or hereafter owing by the Borrower to the Administrative Agent, the Lenders or any one of them, in connection with or with respect to the Credit Agreement and the other Loan Documents (collectively the “**Obligations**”) as and when the same shall from time to time become due and payable in accordance with the terms of the Credit Agreement or other Loan Documents as applicable provided that an Event of Default shall have occurred, unless such Event of Default shall have been cured or shall have been expressly waived pursuant to the terms of the Credit Agreement (any such Event of Default which has not been cured or so expressly waived being hereinafter referred to as an “Actionable Event of Default”). If any or all of the Obligations are not duly paid by the Borrower and are not recoverable under the foregoing guarantee, and provided that an Actionable Event of Default shall have occurred and then be continuing, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Administrative Agent and the Lenders, from and against all losses resulting from the failure of the Borrower to pay such Obligations. If any or all of the Obligations are not duly paid by the Borrower and are not recoverable under the foregoing guarantee or indemnity, for any reason whatsoever, and provided that an Actionable Event of Default shall have occurred and then be continuing, such Obligations will, as a separate and distinct obligation, be recoverable from the Guarantor as primary obligor. Any amounts payable by the Guarantor under this Guarantee which are not paid forthwith upon demand therefor by the Administrative Agent will bear interest from the date of such demand at the rate or rates applicable to the corresponding Obligations.

1.2 Obligation Absolute

The liability of the Guarantor hereunder will be absolute and unconditional (except to the extent otherwise provided herein) save and except as limited in accordance with the terms of the Credit Agreement and will not be affected by:

- (a) any lack of validity or enforceability of any agreement between the Borrower and the Administrative Agent and each Lender or of the guarantee of any other Guarantor of the Obligations;
- (b) any impossibility, impracticability, frustration of purpose, illegality, force majeure or act of government;
- (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Borrower or any other Guarantor or the amalgamation of or any change in the status, function, control or ownership of, the Borrower, the Guarantor, the Administrative Agent or Lender or any other Guarantor;
- (d) the release or amendment of any other guarantee of the Obligations;
- (e) any lack or limitation of power, incapacity or disability on the part of the Borrower or of the directors, officers or Administrative Agent or any other irregularity, defect or informality on the part of the Borrower in its obligations to the Administrative Agent and each Lender; or
- (f) any other Law, regulation or other circumstance that might otherwise constitute a defence available to, or a discharge of, the Borrower in respect of any or all of the Obligations.

1.3 Postponement

Except as otherwise permitted under the Credit Agreement, all present and future indebtedness and liability of the Borrower to the Guarantor is hereby postponed to the Obligations. In case of liquidation, winding up or bankruptcy of the Borrower (whether voluntary or involuntary) or if the Borrower makes any composition with creditors or scheme of arrangement otherwise than as permitted under Section 6.3 of the Credit Agreement, the Administrative Agent and the Lenders will have the right to rank for their full claims and receive all dividends or other payments in respect thereof in priority to the Guarantor until the claims of the Administrative Agent and the Lenders have been paid in full, and the Guarantor will continue to be liable hereunder for any balance which may be owing to the Administrative Agent or any Lender by the Borrower. The foregoing provisions of this Section 1.3 will not in any way limit or lessen the liability of the Guarantor under any other Section of this Guarantee.

ARTICLE 2 DEALINGS WITH BORROWER AND OTHERS

2.1 No Release

The liability of the Guarantor hereunder will not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Administrative Agent and/or the Lenders in connection with any duties or liabilities of the Borrower to the Administrative Agent and/or the Lenders or any other guarantee therefor including any loss of or in respect of any security received by the Administrative Agent from the Borrower or others. Without limiting the generality of the foregoing, and without

releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, without obtaining the consent of the Guarantor, the Administrative Agent and the Lenders may, subject to the terms of the Credit Agreement:

- (a) agree to any change in the time, manner or place of payment under, or in any other term of, any agreement between the Borrower and the Administrative Agent and/or the Lenders;
- (b) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower or either one of them;
- (c) take or abstain from taking or enforcing securities or collateral from the Borrower or from perfecting securities or collateral of the Borrower; accept compromises from the Borrower or either one of them; and
- (d) apply all money at any time received from the Borrower or from securities or collateral received from the Borrower in accordance with the Credit Agreement.

2.2 Release of Guarantor

Notwithstanding anything set forth herein to the contrary, the Guarantor shall be released from all of its obligations pursuant to this Guarantee, and, subject to the Guarantor being re-designated as a Guarantor pursuant to the terms of the Credit Agreement, this Guarantee shall thereupon be of no further force or effect, if the Guarantor ceases to be a Guarantor as defined for purposes of the Credit Agreement or otherwise as provided in Section 5.9 of the Credit Agreement without further action required by the Administrative Agent, the Guarantor, or the Borrower.

2.3 No Exhaustion of Remedies

The Administrative Agent and the Lenders will not be bound or obligated to proceed against or exhaust its recourse against the Borrower or other persons or any securities or collateral it may hold or take any other action before being entitled to demand payment from the Guarantor hereunder provided that an Actionable Event of Default shall have occurred and then be continuing.

2.4 Prima Facie Evidence

Any account settled or stated in writing by or between the Administrative Agent or any Lender and the Borrower will, in the absence of manifest error, be *prima facie* evidence that the balance or amount thereof, appearing due to the Administrative Agent or such Lender and, is actually so due or, appearing as having been paid, has actually been paid.

2.5 Set-off

In any claim by the Administrative Agent or any Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that it or the Borrower may have against the Administrative Agent or such Lender.

Each of the Administrative Agent and any Lender may, upon the occurrence and during the continuance of an Actionable Event of Default and to the fullest extent permitted by Law, set-off and apply any and all deposits at any time held and other indebtedness at any time owing by the Administrative Agent or Lender to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing under this Guarantee or any other Loan Document even if (a) the Administrative Agent has not made any demand hereunder, (b) Obligations are contingent or unmatured, or (c) the Obligations are not in the same currency as the offsetting deposits or indebtedness which may be owing by the Administrative Agent or any such Lender.

2.6 Continuing Guarantee

The obligations of the Guarantor hereunder will constitute and be continuing obligations and will apply to and secure any ultimate balance due or remaining due to the Administrative Agent and the Lenders in respect of the Obligations and will not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Administrative Agent or the Lenders. This Guarantee will continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Administrative Agent or any Lender or upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower, all as though such payment had not been made.

2.7 Remedies Cumulative

No remedy herein conferred upon or reserved to the Administrative Agent or the Lenders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by Law.

ARTICLE 3 DEMAND

3.1 Demand

If any Obligation is not paid or performed for any reason whatsoever, including upon demand by the Administrative Agent after the occurrence and during the continuance of an Actionable Event of Default, the Administrative Agent may demand forthwith from the Guarantor the total amount of such Obligation. The Guarantor will make payment to or performance in favour of the Administrative Agent of the total amount of such Obligation hereunder forthwith after demand therefor is made to the Guarantor. The Guarantor will also make payment to the Administrative Agent forthwith upon demand of all reasonable costs and expenses incurred by the Administrative Agent, including the reasonable fees and disbursements of third-party counsel to the Administrative Agent, in enforcing this Guarantee to the extent that the Guarantor does not comply with the terms herein.

ARTICLE 4 SUBROGATION

4.1 Subrogation

The Guarantor will not be entitled to subrogation until (i) the Guarantor makes payment to the Administrative Agent of all amounts owing by the Guarantor under this Guarantee; and (ii) the Obligations are paid in full, and in each case, no such payment is subject to rescission or other like return. Thereafter, the Administrative Agent will, at the Guarantor's request and expense, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations and any security held therefor resulting from such payment by the Guarantor.

**ARTICLE 5
BENEFIT**

5.1 Benefit

This Guarantee is entered into with the Administrative Agent for its own benefit and for the benefit of the Lenders in accordance with the Credit Agreement and the other Loan Documents.

**ARTICLE 6
TAXES AND FOREIGN CURRENCY OBLIGATIONS**

6.1 Taxes

The Guarantor hereby acknowledges its obligations pursuant to Section 2.15 of the Credit Agreement, which are included by reference in this Guarantee.

6.2 Survival of Gross-up for Withholding Taxes Provisions

The provisions of Section 6.1 shall survive any termination or discharge of this Guarantee, the Credit Agreement and shall survive the defeasance or repayment of all or any of the Obligations.

6.3 Foreign Currency Obligations.

The Guarantor will make payment relative to each Obligation in the currency (the “**Original Currency**”) in which the applicable Borrower is required to pay such Obligation. If the Guarantor makes payment relative to any Obligation in a currency (the “**Other Currency**”) other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment will constitute a discharge of the liability of the Guarantor hereunder in respect of such Obligation only to the extent of the amount of the Original Currency which the Administrative Agent is able to purchase at Toronto, Ontario with the amount it receives on the date of receipt. If the amount of the Original Currency which the Administrative Agent is able to purchase is less than the amount of such currency originally due to it in respect to the relevant Obligation, the Guarantor will indemnify and save the Administrative Agent and the Lenders harmless from and against any loss or damage arising as a result of such deficiency. This indemnity will constitute an obligation separate and independent from the other obligations contained in this Guarantee will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Administrative Agent or any Lender and will continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

**ARTICLE 7
GENERAL**

7.1 Binding Effect of the Guarantee

This Guarantee will be binding upon the successors of the Guarantor and will enure to the benefit of the Administrative Agent and Lenders and their respective successors and assigns.

7.2 Entire Agreement

This Guarantee, together with the applicable provisions of the other Loan Documents, constitutes the entire agreement between the Guarantor and the Administrative Agent with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties relating to this Guarantee except as expressly set forth herein or in the other Loan Documents. The Administrative Agent will not be bound by any representations or promises made by either of the Borrower to the Guarantor and possession of this Guarantee by the Administrative Agent will be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

7.3 Amendments and Waivers

No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Administrative Agent. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

7.4 Severability

If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof, and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

7.5 Notices

Any notice to be given in connection with this Agreement shall be provided in writing to the party for whom it is intended and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile in each case to the addressee, as follows:

(a) To the Guarantor:

c/o Tim Hortons Inc.
874 Sinclair Road
Oakville, Ontario L6K 2Y1
Attention: Treasurer
Facsimile: (905) 845-3985

(b) To the Administrative Agent:

Royal Bank of Canada, as Administrative Agent
4th Floor, 20 King Street West
Toronto, Ontario M5H 1C4
Attention: Manager, Agency Services
Facsimile: (416) 842-4023

or such other mailing or facsimile address as may be designated by notice given by any party to the other. Unless the Law deems a particular notice to be received earlier, a notice shall not be deemed received until actual receipt by the other party of an original of such notice or facsimile thereof if sent by facsimile transmission.

7.6 Discharge

Except as otherwise contemplated by Section 2.2 of this Guarantee which shall not require separate release, the Guarantor will not be discharged from any of its obligations hereunder except by a release or discharge signed in writing by the Administrative Agent, which the Administrative Agent shall provide immediately following the payment in full of the Obligations.

7.7 Governing Law

This Guarantee will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

7.8 Headings

The division of this Guarantee into Articles and Sections and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Guarantee. The terms “hereof”, “hereunder” and similar expressions refer to this Guarantee and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Guarantee.

7.9 Extended Meanings

In this Guarantee, words importing the singular number only include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

7.10 Definitions

Terms capitalized herein but not otherwise defined shall have the meaning attributed thereto in the Credit Agreement.

7.11 Assignment

The Guarantor may not assign this Guarantee or any rights or obligations under this Guarantee, except as provided in the Credit Agreement.

7.12 Executed Copy

The Guarantor acknowledges receipt of a fully executed copy of this Guarantee.

[Signature page to follow]

IN WITNESS WHEREOF the Guarantor has signed this Guarantee.

**[NAME OF CANADIAN SUBSIDIARY
GUARANTOR]**

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/We have the authority to bind the corporation

SCHEDULE A
COMMITMENTS

Revolving Credit Commitments

<u>Lender</u>	<u>Commitment (Cdn. \$)</u>
Royal Bank of Canada	\$ 140,000,000
The Toronto-Dominion Bank	\$ 100,000,000
The Bank of Nova Scotia	\$ 90,000,000
Bank of Montreal	\$ 70,000,000
Total	\$400,000,000.00

SCHEDULE B

Reserved

SCHEDULE C

Reserved

SCHEDULE D
EXCLUDED SWAP AGREEMENTS

Any coffee swaps, futures or other derivatives heretofore or hereafter entered into by the Borrower or any of its Subsidiaries in the ordinary course of business to hedge inventory purchases.

Any equity swaps or other derivatives heretofore or hereafter entered into by the Borrower or any of its Subsidiaries in the ordinary course of business to hedge their equity compensation plans.

Any interest rate forwards heretofore or hereafter entered into by the Borrower or any of its Subsidiaries in the ordinary course of business to hedge the interest rate on current or future Indebtedness.

SCHEDULE 3.5
EXCEPTIONS TO REPRESENTATION 3.5
LITIGATION

Nil.

SCHEDULE 3.11
ANTI-MONEY LAUNDERING

<u>Director</u>	<u>Principal Occupation</u>
Paul D. House	Chair of the Board of Directors of the Borrower
The Hon. Frank Iacobucci	Counsel to Torys LLP
M. Shan Atkins	Managing Director of Chetrum Capital LLC
Sherri Brillon	Executive Vice-President and Chief Financial Officer of Encana Corporation
Marc Caira	President and Chief Executive Officer of the Borrower
Michael J. Endres	Managing Principal of Stonehenge Financial Holdings, Inc.
Moya Greene	Chief Executive Officer of the Royal Mail
John Lederer	President and Chief Executive Officer of U.S. Foods
David H. Lees	President and Chief Executive Officer of Cardinal Health in Canada
Thomas V. Milroy	Chief Executive Officer of BMO Capital Markets
Wayne C. Sales	Director of SUPERVALU Inc.

SCHEDULE 6.1
EXISTING INDEBTEDNESS

1. The Effect of Lessee Involvement in Asset Construction, Indebtedness (ASC 840 – Leases, formerly known as EITF97-10): Under ASC 840, the Borrower and The TDL Group Corp. and/or certain of their Subsidiaries are considered the owner of certain restaurants leased by the Borrower and The TDL Group Corp. and/or certain of their Subsidiaries from unrelated lessors because the Borrower and The TDL Group Corp. and/or certain of their Subsidiaries helped to construct some of the structural elements of those restaurants. Accordingly, the Borrower and The TDL Group Corp. and/or certain of their Subsidiaries have included the restaurant construction costs for these restaurants in fixed assets and recorded the relevant lessor's contributions to the construction costs for these certain restaurants as debt. For details regarding the amount of ASC 840 Indebtedness, see the publicly filed financial statements of Tim Hortons Inc.
2. Senior Unsecured Notes: Tim Hortons Inc. has issued \$300,000,000 of 4.20% Senior Unsecured Notes, Series 1 due June 1, 2017.
3. Letter of Credit Indebtedness: The Borrower and The TDL Group Corp. and/or certain of their Subsidiaries have Existing Letters of Credit outstanding, in an aggregate amount not to exceed \$5.6 million.
4. Guarantee Indebtedness: The Borrower and The TDL Group Corp. and/or certain of their Subsidiaries have contingent liability as guarantors with respect to the following:
 - A. Tim Hortons USA has provided a guarantee to G.E. Capital in an aggregate amount not to exceed US\$100,000 in connection with the U.S. franchise finance program (for franchise equipment purchases);
 - B. Tim Hortons USA has provided a guarantee to PNC Equipment Finance in an aggregate amount not to exceed US\$3,600,000 in connection with the U.S. franchise finance program (for franchise equipment purchases);
 - C. Tim Hortons USA and Tim Hortons Inc. have provided a guarantee to PNC Equipment Finance in an aggregate amount not to exceed US\$100,000 in connection with the Coldstone equipment finance program (for franchise equipment purchases for Coldstone ice cream);
 - D. Tim Hortons USA has provided a guarantee to 5 Star Bank in an aggregate amount not to exceed US\$100,000 in connection with the U.S. franchise finance program (for franchise equipment purchases);
 - E. The Borrower and The TDL Group Corp. and/or certain Subsidiaries of the Borrower and The TDL Group Corp. have provided guarantees to The Bank of Nova Scotia in an aggregate amount presently outstanding of Cdn.\$97,441.25 (which amount is not expected to be increased) in connection with the Canadian Front Showcase and BC Beverage equipment financing programs (for franchise equipment purchases);

F. The TDL Group Corp. has guaranteed, and certain other subsidiaries of Tim Hortons Inc. may in the future guarantee, repayment of the 4.20% Senior Unsecured Notes, Series 1 due June 1, 2017 referred to in paragraph 2 above; and

G. Tim Hortons USA and Tim Hortons Inc. intend to provide a guarantee to a third party in an aggregate amount not to exceed US\$3,000,000 in connection with the US Franchise Finance Program.

5. Indebtedness of the Borrower and The TDL Group Corp. under the Existing Revolving Facility Agreement.

SCHEDULE 6.2
PERMITTED LIENS

Nil.

TIM HORTONS INC.**Safe Harbor Under the Private Securities Litigation Reform Act of 1995 and Canadian Securities Laws**

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements to encourage companies to provide prospective information, so long as those statements are identified as forward-looking and are accompanied by meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those disclosed in the statement. Canadian securities laws have corresponding safe harbor provisions, subject to certain additional requirements including the requirement to state the assumptions used to make the forecasts set out in forward-looking statements. Tim Hortons Inc. (the “Company”) desires to take advantage of these “safe harbor” provisions.

Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believes,” “expects,” “anticipates,” “estimates,” “intends,” “plans,” “seeks,” “outlook,” “forecast” or words of similar meaning, or future or conditional verbs, such as “will,” “should,” “could” or “may.” Examples of forward-looking statements that may be contained in our public disclosure from time-to-time include, but are not limited to, statements concerning management’s expectations relating to possible or assumed future results, our strategic goals and our priorities, and the economic and business outlook for us, for each of our business segments and for the economy generally. Many of the factors that could determine our future performance are beyond our ability to control or predict. The following factors, in addition to other factors set forth in our Form 10-K filed on February 21, 2013 (“Form 10-K”), and in our Form 10-Q filed on August 8, 2013 (the “Form 10-Q”) with the U.S. Securities and Exchange Commission (“SEC”) and the Canadian Securities Administrators (“CSA”), and in other press releases, communications, or filings made with the SEC or the CSA, could cause our actual results to differ materially from the expectation(s) included in forward-looking statements and, if significant, could materially affect the Company’s business, sales revenue, share price, financial condition, and/or future results, including causing the Company to (i) close restaurants, (ii) fail to realize same-store sales growth targets, which are critical to achieving our financial targets, (iii) fail to meet the expectations of our securities analysts or investors, or otherwise fail to perform as expected, (iv) experience a decline and/or increased volatility in the market price of its stock, (v) have insufficient cash to engage in or fund expansion activities, dividends, or share repurchase programs, or (vi) increase costs, corporately or at restaurant-level, which may result in increased restaurant-level pricing, which in turn may result in decreased guest demand for our products resulting in lower sales, revenue, and earnings. Additional risks and uncertainties not currently known to us or that we currently believe to be immaterial may also materially adversely affect our business, financial condition, and/or operating results. We assume no obligation to update or alter any forward-looking statements after they are made, whether as a result of new information, future events, or otherwise, except as required by applicable law.

Forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: the absence of an adverse event or condition that damages our strong brand position and reputation; the absence of a material increase in competition or in volume of type of competitive activity within the quick service restaurant segment of the food service industry; ability to obtain financing on favorable terms; ability to maintain investment grade credit ratings; prospects and execution risks concerning the U.S. market strategy; general worldwide economic conditions; cost and availability of commodities; the ability to retain our senior management team or the inability to attract and retain new qualified personnel; continuing positive working relationships with the majority of the Company’s restaurant owners; the absence of any material adverse effects arising as a result of litigation; and there being no significant change in the Company’s ability to comply with current or future regulatory requirements. We are presenting this information for the purpose of informing you of management’s current expectations regarding these matters, and this information may not be appropriate for any other purposes.

Factors Affecting Growth and Other Important Strategic Initiatives. There can be no assurance that the Company will be able to achieve new restaurant or same-store sales growth objectives, that new restaurants will be profitable or that strategic initiatives will be successfully implemented. Early in the development of new markets, the opening of new restaurants may have a negative effect on the same-store sales of existing restaurants in the market. The Company may also enter markets where its brand is not well-known and where it has little or no operating experience and, as a result, may not achieve the level of penetration needed in order to drive brand recognition, convenience, increased leverage to marketing dollars, and other benefits the Company believes penetration yields. When the Company enters new markets, it may be necessary to increase restaurant owner relief and support costs, which lowers its earnings. There can be no assurance that the Company will be able to successfully adapt its brand, development efforts, and restaurants to these differing market conditions. The Company’s failure to successfully implement growth and various other strategies and initiatives related to international development may have a negative impact on the overall operation of its business and may result in increased costs or inefficiencies that it cannot currently anticipate. The Company may also continue to selectively close restaurants that are not achieving acceptable levels of profitability or change its growth strategies over time, where appropriate. Such closures may be accompanied by impairment charges that may have a negative impact on the Company’s earnings.

The success of any restaurant depends in substantial part on its location. There can be no assurance that current locations will continue to be attractive as demographic patterns or economic conditions change. If we cannot obtain desirable locations for restaurants at reasonable prices, the Company's ability to affect its growth strategy will be adversely affected. The Company has vertically integrated manufacturing, warehouse and distribution capabilities which may at times result in delays or difficulties. The Company also intends to evaluate potential mergers, acquisitions, joint-venture investments, alliances, vertical integration opportunities and divestitures, which are subject to many of the same risks that also affect new store development as well as various other risks. In addition, there can be no assurance that the Company will be able to complete the desirable transactions, for reasons including restrictive covenants in debt instruments or other agreements with third parties. The Company may continue to pursue strategic alliances (including co-branding) with third parties for different types of development models and products and there can be no assurance that: significant value will be recognized through such strategic alliances; the Company will be able to maintain its strategic alliances; or, the Company will be able to enter into new strategic relationships in the future. Entry into such relationships as well as the expansion of the Company's current business through such initiatives may expose it to additional risks that may adversely affect the Company's brand and business. The Company's financial outlook and long-range targets are based on the successful implementation, execution and guest acceptance of the Company's strategic plans and initiatives; accordingly, the failure of any of these criteria could cause the Company to fall short of achievement of its financial objectives and long-range aspirational goals.

The Importance of Canadian Segment Performance and Brand Reputation. The Company's financial performance is highly dependent upon its Canadian operating segment, which accounted for 94.0% of our reportable segment revenues, and 97.5% of our reportable segment operating income in fiscal 2012. Any substantial or sustained decline in the Company's Canadian business would materially and adversely affect its financial performance. The Company's success is also dependent on its ability to maintain and enhance the value of its brand, its guests' connection to and perception of its brand, and a positive relationship with its restaurant owners. Brand value can be severely damaged, even by isolated incidents, including those that may be beyond the Company's control such as: actions taken or not taken by its restaurant owners relating to health, safety, environmental, welfare, labour, public policy or social issues; contaminated food; litigation and claims (including litigation by, other disputes with, or negative relationship with restaurant owners); failure of security breaches or other fraudulent activities associated with its networks and systems; illegal activity targeted at the Company; and negative incidents occurring at or affecting its strategic business partners (including in connection with co-branding initiatives, international licensing arrangements and its self-serve kiosk model), affiliates, and corporate social responsibility programs. The Company's brand could also be damaged by falsified claims or the quality of products from its vertically integrated manufacturing plants, and potentially negative publicity from various sources, including social media sites on a variety of topics and issues, whether true or not, which are beyond its control.

Competition. The quick service restaurant industry is intensely competitive with respect to price, service, location, personnel, qualified restaurant owners, real estate sites and type and quality of food. The Company and its restaurant owners compete with international, regional and local organizations, primarily through the quality, variety, and value perception of food products offered. The number and location of units, quality and speed of service, attractiveness of facilities, effectiveness of advertising/marketing, promotional and operational programs, discounting activities, price, changing demographic patterns and trends, changing consumer preferences and spending patterns, including weaker consumer spending in difficult economic times, or a desire for a more diversified menu, changing health or dietary preferences and perceptions, and new product development by the Company and its competitors are also important factors. Certain of the Company's competitors, most notably in the U.S., have greater financial and other resources than it does, including substantially larger marketing budgets and greater leverage from their marketing spend. In addition, the Company's major competitors continue to engage in discounting, free sampling and other promotional activities.

Economic Conditions. The Company's operating results and financial condition are sensitive to and dependent upon discretionary spending by guests, which may be affected by uncertainty in general economic conditions that could drive down demand for its products and result in fewer transactions or decrease average cheque per transaction at our restaurants. The Company cannot predict the timing or duration of suppressed economic conditions which could have an adverse effect on our business, results of operations and financial condition.

Product Innovation and Extensions. Achievement of the Company's same-store sales strategy is dependent, among other things, on its ability to extend the product offerings of its existing brands and introduce innovative new products. Although it devotes significant focus to the development of new products, the Company may not be successful in developing innovative new products or its new products may not be commercially successful. The Company's financial results and its ability to maintain or improve its competitive position will depend on its ability to effectively gauge the direction of the market and consumer trends and initiatives and successfully identify, develop, manufacture, market and sell new or improved products in response to such trends.

Senior Management Team. Our success will continue to depend to a significant extent on our executive management team and the ability of other key management personnel to replace executives who retire or resign. We may not be able to retain our executive officers and key personnel or attract additional qualified management personnel to replace executives who retire or resign. Failure to retain our leadership team and attract and retain other important personnel could lead to ineffective management and operations, which would likely decrease our profitability. We are currently in a CEO transition period and our Board of Directors has appointed Mr. Marc Caira to the position of President and Chief Executive Officer, effective July 2, 2013. With the change in leadership, there is a risk to retention of other members of senior management, even with the existing retention program in place, as well as to continuity of business initiatives, plans and strategies through the transition period.

In August 2012, we announced the implementation of an organizational structure which includes a Corporate Centre and Business Unit design. We completed the process of realigning roles and responsibilities under that new structure at the end of the first quarter of 2013. As a result of the Corporate reorganization, there has been a slight net reduction in the size of our employee base due to the departure of certain employees, and we currently have vacancies in certain positions. Any lack of required resources for a prolonged period of time could negatively impact our operations and ability to execute our strategic initiatives; harm our ability to retain and motivate employees; and negatively impact our ability to attract new employees.

Commodities. The Company is exposed to price volatility in connection with certain key commodities that it purchases in the ordinary course of business such as coffee, wheat, edible oils, sugar, and other product costs which can impact revenues, costs and margins. Although the Company monitors its exposure to commodity prices and its forward hedging program partially mitigates the negative impact of any costs increases, price volatility for commodities it purchases has increased due to conditions beyond its control, including recent economic and political conditions, currency fluctuations, availability of supply, weather conditions, pest damage and consumer demand and consumption patterns. Increases and decreases in commodity costs are largely passed through to restaurant owners and the Company and its restaurant owners have some ability to increase product pricing to offset a rise in commodity prices, subject to restaurant owner and guest acceptance, respectively. Notwithstanding the foregoing, while it is not our operating practice, we may choose not to pass along all price increases to our restaurant owners. As a result, commodity cost increases could have a more significant effect on our business and results of operations than if we had passed along all increases to our restaurant owners. Price fluctuations may also impact margins as many of these commodities are typically priced based on a fixed-dollar mark-up. Although the Company generally secures commitments for most of its key commodities that generally extend over a six-month period, these may be at higher prices than its previous commitments. If the supply of commodities, including coffee, fails to meet demand, the Company's restaurant owners may experience reduced sales which in turn, would reduce our rents and royalty income as well as distribution income. Such a reduction in the Company's income may adversely impact the Company's business and financial results.

Food Safety and Health Concerns. Incidents or reports, whether true or not, of food-borne illness and injuries caused by or claims of food tampering, employee hygiene and cleanliness failures or impropriety at Tim Hortons, and the potential health impacts of consuming certain of the Company's products or other quick service restaurants unrelated to Tim Hortons, could result in negative publicity, damage the Company's brand value and potentially lead to product liability or other claims. Any decrease in guest traffic or temporary closure of any of the Company's restaurants as a result of such incidents or negative publicity may have a material adverse effect on its business, results of operations and financial condition.

Distribution Operations and Supply Chain. The occurrence of any of the following factors is likely to result in increased operating costs and decreased profitability of the Company's distribution operations and supply chain and may also injure its brand, negatively affect its results of operations and its ability to generate expected earnings and/or increase costs, and/or negatively impact the Company's relationship with its restaurant owners: higher transportation or shipping costs; inclement weather; increased food and other supply costs; having a single source of supply for certain of its food products; potential cost and disruption of a product recall; shortages or interruptions in the availability or supply of perishable food products and/or their ingredients; potential negative impacts on our relationship with our restaurant owners associated with an increase of required purchases, or prices, of products purchased from the Company's distribution business; and political, physical, environmental, labour or technological disruptions in the Company's or its suppliers' manufacturing and/or warehouse plants, facilities or equipment.

Importance of Restaurant Owners. A substantial portion of the Company's earnings come from royalties and other amounts paid by restaurant owners, who operated 99.5% of the Tim Hortons restaurants as of December 30, 2012. The Company's revenues and profits would decline and its brand reputation could also be harmed if a significant number of restaurant owners were to experience, among other things, operational or financial difficulties or labour shortages or significant increases in labour costs. Although the Company generally enjoys a positive working relationship with the vast majority of its restaurant owners, active and/or potential disputes with restaurant owners could damage its reputation and/or its relationships with the broader restaurant owner group. The Company's restaurant owners are independent contractors and, as a result, the quality of their operations may be diminished by factors beyond the Company's control. Any operational shortcoming of a franchise restaurant is likely to be attributed by consumers to the Company's entire system, thus damaging its brand reputation and potentially affecting revenues and profitability. There can be no assurance that the Company will be able to continue to attract, retain and motivate higher performing restaurant owners.

Litigation. The Company is or may be subject to claims incidental to the business, including: obesity litigation; health and safety risks or conditions of the Company's restaurants associated with design, construction, site location and development, indoor or airborne contaminants and/or certain equipment utilized in operations; employee claims for employment or labour matters, including potentially, class action suits regarding wages, discrimination, unfair or unequal treatment, harassment, wrongful termination, or overtime compensation claims; claims from restaurant owners and/or operators regarding profitability or wrongful termination of their franchise or operating (license) agreement(s); taxation authorities regarding certain tax disputes; and falsified claims. The Company's current exposure with respect to pending legal matters could change if determinations by judges and other finders of fact are not in accordance with management's evaluation of these claims and the Company's exposure could exceed expectations and have a material adverse effect on its financial condition and results of operations.

Government Regulation. The Company and its restaurant owners are subject to various international, federal, state, provincial, and local (“governmental”) laws and regulations. The development and operation of restaurants depend to a significant extent on the selection, acquisition, and development of suitable sites, which are subject to laws and regulations regarding zoning, land use, environmental matters (including limitation of vehicle emissions in drive-thrus; anti-idling bylaws; regulation of litter, packaging and recycling requirements; regulation relating to discharge, storage, handling, release and/or disposal of hazardous or toxic substances; and other governmental laws and regulations), traffic, franchise, design and other matters. Additional governmental laws and regulations affecting the Company and its restaurant owners include: business licensing; franchise laws and regulations; health, food preparation, sanitation and safety; privacy; immigration, employment and labour (including applicable minimum wage requirements, benefits, overtime, working and safety conditions, family leave and other employment matters, and citizenship requirements); advertising and marketing; product safety and regulations regarding nutritional content, including menu labeling; existing, new or future regulations, laws, treaties or the interpretation or enforcement thereof relating to tax matters that may affect the Company’s ongoing tax disputes, realization of the Company’s tax assets, disclosure of tax-related matters, and expansion of the Company’s business into new territories through its strategic initiatives, joint-ventures, or other types of programs, projects or activities; tax laws affecting restaurant owners’ business; accounting and reporting requirements and regulations; anti-corruption; and new or future regulations regarding sustainability. Compliance with these laws and regulations and planning initiatives undertaken in connection therewith could increase the cost of doing business and, depending upon the nature of the Company’s and its restaurant owners’ responsive actions thereto, could damage the Company’s reputation. Changes in these laws and regulations, or the implementation of additional regulatory requirements, particularly increases in applicable minimum wages, tax law, planning or other matters may, among other things, adversely affect the Company’s financial results; anticipated effective tax rate, tax liabilities, and/or tax reserves; business planning within its corporate structure; its strategic initiatives and/or the types of projects it may undertake in furtherance of its business; or franchise requirements.

In addition, a taxation authority may disagree with certain views of the Company with respect to the interpretation of tax treaties, laws and regulations and take the position that material income tax liabilities, interests, penalties or amounts are payable by the Company, including in connection with certain of its public or internal company reorganizations. Contesting such disagreements or assessments may be lengthy and costly and, if the Company were unsuccessful in disputing the same, the implications could be materially adverse to it and affect its anticipated effective tax rate, projected results, future operations and financial condition, where applicable.

International Operations. The Company’s international operations are and will continue to be subject to various factors of uncertainty, and there is no assurance that international operations will achieve or maintain profitability or meet planned growth rates. The implementation of the Company’s international strategic plan may require considerable management time as well as start-up expenses for market development before any significant revenues and earnings are generated. Expansion into new international markets carries risks similar to those risks described above and more fully in the Form 10-K and the Form 10-Q relative to expansion into new markets in the U.S.; however, some or all of these factors may be more pronounced in markets outside Canada and the U.S. due to cultural, political, legal, economic, regulatory and other conditions and differences. Additionally, the Company may also have difficulty exporting its proprietary products into international markets or finding suppliers and distributors to provide it with adequate supplies of ingredients meeting its standards in a cost-effective manner.

Market and Other Conditions. The quick service restaurant industry is affected by changes in international, national, regional, and local economic and political conditions, consumer preferences and perceptions (including food safety, health or dietary preferences and perceptions), discretionary spending patterns, consumer confidence, demographic trends, seasonality, weather events and other calamities, traffic patterns, the type, number and location of competing restaurants, enhanced governmental regulation, changes in capital market conditions that affect valuations of restaurant companies in general or the value of the Company’s stock in particular, and litigation relating to food quality, handling or nutritional content. Factors such as inflation, higher energy and/or fuel costs, food costs, the cost and/or availability of a qualified workforce and other labour issues, benefit costs, legal claims, legal and regulatory compliance (including environmental regulations), new or additional sales tax on the Company’s products, disruptions in its supply chain or changes in the price, availability and shipping costs of supplies, and utility and other operating costs, also affect restaurant operations and expenses and impact same-store sales and growth opportunities. The ability of the Company and its restaurant owners to finance new restaurant development, improvements and additions to existing restaurants, acquire and sell restaurants, and pursue other strategic initiatives (such as acquisitions and joint-ventures), are affected by economic conditions, including interest rates and other government policies impacting land and construction costs and the cost and availability of borrowed funds. In addition, unforeseen catastrophic or widespread events affecting the health and/or welfare of large numbers of people in the markets in which the Company’s restaurants are located and/or which otherwise cause a catastrophic loss or interruption in the Company’s ability to conduct its business, would affect its ability to maintain and/or increase sales and build new restaurants.

Unforeseen events, including war, armed conflict, terrorism and other international, regional or local instability or conflicts (including labour issues), embargos, trade barriers, public health issues (including tainted food, food-borne illness, food tampering and water supply or widespread/pandemic illness such as the avian, H1N1 or norovirus flu), and natural disasters such as flooding, earthquakes, hurricanes, or other adverse weather and climate conditions could disrupt the Company's operations, disrupt the operations of its restaurant owners, suppliers, or guests, or result in political or economic instability.

Reliance on Systems. If the network and information systems and other technology systems that are integral to retail operations at system restaurants and at the Company's manufacturing and distribution facilities, and at its office locations are damaged or interrupted from power outages, computer and telecommunications failures, computer worms, viruses, phishing and other destructive or disruptive software, security breaches, catastrophic events and improper or personal usage by employees, such an event could have an adverse impact on the Company and its guests, restaurant owners and employees, including a disruption of its operations, guest dissatisfaction or a loss of guests or revenues. The Company relies on third-party vendors to retain data, process transactions and provide certain services. In the event of failure in such third-party vendors' systems and processes, the Company could experience business interruptions or privacy and/or security breaches surrounding its data. The Company continues to enhance its integrated enterprise resource planning system. The introduction of new modules for inventory replenishment, sustainability, and business reporting and analysis will be implemented. There may be risks associated with adjusting to and supporting the new modules which may impact the Company's relations with its restaurant owners, vendors and suppliers and the conduct of its business generally. If the Company fails to comply with new and/or increasingly demanding laws and regulations regarding the protection of guest, supplier, vendor, restaurant owner, employee and/or business data, or if the Company (or a third-party with which it has entered into a strategic alliance) experiences a significant breach of guest, supplier, vendor, restaurant owner, employee or Company data, the Company's reputation could be damaged and result in lost sales, fines, lawsuits and diversion of management attention. The use of electronic payment systems and the Company's reloadable cash card makes it more susceptible to a risk of loss in connection with these issues, particularly with respect to an external security breach of guest information that the Company, or third parties under arrangement(s) with it, control.

Other Significant Risk Factors. The following factors could also cause the Company's actual results to differ from its expectations: fluctuations in the U.S. and Canadian dollar exchange rates; an inability to adequately protect the Company's intellectual property and trade secrets from infringement actions or unauthorized use by others (including in certain international markets that have uncertain or inconsistent laws and/or application with respect to intellectual property and contract rights); liabilities and losses associated with owning and leasing significant amounts of real estate; changes in its debt levels and a downgrade on its credit ratings; and certain anti-takeover provisions that may have the effect of delaying or preventing a change in control.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date and time made. Except as required by federal or provincial securities laws, the Company undertakes no obligation to publicly release any revisions to forward-looking statements, or to update them to reflect events or circumstances occurring after the date forward-looking statements are made, or to reflect the occurrence of unanticipated events.